

Porchlight, Inc. and Subsidiary

Madison, Wisconsin

Consolidated Financial
Statements and Supplementary
Information

Year Ended December 31, 2022



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Porchlight, Inc. and Subsidiary
Consolidated Financial Statements and Supplementary Information
Year Ended December 31, 2022

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Independent Auditor's Report

Porchlight, Inc. and Subsidiary
Madison, Wisconsin

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Porchlight, Inc., (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Porchlight, Inc. and Subsidiary as of December 31, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Porchlight, Inc. 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. The financial statements of Porchlight Foundation, Inc., a subsidiary of Porchlight, Inc., were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Porchlight, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Porchlight, Inc.'s 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 Porchlight, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and other financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and the supplementary information appearing on pages 26-58 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. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2024, on our consideration of Porchlight, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Porchlight, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Porchlight, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

March 15, 2024
Madison, Wisconsin

Porchlight, Inc. and Subsidiary

Consolidated Statement of Financial Position December 31, 2022

Assets	
Current assets:	
Cash and cash equivalents	\$ 2,406,897
Investments	3,501,622
Grants receivable	983,558
Accounts receivable, net	276,736
Land contract receivable	2,223
Promises to give	250,000
Inventory	4,205
Prepaid expenses	104,018
Total current assets	7,529,259
Other assets:	
WHEDA reserves	435,881
Certificates of deposit	1,187,654
Land contract receivable	17,376
Promises to give	238,575
Total other assets	1,879,486
Property and equipment, net	12,885,043
TOTAL ASSETS	\$ 22,293,788
Liabilities and Net Assets	
Current liabilities:	
Current portion of mortgages payable	\$ 112,134
Current portion of deferred loans payable	14,667
Accounts payable	549,706
Accrued payroll and related expenses	170,110
Deferred revenue	77,837
Total current liabilities	924,454
Long-term liabilities:	
Deferred loans payable	3,075,624
Mortgages payable	793,183
Total long-term liabilities	3,868,807
Total liabilities	4,793,261
Net assets:	
Without donor restrictions	17,000,527
With donor restrictions	500,000
Total net assets	17,500,527
TOTAL LIABILITIES AND NET ASSETS	\$ 22,293,788

Porchlight, Inc. and Subsidiary

Consolidated Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 3,537,348	\$ 625,000	\$ 4,162,348
Investment loss	(188,251)	0	(188,251)
Contributions	2,260,550	0	2,260,550
Rental income	1,732,517	0	1,732,517
Program fees	21,327	0	21,327
Miscellaneous	104,851	0	104,851
In-kind contributions	69,234	0	69,234
Net assets released from restriction	225,000	(225,000)	0
Total revenue	7,762,576	400,000	8,162,576
Program expenses:			
Homeless men's drop-in shelter	2,347,473	0	2,347,473
Safe Haven	459,059	0	459,059
Housing	3,271,856	0	3,271,856
Brooks Street	592,231	0	592,231
Total program expenses	6,670,619	0	6,670,619
Management and general	774,204	0	774,204
Fundraising	119,412	0	119,412
Total management and general, and fundraising	893,616	0	893,616
Total expenses	7,564,235	0	7,564,235
Change in net assets	198,341	400,000	598,341
Net assets - Beginning of the year	16,802,186	100,000	16,902,186
Net assets - End of the year	\$ 17,000,527	\$ 500,000	\$ 17,500,527

Porchlight, Inc. and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended December 31, 2022

	Homeless Men's Drop-In Shelter	Safe Haven	Housing	Brooks Street	Total Program Activities	Management and General Expenses	Fundraising	Total Expenses
EXPENSES								
Salaries & wages	\$ 432,986	\$ 250,576	\$ 988,788	\$ 116,543	\$ 1,788,893	\$ 398,580	\$ 36,817	\$ 2,224,290
Taxes	32,468	19,791	75,216	8,288	135,763	33,221	2,514	171,498
Fringe benefits	38,561	31,297	204,152	25,860	299,870	71,749	16,844	388,463
Operating	61,367	4,168	55,430	3,452	124,417	33,864	0	158,281
Maintenance	43,998	21,938	519,511	102,222	687,669	0	0	687,669
Program costs	1,326,629	45,255	254,558	81,656	1,708,098	0	0	1,708,098
Utilities	79,715	18,126	264,660	97,797	460,298	0	0	460,298
Bad Debt	0	-	12,287	3,200	15,487	0	0	15,487
Depreciation	7,440	32,856	418,668	110,372	569,336	0	0	569,336
Insurance	14,548	6,387	125,182	37,548	183,665	0	0	183,665
Rent	0	0	105,993	0	105,993	0	0	105,993
Interest	0	0	24,314	0	24,314	0	0	24,314
Direct assistance	304,913	27,851	164,805	13	497,582	0	0	497,582
Administrative	0	0	0	0	0	236,790	0	236,790
Promotions	0	0	0	0	0	0	63,237	63,237
In-kind expenses	4,848	814	58,292	5,280	69,234	0	0	69,234
TOTAL EXPENSES	\$ 2,347,473	\$ 459,059	\$ 3,271,856	\$ 592,231	\$ 6,670,619	\$ 774,204	\$ 119,412	\$ 7,564,235

Porchlight, Inc. and Subsidiary

Consolidated Statement of Cash Flows

Year Ended December 31, 2022

Increase (decrease) in cash, cash equivalents and restricted cash:

Cash flows from operating activities:	
Change in net assets	\$ 598,341
Adjustments to reconcile change in net assets to net cash from operating expenses:	
Depreciation	569,336
Bad debt expense	15,487
Net realized and unrealized loss on investments	286,413
Non-cash contribution on forgiveness of deferred loan payable	(14,667)
Amortization of discount on promises to give	11,425
Changes in operating assets and liabilities:	
Grants receivable	63,751
Accounts receivable	16,283
Promises to give	(400,000)
Inventory	25,134
Prepaid expenses	(52,702)
Accounts payable	164,538
Accrued payroll and related expenses	13,979
Deferred revenue	9,858
Refundable advance liability	(26,500)
Net cash from operating expenses	1,280,676
Cash flows from investing activities:	
Proceeds from sale of certificates of deposit	507,897
Purchase of certificates of deposit	(261,323)
Collection of land contract receivable	4,173
Purchase of investments	(3,085,786)
Purchase of property and equipment	(101,929)
Net cash from investing activities	(2,936,968)
Cash flows from financing activities:	
Principal payments on mortgages payable	(113,852)
Net cash from financing activities	(113,852)
Change in cash, cash equivalents and restricted cash	(1,770,144)
Cash, cash equivalents and restricted cash - Beginning of the year	4,612,922
Cash, cash equivalents and restricted cash - End of the year	\$ 2,842,778
Supplemental schedule of other cash activity:	
Interest paid and expensed	\$ 24,314
Reconciliation of cash, cash equivalents and restricted cash at December 31, 2022:	
Cash and cash equivalents	\$ 2,406,897
Restricted reserves	435,881
Total cash, cash equivalents and restricted cash	\$ 2,842,778

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Porchlight, Inc. (“Porchlight”) was established as a nonprofit corporation in 1987 and was formed to develop and provide resources for the purpose of assisting low-income individuals secure housing, find temporary and permanent jobs, and provide referrals to community resources to help individuals live independently. Porchlight, Inc. is primarily supported through federal and state government grants, rental income, and contributions. The main recipients of these programs reside in Dane County, Wisconsin.

Porchlight Foundation, Inc. (“Foundation”) is a nonprofit organization created in 1999 to help carry out the mission of Porchlight, Inc. by managing and preserving endowment and long-term assets for the benefit of Porchlight, Inc. Porchlight Foundation, Inc. seeks to develop a fund sufficient to support and sustain Porchlight, Inc. in providing the full continuum of housing and support services for homeless and at risk residents of Dane County with the ultimate goal of helping people help themselves toward independence. The strategy is to reduce homelessness in the Dane County area by providing resources for the development of low-cost housing affordable to those in need, as well as support services and a sense of community connected with that housing. The monies collected will serve as an endowment fund for supporting these activities in perpetuity.

Principles of Consolidation

These financial statements are consolidated and include the accounts of Porchlight and the Foundation. The two entities are referred to as (the “Organizations”). All material inter-company transactions and accounts are eliminated in consolidation.

Basis of Presentation

The consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organizations consider all money market accounts to be cash equivalents.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities are carried at fair value. Unrealized gains or losses of investments are reflected as investment gains or losses in the consolidated statement of activities. Fair values are determined based on active, publicly traded markets. Donated property held for sale is valued at the fair market value at the time of donation. Investment fees, if any, are netted with return.

Accounts Receivable, Land Contract Receivable, and Allowance for Doubtful Accounts

Accounts receivable and the land contract receivable consist of receivables for rent, contributions, and amounts owed to the Organizations from various sources. The Organizations analyze the receivables and record an allowance for doubtful accounts based on prior collection, experience, and specific customer attributes. When all collection efforts have been exhausted, the Organizations write off receivables against the allowance for doubtful accounts. As of December 31, 2022, the allowance for doubtful accounts was \$15,600. Any estimated uncollectible amounts are generally considered implicit price concessions that directly reduce accounts receivable. Changes to the estimate of the transaction price are generally recorded as adjustments to the revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the payer's ability to pay are recorded as bad debt expense.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as a corresponding asset, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by donors are recorded as increases to net assets with donor restrictions.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the promise to give.

Management considers these promises to give to be collectible, and therefore, no allowance for uncollectible amounts has been recorded. If an amount becomes delinquent after all collection efforts have failed, the account is written off.

Inventory

Inventory consists of canned and preserved artisan products. Inventories as of December 31, 2022, are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are capitalized at cost and depreciated over their useful lives using the straight-line method. The Organizations consider property and equipment to be items with a cost greater than \$5,000 and having a useful life of greater than one year.

Property and equipment purchased with grant funds are owned by Porchlight while used in the programs for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$915,622 at December 31, 2022.

Classification of Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) 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 met by the passage of time or other events specified by the donor. Other explicit 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.

Revenue Recognition/Refundable Advance Liability

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition/Refundable Advance Liability (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Contributions that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized.

Conditional contributions are recognized when the barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

B. Grant Awards That Are Exchange Transactions

Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as deferred revenue in the consolidated statement of financial position, if any.

Rental income represents income received from various sources for use of property or space owned by Porchlight. This income is recognized monthly over the lease term.

In-Kind Contributions

Porchlight has recorded in-kind contributions for supplies and professional services in the consolidated statement of activities in accordance with financial accounting standards. These accounting standards require that only contributions of services received that create or enhance a nonfinancial asset or require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. Porchlight recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the fair value at the time of the donation.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

In-Kind Contributions (Continued)

Porchlight received contributions of nonprofessional volunteers during the year with a value of \$10,333 which are not recorded in the consolidated statement of activities due to the financial standards of nonprofessional in-kind differing from the in-kind requirements of Porchlight's grant awards.

Income Taxes

Porchlight and the Foundation are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organizations are also exempt from Wisconsin franchise or income tax.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Functional Allocation of Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Rent and related costs are allocated based on square footage.

Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the consolidated statement of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases.

