

**Preservation of Affordable
Housing, Inc. and Subsidiaries**

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

December 31, 2021

Preservation of Affordable Housing, Inc. and Subsidiaries

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Independent Auditor's Report

To the Board of Directors
Preservation of Affordable Housing, Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Preservation of Affordable Housing, Inc. and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Preservation of Affordable Housing, Inc. and Subsidiaries as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain Subsidiaries, which statements reflect total assets of \$385,590,395 as of December 31, 2021 and total revenues of \$52,906,503 for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Subsidiaries, is based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audit 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 Consolidated Financial Statements section of our report. We are required to be independent of Preservation of Affordable Housing, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Preservation of Affordable Housing, Inc. and Subsidiaries' ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Report on *Summarized Comparative Information*

We have previously audited Preservation of Affordable Housing, Inc. and Subsidiaries' December 31, 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CohnReznick LLP

Boston, Massachusetts
June 30, 2022

Preservation of Affordable Housing, Inc. and Subsidiaries

**Consolidated Statements of Financial Position
December 31, 2021 and 2020**

Assets

	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 53,426,602	\$ 54,847,515
Restricted cash	9,842,159	3,285,278
Reserves	4,750,286	4,946,482
Restricted reserves	4,544,512	1,940,887
Accounts receivable		
Rental - tenants and subsidy	3,295,741	4,089,148
Grants receivable	1,287,500	1,515,000
Properties, net of allowance for doubtful accounts	459,644	407,918
Other	2,815,468	2,607,627
Escrow deposits	114,487,251	129,343,971
Tenant security deposits	4,367,019	4,188,732
Due from affiliates	379,534	-
Prepaid expenses	2,390,602	2,857,476
Predevelopment costs reimbursable, current	12,202,605	12,264,142
Total current assets	<u>214,248,923</u>	<u>222,294,176</u>
Other assets		
Notes receivable, net of discount	28,472,750	28,472,750
Investment in partnerships	1,276,946	1,305,610
Predevelopment costs reimbursable, net of current	3,648,279	2,615,895
Other assets	6,154,549	5,514,742
Total other assets	<u>39,552,524</u>	<u>37,908,997</u>
Fixed assets		
Land and buildings	1,386,654,418	1,246,825,979
Rehabilitation in progress	112,469,082	46,283,817
Furniture, equipment and leasehold improvements	25,312,034	22,800,524
Less: Accumulated depreciation	<u>(282,548,888)</u>	<u>(248,426,915)</u>
Total fixed assets	<u>1,241,886,646</u>	<u>1,067,483,405</u>
Total assets	<u><u>\$ 1,495,688,093</u></u>	<u><u>\$ 1,327,686,578</u></u>

Preservation of Affordable Housing, Inc. and Subsidiaries

**Consolidated Statements of Financial Position
December 31, 2021 and 2020**

Liabilities and Net Assets

	<u>2021</u>	<u>2020</u>
Liabilities		
Current liabilities		
Accounts payable	\$ 6,312,669	\$ 9,295,536
Accrued expenses	17,013,115	12,951,067
Accounts payable - development	33,903,707	17,169,804
Accrued interest	2,924,615	2,433,238
Mortgages payable - properties, current	53,003,146	51,911,404
Construction loans - properties, current	63,676,295	27,540,435
Loan payable, current	11,134,637	6,245,774
Line of credit, current	2,336,722	2,076,722
Deferred liabilities, current	31,742	32,419
Tenant security deposits	3,979,796	3,872,731
Prepaid revenue	2,062,833	1,817,863
Due to affiliates	258,128	367,678
Total current liabilities	<u>196,637,405</u>	<u>135,714,671</u>
Long-term liabilities		
Loans and notes payable, net of current	34,553,333	37,981,839
Line of credit, net of current	2,313,256	751,929
Accrued interest payable - notes payable	1,119,294	957,290
Notes payable and accrued interest - properties	334,084,616	295,901,778
Mortgages payable - properties, net of current	550,814,829	541,165,837
Construction loans - properties, net of current	79,119,792	27,120,972
Interest rate swap	1,939,203	997,934
Other long-term liabilities	193,222	-
Deferred liabilities, net of current	312,947	421,913
Deferred income	19,365,573	11,790,184
Total long-term liabilities	<u>1,023,816,065</u>	<u>917,089,676</u>
Total liabilities	<u>1,220,453,470</u>	<u>1,052,804,347</u>
Commitments and contingencies	-	-
Net assets		
Net assets without donor restrictions controlling	43,448,233	44,465,265
Net assets without donor restrictions noncontrolling	224,891,705	222,764,498
Total net assets without donor restrictions	<u>268,339,938</u>	<u>267,229,763</u>
Net assets with donor restrictions	6,894,685	7,652,468
Total net assets	<u>275,234,623</u>	<u>274,882,231</u>
Total liabilities and net assets	<u>\$ 1,495,688,093</u>	<u>\$ 1,327,686,578</u>

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Activities
Year ended December 31, 2021 (with summarized comparative totals for 2020)

	Without donor restrictions	With donor restrictions	Total 2021	Total 2020
Support and revenue				
Rental income	\$ 166,436,301	\$ -	\$ 166,436,301	\$ 156,844,937
Grant income	886,206	674,940	1,561,146	3,335,068
Grant income, capital investments	3,173,467	-	3,173,467	151,581
Contribution income	33,570	-	33,570	25,000
Developer fee revenue	2,497,207	-	2,497,207	4,267,811
Property management and related fees	1,447,035	-	1,447,035	1,336,396
Reimbursable salaries and expenses	784,551	-	784,551	889,267
Gain on debt forgiveness	21,682,288	-	21,682,288	574,311
Interest income	591,435	-	591,435	902,219
Loss on investment in partnership	(120,185)	-	(120,185)	(93,710)
Investment loss	(2,189)	-	(2,189)	(1,781)
Other income	4,001,654	78,811	4,080,465	4,466,699
	<u>201,411,340</u>	<u>753,751</u>	<u>202,165,091</u>	<u>172,697,798</u>
Net assets released from restrictions	1,511,534	(1,511,534)	-	-
Total support and revenue	<u>202,922,874</u>	<u>(757,783)</u>	<u>202,165,091</u>	<u>172,697,798</u>
Expenses				
Personnel	19,844,501	-	19,844,501	17,477,030
Development expense	2,749,251	-	2,749,251	2,979,008
Professional services	1,612,565	-	1,612,565	1,191,234
Contributions and grants made	61,050	-	61,050	123,894
Rental and utilities	1,451,231	-	1,451,231	1,270,421
Taxes and insurance	642,209	-	642,209	441,849
Travel and lodging	351,546	-	351,546	313,760
Interest expense	2,041,704	-	2,041,704	1,856,114
Reimbursable salaries and expenses	4,335,140	-	4,335,140	889,267
Property operations	103,817,119	-	103,817,119	93,956,772
Property mortgage interest	61,325,123	-	61,325,123	39,652,610
Impairment loss	2,487,138	-	2,487,138	-
Office and administration	1,549,042	-	1,549,042	1,236,011
Depreciation and amortization	33,649,204	-	33,649,204	31,786,108
Community impact	3,025,790	-	3,025,790	2,122,626
Bad debt expense	-	-	-	232,676
Miscellaneous	113,047	-	113,047	93,822
Total expenses	<u>239,055,660</u>	<u>-</u>	<u>239,055,660</u>	<u>195,623,202</u>
Excess of expenses over revenue	<u>(36,132,786)</u>	<u>(757,783)</u>	<u>(36,890,569)</u>	<u>(22,925,404)</u>
Excess of expenses over revenue attributable to noncontrolling interests	<u>(22,953,525)</u>	<u>-</u>	<u>(22,953,525)</u>	<u>(17,963,895)</u>
Excess of expenses over revenue attributable to the Company	<u>\$ (13,179,261)</u>	<u>\$ (757,783)</u>	<u>\$ (13,937,044)</u>	<u>\$ (4,961,509)</u>

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Functional Expenses
Year ended December 31, 2021 (with summarized comparative totals for 2020)

	2021			2020	
	Real estate ownership	Management and general	Fundraising	Total	Total
Personnel	\$ 18,439,293	\$ 1,331,890	\$ 73,318	\$ 19,844,501	\$ 17,477,030
Development expense	2,749,251	-	-	2,749,251	2,979,008
Professional services	1,612,565	-	-	1,612,565	1,191,234
Contributions and grants made	61,050	-	-	61,050	123,894
Rental and utilities	1,348,468	97,401	5,362	1,451,231	1,270,421
Taxes and insurance	596,733	43,103	2,373	642,209	441,849
Travel and lodging	327,952	23,594	-	351,546	313,760
Interest expense	2,041,704	-	-	2,041,704	1,856,114
Reimbursable salaries and expenses	4,335,140	-	-	4,335,140	889,267
Property operations	103,817,119	-	-	103,817,119	93,956,772
Property mortgage interest	61,325,123	-	-	61,325,123	39,652,610
Impairment loss	2,487,138	-	-	2,487,138	-
Office and administration	1,439,353	103,966	5,723	1,549,042	1,236,011
Depreciation and amortization	33,649,204	-	-	33,649,204	31,786,108
Community impact	2,951,849	-	73,941	3,025,790	2,122,626
Bad debt expense	-	-	-	-	232,676
Miscellaneous	105,042	7,587	418	113,047	93,822
	<u>\$ 237,286,984</u>	<u>\$ 1,607,541</u>	<u>\$ 161,135</u>	<u>\$ 239,055,660</u>	<u>\$ 195,623,202</u>

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Consolidated Statements of Changes in Net Assets
Years ended December 31, 2021 and 2020**

	Net assets without donor restrictions			Net assets with donor restrictions	Net assets
	Controlling	Noncontrolling	Total	Controlling	Total
Beginning balance, January 1, 2020	\$ 50,353,846	\$ 211,655,485	\$ 262,009,331	\$ 5,632,600	\$ 267,641,931
Acquisition of ownership interest	2,981,277	-	2,981,277	-	2,981,277
Transfer of limited partnership interest to controlling	(1,888,481)	1,888,481	-	-	-
Capital contributions from noncontrolling interests	-	28,155,499	28,155,499	-	28,155,499
Distributions to noncontrolling interests	-	(971,072)	(971,072)	-	(971,072)
Excess of expenses over revenue attributable to noncontrolling interests	-	(17,963,895)	(17,963,895)	-	(17,963,895)
Excess of expenses over revenue attributable to the Company	(6,981,377)	-	(6,981,377)	2,019,868	(4,961,509)
Ending balance, December 31, 2020	44,465,265	222,764,498	267,229,763	7,652,468	274,882,231
Transfer of limited partnership interest to controlling	12,162,229	(12,162,229)	-	-	-
Capital contributions from noncontrolling interests	-	38,215,918	38,215,918	-	38,215,918
Distributions to noncontrolling interests	-	(793,339)	(793,339)	-	(793,339)
Noncontrolling interests' syndication costs	-	(179,618)	(179,618)	-	(179,618)
Excess of expenses over revenue attributable to noncontrolling interests	-	(22,953,525)	(22,953,525)	-	(22,953,525)
Excess of expenses over revenue attributable to the Company	(13,179,261)	-	(13,179,261)	(757,783)	(13,937,044)
Ending balance, December 31, 2021	<u>\$ 43,448,233</u>	<u>\$ 224,891,705</u>	<u>\$ 268,339,938</u>	<u>\$ 6,894,685</u>	<u>\$ 275,234,623</u>

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Excess of expenses over revenue	\$ (36,890,569)	\$ (22,925,404)
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities		
Loss on investment in partnership	120,185	93,710
Investment loss	2,189	1,781
Depreciation and amortization	33,649,204	31,786,109
Effective interest adjustment	1,919,375	1,579,890
Change in fair market value of interest rate swaps	1,055,133	(22,787)
Impairment loss	2,487,138	-
Forgiveness of debt	(21,682,288)	(771,946)
Bad debt expense	2,824,888	-
Changes in		
Accounts receivable	326,139	(3,423,549)
Prepaid expenses and other assets	558,494	(1,124,939)
Predevelopment costs reimbursable	(970,847)	(122,087)
Accounts payable and accrued expenses	963,857	3,169,420
Prepaid and deferred revenues	16,254,386	2,907,172
Tenant security deposits	107,065	265,615
Due to affiliates, net	(3,671,862)	(904,814)
	<u>(2,947,513)</u>	<u>10,508,171</u>
Net cash (used in) provided by operating activities		
Cash flows from investing activities		
Escrow deposits and restricted reserves, net	14,856,720	(36,752,737)
Advances on notes receivable and accrued interest	(11,115,792)	(35,372,713)
Repayments of notes receivable and accrued interest	13,676,533	11,521,733
Acquisition of assets	(339,200)	-
Contributions to partnerships	-	(73,941)
Cash paid for fixed assets	(202,224,235)	(83,277,965)
	<u>(185,145,974)</u>	<u>(143,955,623)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from line of credit	4,400,000	330,000
Payments on line of credit	(2,590,000)	(1,293,831)
Proceeds from notes and mortgages payable	221,498,225	206,913,689
Payment on notes and mortgages payable	(58,647,998)	(76,030,857)
Deferred income	-	(3,339,423)
Debt issuance costs paid	(5,709,854)	(2,385,924)
Syndication costs and tax credit fees paid	(557,781)	(253,343)
Distributions paid to minority partners	(267,072)	(971,072)
Distributions to members	(526,267)	-
Minority partners' capital contributions received	38,215,918	28,155,499
	<u>195,815,171</u>	<u>151,124,738</u>
Net cash provided by financing activities		

Preservation of Affordable Housing, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net increase in cash, cash equivalents, and restricted cash	\$ 7,721,684	\$ 17,677,286
Cash, cash equivalents, and restricted cash, beginning of year	<u>69,208,894</u>	<u>51,531,608</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 76,930,578</u>	<u>\$ 69,208,894</u>
Supplemental disclosure of cash flow activities		
Cash paid for interest	<u>\$ 35,904,087</u>	<u>\$ 29,657,334</u>
Schedule of noncash investing activities		
Fixed asset costs incurred	\$ 334,187,430	\$ 83,001,660
Fixed assets assets sold in connection with common control transaction	(105,291,953)	(15,366,867)
Accounts payable - development, beginning of year	89,399,879	105,048,632
Accounts payable - development, end of year	<u>(116,071,121)</u>	<u>(89,405,460)</u>
Cash paid for fixed assets	<u>\$ 202,224,235</u>	<u>\$ 83,277,965</u>
Deferred liability included in residual receipts escrow	<u>\$ 405,883</u>	<u>\$ 334,947</u>
Schedule of noncash financing activities		
Increase (decrease) in liabilities due to interest rate swap	<u>\$ 1,055,133</u>	<u>\$ (22,787)</u>

See Notes to Consolidated Financial Statements.

Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements Years ended December 31, 2021 and 2020

Note 1 - Organization

Preservation of Affordable Housing, Inc., ("POAH" or the "Company") was created to do exactly what its name suggests, preserve affordable housing stock. The Company is dedicated to the acquisition of and long-term ownership and operation of existing affordable housing properties.

The Company conducts its development and property management business through Preservation of Affordable Housing LLC ("POAH LLC") and its wholly owned subsidiary, POAH Communities LLC ("POAHC LLC"). The Company is located in Boston, Massachusetts, Kansas City, Missouri, Chicago, Illinois, Washington, DC and Cincinnati, OH.

At December 31, 2021, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 159 entities that own, in the aggregate 12,582 units of affordable housing. POAH LLC is the managing member of POAH/Trinity Loan Holding Company, LLC ("PTLHC") and the sole member of POAH Woodlawn Station Master Tenant, LLC ("PWSMT"). At December 31, 2020, POAH or affiliates of POAH hold General Partner, Managing Member or ownership interests in 147 entities that own, in the aggregate 12,140 units of affordable housing.

Note 2 - Summary of significant accounting policies

Consolidation

The accompanying consolidated financial statements include the assets, liabilities, net assets, and financial activities of the Company and its core operating subsidiaries, POAH LLC, POAHC LLC, PTLHC and PWSMT. The statements include those 78 entities in which the Company has a 100% ownership interest ("Wholly Owned"). Additionally, in accordance with ASC-810-20, "Control of Partnership and Similar Entities", as described below, the statements include the assets, liabilities, net assets and financial activities of 74 entities in which POAH or affiliates serve as General Partner or Managing Member.

The accompanying 2021 and 2020 consolidated financial statements include the assets, liabilities, equity and financial activities of those limited partnerships and limited liability companies where the Company generally owns a .01 - 1% general partner or managing member interest and represent all properties in which POAH or affiliates act as general partner or managing member and in which third party investors have substantial economic interests ("LP"). All significant inter-company balances and transactions between the Company and the entities have been eliminated in consolidation. Net assets without donor restricted noncontrolling on the accompanying consolidated financial statements reflects the proportional share of equity and operations that is not attributable to the Company's interest in these entities. The limited partnerships and limited liability companies are detailed in note 16.

Net asset classification

The company reports information regarding its financial position and activities according to two classes of net assets: Without donor restrictions and with donor restrictions. They are described as follows:

Net assets without donor restrictions – net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions.

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

Preservation of Affordable Housing, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements Years ended December 31, 2021 and 2020

met by the passage of time, purpose, or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

Cash and cash equivalents

The company considers all highly liquid investments purchased with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates market value.

Depreciation

Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated asset lives. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized.

Debt issuance costs

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

Tax credit and in-place leases

Tax credit compliance monitoring fees are costs related to obtaining low-income housing tax credits, which are being amortized over the mandatory 15-year compliance period. In-place leases are amortized over one year. Unamortized tax credit fees and in-place leases are included in other assets on the consolidated statement of financial position. Amortization expense for the years ended December 31, 2021 and 2020 totaled \$311,154 and \$968,341, respectively, and accumulated amortization totaled \$3,250,712 and \$3,609,256, respectively.