The Organizations adopted this guidance for the year ended December 31, 2022, with modified retrospective application to January 1, 2022. The Organizations have elected the package of practical expedients permitted in ASC Topic 842. This adoption did not have a material impact on the Organization's accounting for leases.

As of December 31, 2022, the Organizations adopted ASU No. 2021-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, which is intended to improve transparency in reporting contributed nonfinancial assets for not-for-profit entities to present contributed nonfinancial assets as a separate line in the consolidated statement of activities, and additional disclosures about contributed nonfinancial assets.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

Subsequent events have been evaluated through March 15, 2024, which is the date the consolidated financial statements were available to be issued.

Note 2: Concentration of Credit Risk

The Organizations maintain cash balances at several financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. Management believes these financial institutions have strong credit ratings and are not exposed to any significant on their cash and cash equivalents.

Investments, as listed in Note 3, are not insured.

Note 3: Investments

Investments consist of the following:

	Porchlight	Foundation	Total
Equity and fixed income funds			
Domestic equity securities	\$ 1,169,501	\$ 250,077	\$ 1,419,578
International equity securities	517,360	122,513	639,873
Fixed Income mutual funds	790,195	210,422	1,000,617
Complement mutual funds	441,554	-	441,554
Investment balance	\$ 2,918,610	\$ 583,012	\$ 3,501,622

Investment gain/(loss) for the year consists of the following:

	Porchlight	Foundation	Total
Dividend income	\$ 79,966	\$ 18,196	\$ 98,162
Net realized and unrealized loss	(155,165)	(131,248)	(286,413)
Total	\$ (75,199)	\$ (113,052)	\$ (188,251)

Note 4: Fair Value Measurements

In accordance with accounting principles generally accepted in the United States, fair value can be measured under three levels of inputs (the fair value hierarchy). The level of an asset or liability within the fair value hierarchy is based on the lowest level of input significant to the fair value measurement of that asset or liability.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 4: Fair Value Measurements (Continued)

Following is a brief description of each level of the fair value hierarchy:

Level 1—Fair value measurement is based on quoted prices for identical assets or liabilities in active markets.

Level 2—Fair value measurement is based on 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in markets that are not active; or 3) valuation models and methodologies for which all significant assumptions are or can be corroborated by observable market data. Currently, the Organizations do not have any level 2 investments.

Level 3—Fair value measurement is based on valuation models and methodologies that incorporate at least one significant assumption that cannot be corroborated by observable market data. Level 3 measurements reflect the Organization's estimates about assumptions market participants would use in measuring fair value of the asset or liability. Currently, the Organizations do not have any level 3 investments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Organizations believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2022, is as follows:

	Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity and fixed income funds:				
Domestic equity securities	\$ 1,419,578	\$ 1,419,578	\$ -	-
International equity securities	639,873	639,873	-	-
Fixed income mutual funds	1,000,617	1,000,617	-	-
Complement mutual funds	441,554	441,554	-	-
Total Assets	\$ 3,501,622	\$ 3,501,622	\$ -	-

The Organizations do not have any liabilities measured at fair value on a recurring basis or any assets or liabilities measured at fair value on a non-recurring basis. The fair value of the domestic, international, fixed income and complement funds are based on quoted market prices.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 5: Grants Receivable

The grants receivable represents the following amounts due from the various funding sources as of December 31, 2022:

U.S. Department of Housing & Urban Development	\$	150,688
U.S. Department of Veterans Affairs		35,900
County of Dane		26,358
City of Madison		770,612
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Total	\$	983,558
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Note 6: WHEDA Reserves

The Wisconsin Housing and Economic Development Authority (WHEDA) reserves of \$435,881 in escrow represent an operating deficit reserve of \$6,072 and replacement reserves of \$429,809 associated with Porchlight's WHEDA mortgages (see Note 10). These funds will remain with WHEDA until Porchlight requests to use the funds and the use is approved by WHEDA.

Note 7: Land Contract Receivable

In 2012, Porchlight sold a portion of donated property by executing a land contract. The land contract receivable has an outstanding principal balance of \$19,599. The land contract receivable has an interest rate of 1% per year and monthly payments of \$650 with a maturity date of January 1, 2028. Porchlight holds a lien on the property.

Note 8: Property and Equipment

A summary of land, buildings, improvements, and equipment are as follows:

Land	\$	3,125,903
Buildings		16,057,854
Building improvements		2,002,944
Leasehold improvements		390,090
Equipment		810,436
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Total cost		22,387,227
Accumulated depreciation		(9,502,184)
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Property and equipment, net	\$	12,885,043
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Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 9: Deferred Loans Payable

Porchlight, Inc. has received no-interest deferred payment CDBG loan funds from the City of Madison. The funds were for the purchase and/or renovation of property. The funds are to be returned to the City of Madison if the properties are sold or converted to a use other than stipulated in the CDBG loan restrictions, with the exception of East Mifflin Street. The forgivable portion of the East Mifflin Street loan with the County of Dane is to be forgiven at the end of a 15-year period. The East Mifflin Street loan is to be forgiven in 2025.

Porchlight, Inc. has received a no-interest deferred payment loan from the County of Dane. The funds were for the purchase of Sunfield Street in Sun Prairie. The funds are to be returned to the County of Dane if the property is sold or converted to a use other than stipulated in the County of Dane loan restrictions. The County of Dane has agreed to forgive a portion of the loan over a period of 15 years at a rate of 6.67% per year beginning in 2017.

Deferred loans payable consists of the following:

<u>CDBG deferred funds</u>	
South Broom Street	\$ 20,000
Northport Drive	12,500
Sinykin Circle	25,000
North Midvale	82,731
East Washington Avenue	53,750
Russet Road	150,000
North Brooks Street	1,047,961
North Brooks Street	18,000
Pheasant Ridge Trail	340,000
Camden Road	170,000
East Johnson Street	199,116
East Mifflin Street	203,367
Nakoosa Trail	265,669
Thierer Road	170,000
 <u>CDBG and County of Dane deferred forgivable loans:</u>	
East Mifflin Street	200,200
Sunfield Street	131,997
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Total deferred loans payable	3,090,291
Current portion	(14,667)
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Long-term portion	\$ 3,075,624
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Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 10: Mortgages Payable

Porchlight, Inc. has the following mortgages payable at December 31, 2022:

Mortgage payable to WHEDA at 4.00% interest, with monthly payments of \$3,338, and the outstanding balance due September 1, 2024. The mortgage is collateralized by property at 1102 Spring Street and 609 North Midvale.	\$ 67,588
Mortgage payable to WHEDA at 2.50% interest, with monthly payments of \$1,379, and the outstanding balance due February 1, 2037. The mortgage is collateralized by property at 2718 Pheasant Ridge Trail.	197,193
Mortgage payable to WHEDA at 2.50% interest, with monthly payments of \$859, and the outstanding balance due July 1, 2035. The mortgage is collateralized by property at 1409 McKenna Boulevard.	111,236
Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$3,943, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below.	114,233
Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$908, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below.	25,979
Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$468, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below.	13,588
Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$3,943 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by property at the locations listed below.	278,380
Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$907 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by property at the locations listed below.	64,100
Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$468 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by properties at the locations listed below	33,020
Total	905,317
Current mortgages payable	(112,134)
Long-term mortgages payable	\$ 793,183

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 10: Mortgages Payable (Continued)

The above mortgages to WHEDA are collateralized by the following properties:

5814 Russet Road	249/251 Broadway
5818 Russet Road	1309 Northport Drive
3342-3344 East Washington Avenue	1903 Sherman Avenue
3346-3348 East Washington Avenue	

Future maturities are as follows:

<i>Year</i>	<i>Amount</i>
2023	\$ 112,134
2024	108,111
2025	81,999
2026	84,695
2027	85,222
Thereafter	433,156
<hr/>	
Total	\$ 905,317

In addition to the previously stated mortgages payable, Porchlight, Inc. had a revolving line of credit with BMO Harris Bank for \$200,000, which expired on July 20, 2022, and was secured by property at 3710 E. Karstens. The line-of-credit agreement had a variable interest rate equal to the prime rate plus the Index Rate. The line of credit was not renewed.

Note 11: Retirement Plan

Porchlight, Inc. established a simplified employee pension (SEP) plan. The plan is open to all employees who are at least 21 years of age and have been employed by Porchlight, Inc. for 1,000 hours and for the preceding 12 months. The retirement benefits are fully vested with the employee at the time of contribution. Porchlight, Inc.'s contributions for the year ended December 31, 2022 were \$51,532.

Note 12: Contingencies

Porchlight, Inc. has several donor restrictions regarding the use of funds received for acquisition and rehabilitation of properties. The funds received, which are reflected as liabilities on the consolidated statement of financial position and donor restrictions are as follows:

CDBG-Deferred Loans

As mentioned in Note 9, Porchlight, Inc. has 13 properties that were acquired or renovated with the use of deferred CDBG loans from the City of Madison. These loans would be payable to the City of Madison if the properties were sold or converted to a use other than stipulated in the CDBG loan restriction.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 12: Contingencies (Continued)

The deferred loan agreement of \$12,500 for Northport Drive and \$25,000 Sinykin Circle includes a further donor restriction that, upon the sale or change of the use of the property, Porchlight, Inc. will return to the City of Madison the fair market value of the assisted project, minus the pro-rated fair share of other source-funded improvements.

The deferred loan agreement of \$53,750 for East Washington Avenue includes a donor restriction that upon the sale, change of use, or discontinuance of use, Porchlight, Inc. will return to the City of Madison the fair market value of the assisted project minus the pro-rated share of other source funded improvements.

The deferred loan agreement of \$82,731 for North Midvale includes a donor restriction on \$60,669 of the funds received that should Porchlight, Inc. discontinue operation or change the use of the property, Porchlight, Inc. will repay to the City of Madison the ratio of CDBG funds to the total acquisition value multiplied by the appraisal value after improvements.

The deferred loan agreement for Pheasant Ridge Trail includes a further donor restriction that, upon the sale, transfer, or closure of the property, Porchlight, Inc. will return to the City of Madison the greater of the deferred loan amount of \$340,000, or an amount equal to 43% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for Camden Road includes a donor restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$170,000, or an amount equal to 56% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for East Johnson Street includes a donor restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$199,116, or an amount equal to 73% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for East Mifflin Street includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$203,367 or an amount equal to 75% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement of \$265,669 for Nakoosa Trail includes a donor restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will repay to the City of Madison the CDBG funds.

The deferred loan agreement for Thierer Road (f/k/a Lien Road) includes a donor restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$170,000, or an amount equal to 4.25% of the current fair market value of the property as determined by an appraiser.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 12: Contingencies (Continued)

Federal Home Loan Bank (FHLB) Affordable Housing Program

Porchlight, Inc. received \$240,000 from the FHLB to construct a property at Thierer Road. In the event that Porchlight, Inc. would sell or convert the use of the property within a 15-year period starting April 1, 2017, Porchlight, Inc. has agreed to repay the original award. Porchlight, Inc. intends to comply with all restrictions. Therefore, no liability has been recorded on the consolidated statement of financial position.

Note 13: Rental Activity

Porchlight, Inc. rents to individuals that qualify under a variety of programs and to two commercial tenants. The majority of program tenants are under annual or shorter rental arrangements. The rental income for the commercial tenants and individual tenants for the year ended December 31, 2022 was \$54,212 and \$1,678,305. Future minimum commercial income is as follows:

<i>Year</i>	<i>Amount</i>
2023	\$ 57,239
2024	57,831
2025	58,436
2026	59,053
Thereafter	53,753
Total	\$ 286,312

A summary of rental property is as follows:

	Rental Property
Land	\$ 3,125,903
Buildings	16,036,567
Building improvements	2,002,944
Equipment	597,670
Total Cost	21,763,084
Accumulated depreciation	(8,936,305)
Rental property, net	\$ 12,826,779

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 14: Lease Commitments - Lessee

Porchlight leases various facilities and equipment for operation of its programs that are classified as short-term leases under ASU No. 2016-02 - *Leases*.

Note 15: Grant Awards

At December 31, 2022, Porchlight had commitments under various ongoing grant awards of approximately \$121,000. The revenue relating to these grants is not recognized in the accompanying consolidated financial statements as revenue recognition is conditional on the incurrence of expenditures or the performance of services in the next year.

Note 16: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, are comprised of the following at December 31, 2022:

	<u>Porchlight</u>	<u>Foundation</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,378,591	\$ 28,306	\$ 2,406,897
Grants receivable	983,558	-	983,558
Accounts receivable, net	276,736	-	276,736
Investments	2,918,610	583,012	3,501,622
Less:	-	-	-
Accounts payable designated for grant expenditures	(549,706)	-	(549,706)
Accrued payroll designated for grant expenditures	(170,110)	-	(170,110)
Deferred revenue	(77,837)	-	(77,837)
Net assets with donor restrictions	(500,000)	-	(500,000)
Total	\$ 5,259,842	\$ 611,318	\$ 5,871,160

The Organizations do not have a formal liquidity policy but generally maintain financial assets in liquid form such as cash for approximately one year of operating expenses. The Organizations invest in a broadly diversified portfolio, which can include equities, debt instruments, both private and public, and money market funds, which can be liquidated if needed. This is done with excess non-restricted funds to maximize return of investment without undue risk. Porchlight has grant commitments for future expenses of approximately \$121,000 as further described in Note 15.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 17: Net Assets with Donor Restrictions

Net assets with donor restrictions available as of December 31, 2022, was \$500,000 as the net assets have a specific time restriction. When restrictions are met, net assets are released from restriction and reported as net assets without donor restrictions. \$225,000 of net assets with donor restrictions was released from restrictions as a result of satisfying a time restriction.

Note 18: Contributed Nonfinancial Assets

Contributed nonfinancial assets included in in-kind revenue on the consolidated statement of activities are as follows for the year ended December 30, 2022:

Professional volunteer	\$	50,210
Food		19,024
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Total	\$	69,234
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The Organizations utilize contributed nonfinancial assets throughout the various programs. The Organization's contributed nonfinancial assets did not have donor-imposed restrictions.

Professional volunteers are valued based on the current rates of donor services provided by the donor. Food is valued based on the estimated fair value on the basis of wholesale values that would be received for selling similar products in the United States.

Supplementary Information

Porchlight, Inc. and Subsidiary

Schedule A-1

Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended December 31, 2022

AL Number	Program Name	Federal Grantor/ Pass-Through Agency	Program Period	Project Number	Grant Award	12/31/2021 Refundable Advance Liability	12/31/2021 Net Assets	Revenue			12/31/2022 Refundable Advance Liability	12/31/22 Net Assets	
								Award/Funds Recognized	Other Revenue & Transfers	Total Revenue Recognized			Expenses
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT													
CDBG Entitlement Grants Cluster													
14.218	COVID-19 Drop-in Shelter	City of Madison	01/01/22-12/31/22	JD007-CDBG-CV-2022	1,611,000	\$ 0	\$ 0	\$ 1,611,000	\$ 0	\$ 1,611,000	(\$ 1,611,000)	\$ 0	\$ 0
Total CDBG Entitlement Grants Cluster AL #14.218 CDBG-Supplemental Coronavirus Allocation						0	0	1,611,000	0	1,611,000	(1,611,000)	0	0
14.231	COVID-19 Drop-in Shelter	City of Madison	07/01/20-01/31/22	JK004-WISESG-CV	162,046	0	0	93,393	0	93,393	(93,393)	0	0
14.231	COVID-19 Safe Haven	City of Madison	10/01/20-01/31/22	JH003-HUDESIG-CV20	112,684	0	0	31,894	0	31,894	(31,894)	0	0
14.231	COVID-19 Drop-in Shelter	City of Madison	10/01/20-01/31/22	JK004-HUDESIG-CV20	900,952	0	0	254,209	0	254,209	(254,209)	0	0
14.231	COVID-19 Shelter Case Management	City of Madison	07/01/21-06/30/22	JK004-WISESG-CV	9,225	0	0	9,225	0	9,225	(9,225)	0	0
14.231	COVID-19 Drop-in Shelter	City of Madison	07/01/20-12/31/22	JK004-WISESG-CV 20	72,800	0	0	72,800	0	72,800	(72,800)	0	0
14.231	COVID-19 Drop-in Shelter	City of Madison	10/01/22-12/31/22	JK004-WISESG-CV 20	13,991	0	0	13,991	0	13,991	(13,991)	0	0
Total AL #14.231 Emergency Shelter Grant Program						0	0	475,512	0	475,512	(475,512)	0	0
14.267	Coordinated Entry - Support Services	U.S. Dept. of HUD	05/01/21-04/30/22	WI0211LSI031801	64,100	0	0	(3,456)	0	(3,456)	3,456	0	0
14.267	Coordinated Entry - Administrative	U.S. Dept. of HUD	05/01/21-04/30/22	WI0211LSI031801	2,920	0	0	(254)	0	(254)	254	0	0
14.267	Coordinated Entry - Support Services	U.S. Dept. of HUD	05/01/22-04/30/23	WI0211LSI032104	64,100	0	0	34,843	0	34,843	(34,843)	0	0
14.267	Coordinated Entry - Administrative	U.S. Dept. of HUD	05/01/22-04/30/23	WI0211LSI032104	2,920	0	0	431	0	431	(431)	0	0
Subtotals						0	0	31,564	0	31,564	(31,564)	0	0
14.267	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/21-07/31/22	WI0091LSI032013	4,501	0	0	1,831	0	1,831	(1,831)	0	0
14.267	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/21-07/31/22	WI0091LSI032013	19,150	0	0	5,659	0	5,659	(5,659)	0	0
14.267	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/21-07/31/22	WI0091LSI032013	121,547	0	0	77,234	0	77,234	(77,234)	0	0
14.267	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/21-07/31/22	WI0091LSI032013	5,823	0	0	4,575	0	4,575	(4,575)	0	0
14.267	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/22-07/31/23	WI0091LSI032114	4,681	0	0	2,566	0	2,566	(2,566)	0	0
14.267	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/22-07/31/23	WI0091LSI032114	19,150	0	0	12,735	0	12,735	(12,735)	0	0
14.267	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/22-07/31/23	WI0091LSI032114	126,409	0	0	59,447	0	59,447	(59,447)	0	0
14.267	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/22-07/31/23	WI0091LSI032114	5,823	0	0	1,603	0	1,603	(1,603)	0	0
Subtotals						0	0	165,650	0	165,650	(165,650)	0	0
14.267	HOSTS - Operating	U.S. Dept. of HUD	01/01/22-12/31/22	WI0095LSI032013	78,227	0	0	86,972	0	86,972	(86,972)	0	0
14.267	HOSTS - Support	U.S. Dept. of HUD	01/01/22-12/31/22	WI0095LSI032013	152,070	0	0	152,070	0	152,070	(152,070)	0	0
14.267	HOSTS - Administration	U.S. Dept. of HUD	01/01/22-12/31/22	WI0095LSI032013	6,047	0	0	6,047	0	6,047	(6,047)	0	0
Subtotals						0	0	245,089	0	245,089	(245,089)	0	0
Total AL #14.267 Continuum of Care Program						0	0	442,303	0	442,303	(442,303)	0	0
DEPARTMENT OF TREASURY													
21.027	American Rescue Plan Not For Profit	County of Dane	09/01/21-12/31/22	85512-ARP NFP	50,000	25,000	0	25,000	0	25,000	(50,000)	0	0
DEPARTMENT OF VETERAN'S AFFAIRS													
64.024	Veterans Transitional Housing Program	U.S. Dept. of Vet Affairs	10/01/21-09/30/22	PORC521-1429-607-PD-21	442,260	0	0	311,152	0	311,152	(311,152)	0	0
64.024	Veterans Transitional Housing Program	U.S. Dept. of Vet Affairs	10/01/22-09/30/23	PORC521-1429-607-PD-21	104,150	0	0	104,150	0	104,150	(104,150)	0	0
Total AL #64.024 Veterans Transitional Housing Program						0	0	415,302	0	415,302	(415,302)	0	0
DEPARTMENT OF HOMELAND SECURITY													
97.024	Emergency Shelter	Emergency Food & Shelter National Board	11/01/21-04/23/23	912600-016 PH36	19,578	0	0	19,578	0	19,578	(19,578)	0	0
Total AL #97.024 Emergency Shelter						0	0	19,578	0	19,578	(19,578)	0	0
Total Federal Programs						\$ 25,000	\$ 0	\$ 2,988,695	\$ 0	\$ 2,988,695	(\$ 3,013,695)	\$ 0	\$ 0

Porchlight, Inc. and Subsidiary

Schedule A-2

Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended December 31, 2022

AL Number	Program Name	Federal Grantor/ Pass-Through Agency	Program Period	Project Number	Grant Award	12/31/2021 Refundable Advance Liability	12/31/2021 Net Assets	Revenue			12/31/2022 Refundable Advance Liability	12/31/22 Net Assets	
								Award/Funds Recognized	Other Revenue & Transfers	Total Revenue Recognized			
STATE AND LOCAL PROGRAMS													
N/A	Permanent Housing Case Management	City of Madison	01/01/22-12/31/22	JD006-MADGPR22	\$ 160,000	\$ 0	\$ 0	\$ 160,000	\$ 0	\$ 160,000	(\$ 160,000)	\$ 0	\$ 0
N/A	Transportation Assistance Grant	City of Madison	01/01/22-12/31/22	JD014-MADGPR22	55,275	0	0	55,275	0	55,275	(55,275)	0	0
N/A	Emergency Overnight Shelter Men	County of Dane	01/01/22-12/31/22	85321-8066	233,441	0	0	233,441	0	233,441	(233,441)	0	0
N/A	Housing Services (Brooks St)	County of Dane	01/01/22-12/31/22	85356-9219	30,282	0	0	30,282	0	30,282	(30,282)	0	0
N/A	School Road CBRF	County of Dane	01/01/22-12/31/22	85356-11082	227,435	0	0	227,435	0	227,435	(227,435)	0	0
N/A	Safe Haven - Outreach	County of Dane	01/01/22-12/31/22	85356-13358	169,255	0	0	169,255	0	169,255	(169,255)	0	0
N/A	Safe Haven - Crisis Stabilization	County of Dane	01/01/22-12/31/22	85356-12559	77,650	0	0	77,650	0	77,650	(77,650)	0	0
N/A	Housing Operations	United Way of Dane County	01/01/22-12/31/22	N/A	37,400	0	0	37,400	0	37,400	(37,400)	0	0
N/A	DIGS	United Way of Dane County	01/01/22-12/31/22	N/A	35,000	0	0	35,000	0	35,000	(35,000)	0	0
N/A	State Shelter Subsidy Grant	State of WI-Dept. of Admin	01/01/22-12/31/22	SSSG 22-33	85,800	0	0	85,800	0	85,800	(85,800)	0	0
N/A	Youth Service Grant	S. Madison Rotary Club	01/01/22-12/31/22	N/A	1,500	1,500	0	1,500	0	1,500	0	0	0
GENERALLY ACCEPTED ACCOUNTING PRINCIPLE (GAAP) ADJUSTMENTS													
N/A	In-kind	N/A	N/A	N/A	N/A	0	0	0	69,234	69,234	(69,234)	0	0
N/A	Grant-Funded Property & Equipment	N/A	N/A	N/A	N/A	0	946,203	0	0	0	(30,581)	0	915,622
Total State and Local Programs and GAAP Adjustments						1,500	946,203	1,113,038	69,234	1,182,272	(1,211,353)	0	915,622
Total Federal, State, and Local Programs						26,500	946,203	4,101,733	69,234	4,170,967	(4,225,048)	0	865,622
N/A	Organizational Activities		N/A	N/A	N/A	0	15,955,983	87,115	3,930,994	4,018,109	(3,339,187)	0	16,634,905
TOTALS						\$ 26,500	\$ 16,902,186	\$ 4,188,848	\$ 4,000,228	\$ 8,189,076	(\$ 7,564,235)	\$ 0	\$ 17,500,527