Estimated amortization expense for each of the ensuing five years through December 31, 2026 is as follows:

<u>Years</u>	<u>Wholly Owned</u>	<u>LP</u>	<u>Total</u>
2022	\$ 22,073	\$ 292,499	\$ 314,572
2023	19,624	285,017	304,641
2024	13,792	273,426	287,218
2025	13,792	270,275	284,067
2026	11,975	214,412	226,387

Accounts receivable

Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change.

Grants receivable

Grants receivable represents grants committed but not yet received or costs incurred on cost reimbursable grants that will be billed after December 31, 2021. As of December 31, 2021,

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Notes to the Consolidated Financial Statements Years ended December 31, 2021 and 2020

management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Predevelopment costs reimbursable

The Company carries all third-party costs associated with the potential acquisition of investment properties as predevelopment costs reimbursable. Costs associated with potential acquisitions that are not deemed probable to be recovered are expensed.

Noncontrolling interests

Noncontrolling interest in POAH LLC represents the proportional share of equity and operations of PTLHC that is not attributable to POAH LLC's interest in the entity. At December 31, 2021 and 2020, the noncontrolling member's interest totals \$448,779 and \$886,618, respectively. Noncontrolling interest in the project limited partnerships and limited liability companies represents various investor limited partners' and members' proportionate share of equity in the project limited partnerships and limited liability companies. At December 31, 2021 and 2020, the noncontrolling partners'/members' interest in the project limited partnerships and limited liability companies were approximately 99.99% and total \$237,491,784 and \$234,926,738, respectively. Income is allocated to noncontrolling interest based on the noncontrolling partners'/members' ownership. At both December 31, 2021 and 2020, eliminations related to the noncontrolling interests total \$13,048,858.

Investment in partnerships

The Company's investment in limited partnerships are accounted for under the equity method of accounting as the Company does not exercise control or meet the requirements for consolidation. Amounts contributed are carried at cost, adjusted for the Company's share of undistributed earnings or losses.

Tax status

The Company is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3) and did not have any unrelated business income for the years ended December 31, 2021 and 2020. No provision or benefit for income taxes has been included in these consolidated financial statements for POAH LLC, POAHC LLC, PTLHC LLC, PWSMT, and the entities controlled by POAH or an affiliate since the limited liability companies are either disregarded entities of POAH and thus POAH is treated for tax purposes as having earned all of the income and incurred all of the losses directly of those limited liability companies, or the limited liabilities companies are treated as partnerships and thus all of their net taxable profit or loss is passed through to the partners, including POAH. The Company is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2018 remain open.

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 certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statement of functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Therefore, expenses require allocation on a reasonable

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basis that is consistently applied. Expenses are tracked using direct identification methodology of charging specific expenses as either program, management and general, or fundraising. The financial statement reports certain categories of expense that are attributable to one or more programs or supporting functions. Those expenses have been allocated based on estimates of time and effort.

Accounting for the impairment of long-lived assets

The Company reviews its rental 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, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, 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. During the year ended December 31, 2021, impairment losses were recorded on two properties in the total amount of \$2,487,138. No impairment loss has been recognized during the year ended December 31, 2020.

Revenue recognition

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the limited partnerships and the tenants of the properties are operating leases.

Rental income from leases on commercial space is recognized on a straight-line basis over the period of the commercial lease.

Revenue from development fees, property management and related fees, and other contractual services is recognized when control of the promised service is transferred to the Company's customers, in an amount that depicts the consideration the Company expects to be entitled to in exchange for those services. Revenue is not recognized unless collectability under the contract is considered probable, the contract has commercial substance and the contract has been approved. Additionally, the contract must contain payment terms, as well as the rights and commitments of both parties.

Contribution revenue is recognized when an unconditional promise to give a financial asset is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

See Note 9 for a further discussion of the Company's revenues.

Derivatives

Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Effective January 1, 2010, this guidance was codified into ASC-815-10 "Derivatives and Hedging." The Company uses derivatives to manage risks related to interest rate movements. Interest rate swap contracts designated and qualifying as cash flow hedges are reported at fair value.

Fair value measurement

The Financial Accounting Standards Board's ("FASB") guidance on fair value measurements requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants. FASB's guidance established a three-level valuation hierarchy based upon observable and non-observable inputs. The hierarchy gives the

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highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

Fair value is the price the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. Preference is given to observable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based 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. FASB's guidance requires the use of observable data if such data is available without undue costs and effort.

The fair value hierarchy under the guidance is as follows:

- Level 1 - quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 - quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and
- Level 3 – prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Summarized comparative information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Company's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

Reclassifications

Certain items from the prior year financials have been reclassified to conform to the current year presentation.

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Note 3 - Liquidity and availability

Financial assets available for general expenditure within one year consist of the following:

	Consolidated	Core Operating Companies
Cash, cash equivalents, and restricted cash	\$ 63,268,761	\$ 21,965,920
Grants and pledges receivable	1,287,500	1,287,500
Accounts receivable	6,570,853	7,801,084
Development fee receivable - affiliates	-	9,685,027
Undrawn lines of credit	8,982,861	8,982,861
Total financial assets	80,109,975	49,722,392
Less amounts not available to be used within one year		
Restricted by donor with time or purpose restrictions	(11,129,659)	(11,129,659)
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 68,980,316</u>	<u>\$ 38,592,733</u>

The Company regularly monitors liquidity required to meet its operating needs and other contractual commitments. In addition to financial assets available to meet general expenditures over the next 12 months, the Company operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The Company has various sources of liquidity at its disposal including cash, a steady revenue stream from its developer fees, notes receivable, rental income, and various annual service fees.

Note 4 - Notes receivable

The Company, as the sponsor of the entities that own the affordable housing developments, holds various notes receivable from the entities. Certain notes were contributed to the Company by the Department of Housing and Urban Development (“HUD”) in connection with the Mark-to-Market restructuring. The notes bear interest at various rates, are generally secured but subordinate to the first mortgages on the properties and are payable from available cash flow. The notes, at the time of receipt by the Company, were recorded at a discount rate reflecting the present value of future projected cash flows. The discount rate was 17% for notes received prior to 2005 and 20% for notes received thereafter. The interest income that is received by the Company is recorded based on the amortization schedules at the discounted note values. Payments received in excess of the amortization schedules are recorded to income in the year of the excess payment.

Other loans have been originated by the Company and were funded by reserves or represent seller financing provided to the affordable housing development. These notes have been recorded simultaneously with a deferred gain (See Note 17).

Management has established an allowance for amounts deemed uncollectible in the amount of \$14,995,088 and \$5,393,386, respectively, as of December 31, 2021 and 2020.

A summary of the notes receivable and accrued interest is as follows:

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Notes to the Consolidated Financial Statements Years ended December 31, 2021 and 2020

Gains from the excess payments over the loan principal and accretion of market discounts is \$260,472 and \$90,386, respectively, for the years ended December 31, 2021 and 2020. The effects of these transactions have been eliminated in consolidation each year.

In 2014, a change was implemented relating to properties purchased and controlled by entities wholly owned by the Company and subsequently sold to limited partnerships (“LP’s”) where the Company retains a general partner or controlling interest. Under common control accounting guidance, the acquired assets on the acquiring entity’s books are recorded at the net book value as reflected on the selling entity’s books at the date of the acquisition and not at the fair value as determined by an appraisal. The net book value is typically less than the fair value purchase price of the acquired assets.

In prior years the fair value gain on sale was recognized by the Company or POAH LLC as a seller note receivable and related deferred gain. The change in guidance, effective for the year ended December 31, 2014, precludes recording these notes and deferred gain on the Company’s consolidated statement of financial position or POAH LLC’s balance sheet.

At December 31, 2021 and 2020, notes receivable totaling \$88,869,485 and \$26,734,909, respectively, are assets of the Company, however, they are not reflected as a component of notes receivable on the consolidated statement of financial position because they represent notes receivable related to acquisitions under common control. The Company records cash payments on such notes receivable and interest income as a component of equity. At December 31, 2021 and 2020, interest income in the amount of \$261,546 and \$281,098, respectively, is recorded as a component of equity, and is eliminated in consolidation. At December 31, 2021 and 2020, principal payments in the amount of \$747,799 and \$594,201, respectively, is recorded as a component of equity, and is eliminated in consolidation.

A summary of these common control notes receivable and accrued interest at year end is as follows:

	Balance at December 31, 2021	Balance at December 31, 2020
Resale loans, bearing interest from 1.95% to 7%, generally payable annually from the respective property’s net cash flow, if any, to be repaid in full on various maturity dates through 2073.	\$ 87,376,706	\$ 24,848,760
Reserve loans, bearing interest from 3.2% to 5%, generally payable annually from the respective property’s net cash flow, if any, to be repaid in full on various maturity dates through 2055.	1,492,779	1,886,149
Accrued interest	145,082	196,199
	89,014,567	26,931,108
Common control assets not recorded	(88,869,485)	(26,734,909)
Eliminated in consolidation	(145,082)	(196,199)
	\$ -	\$ -

Note 5 - Loans and notes payable

Calvert Social Investment Foundation

In December 2015, the Company entered into an \$8,000,000 loan commitment with Calvert Social Investment Foundation (“Calvert”) for the purpose of furthering its activities as a non-profit

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organization engaged in community economic development. Interest accrues at the rate of 4.5% per annum. Payments of interest are due quarterly in arrears with the first principal payment with any accrued and unpaid interest due July 31, 2018 and the second principal payment with any accrued and unpaid interest due December 31, 2022. In June 2018, the maturity of the first principal payment was extended to July 31, 2019. In September 2019, the maturity of the first principal payment was extended to November 30, 2019. On November 30, 2019, the first principal amount was repaid in full as part of the POAH LLC credit facility with Calvert. During the years ended December 31, 2021 and 2020, interest expense of \$182,500 and \$183,000, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$4,000,000, and accrued interest is \$0.

Local Initiative Support Corporation

In July 2012, the Company entered into a \$5,000,000 line of credit loan with Local Initiative Support Corporation ("LISC") for the purpose of funding predevelopment costs. The line is collateralized by the mortgage note receivable from Hawthorne. Interest accrues at the rate of 6% per annum and is due monthly. Disbursements are made on a Project basis and principal and any accrued and unpaid interest is due for each Project at the earliest to occur of closing of construction financing, refinancing, the eighteen month anniversary following disbursement of funds or the maturity date of October 2017. In May 2017, the line was increased to \$6,500,000 and maturity date was extended to October 2022. In October 2021, the line of credit was closed and the outstanding balance was transferred to POAH LLC. During the years ended December 31, 2021 and 2020, interest expense of \$50,198 and \$168,993, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$0 and \$1,115,500, respectively, and accrued interest is \$0.

Low Income Investment Fund

In June 2015, the Company entered into a \$5,000,000 loan commitment with Low Income Investment Fund (LIIF) for the purpose of funding predevelopment costs. The loan was collateralized by the mortgage note receivable from Blackstone. Interest accrued at the rate equal to the greater of the 5-year United States Treasury Rate plus 500 basis points (6.26% and 5.36% at December 31, 2021 and 2020, respectively) or 6.25% per annum. Payments of interest were due monthly and payments of principal and unpaid interest were due at the earlier of the closing and funding of any construction or permanent financing of the project loan or five-year anniversary of the first day of the first full month following the closing date. In April 2020, the maturity date was extended to October 1, 2020 and the interest rate was set at 6.6%. In September 2020, the maturity date was extended to January 1, 2021. In October 2020, the loan was paid off. During the years ended December 31, 2021 and 2020, interest expense of \$0 and \$122,596, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance was \$0, and accrued interest was \$0.

Boston Private Bank & Trust Company

In June 2018, the Company entered into a \$5,000,000 loan commitment with Boston Private Bank & Trust Company. The loan is collateralized by the mortgage note receivable from Kenmore. The loan bears interest at 4.97%, requires monthly principal and interest payments on a fifteen-year amortization, has a ten-year term and matures on June 1, 2028. In April 2022, the loan was paid off. During the years ended December 31, 2021 and 2020, interest expense of \$217,588 and \$230,934, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$4,176,832 and \$4,436,052, respectively, and accrued interest is \$0.

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The Model Group

On May 31, 2018, the Company entered into a \$1,050,000 loan agreement with The Model Group for the purpose of funding the purchase of general partner interests in 18 properties and management contracts. Interest accrued at 2.18%. Annual payments of \$350,000 of principal and accrued interest were made each May 31st through maturity, May 31, 2021. In June 2021, the loan was paid off. During the years ended December 31, 2021 and 2020, interest expense of \$2,543 and \$10,809, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance was \$0 and \$350,000, respectively, and accrued interest was \$0 and \$5,087, respectively.

MHIC CMF - Whittier

In January 2019, the Company entered into a \$2,000,000 loan agreement with MHIC CMF Affordable Housing Fund I LLC for the purpose of funding predevelopment costs related to the Whittier Phase 2 project. Interest accrued at 4% and required monthly interest payments. The outstanding principal and accrued interest were due at maturity, July 31, 2020. The loan was collateralized by the mortgage note receivable from Peters Grove. In July 2020, the loan was paid off. During the years ended December 31, 2021 and 2020, interest expense of \$0 and \$36,253, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance was \$0 and accrued interest was \$0.

Arc Chicago, LLC

In March 2020, the Company entered into a \$5,000,000 loan agreement with Arc Chicago, LLC for the purpose of acquisition and preservation properties in communities in Chicago and surrounding suburbs that have experienced historic disinvestment and/or where residents are at risk of displacement due to gentrification. Interest accrues at 5.00% per annum, commencing on July 1, 2020. Payments of interest are due on the first day of each quarter, and payments of principal are due in three installments on April 1, 2028, April 1, 2029, and April 1, 2030. Interest payments for 2020 have been deferred and will be due at the time of the final principal payment. In July 2021, the loan was increased to \$6,000,000. In April 2022, \$3,000,000 was repaid on the loan. During the years ended December 31, 2021 and 2020, interest expense of \$243,406 and \$109,771, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$6,000,000 and \$3,770,000, respectively, and accrued interest is \$185,401 and \$109,771, respectively.

Community Economic Development Assistance Corporation

In September 2020, the Company entered into a \$500,000 predevelopment loan agreement with Community Economic Development Assistance Corporation for the purpose of funding predevelopment related costs related to the development of 950 Falmouth Road in Mashpee, MA. Interest accrues at 3% per annum. All unpaid principal and accrued interest are due at the time of the project construction closing. In April 2022, the loan was repaid. During the years ended December 31, 2021 and 2020, interest expense of \$7,484 and \$323, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$300,000 and \$242,251, respectively, and accrued interest is \$7,807 and \$323, respectively.

Greater Cincinnati Foundation

In December 2020, the Company entered into a \$1,000,000 loan agreement with The Greater Cincinnati Foundation for the purpose of acquiring and preserving 100 or more units of affordable housing in greater Cincinnati. The loan is revolving until December 31, 2027 and interest accrues at 2.50% per annum. Interest payments are due annually in arrears beginning on December 31, 2021. Principal payments are due in consecutive equal annual payments beginning on December 31, 2028

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with all unpaid principal and interest due on December 31, 2030. During the years ended December 31, 2021 and 2020, interest expense of \$25,000 and \$1,233, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$1,000,000, and accrued interest is \$1,233.

Merchants Bank of Indiana

In June 2021, the Company entered into a \$5,250,000 loan agreement with Merchants Bank of Indiana for the purpose of funding acquisition and redevelopment of Island Terrace in Chicago, Illinois. The note accrues interest equal to the Floating Interest Rate with a floor of 3.75% (3.75% at December 31, 2021) and is payable monthly. All unpaid principal and accrued interest are due on the maturity date which is the earlier of (i) July 10, 2024, or (ii) by default. The loan proceeds have been loaned to POAH Island Terrace, LLC. During the year ended December 31, 2021, interest expense of \$100,625 was recorded on the consolidated statement of activities. At December 31, 2021, the outstanding principal balance is \$5,250,000 and accrued interest is \$16,953.

BlueHub Loan Fund - energy conservation

In December 2014, POAH LLC entered into a \$2,000,000 line of credit agreement with BlueHub Loan Fund (formerly known as Boston Community Loan Fund Inc.) for the purpose of funding energy conservation improvements. Interest accrued at 5% and was payable monthly. Disbursements were made on a Project basis and principal and any accrued and unpaid interest was due for each Project five years after the issuance of a term note. Funds could be drawn until February 28, 2017. In April 2020, the loan was paid off. During the years ended December 31, 2021 and 2020, interest expense of \$0 and \$220, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance was \$0, and accrued interest was \$0.

BlueHub Loan Fund - property acquisition

In June 2019, POAH LLC entered into a \$880,000 loan agreement with BlueHub Loan Fund for the purpose of funding the acquisition of a property in Chicago, IL. Interest accrues at 3.50% per annum. Payments of interest are due monthly and are funded by loan proceeds through maturity, the earlier of (i) the date of closing of any construction loan or any other financing or equity source which is used to finance the project's development and/or operation of the project, and (ii) June 18, 2022. The loan proceeds have been loaned to POAH Roseland East 110th Place Hold Limited Partnership. In October 2021, the loan was paid off. During the years ended December 31, 2021 and 2020, interest expense of \$23,155 and \$29,655, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal is \$0 and \$846,996, respectively, and accrued interest is \$0 and \$2,553, respectively.

Life Insurance Community Investment Initiative - Briston Arms

In July 2015, POAH LLC entered into a \$2,407,000 loan agreement with Life Insurance Community Investment Initiative, LLC ("Life initiative") for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 7%, compounded annually. Payments of principal and accrued interest are due annually in the amount of 80% of deferred development fee payments received from Briston Arms. All unpaid principal and accrued interest are due on the maturity date of July 6, 2023. The loan proceeds have been loaned to Briston Arms. During the years ended December 31, 2021 and 2020, interest expense of \$79,006 and \$82,706, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$1,113,190, and \$1,063,557, respectively, and accrued interest is \$79,006 and \$49,633, respectively.

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Cambridge Affordable Housing Trust - Briston Arms

In July 2015, POAH LLC entered into a \$2,400,000 loan agreement with Cambridge Affordable Housing Trust for the purpose of funding development costs for Briston Arms, a property in Cambridge, MA, being developed by POAH LLC. Interest accrues at 4%. Payments of principal and accrued interest are due annually in an amount equal to the EV Income Payments as defined in the agreement. After full repayment of the Life Initiatives note, all unpaid principal and accrued interest is due on the maturity date of June 30, 2035. The loan proceeds have been loaned to Briston Arms. During the years ended December 31, 2021 and 2020, interest expense of \$96,000 was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$2,400,000 and accrued interest is \$623,733 and \$527,733, respectively.

Life Insurance Community Investment Initiative - revolving line of credit

In June 2019, POAH LLC entered into a \$1,000,000 revolving line of credit with Life Initiative for the purpose of funding predevelopment costs for properties in Massachusetts. Interest accrues at 5.5% and is due quarterly. Payments of principal are due at the closing of the acquisition of the properties. All unpaid principal and accrued interest are due on the maturity date of May 29, 2024. Disbursements that are repaid can be reborrowed, assuming loan criteria are met. The line is collateralized by the mortgage note receivable from Eastgate. In April 2020, the line of credit was increased to \$2,000,000. During the years ended December 31, 2021 and 2020, interest expense of \$80,616 and \$59,159, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$1,973,809 and \$861,353, respectively, and accrued interest is \$27,140 and \$16,389, respectively.

Ohio Housing Finance Agency

In May 2018, various notes payable were assigned to POAH LLC as part of a portfolio acquisition. The six notes, totaling \$2,157,996 with the Ohio Housing Finance Agency ("OHFA") were funded from Housing Development Assistance Program ("HDAP") funds for the purpose of funding development costs for various properties in Cincinnati, OH. Interest accrues at 2% per annum. Payments of principal and accrued interest are due annually in an amount equal to payments of 50% of the cash flow, as defined in the agreement, from the respective properties. The maturity dates range from April 2024 to December 2042. During the years ended December 31, 2021 and 2020, interest expense of \$36,631 and \$36,731, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal is \$1,831,544 and accrued interest is \$416,555 and \$379,924, respectively.

MHIC CMF - Bedford Village

In June 2019, POAH LLC entered into a \$528,000 loan agreement with MHIC CMF Affordable Housing Fund LLC for the purpose of funding development costs at Bedford Village in Bedford, MA. Interest accrues at 4% per annum. Payments are due annually subject to the property's cash flow, and any unpaid principal and accrued interest are due at maturity, June 1, 2027. During July 2019, loan proceeds of \$475,200 were received. The loan proceeds have been loaned to Bedford Village Preservation Associates Limited Partnership. In May 2021, the loan was paid off. During the years ended December 31, 2021 and 2020, interest expense of \$6,970 and \$19,008, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal is \$0 and \$475,200, respectively, and accrued interest is \$0 and \$28,512, respectively.

Calvert Social Investment Foundation

In December 2019, POAH LLC entered into a \$15,000,000 syndicated revolving credit facility with Calvert Social Investment Foundation for the purpose of funding its development and acquisition activities. Interest accrues at the rate of the Five-Year Constant Maturity US Treasury Rate plus 2.5%

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(3.76% and 2.86% at December 31, 2021 and 2020, respectively). Payments of interest are due quarterly in arrears with all unpaid principal with any accrued and unpaid interest due on the maturity date of December 31, 2024. For the years ended December 31, 2021 and 2020, interest expense of \$281,963 and \$274,461, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$6,750,000, and accrued interest is \$0.

In June 2020, POAH LLC entered into a \$4,000,000 loan agreement with Calvert Social Investment Foundation for the purpose of bridging the syndicated revolving credit facility. Interest accrues at the rate of 4%. Payments of interest are due quarterly in arrears with all unpaid principal with any accrued and unpaid interest due on the maturity date of June 11, 2021. In June 2021, the maturity date was extended to December 11, 2021 and in November 2021, the maturity date was extended to March 11, 2022. In March 2022, the maturity date was extended to June 11, 2022. On May 31, 2022, the loan was paid off. For the years ended December 31, 2021 and 2020, interest expense of \$162,222 and \$55,333, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$4,000,000, and accrued interest is \$0.

The Prudential Insurance Company of America

In July 2020, POAH LLC entered into a \$5,000,000 loan agreement with The Prudential Insurance Company of America. POAH LLC used the proceeds of the Loan to make a loan to POAH Support Corporation 2, an entity related to POAH INC, who will then use those proceeds as qualified equity investments into various community development entities that will then use the investments to fund a qualified low income community investment to POAH DD Sugar Hill, LLC, which operates a property in Detroit, MI. Interest accrues at 4.25% per annum. Payments of interest only are due monthly commencing on August 1, 2020 to July 9, 2022. Thereafter payments of principal and interest are due monthly on a twenty-year amortization. Any outstanding balances will be made on the maturity date of January 9, 2028. For the years ended December 31, 2021 and 2020, interest expense of \$212,500 and \$101,528, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$5,000,000 and accrued interest is \$0 and \$17,708, respectively.

Community Ventures 2011, LLC

In April 2021, POAH LLC entered into a \$200,000 loan agreement with Community Ventures 2011, LLC for the purpose of funding predevelopment costs at Levy House in Chicago, IL. The loan bears no interest and matures on the earliest to occur of (i) the date of closing and initial disbursement of the first mortgage loan for the Project, (ii) March 31, 2023, or (iii) by default. At December 31, 2021, the outstanding principal is \$200,000, and accrued interest is \$0.

Local Initiatives Support Corporation - revolving line of credit

In October 2021, POAH LLC entered into a \$7,750,000 revolving line of credit with Local Initiatives Support Corporation for the purpose of funding predevelopment costs and acquisition for properties across LISC and POAH's shared geography ("Project"). Interest accrues at 4.75% per annum and is due monthly. Any outstanding principal disbursed for underlying Projects will be due at the earlier of (i) that project's construction financing closing; (ii) 36 months from the date of the first disbursement for that Project. All outstanding principal and interest is due on the maturity date of November 1, 2026. The line is collateralized by the mortgage note receivable from Blackstone. During the year ended December 31, 2021, interest expense of \$14,409 was recorded on the consolidated statement of activities. At December 31, 2021, the outstanding principal balance is \$1,115,500, and accrued interest is \$0.

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Paycheck Protection Program Loan

In April 2020, POAHC entered into a \$5,491,324 Small Business Administration loan with Eastern Bank under the Paycheck Protection Program (“PPP Loan”). The note accrues interest at 1% per annum. Payments of principal and interest are due monthly in the amount of \$307,494.42 beginning in November 2020 with all unpaid principal and accrued interest due on the maturity date of April 15, 2022. Forgiveness of the full amount of the loan was applied for per the loan documents and in June 2021, POAHC received notice from its lender that the SBA approved forgiveness of the full amount of the loan and the related interest thereon. For the year ended December 31, 2021, gain on debt forgiveness of \$5,557,220 was recorded on the consolidated statements of activities. For the years ended December 31, 2021 and 2020, interest expense of \$26,629 and \$39,267, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal balance is \$0 and \$5,491,324, respectively, and accrued interest is \$0 and \$39,267, respectively.

Chicago Community Loan Fund

In December 2017, PWSMT entered into a \$350,000 loan agreement with Chicago Community Loan Fund for the purpose of funding retail development costs at Woodlawn Station, a property in Chicago, IL, being developed by POAH LLC. Interest accrues at 5% per annum. Payments of interest only are due monthly. All unpaid principal and accrued interest are due on the maturity date of December 1, 2025. In September 2019, the loan was increased to \$700,000. During the years ended December 31, 2021 and 2020, interest expense of \$35,244 and \$35,191, respectively, was included in interest expense on the consolidated statements of activities. At December 31, 2021 and 2020, the outstanding principal is \$692,314, and accrued interest is \$2,981.

Debt issuance costs

As of December 31, 2021, unamortized debt issuance costs related to these loans total \$115,219 consist of financing costs of \$225,710 less accumulated amortization of \$110,491. As of December 31, 2020, unamortized debt issuance costs related to these loans total \$98,478 consist of financing costs of \$176,960 less accumulated amortization of \$78,482. For the years ended December 31, 2021, and 2020, \$32,008 and \$26,691, respectively, of amortization was incurred and is included in interest expense on the consolidated statements of activities.

Loan balances

The balances as included in the accompanying consolidated statement of financial position as of December 31, 2021 and 2020 are summarized as follows:

Lender	Current Portion	Long-term Portion	Total Balance at December 31, 2021	Current Portion	Long-term Portion	Total Balance at December 31, 2020
Calvert	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ 4,000,000
LISC	-	-	-	300,000	815,500	1,115,500
Boston Private	272,589	3,904,243	4,176,832	259,221	4,176,831	4,436,052
The Model Group	-	-	-	350,000	-	350,000
Arc Chicago	-	6,000,000	6,000,000	-	3,770,000	3,770,000
CEDAC	300,000	-	300,000	-	242,251	242,251
Greater Cincinnati	-	1,000,000	1,000,000	-	1,000,000	1,000,000
Merchants Bank of Indiana	-	5,250,000	5,250,000	-	-	-
BlueHub - LLC	-	-	-	-	846,996	846,996
Life Initiative - LLC	-	1,113,190	1,113,190	-	1,063,557	1,063,557
CAHT - LLC	-	2,400,000	2,400,000	-	2,400,000	2,400,000

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Lender	Current Portion	Long-term Portion	Total Balance at December 31, 2021	Current Portion	Long-term Portion	Total Balance at December 31, 2020
Life Initiative - LLC	1,973,809	-	1,973,809	861,353	-	861,353
OHFA - LLC	-	1,831,544	1,831,544	-	1,831,544	1,831,544
MHIC - LLC	-	-	-	475,200	-	475,200
Calvert - LLC	4,000,000	6,750,000	10,750,000	4,000,000	6,750,000	10,750,000
Prudential - LLC	88,239	4,911,761	5,000,000	-	5,000,000	5,000,000
Community Ventures 2011 - LLC	200,000	-	200,000	-	-	-
LISC - LLC	300,000	815,500	1,115,500	-	-	-
PPP - POAHC	-	-	-	-	5,491,324	5,491,324
CCLF - PWSMT	-	692,314	692,314	-	692,314	692,314
Unamortized debt issuance costs	-	(115,219)	(115,219)	-	(98,478)	(98,478)
	<u>\$11,134,637</u>	<u>\$ 34,553,333</u>	<u>\$ 45,687,970</u>	<u>\$ 6,245,774</u>	<u>\$37,981,839</u>	<u>\$ 44,227,613</u>

Annual maturities of debt, including voluntary prepayments, for the ensuing five years as of December 31, 2021 are as follows:

	<u>INC</u>	<u>LLC</u>	<u>Total</u>
2022	\$ 4,572,589	\$ 6,562,048	\$ 11,134,637
2023	286,647	2,094,725	2,381,372
2024	5,550,918	7,222,659	12,773,577
2025	316,848	873,027	1,189,875
2026	476,809	188,545	665,354
Thereafter	9,523,021	8,135,353	17,658,374

Note 6 - Line of credit - Boston Private Bank

In January 2013, POAH LLC entered an agreement for a revolving demand line of credit note with Boston Private Bank & Trust Company. In April 2019, the line was increased to \$6,000,000, the maturity date was extended to March 29, 2022, and Eastern Bank was added as a participant in the line. The note accrues interest equal to the Prime Rate minus 25 basis points (3.00% at December 31, 2021 and 2020) and is payable monthly. The line is collateralized by the mortgage notes receivable from Franklin. In April 2020, the line was temporarily increased to \$7,000,000 with the increase terminating on October 29, 2021. In October 2021, the line was permanently increased to \$7,000,000 and the maturity date was extended to October 29, 2024. During the years ended December 31, 2021 and 2020, interest expense of \$129,191 and \$117,983, respectively, was recorded on the consolidated statements of activities. At December 31, 2021 and 2020, \$4,677,830 and \$2,867,830, respectively, is outstanding on the line and accrued interest is \$12,084 and \$7,049, respectively.

In November 2020, Boston Private Bank & Trust Company provided a \$2,000,000 organizational standby revolving credit facility for the purpose of providing standby letter of credits to support the Company's development activities. The line is collateralized by the mortgage notes receivable from Franklin. Each letter of credit shall have a term of no greater than five years. At December 31, 2021 and 2020, \$428,628 and \$1,750,000, respectively, are available on the facility.

As of December 31, 2021 and 2020, the outstanding principal on the line of credit less unamortized debt issuance costs was \$4,649,978 and \$2,828,651. As of December 31, 2021 and 2020,

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unamortized debt issuance cost of \$27,852 and \$39,179, respectively. During the years ended December 31, 2021 and 2020, amortization expense incurred was \$18,327 and \$8,924, respectively. Annual maturities of debt, including voluntary prepayments, for the ensuing two years as of December 31, 2021 are as follows:

2022	\$ 2,336,722
2023	2,341,108

Note 7 - Mortgages payable - properties

The Company receives financing for the affordable housing properties from various federal, state and local agencies and financial institutions. These loans are nonrecourse to the Company and are secured by mortgages on the properties. Some of the mortgages also require monthly remittances for escrows and reserves.

The entities in which the Company owns a general partner or managing member interest have outstanding mortgage loans and notes payable. Generally, the loans are secured by security interests and liens common to mortgage loans on the entities' real property and other assets and are nonrecourse to the Company. Such loans bear interest at rates ranging from approximately 0% to 12% per annum. The majority of the first mortgage loans require monthly payments of principal and interest, while some of the subordinate loans are only payable from available cash flow and/or deferred to maturity. The mortgages mature in years from 2031 to 2065. Forgiveness of certain loans was received in accordance with respective extinguishment of debt agreements. For the years ended December 31, 2021 and 2020, gain on debt forgiveness of \$16,125,068 and \$574,311, respectively, was recorded on the consolidated statement of activities. For those mortgages payable to POAH or an affiliate, the effect of the loan has been eliminated in the consolidation for each year.

A summary of the mortgages and notes payable at year-end is as follows:

	Balance at December 31, 2021	Balance at December 31, 2020
Permanent conventional loans, bearing compounded interest from 1.00% to 7.40%, generally with principal and interest due monthly, to be repaid in full on various maturity dates through 2049.	\$ 194,748,184	\$ 145,555,539
Federal, state and local agency loans, bearing interest from 0% to 7.75%, generally with principal and interest due monthly or payable from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2053.	103,566,423	27,389,112
Other loans, bearing interest from 0% to 12%, generally payable annually from the respective property's net cash flow, if any, to be repaid in full on various maturity dates through 2059.	63,445,962	124,246,992
Accrued interest	21,399,107	12,967,174
Wholly owned entities	383,159,676	310,158,817
Entities controlled by POAH or affiliates	913,149,233	853,128,929
Unamortized debt issuance costs	(16,457,231)	(13,709,116)
	1,279,851,678	1,149,578,630
Mortgages and notes eliminated in consolidation	(199,153,000)	(205,938,204)
	\$ 1,080,698,678	\$ 943,640,426

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During the years ended December 31, 2021 and 2020, amortization expense incurred on debt issuance costs was \$1,869,039 and \$1,544,275, respectively, and was included in property mortgage interest in the consolidated statements of activities. A summary of the mortgages payable and related deferred financing costs is as follows:

			Total Balance		Total Balance	
			at December		at December	
	Wholly Owned	LP	31, 2021	Wholly Owned	LP	31, 2020
Mortgages payable less						
unamortized debt issuance costs	\$ 200,110,850	\$ 403,707,125	\$ 603,817,975	\$ 154,739,585	\$ 438,337,656	\$ 593,077,241
Debt issuance costs	\$ 6,586,980	\$ 18,736,393	\$ 25,323,373	\$ 6,331,974	\$ 18,188,466	\$ 24,520,440
Less: accumulated amortization	(2,923,544)	(5,942,598)	(8,866,142)	(3,333,552)	(7,477,772)	(10,811,324)
Unamortized debt issuance costs	<u>\$ 3,663,436</u>	<u>\$ 12,793,795</u>	<u>\$ 16,457,231</u>	<u>\$ 2,998,422</u>	<u>\$ 10,710,694</u>	<u>\$ 13,709,116</u>

Annual maturities of debt for the ensuing five years are summarized as follows:

Years	Wholly Owned	LP	Total
2022	\$ 46,475,935	\$ 70,203,506	\$ 116,679,441
2023	2,476,274	46,424,374	48,900,648
2024	46,545,116	8,082,815	54,627,931
2025	2,499,223	7,571,037	10,070,260
2026	2,373,735	8,770,060	11,143,795

To minimize the effect of changes in interest on a mortgage note, a limited partnership, Salem Heights Preservation Associates Limited Partnership ("SHPALP"), entered into interest rate swap agreements with two banks under which the partnership paid interest at a fixed rate of 4.24% and the banks paid the interest on the mortgage at a variable rate. The result was that the partnership paid interest at a fixed effective rate. Valued separately, the interest rate swap agreements represented a liability in the amount of \$0 and \$250,328 as of December 31, 2021 and 2020, respectively, and were categorized as Level 2. In 2021, the Partnership closed on the sale of the property to a related party. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement.