Notes to Schedule of Expenditures of Federal Awards and Other Financial Assistance

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards and Other Financial Assistance (the "Schedule") includes the federal grant activity of Porchlight, Inc. under programs of the federal government for the year ended December 31, 2022. Because the schedule presents only a selected portion of the operations of Porchlight, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Porchlight, Inc.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Subrecipients

No federal grant awards were passed through to subrecipients during the year ended December 31, 2022.

Note 4 - Indirect Cost Rate

Porchlight, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Porchlight, Inc. and Subsidiary

Consolidating Statement of Financial Position December 31, 2022

<i>Assets</i>	Porchlight, Inc.	Porchlight Foundation, Inc.	Total
Current assets:			
Cash and cash equivalents	\$ 2,378,591	\$ 28,306	\$ 2,406,897
Investments	2,918,610	583,012	3,501,622
Grants receivable	983,558	0	983,558
Accounts receivable	276,736	0	276,736
Land contract receivable	2,223	0	2,223
Promises to give	250,000		250,000
Inventory	4,205	0	4,205
Prepaid expenses	104,018	0	104,018
Total current assets	6,917,941	611,318	7,529,259
Other assets:			
WHEDA reserves	435,881	0	435,881
Certificates of deposit	1,187,654	0	1,187,654
Land contract receivable	17,376	0	17,376
Promises to give	238,575	0	238,575
Total other assets	1,879,486	0	1,879,486
Property and equipment, net	12,885,043	0	12,885,043
TOTAL ASSETS	\$ 21,682,470	\$ 611,318	\$ 22,293,788
<i>Liabilities and Net Assets</i>			
Current liabilities:			
Current portion of mortgages payable	\$ 112,134	\$ 0	\$ 112,134
Current portion of deferred loans payable	14,667	0	14,667
Accounts payable	549,706	0	549,706
Accrued payroll and related expenses	170,110	0	170,110
Deferred revenue	77,837	0	77,837
Total current liabilities	924,454	0	924,454
Long-term liabilities:			
Deferred loans payable	3,075,624	0	3,075,624
Mortgages payable	793,183	0	793,183
Total long-term liabilities	3,868,807	0	3,868,807
Total liabilities	4,793,261	0	4,793,261
Net assets:			
Without donor restrictions	16,389,209	611,318	17,000,527
With donor restrictions	500,000	0	500,000
Total net assets	16,889,209	611,318	17,500,527
TOTAL LIABILITIES AND NET ASSETS	\$ 21,682,470	\$ 611,318	\$ 22,293,788

Porchlight, Inc. and Subsidiary

Consolidating Statement of Activities
Year Ended December 31, 2022

	Porchlight, Inc.			Porchlight Foundation, Inc.			Total
	Without Donor Restrictions	With Donor Restrictions	Subtotal	Without Donor Restrictions	With Donor Restrictions	Subtotal	
	Revenue:						
Grant revenue	3,537,348	\$ 625,000	\$ 4,162,348	\$ 0	\$ 0	\$ 0	\$ 4,162,348
Investment loss	(75,199)	0	(75,199)	(113,052)	0	(113,052)	(188,251)
Contributions	2,259,546	0	2,259,546	1,004	0	1,004	2,260,550
Rental income	1,732,517	0	1,732,517	0	0	0	1,732,517
Program fees	21,327	0	21,327	0	0	0	21,327
Miscellaneous	104,851	0	104,851	0	0	0	104,851
In-kind contributions	69,234	0	69,234	0	0	0	69,234
Net assets released from restriction	225,000	(225,000)	0	0	0	0	0
Total revenue	7,874,624	400,000	8,274,624	(112,048)	0	(112,048)	8,162,576
Program expenses:							
Homeless men's drop-in shelter	2,347,473	0	2,347,473	0	0	0	2,347,473
Safe Haven	459,059	0	459,059	0	0	0	459,059
Housing	3,271,856	0	3,271,856	0	0	0	3,271,856
Brooks Street	592,231	0	592,231	0	0	0	592,231
Total program expenses	6,670,619	0	6,670,619	0	0	0	6,670,619
Management and general	768,179	0	768,179	6,025	0	6,025	774,204
Fundraising	119,412	0	119,412	0	0	0	119,412
Total management, general, and fundraising	887,591	0	887,591	6,025	0	6,025	893,616
Total expenses	7,558,210	0	7,558,210	6,025	0	6,025	7,564,235
Change in net assets	316,414	400,000	716,414	(118,073)	0	(118,073)	598,341
Net assets - Beginning of the year	16,072,795	100,000	16,172,795	729,391	0	729,391	16,902,186
Net assets - End of the year	\$ 16,389,209	\$ 500,000	\$ 16,889,209	\$ 611,318	\$ 0	\$ 611,318	\$ 17,500,527

Porchlight, Inc. and Subsidiary

Schedule B

Schedule of Revenue and Expenses by Funding Source and by Contract

Year Ended December 31, 2022

	Revenue Source							
	Emergency Overnight Shelter Men			Housing Services	School Road CBRF	Safe Haven Crisis Stabilization	Safe Haven Outreach	Total Programs
	State of Wisconsin			Dane County	Dane County	Dane County	Dane County	
	Dane County	Wisconsin	Total					
Total Revenue	\$ 233,441	\$ 85,800	\$ 319,241	\$ 30,282	\$ 227,435	\$ 77,650	\$ 169,255	\$ 823,863
EXPENSES								
Program expenses:								
Personnel	212,431	56,950	269,381	30,282	136,063	64,050	162,755	662,531
Operating	0	28,850	28,850	0	55,000	9,900	4,200	97,950
Space	0	0	0	0	25,000	3,700	2,300	31,000
Special costs	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0
Total program expenses	212,431	85,800	298,231	30,282	216,063	77,650	169,255	791,481
Administrative expenses:								
Personnel	18,010	0	18,010	0	5,472	0	0	23,482
Operating	3,000	0	3,000	0	5,900	0	0	8,900
Space	0	0	0	0	0	0	0	0
Special costs	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0
Total administrative expenses	21,010	0	21,010	0	11,372	0	0	32,382
Total Expenses	233,441	85,800	319,241	30,282	227,435	77,650	169,255	823,863
EXCESS OF REVENUE OVER EXPENSES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report Year Ended December 31, 2022

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2022

Provider Name:	Porchlight, Inc.	Contract #:	85321	*Provider Certified By:		Date	1/27/2023
Program Name:	Emergency Overnight Shelter	Program Group #:	8066				

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A. PERSONNEL						
Salaries	192,400	14,517	184,316	198,833	192,400	
Taxes	17,100	1,086	13,557	14,643	17,100	
Benefits	20,941	2,407	14,558	16,965	20,941	
Subtotal A	230,441	18,010	212,431	230,441	230,441	0.00%
B. OPERATING						
Insurance	3,000	3,000		3,000	3,000	
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Subtotal B	3,000	3,000	0	3,000	3,000	0.00%
C. SPACE						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	0	0	0	0	0	
D. SPECIAL COSTS						
Assistance to Individuals				0		
Subtotal D	0	0	0	0	0	
E. OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F. OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	233,441	21,010	212,431	233,441	233,441	0.00%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report

Year Ended December 31, 2022

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2022

Provider Name:	Porchlight, Inc.	Contract #:	85356	Provider Certified By:	1/26/2023
Program Name:	Housing Services	Program Group #:	9219		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A. PERSONNEL						
Salaries	23,300		25,364	25,364	23,300	
Taxes	1,900		1,961	1,961	1,900	
Benefits	5,082		2,957	2,957	5,082	
Subtotal A	30,282	0	30,282	30,282	30,282	0.00%
B. OPERATING						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Subtotal B	0	0	0	0	0	
C. SPACE						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	0	0	0	0	0	
D. SPECIAL COSTS						
Assistance to Individuals						
Subtotal D	0	0	0	0	0	
E. OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F. OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	30,282	0	30,282	30,282	30,282	0.00%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report

Year Ended December 31, 2022

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2022

Provider Name:		Porchlight, Inc.	Contract #:		85356	*Provider Certified By:		1/27/2023
Program Name:		School Road CBRF	Program Group #:		11082	Date		
	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget		
A. PERSONNEL								
Salaries	100,500	4,566	109,321	113,887	100,500			
Taxes	8,800	355	8,397	8,752	8,800			
Benefits	32,235	551	18,345	18,896	32,235			
Subtotal A	141,535	5,472	136,063	141,535	141,535			0.00%
B. OPERATING								
Insurance	1,000	1,000		1,000	1,000			
Professional Fees	500	1,969		1,969	500			
Audit	1,700	231		231	1,700			
Data Processing Fees								
Postage, Office, and Program Supplies	1,100	299		299	1,100			
Equipment/Furnishings				0				
Depreciation								
Telephone	1,600	2,401		2,401	1,600			
Training/Conference	2,000		0	0	2,000			
Food/Household Supplies	53,000		55,000	55,000	53,000			
Auto Allowance				0				
Vehicle Costs								
Other1: misc & bad debts								
Subtotal B	60,900	5,900	55,000	60,900	60,900			0.00%
C. SPACE								
Rent								
Utilities	5,000		5,225	5,225	5,000			
Maintenance	20,000		19,775	19,775	20,000			
Mortgage Interest, Depreciation				0				
Property Taxes								
Subtotal C	25,000	0	25,000	25,000	25,000			0.00%
D. SPECIAL COSTS								
Assistance to Individuals				0				
Subtotal D	0	0	0	0	0			
E. OTHER								
Other2:								
Subtotal E	0	0	0	0	0			
This section for Adult - DD only.								
F. OFF-SETTING REVENUE								
Show as negative numbers:								
Government Benefits (SSI, SSDI, etc.)	0		0					
Private Pay (Trust Funds, etc.)	0		0					
Cost Share	0		0					
Other	0		0					
Subtotal F	0	0	0	0	0			
TOTAL A THROUGH F	227,435	11,372	216,063	227,435	227,435			0.00%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report
 Year Ended December 31, 2022

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2022

Provider Name:	Porchlight, Inc.	Contract #:	85356	*Provider Certified By:	3/7/2023
Program Name:	Safe Haven Crisis Stabilization	Program Group #:	12559		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A. PERSONNEL						
Salaries	44,000		43,760	43,760	44,000	
Taxes	4,000		3,950	3,950	4,000	
Benefits	16,050		16,340	16,340	16,050	
Subtotal A	64,050	0	64,050	64,050	64,050	0.00%
B. OPERATING						
Insurance	300		300	300	300	
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies	100		100	100	100	
Equipment/Furnishings						
Depreciation						
Telephone	300		300	300	300	
Training/Conference	1,000		135	135	1,000	
Food/Household Supplies	4,200		5,065	5,065	4,200	
Auto Allowance						
Vehicle Costs						
Other1: misc & Clinical supervision	4,000		4,000	4,000	4,000	
Subtotal B	9,900	0	9,900	9,900	9,900	0.00%
C. SPACE						
Rent						
Utilities	1,500		1,500	1,500	1,500	
Maintenance	2,200		2,200	2,200	2,200	
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	3,700	0	3,700	3,700	3,700	
D. SPECIAL COSTS						
Assistance to Individuals						
Subtotal D	0	0	0	0	0	
E. OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F. OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	77,650	0	77,650	77,650	77,650	0.00%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report
 Year Ended December 31, 2022

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2022

Provider Name:	Porchlight, Inc.	Contract #:	85356	*Provider Certified By:	1/26/2023
Program Name:	Safe Haven - Outreach	Program Group #:	13358		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A. PERSONNEL						
Salaries	119,900		137,417	137,417	119,900	
Taxes	12,900		9,168	9,168	12,900	
Benefits	29,955		16,170	16,170	29,955	
Subtotal A	162,755	0	162,755	162,755	162,755	0.00%
B. OPERATING						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies	4,200		4,200	4,200	4,200	
Auto Allowance						
Vehicle Costs						
Other1:						
Subtotal B	4,200	0	4,200	4,200	4,200	0.00%
C. SPACE						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	0	0	0	0	0	
D. SPECIAL COSTS						
Assistance to Individuals	2,300		2,300	2,300	2,300	
Subtotal D	2,300	0	2,300	2,300	2,300	
E. OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F. OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	169,255	0	169,255	169,255	169,255	0.00%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.



STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

PROPERTY INFO	
Property Name	CITYWIDE HOUSING PROJECT
Project Number	1167
HFA Number	
Balance Sheet Date of Statement:	12/31/2022
P&L Statement Period:	01/01/2022-12/31/22



BALANCE SHEET

STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

1167 CITYWIDE HOUSING PROJECT		Date of Statement: 12/31/2022	
Account	Description of Account	Amount	Comment
1100 CURRENT ASSETS	1120.01	Cash - Operations	\$ 967,630
	1121.01	Construction Cash Account	
	1125.11	Cash - Entity	\$ 1,439,267
	1130.01	Tenant Accounts Receivable	\$ 124,140
	1130.02	Allowance for Doubtful Accounts (enter a negative amount)	
	1140.01	Accounts and Notes Receivable-Operations	
	1140.91	Accounts Receivable-WHEDA	
	1145.01	Accounts and Notes Receivable-Entity	
	1160.01	Accounts Receivable-Interest	
	1160.11	Interest Reduction Payment Receivable	
	1170.11	Short Term Investments- Operations	
	1170.21	Short Term Investments-Entity	
	1190.01	Misc Current Assets	\$ 1,392,582
	1191.01	Tenant Security Deposits	
1100	Total Current Assets	\$ 3,923,619	
1200 PREPAID EXPENSES	1210.01	Misc Prepaid Expenses	\$ 104,018
	1200	Total Prepaid Expenses	\$ 104,018
1300 FUNDED RESERVES	1310.01	Escrow Deposits	
	1310.21	Insurance Escrow	
	1310.22	Real Estate Tax or PILOT Escrow	
	1320.01	Reserve for Replacements	\$ 435,881
	1330.01	Other Reserve	
	1340.01	Residual Receipts Reserve	
	1360.01	Development Cost Escrow	
	1360.41	FHA Insurance Reserve	
	1380.01	Management Improvement and Operating Plan	
1300	Total Funded Reserves	\$ 435,881	
1400 FIXED ASSETS	1410.01	Land	\$ 3,125,903
	1420.01	Building	\$ 18,450,888
	1440.01	Building Equipment (portable)	
	1450.01	Furnishings	
	1450.31	Furniture for Project/Tenant Use	\$ 810,437
	1450.91	Office Furniture and Equipment	
	1470.01	Maintenance Equipment	
	1480.01	Motor Vehicles	
	1490.01	Misc Fixed Assets	
	1490.11	Accumulated Depreciation (enter a negative amount)	\$ (9,502,185)
1400	Total Fixed Assets	\$ 12,885,043	
1500 INVESTMENTS	1510.01	Investments-Operations	\$ 4,689,276
	1515.01	Investments-Entity	
	1530.01	Intangible Assets	
1500	Total Investment Long-term	\$ 4,689,276	
1900 MISC ASSETS	1910.01	Misc Other Assets	\$ 255,951
	1900	Total Other Assets	\$ 255,951
	TOTAL ASSETS	\$ 22,293,788	



BALANCE SHEET


STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)


1167 CITYWIDE HOUSING PROJECT

Date of Statement: 12/31/2022

Account	Description of Account	Amount	Comment
2100 CURRENT LIABILITIES	2105.01	Bank Overdraft-Operations	
	2110.01	Accounts Payable-Operations	\$ 409,969
	2110.11	Accounts Payable-Construction/Development	
	2110.91	Accounts Payable-30 Days	
	2112.01	Accounts Payable-Project Improvements Items	
	2113.01	Accounts Payable-Entity	
	2115.11	Accounts Payable-236 Excess Income Due HUD	
	2115.21	Accounts Payable-WHEDA/HUD	
	2120.01	Accrued Wages Payable	\$ 170,110
	2120.11	Accrued Payroll Taxes Payable	
	2120.31	Accrued Management Fee Payable	
	2130.01	Accrued Interest Payable-First Mortgage	
	2130.31	Accrued Interest Payable-Second Mortgage	
	2130.41	Accrued Interest Payable-Section 236	
	2131.11	Accrued Interest Payable-Other Loans (Surp Cash)	
	2131.12	Accrued Interest Payable-Other Loans and Notes	
	2131.21	Accrued Interest Payable-Flexible Subsidy Loan	
	2131.31	Accrued Interest Payable-Capital Improvement Loan	
	2131.32	Accrued Interest Payable-Operating Loss Loan	
	2150.11	Accrued Real Estate & Property Tax Payable	
	2160.01	Short Term Notes Payable	
	2160.31	Other Loans and Notes Payable, Surplus Cash ST	
	2160.32	Other Loans and Notes (Short Term)	
	2160.41	Flexible Subsidy Loan Payable (Short Term)	
	2160.51	Capital Improvement Loan Payable (Short Term)	
	2160.52	Operating Loss Loan Payable (Short Term)	
	2170.11	Mortgage Payable-First Mortgage (Short Term)	
	2170.31	Mortgage Payable-Second Mortgage (Short Term)	
	2180.01	Utility Allowances	
	2190.01	Misc Current Liabilities/Preservation Fee	
	2191.01	Tenant Security Deposits	\$ 139,737
	2210.01	Prepaid Revenue	\$ 77,837
	2100 Current Liabilities	\$ 797,653	
2300 LONG-TERM LIABILITIES	2310.01	Notes Payable-Long Term	
	2310.31	Notes Payable-Surplus Cash	
	2310.32	Other Loans and Notes Payable	\$ 3,090,291
	2310.33	Other Loans and Notes Payable-Surplus Cash	
	2310.41	Flexible Subsidy Loan Payable	
	2310.51	Capital Improvement Loan Payable	
	2310.52	Operating Loss Loan Payable	
	2320.11	Mortgage Payable-First Mortgage	\$ 905,317
	2320.31	Mortgage Payable-Second Mortgage	
	2390.01	Misc Long Term Liabilities	
		2300 Long-Term Liabilities	\$ 3,995,608
	TOTAL LIABILITIES	\$ 4,793,261	
3110.11	Total Equity/Retained Earnings	\$ 17,500,527	
	TOTAL EQUITY	\$ 17,500,527	
	TOTAL LIABILITIES & EQUITY	\$ 22,293,788	
<i>Balance Sheet in balance?</i>		YES	

Additional Comments:

	PROFIT & LOSS STATEMENT		STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)		
1167 CITYWIDE HOUSING PROJECT					
	Statement Period:		01/01/2022-12/31/22		
	Account	Description of Account	Amount	Comment	
5100 RENT REVENUE	5120.11	Rent Revenue-Gross Potential	\$ 144,240		
	5120.21	Tenant Assistance Payments			
	5140.01	Rent Revenue - Commercial/Stores @ 100%			
	5170.01	Rent Revenue-Garage/Parking @ 100%			
	5180.01	Flexible Subsidy Revenue			
	5190.01	Misc Rent Revenue			
	5190.11	Excess Rent			
	5190.12	Rent Revenue/Insurance			
	5190.13	Special Claims Revenue			
	5190.14	Retained Excess Income			
		5100	Rent Revenue	\$ 144,240	
	5200 VACANCY	5220.01	Apartment Vacancies <i>(enter a negative amount)</i>	\$ (979)	
5240.01		Stores/Commercial Vacancies or Concessions <i>(enter a negative amount)</i>			
5250.01		Rental Concessions <i>(enter a negative amount)</i>	\$ (1,600)		
5270.01		Garage/Parking Vacancies or Concessions <i>(enter a negative amount)</i>			
5290.01		Miscellaneous Vacancies <i>(enter a negative amount)</i>			
		5200	Vacancies	\$ (2,579)	
5300 ELDERLY SERVICE REVENUE	5310.14	Priv Pay Room / Board			
	5310.24	Medicare Room / Board			
	5310.34	Medicaid Room / Board			
	5310.44	VA Room / Board			
	5320.34	Food			
	5320.51	Housekeeping			
	5320.71	Laundry / Linen			
		5300	Elderly Service Revenue	\$ -	
5400 FINANCIAL REVENUE	5410.01	Financial Revenue-Project Operations	\$ 261,809		
	5430.01	Revenue from Investments-Residual Receipts			
	5440.01	Revenue from Investments-Replacement Reserve	\$ 43		
	5490.01	Revenue from Investments-Miscellaneous			
		5400	Financial Revenue	\$ 261,852	
5900 OTHER REVENUE	5910.01	Laundry/Vending Income (Net)			
	5920.01	Tenant Charges			
	5990.01	Miscellaneous Revenue	\$ 10		
		5900	Other Revenue	\$ 10	
		TOTAL REVENUE	\$ 403,523		
6200-6300 RENT/ADMIN EXPENSES	6210.01	Advertising/Marketing Expense			
	6250.01	Other Rent Expense			
	6310.01	Office Salaries	\$ 48,731		
	6311.01	Office Expenses	\$ 4,464		
	6311.21	Office or Model Apartment Rent			
	6320.01	Management Fees All			
	6330.11	Manager/Superintendent Salaries	\$ 6,265		
	6330.21	Administrative Rent-Free Unit			
	6340.01	Legal Expense-Project Only			
	6350.01	Audit Expense - Project Only	\$ 2,166		
	6351.01	Bookkeeping Fees/Accounting Services	\$ 4,064		
	6370.01	Bad Debt Expense	\$ 1,680		
	6390.01	Misc Administrative Expenses	\$ 5,662		
		6200	Administrative Expense	\$ 73,632	
	6400 UTILITY EXPENSE	6420.01	Fuel Oil		
		6450.11	Electricity	\$ 12,694	
6450.21		Gas	\$ 5,759		
6450.32		Water	\$ 2,935		
6450.33		Sewer	\$ 4,239		
		6400	Utility Expense	\$ 25,627	
6500 OPERATING & MAINTENANCE EXPENSE	6510.01	Payroll	\$ 154,987		
	6510.31	Operating and Maintenance Rent Free Unit			
	6515.01	Supplies	\$ 64,553		
	6520.01	Contracts			
	6525.01	Garbage & Trash Removal	\$ 3,414		
	6530.11	Security Payroll/Contract (incl taxes and benefits)			
	6530.21	Security Rent Free Unit			
	6540.11	Heating/Cooling Repairs & Maintenance	\$ 513		
	6540.21	Snow Removal	\$ 5,516		
	6570.01	Vehicle/Maintenance Equipment Operation & Repairs	\$ 309		
	6580.01	RR releases to reimburse expensed items <i>(enter a negative amount)</i> (MEMO ONLY)			
	6590.01	Misc Operating & Maintenance Expense	\$ 91,848		
	6500	Operating and Maintenance Expense	\$ 321,140		