To minimize the effect of changes in interest on a mortgage note, POAH Support Corporation ("PSC"), entered into interest rate swap agreements with BMO Harris Bank under which PSC pays interest at a fixed rate of 1.31% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of (\$27,286) and (\$95,721), respectively, as of December 31, 2021 and 2020, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement.

To minimize the effect of changes in interest on a mortgage note, Woodlawn Station Preservation Associates Limited Partnership ("WSPALP"), entered into interest rate swap agreements with the Bank of Montreal under which WSPALP pays interest at a fixed rate of 5.53% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount

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of \$592,313 and \$843,327, respectively, as of December 31, 2021 and 2020, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement.

To minimize the effect of changes in interest on a mortgage note, Hawthorne Place II Preservation Associates Limited Partnership ("HPIIPALP"), entered into two interest rate swap agreements with the Boston Private Bank & Trust under which HPIIPALP pays interest at a fixed rate of 4.35% and 4.385% and the banks pay the interest on the mortgage at a variable rate. The result is that the partnership pays interest at a fixed effective rate. Valued separately, the interest rate swap agreements represent a liability in the amount of \$1,374,176 and \$0, respectively, as of December 31, 2021 and 2020, and are categorized as Level 2. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement.

Note 8 - Acquisitions of rental property

Acquisition of real property is accounted for as asset acquisitions and recorded at proportional fair value at the time of purchase as determined by an appraisal. During the years ended December 31, 2021 and 2020, the Company recorded the acquisition of real property totaling \$41,378,668 and \$11,104,957, respectively.

Note 9 - Revenue

Revenue is recognized when control of the promised service is transferred to the Company's customers, in an amount that depicts the consideration the Company expects to be entitled to in exchange for those services.

Development fee

Most development fees earned are paid from the Project's 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, and concluding with the approval of the cost certification of the respective housing credit agency.

The Company 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 *ASC Topic 606, Revenue from Contracts with Customers*, on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the Project'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.
- The Company's experience with similar types of agreements.
- Whether the Company expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the Company's estimate of the variable consideration using available

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information at the reporting date. Deferred development fees payable from property surplus cash are recognized at such time as there is available surplus cash.

Management service revenue

POAHC provides property management services on a contractual basis for owners of and investors in affordable housing properties. These services include management, marketing, building engineering, accounting, compliance, and financial services. POAHC is compensated for its services through a monthly management fee earned based on either a specified percentage of the monthly rental income, rental receipts generated from the property under management or a fixed fee. POAHC is also often reimbursed for its administrative and payroll costs directly attributable to the properties under management. Property management services represent a series of distinct daily services rendered over time. Consistent with the transfer of control for distinct, daily services to the customer, revenue is recognized at the end of each period for the fees associated with the services performed.

Note 10 - Related party transactions

Notes and other receivables from affiliates

For the years ended December 31, 2021 and 2020, the Company's notes receivable and accounts receivable are amounts receivable from limited partnerships in which the Company is a general partner. The effect of these transactions has been eliminated in consolidation each year.

Administrative salaries and costs

The Company provides various services related to the administration of POAH LLC. For the years ended December 31, 2021 and 2020, POAH LLC incurred \$9,760,059 and \$8,816,296, respectively, for compensation, overhead and rent from the Company.

Property management and related fees

Property management and related fees were earned by POAHC from related properties in 2021 in the amount of \$10,843,386, of which \$10,053,044 has been eliminated in consolidation, and in 2020 in the amount of \$9,798,231, of which \$9,089,844 has been eliminated in consolidation. At December 31, 2021 and 2020, \$3,903,643 and \$6,177,341, respectively, is due from related parties for services and advances net of an allowance for doubtful accounts which is estimated to be \$1,432,365 and \$998,271, respectively.

Development fee and other revenue from properties

For the years ended December 31, 2021 and 2020, the Company and POAH LLC earned development fee revenue and fees from properties as follows:

	2021	2020
Development fee paid from development sources	\$ 10,156,946	\$ 3,672,951
Development fee paid from cash flow	2,858,769	6,744,307
Other fee revenue	484,112	969,148
	<u>13,499,827</u>	<u>11,386,406</u>
Cash flow fees from certain related properties	2,776,086	2,745,396
	<u>\$ 16,275,913</u>	<u>\$ 14,131,802</u>
Development and cash flow fees eliminated in consolidation	<u>(13,778,706)</u>	<u>(9,863,991)</u>
	<u>\$ 2,497,207</u>	<u>\$ 4,267,811</u>

At December 31, 2021 and 2020, \$12,337,966 and \$12,095,412, respectively, is due from related properties for development and cash flow fees. At December 31, 2021 and 2020, development fees

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received but not yet earned are \$642,514 and \$778,698, respectively, and is shown as a component of deferred income on the consolidated statements of financial position.

Reimbursable salaries and expenses

POAHC LLC incurs costs related to payroll, technical support and other reimbursable expenses on behalf of the properties that it manages. In 2021 the costs incurred and the related reimbursement from related properties totaled \$21,378,745, net of PPP Loan proceeds of \$3,515,091, of which \$20,934,544 has been eliminated in consolidation and in 2020 the costs incurred and the related reimbursement from related properties totaled \$22,388,370, of which \$21,917,497 has been eliminated in consolidation. The effect of these transactions has been eliminated in consolidation each year.

Note 11 - Investment in partnerships

The Company, either as the sole member of the entity or the 100% owner of the general partner, has made capital contributions to some of the entities that own affordable housing developments. At December 31, 2021 and 2020, investment in properties is \$25,018,788 and \$25,402,341, respectively, of which \$24,849,256 and \$25,230,620, respectively, has been eliminated in consolidation.

In May 2018, the Company purchased a non-controlling general partner interest in seven properties located in Cincinnati, OH. The investments are recorded using the equity method. The balance of this investment at December 31, 2021 and 2020 is \$169,532 and \$171,721, respectively. The investment balances of these properties are included in the investment in properties balances noted above.

In May 2018, the Company purchased the managing member general partner interest in Losantiville Apartments Limited Partnership ("LALP"). LALP is the limited partner in Elm St. Senior Housing, Ltd, an unrelated entity. The investment is recorded using the equity method. The balance of this investment at December 31, 2021 and 2020 is \$1,107,414 and \$1,133,889, respectively.

Certain financial information with respect to these investments at December 31, 2021 and 2020, and the years then ended, are as follows:

	2021	2020
Net investment in real estate	\$ 47,698,723	\$ 50,499,032
Total assets	51,565,628	54,383,617
Permanent financing (including accrued interest)	24,599,061	24,859,898
Total liabilities	27,458,065	27,105,624
Limited partner's equity	21,579,184	20,188,186
General partners' equity	2,528,379	7,089,807
Revenue	4,012,232	4,052,412
Expenses	7,937,519	7,349,134
Net loss	(3,925,287)	(3,296,722)

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Note 12 - Commitments and contingencies

Lease commitments

The Company leased office space under a non-cancelable operating lease in Boston, MA, which expired June 30, 2020. The Company entered into a new non-cancelable operating lease in December 2019 that commenced in August 2020 and expires in October 2030. Rental expense, inclusive of operating costs, for the years ended December 31, 2021 and 2020 totaled \$992,571 and \$834,176, respectively.

POAH LLC leases office space under a non-cancelable operating lease in Chicago, Illinois. In September 2017, a lease extension was executed that commenced in May 2018 and expires in April 2025. Rental expense, inclusive of operating costs, for the years ended December 31, 2021 and 2020 totaled \$159,250 and \$184,753, respectively.

POAH LLC leases office space under a non-cancelable operating lease in Washington, D.C. which expires in July 2022. Rental expense, inclusive of operating costs, for the years ended December 31, 2021 and 2020 totaled \$77,159 and \$76,265, respectively.

POAHC leases office space under a non-cancelable operating lease in Kansas City, Missouri, which expires in March 2025. Rental expense, inclusive of real estate taxes and operating costs, the years ended December 31, 2021 and 2020 totaled \$157,428 and \$132,224, respectively.

POAHC leases office space in Cincinnati, OH at Magnolia Heights, a property owned by an affiliate of POAH INC, which expires in August 2030. Rental expense for the years ended December 31, 2021 and 2020 is \$3,850 and \$4,200, respectively.

POAHC leases office spaces in Cincinnati, OH at Community Manor, a property owned by an affiliate of POAH INC, which expires in August 2035. Rental expenses, inclusive of real estate taxes and operating costs, for the year ended December 31, 2021 is \$45,469.

Future minimum lease payments under operating leases as of December 31, 2021 are as follows:

	<u>INC</u>	<u>LLC</u>	<u>POAHC</u>	<u>Total</u>
2022	948,683	264,640	171,686	1,385,009
2023	968,011	173,493	175,856	1,317,360
2024	987,339	176,020	180,027	1,343,386
2025	1,006,667	64,342	59,082	1,130,091
2026	1,025,995	-	18,420	1,044,415
	<u>\$ 4,936,695</u>	<u>\$ 678,495</u>	<u>\$ 605,071</u>	<u>\$ 6,220,261</u>

Other commitments or contingencies

The Company or its affiliates serve as the general partner or managing member for various entities that are the owners of the affordable housing properties. The investors and in some cases the lenders in these entities usually require guarantees from POAH entities on behalf of the general partner or managing member as a condition to their investment. Generally, these guarantees are for obligations such as construction and rehabilitation completion, funding of operating deficits and tax credit recapture price adjusters.

A summary of the guarantees outstanding at December 31, 2021 is as follows. See Note 16 for a detail of these entities.

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Entity	Acquisition year	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at December 31, 2021
Jefferson	2003	(1), (3)	N/A	N/A	December 2026	\$970,894	\$524,319
Driftwood	2005	(1), (3)	N/A	N/A	None	420,705	None
Crestview	2005	(1), (3)	N/A	N/A	(7)	395,547	478,616
Washington Gardens	2005	(1), (3)	N/A	N/A	N/A	N/A	98,389
Garfield Hills	2006	(1), (3)	N/A	N/A	N/A	N/A	1,495,101
Cochecho	2008	(3), (8)	N/A	N/A	N/A	N/A	N/A
United Front	2008	(1), (3)	N/A	N/A	(7)	1,050,000	None
WCS	2010	(1), (3), (6)	N/A	N/A	(7)	310,000	None
Sugar River	2010	(1), (3)	N/A	N/A	(7)	815,000	None
CB Rental	2011	(1), (3)	N/A	N/A	(7)	543,904	24,631
Renaissance	2011	(1), (3)	N/A	N/A	(7)	886,000	N/A
WCN	2012	(1), (3), (6)	N/A	N/A	(7)	162,500	None
Clay Pond Cove	2012	(1), (3)	N/A	N/A	(7)	393,543	None
Central Annex	2013	(3), (9)	N/A	N/A	N/A	N/A	N/A
Torrington	2013	(1), (3)	N/A	N/A	(7)	413,050	None
Old Middletown	2014	(1), (3)	N/A	N/A	(7)	700,068	None
WP Senior	2014	(1), (3), (6)	N/A	N/A	(7)	288,634	None
Dennis	2014	(1), (3)	N/A	N/A	(7)	161,956	None
Lafayette	2014	(1), (3)	N/A	N/A	(7)	548,000	104,102
Briston Arms	2015	(1), (3)	N/A	N/A	(7)	4,475,000	209,631
Newberry	2015	(1), (3)	N/A	N/A	(7)	524,914	None
Billings Forge	2015	(1), (3), (8)	N/A	N/A	(7)	620,000	10,000
Cherry Briggs	2016	(1), (3)	N/A	N/A	(7)	569,290	None
Trianon	2016	(3), (5), (9)	N/A	\$5,500,000	N/A	N/A	393,899
Brandy Hill	2016	(1), (3)	N/A	N/A	N/A	630,000	None
Founders Court	2016	(1), (3)	N/A	N/A	N/A	300,055	None
Trinity Towers East	2016	(1), (3)	N/A	N/A	N/A	660,404	None
Trinity Towers South	2016	(1), (3)	N/A	N/A	N/A	881,300	None
Tribune	2016	(1), (3)	N/A	N/A	N/A	441,155	None
Woodlawn Rollup	2017	(1), (3)	N/A	N/A	N/A	1,232,956	665,917
Woodlawn Station	2017	(1), (3), (5)	N/A	5,000,000	(7)	369,000	None
Oxford	2017	(1), (3)	N/A	N/A	(7)	685,000	None
Whittier 1A-4	2018	(1), (3)	N/A	N/A	(7)	532,000	None
Whittier 1A-9	2018	(1), (3)	N/A	N/A	(7)	335,000	None
Bedford	2018	(1), (3)	N/A	N/A	(7)	755,140	None
Greenwood	2018	(1), (3)	N/A	N/A	(7)	928,300	None
JBL	2019	(1), (2), (3)	(2)	N/A	(7)	400,000	302,888
Abigail Apartments	2018	(1), (3)	N/A	N/A	(7)	247,500	149,646
Abington Race & Pleasant	2018	(1), (3)	N/A	N/A	(7)	286,030	195,910
Baymiller Manor	2018	(1), (3)	N/A	N/A	(7)	99,849	52,616
Burnet Place	2018	(1), (3)	N/A	N/A	(7)	410,000	70,670
Losantiville Buildings	2018	(1), (3)	N/A	N/A	(7)	379,922	94,070
Losantiville Evanston	2018	(1), (3)	N/A	N/A	(7)	379,922	None
Magnolia Heights	2018	(1), (3)	N/A	N/A	(7)	328,584	441,242
Navarre Garrone	2018	(1), (3)	N/A	N/A	(7)	398,328	None
North Rhine Heights	2018	(1), (3)	N/A	N/A	(7)	264,352	80,457
OTR Revitalization	2018	(1), (3)	N/A	N/A	(7)	858,068	None
Pendleton Estates	2018	(1), (3)	N/A	N/A	(7)	147,045	121,481
Villas of the Valley	2018	(1), (3)	N/A	N/A	(7)	109,352	27,863
Villas of the Valley II	2018	(1), (3)	N/A	N/A	(7)	101,632	None
Wesley Estates	2018	(1), (3)	N/A	N/A	(7)	86,020	95,668
WH Mainstrasse	2018	(1), (3)	N/A	N/A	(7)	156,531	None
Helton Pointe	2018	(1)	N/A	N/A	(7)	65,000	None
South Suburban	2019	(5)	N/A	2,254,586	N/A	N/A	N/A
Corcoran	2019	(5)	N/A	4,500,000	N/A	N/A	N/A
Burnham Manor	2019	(5)	N/A	8,500,000	N/A	N/A	N/A
Kerper Apartments	2019	(5)	N/A	790,500	N/A	N/A	N/A
Whittier 2	2020	(1), (3), (4), (5)	\$34,704,358	765,363	(7)	688,781	None
Sugar Hill	2020	(4), (5)	(2)	10,247,249	N/A	N/A	N/A
Gardner Terrace I & II	2020	(4), (5)	(2)	5,650,000	N/A	N/A	N/A
South Chicago Salud	2020	(1), (3), (4), (5)	(2)	1,658,467	(7)	804,220	N/A
Mattapan 4	2020	(1), (3), (4), (5)	(2)	40,310,668	(7)	1,028,587	None
Mattapan 9	2020	(1), (3), (4), (5)	(2)	9,015,896	(7)	189,589	None

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Notes to the Consolidated Financial Statements Years ended December 31, 2021 and 2020

Entity	Acquisition year	Guaranty	Construction guaranty maximum amount	Loan guarantee	Operating deficit expiration	Operating deficit maximum amount	Advances at December 31, 2021
Farrell House	2020	(1), (3), (4), (5)	(2)	2,574,125	(7)	612,000	None
Beachwinds II	2021	(1), (3), (4)	(2)	N/A	(7)	781,500	None
Hawthorne Place II	2021	(1), (3), (4), (5)	(2)	40,357,584	(7)	3,050,000	None
Levy House	2021	(5)	N/A	9,250,000	N/A	N/A	N/A
Brewster Wood	2021	(1), (3), (4), (5)	(2)	7,058,175	(7)	212,500	None
Salem Heights II	2021	(1), (3), (4), (5)	(2)	61,000,000	(7)	2,860,000	None
Island Terrace	2021	(5)	N/A	21,300,000	N/A	N/A	N/A
Bartlett Lot D	2021	(5)	N/A	17,471,549	N/A	N/A	N/A
19 E 110th Place	2021	(1), (3), (4), (5)	(2)	6,000,000	(7)	405,040	None
5040 S Indiana	2021	(1), (3), (4), (5)	(2)	5,985,000	(7)	373,360	None
Terrapin Ridge	2021	(1), (3), (4), (5)	(2)	9,000,000	(7)	224,121	None
Wing Schoolhouse	2021	(1), (3), (4), (5)	(2)	8,400,000	December 2037	240,000	None
22 properties	Varied	(3)	N/A	N/A	N/A	N/A	50,387

Types of guarantees

- (1) Operating deficits
 - (2) Construction rehabilitation completion, per agreement there is no limit on the amount of this guarantee
 - (3) Tax credit recapture price adjusters
 - (4) Construction completion and/or construction loan guarantee
 - (5) Loan guarantee
 - (6) Financing coverage guarantee
- Other
- (7) Two to five years from construction completion and/or breakeven.
 - (8) Annual commercial income guarantee
 - (9) Basic rent guarantee per Net Lease

Note 13 - Financial instruments

The Company and its subsidiaries maintain its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts, and monitors the credit-worthiness of the financial institutions with which it conducts business. Management believes it is not exposed to any significant credit risk on its cash, cash equivalents and other deposits at December 31, 2021 and 2020.

Note 14 - Rent subsidies

For most of the properties, tenants' rents are being subsidized by various federal and state programs. Generally, these programs restrict assistance to those residents who qualify by meeting certain established criteria, including maximum income limitations. A majority of the properties have entered into contracts with HUD to provide the federal subsidies. These contracts expire in years 2021 to 2049. Rent subsidies totaled \$115,728,012 and \$111,299,540 for 2021 and 2020, respectively.