	PROFIT & LOSS STATEMENT		STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)	
1167	CITYWIDE HOUSING PROJECT			
	Statement Period:		01/01/2022-12/31/22	
	Account	Description of Account	Amount	Comment
6700 TAXES AND INSURANCE	6710.01	Real Estate & Personal Property Taxes		
	6711.01	Payroll Taxes - Project Share	\$ 15,024	
	6720.01	Property & Liability Insurance (Hazard)	\$ 9,569	
	6723.01	Health Insurance and Other Employee Benefits	\$ 43,230	
	6723.11	Fidelity Bond Insurance		
	6723.21	Workmens Compensation		
	6790.01	Misc Taxes, Licenses, Permits, and Insurance		
	6700	Tax and Insurance Expense	\$ 67,823	
6900 ELDERLY SERVICE EXPENSE	6930.11	Dietary Salaries		
	6930.21	Food		
	6930.22	Dietary Prchsd Serv		
	6940.11	Regstrd Nurse Salary		
	6950.11	Housekeeping Salary		
	6950.21	Housekeeping Supply		
	6950.31	Other Housekeeping		
	6960.22	Medical Supplies		
	6960.29	Medical Prchsd Serv		
	6970.01	Laundry Expenses		
	6975.01	Medical Records		
	6980.11	Recreation/Rehab		
	6980.21	Activity Supplies		
	6990.01	Elderly Service Other		
	6900	Elderly Service Expense	\$ -	
RR DEPOSITS	11320.01	Annual Replacement Reserve Deposits (MEMO ONLY)	\$ 405	
		TOTAL OPERATING EXPENSES	\$ 488,222	
		NET OPERATING INCOME (NOI)	\$ (84,699)	
6800 FINANCIAL EXPENSE	6810.01	WHEDA Senior Hard Debt Interest		
	6820.01	WHEDA Junior Hard Debt Interest	\$ 37	
	6825.01	Other Mortgage Interest		
	6850.01	Mortgage Insurance Premium/Service Charge		
	6890.01	Misc Financial Expense/Preservation Fee	\$ 8,736	
	6800	Financial Expense	\$ 8,773	
DEPRECIATION AMORTIZATION	6610.01	Depreciation Expense	\$ 3,768	
	6620.01	Amortization Expense		
		OPERATING PROFIT OR LOSS	\$ (97,240)	
7100 CORPORATE OR MORTGAGOR EXPENSE	7110.01	Officer's Salaries		
	7120.01	Legal Expense		
	7130.01	Federal, State, and Other Income Taxes		
	7140.01	Interest Income		
	7140.11	Interest on Notes Payable		
	7140.21	Interest on Mortgage Payable		
	7190.01	Other Expense		
	7100	Net Entity Expenses	\$ -	
TOTAL PRINCIPAL PAYMENTS	16810.01	WHEDA Senior Hard Debt Principal		
	16820.01	WHEDA Junior Hard Debt Principal		
	16825.01	Other Debt Principal		

Additional Comments:



STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

PROPERTY INFO	
Property Name	MILLS STREET
Project Number	1762
HFA Number	
Balance Sheet Date of Statement:	12/31/2022
P&L Statement Period:	01/01/2022-12/31/22



BALANCE SHEET

STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

1762 MILLS STREET		Date of Statement: 12/31/2022	
Account	Description of Account	Amount	Comment
1100 CURRENT ASSETS	1120.01	Cash - Operations	\$ 967,630
	1121.01	Construction Cash Account	
	1125.11	Cash - Entity	\$ 1,439,267
	1130.01	Tenant Accounts Receivable	\$ 124,140
	1130.02	Allowance for Doubtful Accounts (enter a negative amount)	
	1140.01	Accounts and Notes Receivable-Operations	
	1140.91	Accounts Receivable-WHEDA	
	1145.01	Accounts and Notes Receivable-Entity	
	1160.01	Accounts Receivable-Interest	
	1160.11	Interest Reduction Payment Receivable	
	1170.11	Short Term Investments- Operations	
	1170.21	Short Term Investments-Entity	
	1190.01	Misc Current Assets	\$ 1,392,582
	1191.01	Tenant Security Deposits	
1100	Total Current Assets	\$ 3,923,619	
1200 PREPAID EXPENSES	1210.01	Misc Prepaid Expenses	\$ 104,018
	1200	Total Prepaid Expenses	\$ 104,018
1300 FUNDED RESERVES	1310.01	Escrow Deposits	
	1310.21	Insurance Escrow	
	1310.22	Real Estate Tax or PILOT Escrow	
	1320.01	Reserve for Replacements	\$ 435,881
	1330.01	Other Reserve	
	1340.01	Residual Receipts Reserve	
	1360.01	Development Cost Escrow	
	1360.41	FHA Insurance Reserve	
	1380.01	Management Improvement and Operating Plan	
1300	Total Funded Reserves	\$ 435,881	
1400 FIXED ASSETS	1410.01	Land	\$ 3,125,903
	1420.01	Building	\$ 18,450,888
	1440.01	Building Equipment (portable)	
	1450.01	Furnishings	
	1450.31	Furniture for Project/Tenant Use	\$ 810,437
	1450.91	Office Furniture and Equipment	
	1470.01	Maintenance Equipment	
	1480.01	Motor Vehicles	
	1490.01	Misc Fixed Assets	
	1490.11	Accumulated Depreciation (enter a negative amount)	\$ (9,502,185)
1400	Total Fixed Assets	\$ 12,885,043	
1500 INVESTMENTS	1510.01	Investments-Operations	\$ 4,689,276
	1515.01	Investments-Entity	
	1530.01	Intangible Assets	
1500	Total Investment Long-term	\$ 4,689,276	
1900 MISC ASSETS	1910.01	Misc Other Assets	\$ 255,951
	1900	Total Other Assets	\$ 255,951
	TOTAL ASSETS	\$ 22,293,788	



BALANCE SHEET

STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

1762 MILLS STREET

Date of Statement:

12/31/2022

	Account	Description of Account	Amount	Comment
2100 CURRENT LIABILITIES	2105.01	Bank Overdraft-Operations		
	2110.01	Accounts Payable-Operations	\$ 409,969	
	2110.11	Accounts Payable-Construction/Development		
	2110.91	Accounts Payable-30 Days		
	2112.01	Accounts Payable-Project Improvements Items		
	2113.01	Accounts Payable-Entity		
	2115.11	Accounts Payable-236 Excess Income Due HUD		
	2115.21	Accounts Payable-WHEDA/HUD		
	2120.01	Accrued Wages Payable	\$ 170,110	
	2120.11	Accrued Payroll Taxes Payable		
	2120.31	Accrued Management Fee Payable		
	2130.01	Accrued Interest Payable-First Mortgage		
	2130.31	Accrued Interest Payable-Second Mortgage		
	2130.41	Accrued Interest Payable-Section 236		
	2131.11	Accrued Interest Payable-Other Loans (Surp Cash)		
	2131.12	Accrued Interest Payable-Other Loans and Notes		
	2131.21	Accrued Interest Payable-Flexible Subsidy Loan		
	2131.31	Accrued Interest Payable-Capital Improvement Loan		
	2131.32	Accrued Interest Payable-Operating Loss Loan		
	2150.11	Accrued Real Estate & Property Tax Payable		
	2160.01	Short Term Notes Payable		
	2160.31	Other Loans and Notes Payable, Surplus Cash ST		
	2160.32	Other Loans and Notes (Short Term)		
	2160.41	Flexible Subsidy Loan Payable (Short Term)		
	2160.51	Capital Improvement Loan Payable (Short Term)		
	2160.52	Operating Loss Loan Payable (Short Term)		
	2170.11	Mortgage Payable-First Mortgage (Short Term)		
	2170.31	Mortgage Payable-Second Mortgage (Short Term)		
	2180.01	Utility Allowances		
	2190.01	Misc Current Liabilities/Preservation Fee		
	2191.01	Tenant Security Deposits	\$ 139,737	
	2210.01	Prepaid Revenue	\$ 77,837	
	2100	Current Liabilities	\$ 797,653	
2300 LONG-TERM LIABILITIES	2310.01	Notes Payable-Long Term		
	2310.31	Notes Payable-Surplus Cash		
	2310.32	Other Loans and Notes Payable	\$ 3,090,291	
	2310.33	Other Loans and Notes Payable-Surplus Cash		
	2310.41	Flexible Subsidy Loan Payable		
	2310.51	Capital Improvement Loan Payable		
	2310.52	Operating Loss Loan Payable		
	2320.11	Mortgage Payable-First Mortgage	\$ 905,317	
	2320.31	Mortgage Payable-Second Mortgage		
	2390.01	Misc Long Term Liabilities		
		2300	Long-Term Liabilities	\$ 3,995,608
		TOTAL LIABILITIES	\$ 4,793,261	
	3110.11	Total Equity/Retained Earnings	\$ 17,500,527	
		TOTAL EQUITY	\$ 17,500,527	
		TOTAL LIABILITIES & EQUITY	\$ 22,293,788	
		<i>Balance Sheet in balance?</i>	YES	

Additional Comments:



PROFIT & LOSS STATEMENT


STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

1762 MILLS STREET

Statement Period:

01/01/2022-12/31/22

	Account	Description of Account	Amount	Comment	
5100 RENT REVENUE	5120.11	Rent Revenue-Gross Potential	\$ 129,600		
	5120.21	Tenant Assistance Payments			
	5140.01	Rent Revenue - Commercial/Stores @ 100%			
	5170.01	Rent Revenue-Garage/Parking @ 100%			
	5180.01	Flexible Subsidy Revenue			
	5190.01	Misc Rent Revenue			
	5190.11	Excess Rent			
	5190.12	Rent Revenue/Insurance			
	5190.13	Special Claims Revenue			
	5190.14	Retained Excess Income			
		5100	Rent Revenue	\$ 129,600	
5200 VACANCY	5220.01	Apartment Vacancies <i>(enter a negative amount)</i>	\$ (825)		
	5240.01	Stores/Commercial Vacancies or Concessions <i>(enter a negative amount)</i>			
	5250.01	Rental Concessions <i>(enter a negative amount)</i>			
	5270.01	Garage/Parking Vacancies or Concessions <i>(enter a negative amount)</i>			
	5290.01	Miscellaneous Vacancies <i>(enter a negative amount)</i>			
		5200	Vacancies	\$ (825)	
5300 ELDERLY SERVICE REVENUE	5310.14	Priv Pay Room / Board			
	5310.24	Medicare Room / Board			
	5310.34	Medicaid Room / Board			
	5310.44	VA Room / Board			
	5320.34	Food			
	5320.51	Housekeeping			
	5320.71	Laundry / Linen			
	5300	Elderly Service Revenue	\$ -		
5400 FINANCIAL REVENUE	5410.01	Financial Revenue-Project Operations	\$ 421,446		
	5430.01	Revenue from Investments-Residual Receipts			
	5440.01	Revenue from Investments-Replacement Reserve	\$ 1,548		
	5490.01	Revenue from Investments-Miscellaneous			
	5400	Financial Revenue	\$ 422,994		
5900 OTHER REVENUE	5910.01	Laundry/Vending Income (Net)			
	5920.01	Tenant Charges			
	5990.01	Miscellaneous Revenue	\$ 5,925		
	5900	Other Revenue	\$ 5,925		
		TOTAL REVENUE	\$ 557,694		
6200-6300 RENT/ADMIN EXPENSES	6210.01	Advertising/Marketing Expense			
	6250.01	Other Rent Expense			
	6310.01	Office Salaries	\$ 29,376		
	6311.01	Office Expenses	\$ 13,958		
	6311.21	Office or Model Apartment Rent			
	6320.01	Management Fees All			
	6330.11	Manager/Superintendent Salaries	\$ 5,109		
	6330.21	Administrative Rent-Free Unit			
	6340.01	Legal Expense-Project Only			
	6350.01	Audit Expense - Project Only	\$ 1,769		
	6351.01	Bookkeeping Fees/Accounting Services	\$ 3,809		
	6370.01	Bad Debt Expense	\$ 600		
	6390.01	Misc Administrative Expenses	\$ 5,323		
		6200	Administrative Expense	\$ 59,944	
	6400 UTILITY EXPENSE	6420.01	Fuel Oil		
		6450.11	Electricity	\$ 19,134	
6450.21		Gas	\$ 7,053		
6450.32		Water	\$ 1,539		
6450.33		Sewer	\$ 2,787		
	6400	Utility Expense	\$ 30,513		
6500 OPERATING & MAINTENANCE EXPENSE	6510.01	Payroll	\$ 175,753		
	6510.31	Operating and Maintenance Rent Free Unit			
	6515.01	Supplies	\$ 115,300		
	6520.01	Contracts			
	6525.01	Garbage & Trash Removal	\$ 3,714		
	6530.11	Security Payroll/Contract (incl taxes and benefits)			
	6530.21	Security Rent Free Unit			
	6540.11	Heating/Cooling Repairs & Maintenance	\$ 897		
	6540.21	Snow Removal	\$ 1,652		
	6570.01	Vehicle/Maintenance Equipment Operation & Repairs	\$ 252		
	6580.01	RR releases to reimburse expensed items <i>(enter a negative amount) (MEMO ONLY)</i>			
	6590.01	Misc Operating & Maintenance Expense	\$ 88,068		
	6500	Operating and Maintenance Expense	\$ 385,636		

	PROFIT & LOSS STATEMENT		STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)	
1762 MILLS STREET				
	Statement Period:		01/01/2022-12/31/22	
	Account	Description of Account	Amount	Comment
6700 TAXES AND INSURANCE	6710.01	Real Estate & Personal Property Taxes		
	6711.01	Payroll Taxes - Project Share	\$ 16,710	
	6720.01	Property & Liability Insurance (Hazard)		
	6723.11	Health Insurance and Other Employee Benefits	\$ 10,443	
	6723.11	Fidelity Bond Insurance		
	6723.21	Workmens Compensation	\$ 22,238	
	6790.01	Misc Taxes, Licenses, Permits, and Insurance		
	6700	Tax and Insurance Expense	\$ 49,391	
6900 ELDERLY SERVICE EXPENSE	6930.11	Dietary Salaries		
	6930.21	Food		
	6930.22	Dietary Prchsd Serv		
	6940.11	Regstrd Nurse Salary		
	6950.11	Housekeeping Salary		
	6950.21	Housekeeping Supply		
	6950.31	Other Housekeeping		
	6960.22	Medical Supplies		
	6960.29	Medical Prchsd Serv		
	6970.01	Laundry Expenses		
	6975.01	Medical Records		
	6980.11	Recreation/Rehab		
	6980.21	Activity Supplies		
	6990.01	Elderly Service Other		
	6900	Elderly Service Expense	\$ -	
RR DEPOSITS	11320.01	Annual Replacement Reserve Deposits (MEMO ONLY)	\$ 7,680	
		TOTAL OPERATING EXPENSES	\$ 525,484	
		NET OPERATING INCOME (NOI)	\$ 32,210	
6800 FINANCIAL EXPENSE	6810.01	WHEDA Senior Hard Debt Interest		
	6820.01	WHEDA Junior Hard Debt Interest	\$ 37	
	6825.01	Other Mortgage Interest		
	6850.01	Mortgage Insurance Premium/Service Charge		
	6890.01	Misc Financial Expense/Preservation Fee	\$ 8,736	
		6800	Financial Expense	\$ 8,773
DEPRECIATION AMORTIZATION	6610.01	Depreciation Expense	\$ 43,752	
	6620.01	Amortization Expense		
		OPERATING PROFIT OR LOSS	\$ (20,315)	
7100 CORPORATE OR MORTGAGOR EXPENSE	7110.01	Officer's Salaries		
	7120.01	Legal Expense		
	7130.01	Federal, State, and Other Income Taxes		
	7140.01	Interest Income		
	7140.11	Interest on Notes Payable		
	7140.21	Interest on Mortgage Payable		
	7190.01	Other Expense		
	7100	Net Entity Expenses	\$ -	
TOTAL PRINCIPAL PAYMENTS	16810.01	WHEDA Senior Hard Debt Principal		
	16820.01	WHEDA Junior Hard Debt Principal		
	16825.01	Other Debt Principal		

Additional Comments:



STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

PROPERTY INFO	
Property Name	BROADVIEW APARTMENTS
Project Number	1795
HFA Number	
Balance Sheet Date of Statement:	12/31/2022
P&L Statement Period:	01/01/2022-12/31/22



BALANCE SHEET

STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

1795 BROADVIEW APARTMENTS		Date of Statement: 12/31/2022	
Account	Description of Account	Amount	Comment
1100 CURRENT ASSETS	1120.01	Cash - Operations	\$ 967,630
	1121.01	Construction Cash Account	
	1125.11	Cash - Entity	\$ 1,439,267
	1130.01	Tenant Accounts Receivable	\$ 124,140
	1130.02	Allowance for Doubtful Accounts (enter a negative amount)	
	1140.01	Accounts and Notes Receivable-Operations	
	1140.91	Accounts Receivable-WHEDA	
	1145.01	Accounts and Notes Receivable-Entity	
	1160.01	Accounts Receivable-Interest	
	1160.11	Interest Reduction Payment Receivable	
	1170.11	Short Term Investments- Operations	
	1170.21	Short Term Investments-Entity	
	1190.01	Misc Current Assets	\$ 1,392,582
	1191.01	Tenant Security Deposits	
1100	Total Current Assets	\$ 3,923,619	
1200 PREPAID EXPENSES	1210.01	Misc Prepaid Expenses	\$ 104,018
	1200	Total Prepaid Expenses	\$ 104,018
1300 FUNDED RESERVES	1310.01	Escrow Deposits	
	1310.21	Insurance Escrow	
	1310.22	Real Estate Tax or PILOT Escrow	
	1320.01	Reserve for Replacements	\$ 435,881
	1330.01	Other Reserve	
	1340.01	Residual Receipts Reserve	
	1360.01	Development Cost Escrow	
	1360.41	FHA Insurance Reserve	
	1380.01	Management Improvement and Operating Plan	
1300	Total Funded Reserves	\$ 435,881	
1400 FIXED ASSETS	1410.01	Land	\$ 3,125,903
	1420.01	Building	\$ 18,450,888
	1440.01	Building Equipment (portable)	
	1450.01	Furnishings	
	1450.31	Furniture for Project/Tenant Use	\$ 810,437
	1450.91	Office Furniture and Equipment	
	1470.01	Maintenance Equipment	
	1480.01	Motor Vehicles	
	1490.01	Misc Fixed Assets	
	1490.11	Accumulated Depreciation (enter a negative amount)	\$ (9,502,185)
1400	Total Fixed Assets	\$ 12,885,043	
1500 INVESTMENTS	1510.01	Investments-Operations	\$ 4,689,276
	1515.01	Investments-Entity	
	1530.01	Intangible Assets	
1500	Total Investment Long-term	\$ 4,689,276	
1900 MISC ASSETS	1910.01	Misc Other Assets	\$ 255,951
	1900	Total Other Assets	\$ 255,951
	TOTAL ASSETS	\$ 22,293,788	