Note 15 - Net assets with donor restrictions

The Company received the following grants which are included in net assets with donor restrictions at December 31, 2021 and 2020 for either time restrictions or restrictions related to specific program services:

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Notes to the Consolidated Financial Statements Years ended December 31, 2021 and 2020

	Balance at December 31, 2021	Balance at December 31, 2020
Home ownership assistance	\$ 143,389	\$ 143,389
Community resource center	225,973	410,882
Installation of artwork	15,000	15,000
Children savings accounts	67,555	67,555
Family Self Sufficiency	488,664	514,684
Community arts festival	9,945	9,945
Choice endowment	-	192,804
Capital Magnet Fund	4,300,000	4,300,000
Technology assistance	9,489	13,000
Rental assistance	4,326	45,125
Trauma-informed care	1,563,570	1,930,084
Covid Grant	-	10,000
Digital inclusion	66,774	-
	\$ 6,894,685	\$ 7,652,468

Note 16 - Limited partnerships and limited liability companies

As of December 31, 2021, the Company owns a general partner or managing member interest in the following entities:

	Entity	Project Location	No. of Units
1)	Driftwood Preservation Associates Limited Partnership	Narragansett, RI	32
2)	Beachwinds II Preservation Associates Limited Partnership	Narragansett, RI	104
3)	Hillside Preservation Associates Limited Partnership	Providence, RI	42
4)	Pocasset Preservation Associates Limited Partnership	Providence, RI	82
5)	Hillcrest Preservation Associates Limited Partnership	Providence, RI	130
6)	Fieldstone Preservation Associates Limited Partnership	Narragansett, RI	24
7)	Heritage Preservation Associates Limited Partnership	North Kingstown, RI	204
8)	Grace Preservation Associates Limited Partnership	Providence, RI	101
9)	Cherry Briggs Preservation Associates Limited Partnership	Johnston & Providence, R	160
10)	Oxford Preservation Associates Limited Partnership	Providence, RI	128
11)	Jefferson Maison East Limited Dividend Housing Association LLC	Detroit, MI	280
12)	Oakland Grand Haven Limited Dividend Housing Association LLC	Troy, MI	297
13)	POAH DD Sugar Hill LLC	Detroit, MI	68
14)	United Front Nine Preservation Associates Limited Partnership	New Bedford, MA	173
15)	Cromwell Preservation Associates Limited Partnership	Hyannis, MA	124
16)	CB Rental Limited Partnership	Bourne, MA	28
17)	Blackstone Preservation Associates Limited Partnership	Boston, MA	145
18)	Franklin Preservation Associates Limited Partnership	Boston, MA	193
19)	Kenmore Abbey Preservation Associates Limited Partnership	Boston, MA	199
20)	Bartlett Lot D Preservation Associates Limited Partnership	Boston, MA	50
21)	Peter's Grove Preservation Associates Limited Partnership	Hudson, MA	96
22)	Rock Harbor Preservation Associates Limited Partnership	Orleans, MA	100
23)	Clay Pond Preservation Associates Limited Partnership	Bourne, MA	45
24)	Kings Landing Preservation Associates Limited Partnership	Brewster, MA	108
25)	Brewster Woods Preservation Associates Limited Partnership	Brewster, MA	30
26)	Central Annex Preservation Associates Limited Partnership	Pittsfield, MA	101
27)	Dennis Community Housing Preservation Associates Limited Partnership	Dennis, MA	27
28)	Briston Arms Preservation Associates Limited Partnership	Cambridge, MA	154
29)	Founders Court Preservation Associates Limited Partnership	Hyannis, MA	32
30)	Brandy Hill Preservation Associates Limited Partnership	E. Wareham, MA	132
31)	Tribune Preservation Associates Limited Partnership	Framingham, MA	53
32)	Canal Bluffs P3 Preservation Associates Limited Partnership	Bourne, MA	44
33)	Whittier 1A-4 Preservation Associates Limited Partnership	Boston, MA	58
34)	Whittier 1A-9 Preservation Associates Limited Partnership	Boston, MA	34
35)	Whittier 2 Preservation Associates Limited Partnership	Boston, MA	52
36)	Mattapan Station 4 LLC	Boston, MA	114
37)	Mattapan Station 9 LLC	Boston, MA	21

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Entity	Project Location	No. of Units
38) Bedford Village Preservation Associates Limited Partnership	Bedford, MA	124
39) Salem Heights II Preservation Associates Limited Partnership	Salem, MA	281
40) Terrapin Ridge LLC	Sandwich, MA	30
41) Hawthorne Place II Preservation Associates Limited Partnership	Independence, MO	745
42) 19 E 110th Place Preservation Associates Limited Partnership	Chicago, IL	60
43) 5040 S Indiana Preservation Associates Limited Partnership	Chicago, IL	60
44) WCS Preservation Associates Limited Partnership	Chicago, IL	67
45) Renaissance Preservation Associates Limited Partnership	Chicago, IL	117
46) WCN Preservation Associates Limited Partnership	Chicago, IL	33
47) WP Senior Preservation Associates Limited Partnership	Chicago, IL	65
48) Lafayette Preservation Associates Limited Partnership	Chicago, IL	94
49) Newberry Park Preservation Associates Limited Partnership	Chicago, IL	84
50) Woodlawn Station Preservation Associates Limited Partnership	Chicago, IL	70
51) Woodlawn Roll-up Preservation Associates Limited Partnership	Chicago, IL	196
52) Greenwood Preservation Associates Limited Partnership	Chicago, IL	122
53) JBL Preservation Associates Limited Partnership	Chicago, IL	106
54) Community Housing Partners XI Limited Partnership	Chicago, IL	77
55) Community Housing Partners X Limited Partnership	Chicago, IL	59
56) Community Housing Partners XV Limited Partnership	Chicago, IL	30
57) South Chicago Salud Center Preservation Associates Limited Partnership	Chicago, IL	101
58) Farrell House Preservation Associates I Limited Partnership	Chicago, IL	59
59) Wing Schoolhouse Preservation Associates Limited Partnership	Elgin, IL	27
60) Cocheco Park Preservation Associates Limited Partnership	Dover, NH	78
61) Sugar River Preservation Associates Limited Partnership	Claremont, NH	162
62) New Horizons Preservation Associates Limited Partnership	Miami, FL	100
63) Harbor City Towers LLLP	Melbourne, FL	192
64) Trinity Towers East Preservation Associates LLLP	Melbourne, FL	156
65) New Trinity Towers South Preservation Associates LLLP	Melbourne, FL	162
66) Torrington West Preservation Associates Limited Partnership	Torrington, CT	79
67) Billings Forge LLC		
68) Billings Forge Preservation Associates Limited Partnership	Hartford, CT	114
69) Old Middletown Preservation Associates Limited Partnership	Middletown, CT	65
70) Abigail Apartments Limited Partnership	Cincinnati, OH	71
71) Abington Race and Pleasant LLC (not consolidated)	Cincinnati, OH	50
72) Burnet Place Limited Partnership (not consolidated)	Cincinnati, OH	62
73) Losantiville Apartments Limited Partnership	Cincinnati, OH	87
74) Magnolia Heights Limited Partnership (not consolidated)	Cincinnati, OH	98
75) Navarre Garrone Limited Partnership	Cincinnati, OH	62
76) North Rhine Heights Limited Partnership (not consolidated)	Cincinnati, OH	65
77) OTR Revitalization Limited Partnership (not consolidated)	Cincinnati, OH	94
78) Villas of the Valley Limited Partnership (not consolidated)	Lincoln Heights, OH	42
79) Villas of the Valley II Limited Partnership (not consolidated)	Lincoln Heights, OH	35
80) WH Mainstrasse I LLLP	Convington, KY	41
81) POAH Aaron Briggs LLC (100% owned by POAH, Inc)		
82) POAH Fieldstone Apartments LLC (100% owned by POAH, Inc)		
83) POAH Old Middletown LLC (100% Owned by POAH, Inc)		
84) POAH Central Annex LLC (100% owned by POAH, Inc)		
85) SSAH LLC (100% owned by POAH, Inc)	Weymouth, MA	20
86) POAH Brandy Hill LLC (100% owned by POAH, Inc)		
87) POAH Ventures LLC (100% owned by POAH, Inc)		
88) BR Sugar River Limited Partnership (100% owned by POAH, Inc)		
89) POAH Kings Landing LLC (100% owned by POAH, Inc)		
90) Riverview Residences Dover LLC (100% owned by POAH, Inc)	Dover, NH	24
91) POAH Cutler Meadows LLC (100% owned by POAH, Inc)	Miami, FL	225
92) POAH Cutler Manor LLC (100% owned by POAH, Inc)	Miami, FL	219
93) POAH Middletowne Apartments LLC (100% owned by POAH, Inc)	Orange Park, FL	100
94) POAH Campbell Arms LLC (100% owned by POAH, Inc)	Homestead, FL	201
95) POAH Cutler Manor II LLC (100% owned by POAH, Inc)		
96) POAH New Horizons LLC (100% owned by POAH, Inc)		
97) POAH Trinity Towers East LLC (100% owned by POAH, Inc)		
98) POAH Trinity Towers West LLC (100% owned by POAH, Inc)		
99) Trinity Towers South Preservation Associates LLLP (100% owned by POAH, Inc)		
100) POAH NSP Chicago LLC (100% owned by POAH, Inc)		
101) POAH Grove Parc Apartments LLC (100% owned by POAH, Inc)		
102) POAH Holdings (100% owned by POAH, Inc)		
103) POAH NMTC2 Title Holding Corporation (100% owned by POAH, Inc)	Chicago, IL	27
104) POAH Support Corporation (100% owned by POAH, Inc)		
105) POAH Support Corporation 2 (100% owned by POAH, Inc)		
106) POAH Greenwood Park LLC (100% owned by POAH, Inc)		
107) POAH JBL LLC (100% owned by POAH, Inc)		
108) Community Housing Partners VI Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	55

Preservation of Affordable Housing, Inc. and Subsidiaries

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Entity	Project Location	No. of Units
109) Community Housing Partners XII Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	26
110) Corcoran Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	94
111) POAH Roseland East 110th Place Hold Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	
112) POAH Washington Park Indiana Avenue Hold Limited Partnership (100% owned by POAH, Inc)	Chicago, IL	
113) POAH Levy House LLC (100% owned by POAH, Inc)	Chicago, IL	57
114) POAH Island Terrace LLC (100% owned by POAH, Inc)	Chicago, IL	240
115) Elgin Manor Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Elgin, IL	100
116) Elgin Schoolhouse Preservation Associates Limited Partnership (100% owned by POAH, Inc)		
117) POAH South Suburban Y Hold LLC (100% owned by POAH, Inc)	Harvey, IL	120
118) POAH Harvey East 151st Street Hold Limited Partnership (100% owned by POAH, Inc)	Harvey, IL	60
119) POAH Harvey West 151st Street Hold Limited Partnership (100% owned by POAH, Inc)	Harvey, IL	60
120) Farrell House Preservation Associates Limited Partnership (100% owned by POAH, Inc)		
121) Crestview Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Kankakee, IL	132
122) POAH Gardner Terrace LLC (100% owned by POAH, Inc)	Attleboro, MA	144
123) POAH Hebronville Mill LLC (100% owned by POAH, Inc)	Attleboro, MA	83
124) Bridle Path Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Randolph, MA	104
125) Chestnut Gardens Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Lynn, MA	65
126) Dom Narodow y Polski Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Chicopee, MA	50
127) Eastgate Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Springfield, MA	148
128) Meadow brook Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Northampton, MA	252
129) Salem Heights Preservation Associates Limited Partnership (100% owned by POAH, Inc)		
130) Fairw eather Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Beverly, Danvers,	321
131) Washington Gardens Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Hagerstow n, MD	100
132) Woodlen Place Associates Limited Partnership (100% owned by POAH, Inc)	Kansas City, MO	60
133) Colony Plaza Associates Limited Partnership (100% owned by POAH, Inc)	Excelsior Springs, MO	111
134) Country Club Village Associates Limited Partnership (100% owned by POAH, Inc)	Springfield, MO	70
135) Glenw ood Manor Associates Limited Partnership (100% owned by POAH, Inc)	Springfield, MO	119
136) Highland Meadow s Associates Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	44
137) Deerfield Village Associates Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	60
138) Haw thorne Associates Limited Partnership (100% owned by POAH, Inc)		
139) Country Club Village II Associates - I Limited Partnership (100% owned by POAH, Inc)	Springfield, MO	28
140) Highland Acres Associates - I Limited Partnership (100% owned by POAH, Inc)	Carthage, MO	35
141) Houston Plaza Associates - I Limited Partnership (100% owned by POAH, Inc)	Adrian, MO	34
142) Maplew ood Manor Associates - I Limited Partnership (100% owned by POAH, Inc)	Web City, MO	60
143) Monroe Estates Associates - I Limited Partnership (100% owned by POAH, Inc)	Lebanon, MO	74
144) Prairie Plains Associates - I Limited Partnership (100% owned by POAH, Inc)	Lamar, MO	50
145) Crestview Village Associates - I Limited Partnership (100% owned by POAH, Inc)	Liberty, MO	48
146) Terri Manor Associates LTD (100% owned by POAH, Inc)	Cincinnati, OH	81
147) Community Manor Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	19
148) Baymiller Manor Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	31
149) Fairview Estates Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	28
150) Kerper Development Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	38
151) Pendleton Estates Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	42
152) Wesley Estates Limited Partnership (100% owned by POAH, Inc)	Cincinnati, OH	29
153) POAH Washington Park LLC (100% owned by POAH, Inc)	Cincinnati, OH	37
154) Blacklick Apartments LLC (100% owned by POAH, Inc)	Blacklick, OH	176
155) Barry Farm Redevelopment Associates Limited Partnership (100% owned by POAH, Inc)		
156) Beachw ood Preservation Associates Limited Partnership (100% owned by POAH, Inc)		
157) Southw inds Preservation Associates Limited Partnership (100% owned by POAH, Inc)		
158) POAH Landow ner LLC (100% owned by POAH, Inc)		
159) Garfield Hills Preservation Associates Limited Partnership (100% owned by POAH, Inc)	Washington, DC	94
		12,582

The majority of these properties qualify for the low-income tax credit in accordance with Section 42 of the Internal Revenue Code. Provisions of Section 42 regulate the use of the Project as to occupancy eligibility and unit gross rent, among other requirements, for 15 years. Most of the properties are subject to these provisions for additional terms in accordance with agreements entered into with the state tax credit agencies. The properties are also controlled by regulatory agreements with lenders and other funding and subsidy sources.

The limited partners or investor members generally own between 99 to 99.99% interest in the properties. Capital contributions are due from these partners or members in installments upon each property's satisfaction of specified conditions, as defined, and are subject to adjustment based on the

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Notes to the Consolidated Financial Statements Years ended December 31, 2021 and 2020

actual low-income tax credits delivered. These contributions are recorded by the entities when received.

Note 17 - Deferred gain

The Company has purchased various properties and then sold those properties to limited partnerships in which an affiliate of the Company serves as general partner. This related party sale results in a deferred gain.

As part of the purchase of certain of these properties, the Company acquired reserve funds. The Company then used those reserve funds to either fund general partner capital contributions or provide loans to related limited partnerships.

The following is a summary of the deferred gains and related notes receivable:

Property	Deferred Gain	Resale Note Receivable	General Partner Contribution	Reserve Note Receivable
Pocasset Manor Apartments	\$ 4,589,201	\$ 2,340,000	\$ 1,067,857	\$ 1,181,344 (1)
Hillcrest Village Apartments	300,000	300,000	-	-
Bridle Path Apartments	2,613,236	844,160	-	1,769,076 (2)
Chestnut Garden Apartments	1,727,285	1,727,285	-	-
Dom Narodowy Polski Apartments	965,490	912,273	-	53,217 (2)
Eastgate Apartments	6,242,014	3,196,804	-	3,045,210 (2)
Heritage Village II Apartments	4,668,132	1,639,308	-	3,028,824 (3)
New Horizons	200,000	200,000	-	-
Cromwell Court	872,000	872,000	-	-
Blackstone	16,658,507	12,485,719	-	4,172,788 (4)
Franklin	16,676,301	16,676,301	-	-
Kenmore Abbey	17,722,502	12,182,798	-	5,539,704 (5)
Peter's Grove	626,994	626,994	-	-
Rock Harbor	355,416	355,416	-	-
King's Landing	3,345,829	3,345,829	-	-
Grace	157,646	-	-	157,646
Cherry Hill	444,276	-	-	444,276 (6)
Aaron Briggs	114,098	-	-	114,098 (6)
Tribune	175,800	-	-	175,800
Brandy Hill	1,356,610	-	-	1,356,610
South Chicago	1,415,213	-	-	1,415,213
Hawthorne	2,902,256	-	-	-
Beachwood	939,807	-	-	939,807 (8)
Oxford	403,051	-	-	403,051
Elgin Schoolhouse	75,000	-	-	75,000 (9)
Greenwood	788,322	-	-	788,322
Farrell House	788,354	-	-	788,354 (10)
	<u>87,123,340</u>	<u>57,704,887</u>	<u>1,067,857</u>	<u>25,448,340</u>
Gain recognized from receipt of principal payment in prior years	(5,887,337)	(3,406,784)	-	(2,480,553)
Gain recognized from receipt of principal payment in 2020	(1,663,058)	(550,280)	-	(1,112,778)
Gain recognized from receipt of principal payment in 2021	<u>(2,072,524)</u>	<u>(1,115,197)</u>	<u>-</u>	<u>(957,327)</u>
	<u>\$ 77,500,421</u>	<u>\$ 52,632,626</u>	<u>\$ 1,067,857</u>	<u>\$ 20,897,682</u>

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- (1) Funds loaned to Pocasset, Hillside and Hillcrest
- (2) Funds loaned to Fairweather, Chestnut Gardens and Dom Narodowy
- (3) Funds loaned to Heritage and Fieldstone
- (4) Funds loaned to Franklin and Rock Harbor
- (5) Funds loaned to Franklin and Peter's Grove
- (6) Funds loaned to Cherry Briggs
- (7) Funds will be loaned to Hawthorne II in 2022
- (8) Funds loaned to Beachwinds II
- (9) Funds will be loaned to Wing Schoolhouse
- (10) Funds loaned to Farrell House I

The results of the above transactions are eliminated in consolidation.

Note 18 - Deferred Grant Revenue

The Company has received Capital Magnet Fund ("CMF") grant awards from the Community Development Financial Institutions Fund. The grant funds are to be used to acquire and fund eligible projects over a five-year period with program compliance restrictions per the grant agreement. If all program compliance restrictions are met the funds become unrestricted at the end of the grant period. The grants are recorded as deferred income until all conditions of the grant have been satisfied. At December 31, 2021 and 2020, deferred grant revenue is \$12,000,000 and \$4,000,000, respectively, and are included in deferred income on the consolidated statements of financial position.

Note 19 - Statement of cash flows

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets as of December 31, 2021 and 2020 that sum to the total of the same amounts in the statements of cash flows:

	2021	2020
Cash and cash equivalents	\$ 53,426,602	\$ 54,847,515
Restricted cash	9,842,159	3,285,278
Reserves	4,750,286	4,946,482
Restricted reserves	4,544,512	1,940,887
Tenant security deposits	4,367,019	4,188,732
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 76,930,578</u>	<u>\$ 69,208,894</u>

The amount included in restricted cash consists of security deposits and family self-sufficiency escrows held in trust for the future benefit of tenants, grant funds received but not yet expended, and Company reserves for operations and capital investments.

Note 20 - CCDC acquisition

In July 2020, POAH completed the acquisition of a group of entities representing 247 rental units together referred to as CCDC. As a result of the acquisition, POAH obtained a controlling interest in five properties, and expanded POAH's property activities in Illinois. The acquisition qualifies as an acquisition of assets. The following table summarizes the acquisition cost and the cost of assets acquired and liabilities assumed recognized at the acquisition date.

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	Archer Senior	Clifton Magnolia	Hazel Winthrop	Sunnyside Kenmore	Uptown	Total
Acquisition payments	\$ 257,026	\$ 1,787,093	\$ 315,466	\$ 212,997	\$ 304,754	\$ 2,877,336
Assumed liabilities	4,702,583	7,258,399	6,391,322	2,760,409	3,784,713	24,897,426
Total cost of assets acquired	<u>\$ 4,959,609</u>	<u>\$ 9,045,492</u>	<u>\$ 6,706,788</u>	<u>\$ 2,973,406</u>	<u>\$ 4,089,467</u>	<u>\$ 27,774,762</u>
Financial assets	\$ 482,300	\$ 2,033,002	\$ 887,819	\$ 270,601	\$ 180,912	\$ 3,854,634
Property and fixed assets	4,508,042	7,106,392	5,817,376	2,733,336	3,971,496	24,136,642
Intangible assets	69,892	121,894	67,300	31,876	47,849	338,811
Financial liabilities	(100,625)	(215,796)	(65,707)	(62,407)	(110,790)	(555,325)
	<u>\$ 4,959,609</u>	<u>\$ 9,045,492</u>	<u>\$ 6,706,788</u>	<u>\$ 2,973,406</u>	<u>\$ 4,089,467</u>	<u>\$ 27,774,762</u>
Units	55	59	30	26	77	247

Note 21 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be 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 to the consolidated financial statements. Management evaluated the activity of the Company through June 30, 2022 and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements. The following subsequent events are required to be disclosed in the notes to the consolidated financial statements.

In January 2022, the Company received an issuer credit rating from Standard & Poor's of A+. On April 20, 2022, the Company issued \$75,000,000 of 10-year taxable sustainability bonds priced at 4.479%.

On April 26, 2022, The Company paid off the \$5,000,000 loan with Boston Private Bank & Trust Company.

On May 31, 2022, POAH LLC paid off the \$4,000,000 Bridge loan with Calvert Social Investment Foundation.

Supplementary Information

Preservation of Affordable Housing, Inc. and Subsidiaries

Supplementary Information
Consolidating Schedule of Financial Position
December 31, 2021

	<u>Assets</u>					
	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Current assets						
Cash and cash equivalents	\$ 12,123,761	\$ 16,892,612	\$ 24,410,229	\$ 53,426,602	\$ -	\$ 53,426,602
Restricted cash	9,842,159	-	-	9,842,159	-	9,842,159
Reserves	4,750,286	-	-	4,750,286	-	4,750,286
Restricted reserves	3,708,958	109,358	726,196	4,544,512	-	4,544,512
Accounts receivable						
Rental - tenants and subsidy	-	1,481,135	1,835,706	3,316,841	(21,100)	3,295,741
Grants receivable	1,287,500	-	-	1,287,500	-	1,287,500
Properties, net of allowance for doubtful accounts	6,545,959	-	-	6,545,959	(6,086,315)	459,644
Development fees	9,685,027	-	-	9,685,027	(9,685,027)	-
Other	1,255,125	418,840	1,141,503	2,815,468	-	2,815,468
Escrow deposits	-	30,979,509	83,507,742	114,487,251	-	114,487,251
Tenant security deposits	25,292	1,513,160	2,828,567	4,367,019	-	4,367,019
Due from affiliates	786,104	1,055,934	117,172	1,959,210	(1,579,676)	379,534
Prepaid expenses	669,091	834,414	887,097	2,390,602	-	2,390,602
Note receivable, current	5,240,680	-	-	5,240,680	(5,240,680)	-
Interest on notes receivable	6,287,576	-	-	6,287,576	(6,287,576)	-
Predevelopment costs reimbursable, current	10,749,334	5,065,763	-	15,815,097	(3,612,492)	12,202,605
Total current assets	72,956,852	58,350,725	115,454,212	246,761,789	(32,512,866)	214,248,923
Other assets						
Notes receivable, net of discount	157,757,966	31,123,601	-	188,881,567	(160,408,817)	28,472,750
Investment in partnerships	23,159,323	1,859,465	1,107,414	26,126,202	(24,849,256)	1,276,946
Predevelopment costs reimbursable, net of current	3,648,279	-	-	3,648,279	-	3,648,279
Other assets	798,719	1,491,151	3,864,679	6,154,549	-	6,154,549
Total other assets	185,364,287	34,474,217	4,972,093	224,810,597	(185,258,073)	39,552,524
Fixed assets						
Land and buildings	938,747	369,179,227	1,256,662,507	1,626,780,481	(240,126,063)	1,386,654,418
Rehabilitation in progress	-	2,930,213	109,538,869	112,469,082	-	112,469,082
Furniture, equipment and leasehold improvements	1,163,783	5,234,711	18,913,540	25,312,034	-	25,312,034
Less: Accumulated depreciation	(525,640)	(91,017,805)	(254,627,102)	(346,170,547)	63,621,659	(282,548,888)
Total fixed assets	1,576,890	286,326,346	1,130,487,814	1,418,391,050	(176,504,404)	1,241,886,646
Total assets	\$ 259,898,029	\$ 379,151,288	\$ 1,250,914,119	\$ 1,889,963,436	\$ (394,275,343)	\$ 1,495,688,093

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Financial Position
December 31, 2021**

	<u>Liabilities and Net Assets</u>					Total
	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	
Liabilities						
Current liabilities						
Accounts payable	\$ 781,914	\$ 3,909,545	\$ 6,649,740	\$ 11,341,199	\$ (5,028,530)	\$ 6,312,669
Accrued expenses	4,588,829	4,339,796	8,084,490	17,013,115	-	17,013,115
Accounts payable - development	5,800	2,804,703	72,179,811	74,990,314	(41,086,607)	33,903,707
Accrued interest	253,599	792,904	1,878,112	2,924,615	-	2,924,615
Mortgages payable - properties, current	-	46,475,935	6,527,211	53,003,146	-	53,003,146
Construction loans - properties, current	-	-	63,676,295	63,676,295	-	63,676,295
Loan payable, current	11,134,637	-	-	11,134,637	-	11,134,637
Line of credit, current	2,336,722	-	-	2,336,722	-	2,336,722
Deferred liabilities, current	31,742	-	-	31,742	-	31,742
Tenant security deposits	27,944	1,351,480	2,600,372	3,979,796	-	3,979,796
Prepaid revenue	295	558,953	1,503,585	2,062,833	-	2,062,833
Due to affiliates	413,466	6,369,574	3,038,021	9,821,061	(9,562,933)	258,128
Total current liabilities	<u>19,574,948</u>	<u>66,602,890</u>	<u>166,137,637</u>	<u>252,315,475</u>	<u>(55,678,070)</u>	<u>196,637,405</u>
Long-term liabilities						
Loans and notes payable, net of current	34,553,333	-	-	34,553,333	-	34,553,333
Line of credit, net of current	2,313,256	-	-	2,313,256	-	2,313,256
Accrued interest payable - notes payable	1,119,294	-	-	1,119,294	-	1,119,294
Notes payable and accrued interest - properties	-	179,385,390	353,852,226	533,237,616	(199,153,000)	334,084,616
Mortgages payable - properties, net of current	-	153,634,915	397,179,914	550,814,829	-	550,814,829
Construction loans- properties, net of current	-	-	79,119,792	79,119,792	-	79,119,792
Interest rate swap	-	(27,286)	1,966,489	1,939,203	-	1,939,203
Other long-term liabilities	-	187,441	1,009,773	1,197,214	(1,003,992)	193,222
Deferred liabilities, net of current	312,947	-	-	312,947	-	312,947
Deferred income	90,240,226	28,305,293	5,797,126	124,342,645	(104,977,072)	19,365,573
Total long-term liabilities	<u>128,539,056</u>	<u>361,485,753</u>	<u>838,925,320</u>	<u>1,328,950,129</u>	<u>(305,134,064)</u>	<u>1,023,816,065</u>
Total liabilities	<u>148,114,004</u>	<u>428,088,643</u>	<u>1,005,062,957</u>	<u>1,581,265,604</u>	<u>(360,812,134)</u>	<u>1,220,453,470</u>
Commitments and contingencies	-	-	-	-	-	-
Net assets						
Net assets without donor restrictions controlling	104,440,561	(48,937,355)	8,359,378	63,862,584	(20,414,351)	43,448,233
Net assets without donor restrictions noncontrolling	448,779	-	237,491,784	237,940,563	(13,048,858)	224,891,705
Total net assets without donor restrictions	<u>104,889,340</u>	<u>(48,937,355)</u>	<u>245,851,162</u>	<u>301,803,147</u>	<u>(33,463,209)</u>	<u>268,339,938</u>
Net assets with donor restrictions	6,894,685	-	-	6,894,685	-	6,894,685
Total net assets	<u>111,784,025</u>	<u>(48,937,355)</u>	<u>245,851,162</u>	<u>308,697,832</u>	<u>(33,463,209)</u>	<u>275,234,623</u>
Total liabilities and net assets	<u>\$ 259,898,029</u>	<u>\$ 379,151,288</u>	<u>\$ 1,250,914,119</u>	<u>\$ 1,889,963,436</u>	<u>\$ (394,275,343)</u>	<u>\$ 1,495,688,093</u>

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Activities
Year ended December 31, 2021**

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Support and revenue						
Rental income	\$ 207,389	\$ 55,718,283	\$ 110,510,629	\$ 166,436,301	\$ -	\$ 166,436,301
Grant income	699,813	212,801	648,532	1,561,146	-	1,561,146
Grant income, capital investments	3,173,467	-	-	3,173,467	-	3,173,467
Contribution income	33,570	-	-	33,570	-	33,570
Developer fee revenue	13,499,827	-	-	13,499,827	(11,002,620)	2,497,207
Cash flow from properties	2,776,086	-	-	2,776,086	(2,776,086)	-
Property management and related fees	11,500,079	-	-	11,500,079	(10,053,044)	1,447,035
Reimbursable salaries and expenses	21,719,095	-	-	21,719,095	(20,934,544)	784,551
Gain on receipt of mortgage note	2,848,867	1,612,171	-	4,461,038	(4,461,038)	-
Gain on prepayment of notes receivable	260,472	-	-	260,472	(260,472)	-
Gain on debt forgiveness	5,557,220	16,125,068	-	21,682,288	-	21,682,288
Loss on sale	-	(16,504,475)	-	(16,504,475)	16,504,475	-
Interest income	6,355,383	410,282	157,792	6,923,457	(6,332,022)	591,435
Loss on investment in partnership	-	-	(120,185)	(120,185)	-	(120,185)
Investment Income	608,558	-	-	608,558	(610,747)	(2,189)
Other income	151,591	2,187,726	2,359,615	4,698,932	(618,467)	4,080,465
	<u>69,391,417</u>	<u>59,761,856</u>	<u>113,556,383</u>	<u>242,709,656</u>	<u>(40,544,565)</u>	<u>202,165,091</u>
Net assets released from restrictions	-	-	-	-	-	-
Total support and revenue	<u>69,391,417</u>	<u>59,761,856</u>	<u>113,556,383</u>	<u>242,709,656</u>	<u>(40,544,565)</u>	<u>202,165,091</u>
Expenses						
Personnel	19,844,501	-	-	19,844,501	-	19,844,501
Development expense	4,633,756	-	-	4,633,756	(1,884,505)	2,749,251
Professional services	1,612,565	-	-	1,612,565	-	1,612,565
Contributions and grants made	61,050	-	-	61,050	-	61,050
Rental and utilities	1,451,231	-	-	1,451,231	-	1,451,231
Taxes and insurance	642,209	-	-	642,209	-	642,209
Travel and lodging	351,546	-	-	351,546	-	351,546
Interest expense	2,041,704	-	-	2,041,704	-	2,041,704
Reimbursable salaries and expenses	25,269,684	-	-	25,269,684	(20,934,544)	4,335,140
Property operations	194,753	42,030,371	73,013,127	115,238,251	(11,421,132)	103,817,119
Property mortgage interest	35,244	35,191,163	32,430,738	67,657,145	(6,332,022)	61,325,123
Impairment loss	-	2,487,138	-	2,487,138	-	2,487,138
Office and administration	1,549,042	-	-	1,549,042	-	1,549,042
Depreciation and amortization	200,853	9,202,215	31,603,962	41,007,030	(7,357,826)	33,649,204
Community impact	3,025,790	-	-	3,025,790	-	3,025,790
Bad debt expense	2,824,888	-	-	2,824,888	(2,824,888)	-
Miscellaneous	113,047	-	-	113,047	-	113,047
Total expenses	<u>63,851,863</u>	<u>88,910,887</u>	<u>137,047,827</u>	<u>289,810,577</u>	<u>(50,754,917)</u>	<u>239,055,660</u>
Excess of revenue over expenses (expenses over revenue)	<u>5,539,554</u>	<u>(29,149,031)</u>	<u>(23,491,444)</u>	<u>(47,100,921)</u>	<u>10,210,352</u>	<u>(36,890,569)</u>
Excess of revenue over expenses (expenses over revenue) attributable to noncontrolling interests	88,428	-	(23,041,953)	(22,953,525)	-	(22,953,525)
Excess of revenue over expenses (expenses over revenue) attributable to the Company	<u>\$ 5,451,126</u>	<u>\$ (29,149,031)</u>	<u>\$ (449,491)</u>	<u>\$ (24,147,396)</u>	<u>\$ 10,210,352</u>	<u>\$ (13,937,044)</u>

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Supplementary Information
Consolidating Schedule of Changes in Net Assets
Year ended December 31, 2021

	Net assets without donor restrictions									Net assets	Net assets	
	Controlling				Noncontrolling				Total	Controlling	Total	
	Core Operating Companies	Wholly Owned	LP	Eliminations	Subtotal	Core Operating Companies	LP	Eliminations	Subtotal			
Beginning balance, January 1, 2021	\$ 97,222,307	\$ (21,344,055)	\$ 8,023,977	\$ (39,436,964)	\$ 44,465,265	\$ 886,618	\$ 234,926,738	\$ (13,048,858)	\$ 222,764,498	\$ 267,229,763	\$ 7,652,468	\$ 274,882,231
Transfer of limited partnership interest to controlling	-	12,162,229	-	-	12,162,229	-	(12,162,229)	-	(12,162,229)	-	-	-
Capital contributions from noncontrolling interests	-	-	-	-	-	-	38,215,918	-	38,215,918	38,215,918	-	38,215,918
Capital contributions from the Company	-	454,601	600	(455,201)	-	-	-	-	-	-	-	-
Distributions to noncontrolling interests	-	-	-	-	-	(526,267)	(267,072)	-	(793,339)	(793,339)	-	(793,339)
Distributions to the Company	-	(5,123,660)	(236,240)	5,359,900	-	-	-	-	-	-	-	-
Noncontrolling interests' syndication costs	-	-	-	-	-	-	(179,618)	-	(179,618)	(179,618)	-	(179,618)
Other changes in equity	1,009,345	(5,937,439)	1,020,532	3,907,562	-	-	-	-	-	-	-	-
Excess of expenses over revenue attributable to noncontrolling interests	-	-	-	-	-	88,428	(23,041,953)	-	(22,953,525)	(22,953,525)	-	(22,953,525)
Excess of revenue (expenses) attributable to the Company	6,208,909	(29,149,031)	(449,491)	10,210,352	(13,179,261)	-	-	-	-	(13,179,261)	(757,783)	(13,937,044)
Ending balance, December 31, 2021	<u>\$ 104,440,561</u>	<u>\$ (48,937,355)</u>	<u>\$ 8,359,378</u>	<u>\$ (20,414,351)</u>	<u>\$ 43,448,233</u>	<u>\$ 448,779</u>	<u>\$ 237,491,784</u>	<u>\$ (13,048,858)</u>	<u>\$ 224,891,705</u>	<u>\$ 268,339,938</u>	<u>\$ 6,894,685</u>	<u>\$ 275,234,623</u>

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Cash Flows
Year ended December 31, 2021**

	Core Operating Companies	Wholly Owned	LP	Subtotal	Elimination	Total
Cash flows from operating activities						
Excess of revenue over expenses (expenses over revenue)	\$ 5,539,554	\$ (29,149,031)	\$ (23,491,444)	\$ (47,100,921)	\$ 10,210,352	\$ (36,890,569)
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities						
Loss on investment in partnership	-	-	120,185	120,185	-	120,185
Investment income	(608,558)	-	-	(608,558)	610,747	2,189
Depreciation and amortization	200,853	9,202,215	31,603,962	41,007,030	(7,357,826)	33,649,204
Amortization of debt issuance costs	50,336	964,680	904,359	1,919,375	-	1,919,375
Change in fair market value of interest rate swaps	-	(68,435)	1,123,568	1,055,133	-	1,055,133
Gain (loss) on sale of properties	-	16,504,475	-	16,504,475	(16,504,475)	-
Impairment loss	-	2,487,138	-	2,487,138	-	2,487,138
Forgiveness of debt	(5,557,220)	(16,125,068)	-	(21,682,288)	-	(21,682,288)
Bad debt expense	2,824,888	-	-	2,824,888	-	2,824,888
Changes in						
Accounts receivable	837,647	1,059,346	624,453	2,521,446	(2,195,307)	326,139
Predevelopment costs reimbursable	(6,325,148)	3,907,312	-	(2,417,836)	1,446,989	(970,847)
Prepaid expenses and other assets	250,782	260,124	47,588	558,494	-	558,494
Accounts payable and accrued expenses	2,778,671	(3,392,075)	545,136	(68,268)	1,032,125	963,857
Prepaid and deferred revenues	7,747,361	7,435,203	1,071,822	16,254,386	-	16,254,386
Tenant security deposits	2,700	(387,618)	491,983	107,065	-	107,065
Due to affiliates, net	(747,873)	1,866,034	(1,548,640)	(430,479)	(3,241,383)	(3,671,862)
Net cash provided by (used in) operating activities	6,993,993	(5,435,700)	11,492,972	13,051,265	(15,998,778)	(2,947,513)
Cash flows from investing activities						
Escrow deposits and restricted reserves, net	-	7,636,615	7,220,105	14,856,720	-	14,856,720
Advances on notes receivable and accrued interest	(25,551,948)	3,937,717	-	(21,614,231)	10,498,439	(11,115,792)
Repayments of notes receivable and accrued interest	13,676,533	-	-	13,676,533	-	13,676,533
Purchase of limited partner interest	(1,180,225)	-	-	(1,180,225)	1,180,225	-
Acquisition of assets	(339,200)	-	-	(339,200)	-	(339,200)
Contributions to partnerships	(238,979)	-	-	(238,979)	238,979	-
Distributions from partnerships	2,750,515	-	-	2,750,515	(2,750,515)	-
Cash paid for fixed assets	(20,497)	(7,941,850)	(189,349,272)	(197,311,619)	(4,912,616)	(202,224,235)
Net cash (used in) provided by investing activities	(10,903,801)	3,632,482	(182,129,167)	(189,400,486)	4,254,512	(185,145,974)
Cash flows from financing activities						
Proceeds from line of credit	4,400,000	-	-	4,400,000	-	4,400,000
Payments on line of credit	(2,590,000)	-	-	(2,590,000)	-	(2,590,000)
Proceeds from notes and mortgages payable	9,991,074	44,410,170	167,096,981	221,498,225	-	221,498,225
Payment on notes and mortgages payable	(3,072,285)	(32,653,522)	(29,707,395)	(65,433,202)	6,785,204	(58,647,998)
Deferred income	2,244,946	-	-	2,244,946	(2,244,946)	-
Debt issuance costs paid	(55,750)	(1,279,359)	(4,374,745)	(5,709,854)	-	(5,709,854)
Syndication and tax credit costs paid	-	-	(557,781)	(557,781)	-	(557,781)
Acquisition costs and fees paid as a component of general partner equity	-	-	(2,299,309)	(2,299,309)	2,299,309	-
Distributions paid to partners	-	(5,123,660)	(503,312)	(5,626,972)	5,359,900	(267,072)
Distributions to members	(526,267)	-	-	(526,267)	-	(526,267)
Partners capital contributions received	-	454,601	38,216,518	38,671,119	(455,201)	38,215,918
Net cash provided by (used in) financing activities	10,391,718	5,808,230	167,870,957	184,070,905	11,744,266	195,815,171

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Cash Flows
Year ended December 31, 2021**

	<u>Core Operating Companies</u>	<u>Wholly Owned</u>	<u>LP</u>	<u>Subtotal</u>	<u>Elimination</u>	<u>Total</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ 6,481,910	\$ 4,005,012	\$ (2,765,238)	\$ 7,721,684	\$ -	\$ 7,721,684
Cash, cash equivalents, and restricted cash, beginning of year	<u>23,968,546</u>	<u>14,510,118</u>	<u>30,730,230</u>	<u>69,208,894</u>	<u>-</u>	<u>69,208,894</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 30,450,456</u>	<u>\$ 18,515,130</u>	<u>\$ 27,964,992</u>	<u>\$ 76,930,578</u>	<u>\$ -</u>	<u>\$ 76,930,578</u>
Supplemental disclosure of cash flow activities						
Cash paid for interest	<u>\$ 1,713,619</u>	<u>\$ 9,555,044</u>	<u>\$ 24,635,424</u>	<u>\$ 35,904,087</u>	<u>\$ -</u>	<u>\$ 35,904,087</u>
Schedule of noncash investing activities						
Fixed asset costs incurred	\$ 20,497	\$ 111,589,420	\$ 212,699,018	\$ 324,308,935	\$ 9,878,495	\$ 334,187,430
Fixed assets sold in connection with common control transaction	-	(105,291,953)	-	(105,291,953)	-	(105,291,953)
Accounts payable - development, beginning of year	-	4,449,086	48,830,065	53,279,151	36,120,728	89,399,879
Accounts payable - development, end of year	-	(2,804,703)	(72,179,811)	(74,984,514)	(41,086,607)	(116,071,121)
Cash paid for fixed assets	<u>\$ 20,497</u>	<u>\$ 7,941,850</u>	<u>\$ 189,349,272</u>	<u>\$ 197,311,619</u>	<u>\$ 4,912,616</u>	<u>\$ 202,224,235</u>
Transfer of fixed assets	<u>\$ -</u>	<u>\$ 88,676,604</u>	<u>\$ (88,676,604)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred liability included in residual receipts escrow	<u>\$ -</u>	<u>\$ 333,558</u>	<u>\$ 72,325</u>	<u>\$ 405,883</u>	<u>\$ -</u>	<u>\$ 405,883</u>
Increase in interest on notes receivable for acquisitions under common control	<u>\$ 261,546</u>	<u>\$ -</u>	<u>\$ (261,546)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution of notes receivable	<u>\$ 3,940,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,940,362</u>	<u>\$ -</u>	<u>\$ 3,940,362</u>
Schedule of noncash financing activities						
(Decrease) increase in liabilities due to interest rate swap	<u>\$ -</u>	<u>\$ (68,435)</u>	<u>\$ 1,123,568</u>	<u>\$ 1,055,133</u>	<u>\$ -</u>	<u>\$ 1,055,133</u>

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Financial Position - Core Operating Companies
December 31, 2021**

	<u>Assets</u>				
	POAH INC	POAH LLC	Subtotal	Elimination	Total
Current assets					
Cash and cash equivalents	\$ 2,445,218	\$ 9,678,543	\$ 12,123,761	\$ -	\$ 12,123,761
Restricted cash	9,842,159	-	9,842,159	-	9,842,159
Reserves	4,750,286	-	4,750,286	-	4,750,286
Restricted reserves	3,703,158	5,800	3,708,958	-	3,708,958
Accounts receivable			-		
Grants receivable	1,287,500	-	1,287,500	-	1,287,500
Properties, net of allowance for doubtful accounts	236,314	6,309,645	6,545,959	-	6,545,959
Development fees	-	9,685,027	9,685,027	-	9,685,027
Other	133,433	1,121,692	1,255,125	-	1,255,125
Due from affiliates	1,370,409	2,568,806	3,939,215	(3,153,111)	786,104
Prepaid expenses	402,306	266,785	669,091	-	669,091
Note receivable, current	4,396,520	844,160	5,240,680	-	5,240,680
Interest on notes receivable	323,317	5,964,259	6,287,576	-	6,287,576
Predevelopment costs reimbursable, current	3,604,011	10,355,711	13,959,722	(3,210,388)	10,749,334
Tenant security deposits	-	25,292	25,292	-	25,292
Total current assets	<u>32,494,631</u>	<u>46,825,720</u>	<u>79,320,351</u>	<u>(6,363,499)</u>	<u>72,956,852</u>
Other assets					
Notes receivable, net of discount	36,722,483	121,035,483	157,757,966	-	157,757,966
Investment in companies	63,857,760	-	63,857,760	(63,857,760)	-
Investment in partnerships	21,661,848	1,497,475	23,159,323	-	23,159,323
Predevelopment costs reimbursable, net of current	-	3,648,279	3,648,279	-	3,648,279
Other assets	764,864	33,855	798,719	-	798,719
Total other assets	<u>123,006,955</u>	<u>126,215,092</u>	<u>249,222,047</u>	<u>(63,857,760)</u>	<u>185,364,287</u>
Fixed assets					
Land and buildings	-	938,747	938,747	-	938,747
Furniture, equipment and leasehold improvements	813,101	350,682	1,163,783	-	1,163,783
Less: Accumulated depreciation	(87,838)	(437,802)	(525,640)	-	(525,640)
Total fixed assets	<u>725,263</u>	<u>851,627</u>	<u>1,576,890</u>	<u>-</u>	<u>1,576,890</u>
Total assets	<u><u>\$ 156,226,849</u></u>	<u><u>\$ 173,892,439</u></u>	<u><u>\$ 330,119,288</u></u>	<u><u>\$ (70,221,259)</u></u>	<u><u>\$ 259,898,029</u></u>

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Financial Position - Core Operating Companies
December 31, 2021**

	<u>Liabilities and Net assets</u>				
	<u>POAH INC</u>	<u>POAH LLC</u>	<u>Subtotal</u>	<u>Elimination</u>	<u>Total</u>
Liabilities					
Current liabilities					
Accounts payable	\$ 380,111	\$ 401,803	\$ 781,914	\$ -	\$ 781,914
Accrued expenses	259,220	4,329,609	4,588,829	-	4,588,829
Accounts payable - development	-	5,800	5,800	-	5,800
Accrued interest	211,394	42,205	253,599	-	253,599
Loan payable, current	4,572,589	6,562,048	11,134,637	-	11,134,637
Line of credit, current	-	2,336,722	2,336,722	-	2,336,722
Deferred liabilities, current	-	31,742	31,742	-	31,742
Tenant security deposit	-	27,944	27,944	-	27,944
Prepaid revenue	-	295	295	-	295
Due to affiliates	5,382,538	1,394,427	6,776,965	(6,363,499)	413,466
Total current liabilities	10,805,852	15,132,595	25,938,447	(6,363,499)	19,574,948
Long-term liabilities					
Loans and notes payable, net of current	16,125,186	18,428,147	34,553,333	-	34,553,333
Line of credit, net of current	-	2,313,256	2,313,256	-	2,313,256
Accrued interest payable - notes payable	-	1,119,294	1,119,294	-	1,119,294
Deferred liabilities, net of current	241,793	71,154	312,947	-	312,947
Deferred income	17,718,772	72,521,454	90,240,226	-	90,240,226
Total long-term liabilities	34,085,751	94,453,305	128,539,056	-	128,539,056
Total liabilities	44,891,603	109,585,900	154,477,503	(6,363,499)	148,114,004
Net assets					
Net assets without donor restrictions controlling	104,440,561	63,857,760	168,298,321	(63,857,760)	104,440,561
Net assets without donor restrictions noncontrolling	-	448,779	448,779	-	448,779
Total net assets without donor restrictions	104,440,561	64,306,539	168,747,100	(63,857,760)	104,889,340
Net assets with donor restrictions	6,894,685	-	6,894,685	-	6,894,685
Total net assets	111,335,246	64,306,539	175,641,785	(63,857,760)	111,784,025
Total liabilities and net assets	\$ 156,226,849	\$ 173,892,439	\$ 330,119,288	\$ (70,221,259)	\$ 259,898,029

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Activities - Core Operating Companies
Year ended December 31, 2021**

	POAH INC without donor restrictions	POAH INC with donor restriction	POAH LLC	Subtotal	Elimination	Total
Support and revenue						
Rental income	\$ -	\$ -	\$ 207,389	\$ 207,389	\$ -	\$ 207,389
Grant income	24,873	674,940	-	699,813	-	699,813
Grant income, capital investments	1,264,500	-	1,908,967	3,173,467	-	3,173,467
Contribution income	33,570	-	-	33,570	-	33,570
Developer fee revenue	-	-	13,499,827	13,499,827	-	13,499,827
Cash flow from properties	472,630	-	2,303,456	2,776,086	-	2,776,086
Property management and related fees	-	-	11,500,079	11,500,079	-	11,500,079
Reimbursable salaries and expenses	-	-	21,719,095	21,719,095	-	21,719,095
Gain on receipt of mortgage note	-	-	2,848,867	2,848,867	-	2,848,867
Gain on prepayment of notes receivable	-	-	260,472	260,472	-	260,472
Gain on debt forgiveness	-	-	5,557,220	5,557,220	-	5,557,220
Interest income	325,571	-	6,029,812	6,355,383	-	6,355,383
Investment income	10,735,634	-	204,293	10,939,927	(10,331,369)	608,558
Other income	7,278	78,811	65,502	151,591	-	151,591
	<u>12,864,056</u>	<u>753,751</u>	<u>66,104,979</u>	<u>79,722,786</u>	<u>(10,331,369)</u>	<u>69,391,417</u>
Net assets released from restrictions	1,511,534	(1,511,534)	-	-	-	-
Total support and revenue	<u>14,375,590</u>	<u>(757,783)</u>	<u>66,104,979</u>	<u>79,722,786</u>	<u>(10,331,369)</u>	<u>69,391,417</u>
Expenses						
Personnel	1,701,168	-	18,143,333	19,844,501	-	19,844,501
Development expense	938	-	4,632,818	4,633,756	-	4,633,756
Professional services	1,039,927	-	572,638	1,612,565	-	1,612,565
Contributions and grants made	50,600	-	10,450	61,050	-	61,050
Rental and utilities	160,625	-	1,290,606	1,451,231	-	1,451,231
Taxes and insurance	521,052	-	121,157	642,209	-	642,209
Travel and lodging	38,956	-	312,590	351,546	-	351,546
Interest expense	851,285	-	1,190,419	2,041,704	-	2,041,704
Reimbursable salaries and expenses	-	-	25,269,684	25,269,684	-	25,269,684
Property operations	-	-	194,753	194,753	-	194,753
Property mortgage interest	-	-	35,244	35,244	-	35,244
Office and administration	124,721	-	1,424,321	1,549,042	-	1,549,042
Depreciation and amortization	79,413	-	121,440	200,853	-	200,853
Community impact	3,025,790	-	-	3,025,790	-	3,025,790
Bad debt expense	500,000	-	2,324,888	2,824,888	-	2,824,888
Miscellaneous	72,206	-	40,841	113,047	-	113,047
Total expenses	<u>8,166,681</u>	<u>-</u>	<u>55,685,182</u>	<u>63,851,863</u>	<u>-</u>	<u>63,851,863</u>
Excess of revenue over expenses	<u>6,208,909</u>	<u>(757,783)</u>	<u>10,419,797</u>	<u>15,870,923</u>	<u>(10,331,369)</u>	<u>5,539,554</u>
Excess of revenue over expenses attributable to noncontrolling interests	-	-	(88,428)	(88,428)	-	(88,428)
Excess of revenue over expenses attributable to the Company	<u>\$ 6,208,909</u>	<u>\$ (757,783)</u>	<u>\$ 10,331,369</u>	<u>\$ 15,782,495</u>	<u>\$ (10,331,369)</u>	<u>\$ 5,451,126</u>

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Changes in Net Assets - Core Operating Companies
Year ended December 31, 2021**

	Net assets without donor restrictions						Net assets with donor restrictions	
	Controlling			Subtotal	Noncontrolling		Controlling	
	POAH INC	POAH LLC	Eliminations		POAH LLC	Total	POAH INC	Total
Beginning balance, January 1, 2021	\$ 97,222,307	\$ 58,617,046	\$ (58,617,046)	\$ 97,222,307	\$ 886,618	\$ 98,108,925	\$ 7,652,468	\$ 105,761,393
Distribution to member	-	(6,100,000)	6,100,000	-	-	-	-	-
Distribution to noncontrolling member	-	-	-	-	(526,267)	(526,267)	-	(526,267)
Other changes in equity	1,009,345	1,009,345	(1,009,345)	1,009,345	-	1,009,345	-	1,009,345
Excess of revenue over expenses attributable to noncontrolling interest	-	-	-	-	88,428	88,428	-	88,428
Excess of revenue over expenses (expenses over revenue) attributable to the Company	6,208,909	10,331,369	(10,331,369)	6,208,909	-	6,208,909	(757,783)	5,451,126
Ending balance, December 31, 2021	<u>\$ 104,440,561</u>	<u>\$ 63,857,760</u>	<u>\$ (63,857,760)</u>	<u>\$ 104,440,561</u>	<u>\$ 448,779</u>	<u>\$ 104,889,340</u>	<u>\$ 6,894,685</u>	<u>\$ 111,784,025</u>

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Cash Flows - Core Operating Companies
Year ended December 31, 2021**

	POAH, Inc	POAH LLC	Subtotal	Elimination	Total
Cash flows from operating activities					
Excess of revenue over expenses	\$ 5,451,126	\$ 10,419,797	\$ 15,870,923	\$ (10,331,369)	\$ 5,539,554
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities					
Forgiveness of debt	-	(5,557,220)	(5,557,220)	-	(5,557,220)
Investment income (loss)	(10,735,634)	(204,293)	(10,939,927)	10,331,369	(608,558)
Depreciation and amortization	79,413	121,440	200,853	-	200,853
Amortization of debt issuance costs	19,458	30,878	50,336	-	50,336
Bad debt expense	500,000	2,324,888	2,824,888	-	2,824,888
Changes in					
Accounts receivable	1,002,655	(165,008)	837,647	-	837,647
Predevelopment costs reimbursable	(1,878,085)	(4,447,063)	(6,325,148)	-	(6,325,148)
Prepaid expenses and other assets	56,766	194,016	250,782	-	250,782
Accounts payable and accrued expenses	264,706	2,513,965	2,778,671	-	2,778,671
Prepaid and deferred revenues	7,954,260	(206,899)	7,747,361	-	7,747,361
Tenant security deposits liabilities	-	2,700	2,700	-	2,700
Due to affiliates, net	(1,069,806)	321,933	(747,873)	-	(747,873)
Net cash provided by operating activities	<u>1,644,859</u>	<u>5,349,134</u>	<u>6,993,993</u>	<u>-</u>	<u>6,993,993</u>
Cash flows from investing activities					
Advances on notes receivable and accrued interest	(16,701,566)	(8,850,382)	(25,551,948)	-	(25,551,948)
Repayments of notes receivable and accrued interest	3,067,550	10,608,983	13,676,533	-	13,676,533
Purchase of limited partner interest	-	(1,180,225)	(1,180,225)	-	(1,180,225)
Acquisition of assets	(339,200)	-	(339,200)	-	(339,200)
Contributions to partnerships	(238,979)	-	(238,979)	-	(238,979)
Distributions from partnerships	2,750,515	-	2,750,515	-	2,750,515
Distribution from subsidiary	6,100,000	-	6,100,000	(6,100,000)	-
Cash paid for fixed assets	(20,497)	-	(20,497)	-	(20,497)
Net cash (used in) provided by investing activities	<u>(5,382,177)</u>	<u>578,376</u>	<u>(4,803,801)</u>	<u>(6,100,000)</u>	<u>(10,903,801)</u>
Cash flows from financing activities					
Proceeds from line of credit	-	4,400,000	4,400,000	-	4,400,000
Payments on line of credit	-	(2,590,000)	(2,590,000)	-	(2,590,000)
Proceeds from notes and mortgages payable	7,537,749	2,453,325	9,991,074	-	9,991,074
Payment on notes and mortgages payable	(1,724,720)	(1,347,565)	(3,072,285)	-	(3,072,285)
Deferred income	4,317,469	(2,072,523)	2,244,946	-	2,244,946
Debt issuance costs	-	(55,750)	(55,750)	-	(55,750)
Distributions to members	-	(6,626,267)	(6,626,267)	6,100,000	(526,267)
Net cash provided by (used in) financing activities	<u>10,130,498</u>	<u>(5,838,780)</u>	<u>4,291,718</u>	<u>6,100,000</u>	<u>10,391,718</u>
Net increase in cash and cash equivalents	6,393,180	88,730	6,481,910	-	6,481,910
Cash and cash equivalents, December 31, 2020	14,347,641	9,615,105	23,962,746	-	23,962,746
Cash and cash equivalents, December 31, 2021	<u>\$ 20,740,821</u>	<u>\$ 9,703,835</u>	<u>\$ 30,444,656</u>	<u>\$ -</u>	<u>\$ 30,444,656</u>

Preservation of Affordable Housing, Inc. and Subsidiaries

**Consolidating Schedule of Cash Flows - Core Operating Companies
For the year ended December 31, 2021**

	<u>POAH, Inc</u>	<u>POAH LLC</u>	<u>Subtotal</u>	<u>Elimination</u>	<u>Total</u>
Supplemental disclosure of cash flow activities					
Cash paid for interest	<u>\$ 734,363</u>	<u>\$ 979,256</u>	<u>\$ 1,713,619</u>	<u>\$ -</u>	<u>\$ 1,713,619</u>
Schedule of noncash investing activities					
Increase in interest on notes receivable for acquisitions under common control	<u>\$ 261,546</u>	<u>\$ 261,546</u>	<u>\$ 523,092</u>	<u>\$ (261,546)</u>	<u>\$ 261,546</u>
Contribution of notes receivable	<u>\$ -</u>	<u>\$ 3,940,362</u>	<u>\$ 3,940,362</u>	<u>\$ -</u>	<u>\$ 3,940,362</u>

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Supplementary Information
 Consolidating Schedule of Financial Position - POAH LLC
 December 31, 2021

Assets

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Current assets						
Cash and cash equivalents	\$ 7,027,570	\$ 2,635,070	\$ -	\$ 15,903	\$ -	\$ 9,678,543
Restricted reserves	-	-	-	5,800	-	5,800
Accounts receivable						
Properties, net of allowance for doubtful accounts	2,416,625	4,011,775	-	22,934	(141,689)	6,309,645
Development fees	9,439,768	-	245,259	-	-	9,685,027
Other	1,059,521	62,171	-	-	-	1,121,692
Due from related parties	3,199,155	613,919	-	-	(1,244,268)	2,568,806
Prepaid expenses	5,313	261,472	-	-	-	266,785
Note receivable, current	844,160	-	-	-	-	844,160
Interest on notes receivable	5,857,968	-	106,291	-	-	5,964,259
Predevelopment costs reimbursable, current	10,355,711	-	-	-	-	10,355,711
Tenant security deposits	-	-	-	25,292	-	25,292
Total current assets	40,205,791	7,584,407	351,550	69,929	(1,385,957)	46,825,720
Other assets						
Notes receivable, net of discount and current	116,298,321	-	4,737,162	-	-	121,035,483
Investment in companies	7,628,531	-	-	-	(7,628,531)	-
Investment in partnerships	1,153,954	-	-	-	343,521	1,497,475
Predevelopment costs reimbursable, net of current	3,648,279	-	-	-	-	3,648,279
Other assets	24,230	9,625	-	-	-	33,855
Total other assets	128,753,315	9,625	4,737,162	-	(7,285,010)	126,215,092
Fixed assets						
Land and buildings	-	-	-	938,747	-	938,747
Furniture, equipment and leasehold improvements	173,150	177,532	-	-	-	350,682
Less: Accumulated depreciation	(151,829)	(134,373)	-	(151,600)	-	(437,802)
Total fixed assets	21,321	43,159	-	787,147	-	851,627
Total assets	\$ 168,980,427	\$ 7,637,191	\$ 5,088,712	\$ 857,076	\$ (8,670,967)	\$ 173,892,439

Preservation of Affordable Housing, Inc. and Subsidiaries

Supplementary Information
 Consolidating Schedule of Financial Position - POAH LLC
 December 31, 2021

Liabilities and Net Assets

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Liabilities						
Current liabilities						
Accounts payable	\$ 229,861	\$ 153,228	\$ -	\$ 18,714	\$ -	\$ 401,803
Accrued expenses	1,304,976	3,024,633	-	-	-	4,329,609
Development costs payable	-	-	-	5,800	-	5,800
Accrued interest	39,224	-	-	2,981	-	42,205
Loan payable, current	6,562,048	-	-	-	-	6,562,048
Line of credit, current	2,336,722	-	-	-	-	2,336,722
Deferred liabilities, current	2,117	29,625	-	-	-	31,742
Tenant security deposits	-	-	-	27,944	-	27,944
Prepaid revenue	-	295	-	-	-	295
Due to related parties	1,050,271	1,135,580	141,689	452,844	(1,385,957)	1,394,427
Total current liabilities	11,525,219	4,343,361	141,689	508,283	(1,385,957)	15,132,595
Long-term liabilities						
Loans and notes payable, net of current	17,735,833	-	-	692,314	-	18,428,147
Line of credit, net of current	2,313,256	-	-	-	-	2,313,256
Accrued interest payable - loans and notes payable	1,119,294	-	-	-	-	1,119,294
Deferred liabilities, net of current	4,902	66,252	-	-	-	71,154
Deferred income	72,424,163	97,291	-	-	-	72,521,454
Total long-term liabilities	93,597,448	163,543	-	692,314	-	94,453,305
Total liabilities	105,122,667	4,506,904	141,689	1,200,597	(1,385,957)	109,585,900
Net assets						
Net assets without donor restrictions controlling	63,857,760	3,130,287	4,498,244	(343,521)	(7,285,010)	63,857,760
Net assets without donor restrictions noncontrolling	-	-	448,779	-	-	448,779
Total net assets without donor restrictions	63,857,760	3,130,287	4,947,023	(343,521)	(7,285,010)	64,306,539
Total liabilities and net assets	\$ 168,980,427	\$ 7,637,191	\$ 5,088,712	\$ 857,076	\$ (8,670,967)	\$ 173,892,439

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

Supplementary Information
 Consolidating Schedule of Activities - POAH LLC
 Year ended December 31, 2021

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Support and revenue						
Rental income	\$ -	\$ -	\$ -	\$ 207,389	\$ -	\$ 207,389
Grant income, capital investments	1,908,967	-	-	-	-	1,908,967
Development and other fee revenue from properties	13,251,533	-	248,294	-	-	13,499,827
Cash flow from properties	2,445,145	-	-	-	(141,689)	2,303,456
Property management and related fees	-	11,500,079	-	-	-	11,500,079
Reimbursable salaries and expenses	-	21,719,095	-	-	-	21,719,095
Gain on receipt of mortgage note	2,848,867	-	-	-	-	2,848,867
Gain on prepayment of notes receivable	260,472	-	-	-	-	260,472
Gain on debt forgiveness	-	5,557,220	-	-	-	5,557,220
Interest income	5,929,141	577	100,051	43	-	6,029,812
Investment income	1,907,518	-	-	-	(1,703,225)	204,293
Other income	-	54,982	-	10,520	-	65,502
Total support and revenue	28,551,643	38,831,953	348,345	217,952	(1,844,914)	66,104,979
Expenses						
Personnel	8,620,348	9,522,985	-	-	-	18,143,333
Development expense	4,632,818	-	141,689	-	(141,689)	4,632,818
Professional services	308,349	264,289	-	-	-	572,638
Contributions and grants made	10,450	-	-	-	-	10,450
Rental and utilities	850,849	439,757	-	-	-	1,290,606
Taxes and insurance	473	120,684	-	-	-	121,157
Travel and lodging	62,214	250,376	-	-	-	312,590
Interest expense	1,163,790	26,629	-	-	-	1,190,419
Reimbursable salaries and expenses	-	25,269,684	-	-	-	25,269,684
Property operations	-	-	-	194,753	-	194,753
Property mortgage interest	-	-	-	35,244	-	35,244
Office and administration	634,598	789,723	-	-	-	1,424,321
Depreciation and amortization	16,682	42,175	-	62,583	-	121,440
Bad debt expense	1,888,967	435,921	-	-	-	2,324,888
Miscellaneous	30,736	10,105	-	-	-	40,841
Total expenses	18,220,274	37,172,328	141,689	292,580	(141,689)	55,685,182
Excess of revenue over expenses (expenses over revenue)	10,331,369	1,659,625	206,656	(74,628)	(1,703,225)	10,419,797
Excess of revenue over expenses attributable to noncontrolling interest	-	-	(88,428)	-	-	(88,428)
Excess of revenue over expenses (expenses over revenue) attributable to the Company	\$ 10,331,369	\$ 1,659,625	\$ 118,228	\$ (74,628)	\$ (1,703,225)	\$ 10,331,369

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Changes in Net Assets - POAH LLC
Year ended December 31, 2021**

	Controlling					Subtotal	Noncontrolling	Total
	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations		PTLHC	
Balance at January 1, 2021	\$ 58,617,046	\$ 1,870,662	\$ 4,106,162	\$ (268,893)	\$ (5,707,931)	\$ 58,617,046	\$ 886,618	\$ 59,503,664
Distributions to the member	(6,100,000)	(400,000)	-	-	400,000	(6,100,000)	-	(6,100,000)
Distributions to noncontrolling member	-	-	-	-	-	-	(526,267)	(526,267)
Other changes in equity								
Common control - interest	261,546	-	67,140	-	(67,140)	261,546	-	261,546
Common control - principal	747,799	-	206,714	-	(206,714)	747,799	-	747,799
Excess of revenue over expenses attributable to noncontrolling interest	-	-	-	-	-	-	88,428	88,428
Excess of revenue over expenses (expenses over revenue) attributable to the Company	10,331,369	1,659,625	118,228	(74,628)	(1,703,225)	10,331,369	-	10,331,369
Balance at December 31, 2021	<u>\$ 63,857,760</u>	<u>\$ 3,130,287</u>	<u>\$ 4,498,244</u>	<u>\$ (343,521)</u>	<u>\$ (7,285,010)</u>	<u>\$ 63,857,760</u>	<u>\$ 448,779</u>	<u>\$ 64,306,539</u>

See Independent Auditor's Report.

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Cash Flow - POAH LLC
Year ended December 31, 2021**

	POAH LLC	POAHC	PTLHC	PWSMT	Eliminations	Total
Cash flows from operating activities						
Excess of revenue over expenses (expenses over revenue)	\$ 10,331,369	\$ 1,659,625	\$ 206,656	\$ (74,628)	\$ (1,703,225)	\$ 10,419,797
Forgiveness of debt	-	(5,557,220)	-	-	-	(5,557,220)
Investment income	(1,907,518)	-	-	-	1,703,225	(204,293)
Depreciation and amortization	16,682	42,175	-	62,583	-	121,440
Amortization of debt issuance costs	30,878	-	-	-	-	30,878
Bad dept expense	1,888,967	435,921	-	-	-	2,324,888
Changes in						
Accounts receivable	(1,994,976)	1,906,565	(80,638)	4,041	-	(165,008)
Predevelopment costs reimbursable	(4,447,063)	-	-	-	-	(4,447,063)
Prepaid expenses and other assets	99,419	94,597	-	-	-	194,016
Accounts payable and accrued expenses	578,886	1,939,390	-	(4,311)	-	2,513,965
Prepaid revenue and deferred liabilities	(174,211)	(25,581)	-	(7,107)	-	(206,899)
Tenant security deposits liabilities	-	-	-	2,700	-	2,700
Due to affiliates, net	619,929	(322,276)	(720)	25,000	-	321,933
Net cash provided by operating activities	<u>5,042,362</u>	<u>173,196</u>	<u>125,298</u>	<u>8,278</u>	<u>-</u>	<u>5,349,134</u>
Cash flows from investing activities						
Advances on notes receivable and accrued interest	(8,750,331)	-	(100,051)	-	-	(8,850,382)
Repayment of notes receivable and accrued interest	10,107,963	-	501,020	-	-	10,608,983
Purchase of limited partner interest	(1,180,225)	-	-	-	-	(1,180,225)
Distribution from subsidiary	400,000	-	-	-	(400,000)	-
Net cash provided by (used in) investing activities	<u>577,407</u>	<u>-</u>	<u>400,969</u>	<u>-</u>	<u>(400,000)</u>	<u>578,376</u>
Cash flows from financing activities						
Proceeds from line of credit	4,400,000	-	-	-	-	4,400,000
Payments on line of credit	(2,590,000)	-	-	-	-	(2,590,000)
Proceeds from notes payable	2,453,325	-	-	-	-	2,453,325
Payments on notes payable	(1,347,565)	-	-	-	-	(1,347,565)
Deferred income	(2,072,523)	-	-	-	-	(2,072,523)
Debt issuance costs	(55,750)	-	-	-	-	(55,750)
Distributions to member	(6,100,000)	(400,000)	(526,267)	-	400,000	(6,626,267)
Net cash (used in) provided by financing activities	<u>(5,312,513)</u>	<u>(400,000)</u>	<u>(526,267)</u>	<u>-</u>	<u>400,000</u>	<u>(5,838,780)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	307,256	(226,804)	-	8,278	-	88,730
Cash, cash equivalents, and restricted cash, beginning	<u>6,720,314</u>	<u>2,861,874</u>	<u>-</u>	<u>32,917</u>	<u>-</u>	<u>9,615,105</u>
Cash, cash equivalents, and restricted cash, ending	<u>\$ 7,027,570</u>	<u>\$ 2,635,070</u>	<u>\$ -</u>	<u>\$ 41,195</u>	<u>\$ -</u>	<u>\$ 9,703,835</u>

Preservation of Affordable Housing, Inc. and Subsidiaries

**Supplementary Information
Consolidating Schedule of Cash Flow - POAH LLC
Year ended December 31, 2021**

Supplemental disclosure of cash flow activities						
Cash paid for interest	<u>\$ 944,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,244</u>	<u>\$ -</u>	<u>\$ 979,256</u>
Schedule of noncash investing activities						
Increase in interest on notes receivable for acquisitions under common control	<u>\$ 261,546</u>	<u>\$ -</u>	<u>\$ 67,140</u>	<u>\$ -</u>	<u>\$ (67,140)</u>	<u>\$ 261,546</u>
Contribution of notes receivable	<u>\$ 3,940,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,940,362</u>

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