BALANCE SHEET

STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

1795 BROADVIEW APARTMENTS**Date of Statement: 12/31/2022**

	Account	Description of Account	Amount	Comment
2100 CURRENT LIABILITIES	2105.01	Bank Overdraft-Operations		
	2110.01	Accounts Payable-Operations	\$ 409,969	
	2110.11	Accounts Payable-Construction/Development		
	2110.91	Accounts Payable-30 Days		
	2112.01	Accounts Payable-Project Improvements Items		
	2113.01	Accounts Payable-Entity		
	2115.11	Accounts Payable-236 Excess Income Due HUD		
	2115.21	Accounts Payable-WHEDA/HUD		
	2120.01	Accrued Wages Payable	\$ 170,110	
	2120.11	Accrued Payroll Taxes Payable		
	2120.31	Accrued Management Fee Payable		
	2130.01	Accrued Interest Payable-First Mortgage		
	2130.31	Accrued Interest Payable-Second Mortgage		
	2130.41	Accrued Interest Payable-Section 236		
	2131.11	Accrued Interest Payable-Other Loans (Surp Cash)		
	2131.12	Accrued Interest Payable-Other Loans and Notes		
	2131.21	Accrued Interest Payable-Flexible Subsidy Loan		
	2131.31	Accrued Interest Payable-Capital Improvement Loan		
	2131.32	Accrued Interest Payable-Operating Loss Loan		
	2150.11	Accrued Real Estate & Property Tax Payable		
	2160.01	Short Term Notes Payable		
	2160.31	Other Loans and Notes Payable, Surplus Cash ST		
	2160.32	Other Loans and Notes (Short Term)		
	2160.41	Flexible Subsidy Loan Payable (Short Term)		
	2160.51	Capital Improvement Loan Payable (Short Term)		
	2160.52	Operating Loss Loan Payable (Short Term)		
	2170.11	Mortgage Payable-First Mortgage (Short Term)		
	2170.31	Mortgage Payable-Second Mortgage (Short Term)		
	2180.01	Utility Allowances		
	2190.01	Misc Current Liabilities/Preservation Fee		
	2191.01	Tenant Security Deposits	\$ 139,737	
	2210.01	Prepaid Revenue	\$ 77,837	
	2100	Current Liabilities	\$ 797,653	
2300 LONG-TERM LIABILITIES	2310.01	Notes Payable-Long Term		
	2310.31	Notes Payable-Surplus Cash		
	2310.32	Other Loans and Notes Payable	\$ 3,090,291	
	2310.33	Other Loans and Notes Payable-Surplus Cash		
	2310.41	Flexible Subsidy Loan Payable		
	2310.51	Capital Improvement Loan Payable		
	2310.52	Operating Loss Loan Payable		
	2320.11	Mortgage Payable-First Mortgage	\$ 905,317	
	2320.31	Mortgage Payable-Second Mortgage		
	2390.01	Misc Long Term Liabilities		
	2300	Long-Term Liabilities	\$ 3,995,608	
		TOTAL LIABILITIES	\$ 4,793,261	
	3110.11	Total Equity/Retained Earnings	\$ 17,500,527	
		TOTAL EQUITY	\$ 17,500,527	
		TOTAL LIABILITIES & EQUITY	\$ 22,293,788	
		<i>Balance Sheet in balance?</i>	YES	

Additional Comments:



PROFIT & LOSS STATEMENT


STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

1795 BROADVIEW APARTMENTS

Statement Period:

01/01/2022-12/31/22

	Account	Description of Account	Amount	Comment	
5100 RENT REVENUE	5120.11	Rent Revenue-Gross Potential	\$ 239,400		
	5120.21	Tenant Assistance Payments			
	5140.01	Rent Revenue - Commercial/Stores @ 100%			
	5170.01	Rent Revenue-Garage/Parking @ 100%			
	5180.01	Flexible Subsidy Revenue			
	5190.01	Misc Rent Revenue			
	5190.11	Excess Rent			
	5190.12	Rent Revenue/Insurance			
	5190.13	Special Claims Revenue			
	5190.14	Retained Excess Income			
	5100	Rent Revenue		\$ 239,400	
5200 VACANCY	5220.01	Apartment Vacancies <i>(enter a negative amount)</i>	\$ (24,178)		
	5240.01	Stores/Commercial Vacancies or Concessions <i>(enter a negative amount)</i>			
	5250.01	Rental Concessions <i>(enter a negative amount)</i>	\$ (2,460)		
	5270.01	Garage/Parking Vacancies or Concessions <i>(enter a negative amount)</i>			
	5290.01	Miscellaneous Vacancies <i>(enter a negative amount)</i>			
5200	Vacancies		\$ (26,638)		
5300 ELDERLY SERVICE REVENUE	5310.14	Priv Pay Room / Board			
	5310.24	Medicare Room / Board			
	5310.34	Medicaid Room / Board			
	5310.44	VA Room / Board			
	5320.34	Food			
	5320.51	Housekeeping			
	5320.71	Laundry / Linen			
5300	Elderly Service Revenue		\$ -		
5400 FINANCIAL REVENUE	5410.01	Financial Revenue-Project Operations	\$ 43,575		
	5430.01	Revenue from Investments-Residual Receipts			
	5440.01	Revenue from Investments-Replacement Reserve			
	5490.01	Revenue from Investments-Miscellaneous	\$ 1,184		
5400	Financial Revenue		\$ 44,759		
5900 OTHER REVENUE	5910.01	Laundry/Vending Income (Net)			
	5920.01	Tenant Charges			
	5990.01	Miscellaneous Revenue	\$ 260		
5900	Other Revenue		\$ 260		
TOTAL REVENUE			\$ 257,781		
6200-6300 RENT/ADMIN EXPENSES	6210.01	Advertising/Marketing Expense			
	6250.01	Other Rent Expense			
	6310.01	Office Salaries	\$ 82,858		
	6311.01	Office Expenses	\$ 2,796		
	6311.21	Office or Model Apartment Rent			
	6320.01	Management Fees All			
	6330.11	Manager/Superintendent Salaries	\$ 9,889		
	6330.21	Administrative Rent-Free Unit			
	6340.01	Legal Expense-Project Only			
	6350.01	Audit Expense - Project Only	\$ 3,420		
	6351.01	Bookkeeping Fees/Accounting Services	\$ 7,366		
	6370.01	Bad Debt Expense	\$ 300		
	6390.01	Misc Administrative Expenses	\$ 5,189		
	6200	Administrative Expense		\$ 111,818	
	6400 UTILITY EXPENSE	6420.01	Fuel Oil		
6450.11		Electricity	\$ 5,241		
6450.21		Gas	\$ 5,818		
6450.32		Water	\$ 4,574		
6450.33		Sewer	\$ 7,043		
6400	Utility Expense		\$ 22,676		
6500 OPERATING & MAINTENANCE EXPENSE	6510.01	Payroll	\$ 61,754		
	6510.31	Operating and Maintenance Rent Free Unit			
	6515.01	Supplies	\$ 6,398		
	6520.01	Contracts			
	6525.01	Garbage & Trash Removal	\$ 8,827		
	6530.11	Security Payroll/Contract (incl taxes and benefits)			
	6530.21	Security Rent Free Unit			
	6540.11	Heating/Cooling Repairs & Maintenance	\$ 1,380		
	6540.21	Snow Removal	\$ 4,590		
	6570.01	Vehicle/Maintenance Equipment Operation & Repairs	\$ 488		
	6580.01	RR releases to reimburse expensed items <i>(enter a negative amount)</i> (MEMO ONLY)			
6590.01	Misc Operating & Maintenance Expense	\$ 138,572			
6500	Operating and Maintenance Expense		\$ 222,009		

	PROFIT & LOSS STATEMENT		STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)	
1795	BROADVIEW APARTMENTS			
	Statement Period:		01/01/2022-12/31/22	
	Account	Description of Account	Amount	Comment
6700 TAXES AND INSURANCE	6710.01	Real Estate & Personal Property Taxes		
	6711.01	Payroll Taxes - Project Share	\$ 11,380	
	6720.01	Property & Liability Insurance (Hazard)	\$ 16,151	
	6723.01	Health Insurance and Other Employee Benefits	\$ 43,790	
	6723.11	Fidelity Bond Insurance		
	6723.21	Workmens Compensation		
	6790.01	Misc Taxes, Licenses, Permits, and Insurance		
		6700	Tax and Insurance Expense	\$ 71,321
6900 ELDERLY SERVICE EXPENSE	6930.11	Dietary Salaries		
	6930.21	Food		
	6930.22	Dietary Prchsd Serv		
	6940.11	Regstrd Nurse Salary		
	6950.11	Housekeeping Salary		
	6950.21	Housekeeping Supply		
	6950.31	Other Housekeeping		
	6960.22	Medical Supplies		
	6960.29	Medical Prchsd Serv		
	6970.01	Laundry Expenses		
	6975.01	Medical Records		
	6980.11	Recreation/Rehab		
	6980.21	Activity Supplies		
	6990.01	Elderly Service Other		
		6900	Elderly Service Expense	\$ -
RR DEPOSITS	11320.01	Annual Replacement Reserve Deposits (MEMO ONLY)		
		TOTAL OPERATING EXPENSES	\$ 427,824	
		NET OPERATING INCOME (NOI)	\$ (170,043)	
6800 FINANCIAL EXPENSE	6810.01	WHEDA Senior Hard Debt Interest		
	6820.01	WHEDA Junior Hard Debt Interest	\$ 12,812	
	6825.01	Other Mortgage Interest		
	6850.01	Mortgage Insurance Premium/Service Charge		
	6890.01	Misc Financial Expense/Preservation Fee	\$ 16,432	
		6800	Financial Expense	\$ 29,244
DEPRECIATION AMORTIZATION	6610.01	Depreciation Expense	\$ 38,772	
	6620.01	Amortization Expense		
		OPERATING PROFIT OR LOSS	\$ (238,059)	
7100 CORPORATE OR MORTGAGOR EXPENSE	7110.01	Officer's Salaries		
	7120.01	Legal Expense		
	7130.01	Federal, State, and Other Income Taxes		
	7140.01	Interest Income		
	7140.11	Interest on Notes Payable		
	7140.21	Interest on Mortgage Payable		
	7190.01	Other Expense		
	7100	Net Entity Expenses	\$ -	
TOTAL PRINCIPAL PAYMENTS	16810.01	WHEDA Senior Hard Debt Principal		
	16820.01	WHEDA Junior Hard Debt Principal		
	16825.01	Other Debt Principal		

Additional Comments:



STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

PROPERTY INFO	
Property Name	MCKENNA BOULEVARD
Project Number	2687
HFA Number	
Balance Sheet Date of Statement:	12/31/2022
P&L Statement Period:	01/01/2022-12/31/22



BALANCE SHEET

STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

2687 MCKENNA BOULEVARD		Date of Statement: 12/31/2022	
Account	Description of Account	Amount	Comment
1100 CURRENT ASSETS	1120.01	Cash - Operations	\$ 967,630
	1121.01	Construction Cash Account	
	1125.11	Cash - Entity	\$ 1,439,267
	1130.01	Tenant Accounts Receivable	\$ 124,140
	1130.02	Allowance for Doubtful Accounts (enter a negative amount)	
	1140.01	Accounts and Notes Receivable-Operations	
	1140.91	Accounts Receivable-WHEDA	
	1145.01	Accounts and Notes Receivable-Entity	
	1160.01	Accounts Receivable-Interest	
	1160.11	Interest Reduction Payment Receivable	
	1170.11	Short Term Investments- Operations	
	1170.21	Short Term Investments-Entity	
	1190.01	Misc Current Assets	\$ 1,392,582
	1191.01	Tenant Security Deposits	
1100	Total Current Assets	\$ 3,923,619	
1200 PREPAID EXPENSES	1210.01	Misc Prepaid Expenses	\$ 104,018
	1200	Total Prepaid Expenses	\$ 104,018
1300 FUNDED RESERVES	1310.01	Escrow Deposits	
	1310.21	Insurance Escrow	
	1310.22	Real Estate Tax or PILOT Escrow	
	1320.01	Reserve for Replacements	\$ 435,881
	1330.01	Other Reserve	
	1340.01	Residual Receipts Reserve	
	1360.01	Development Cost Escrow	
	1360.41	FHA Insurance Reserve	
	1380.01	Management Improvement and Operating Plan	
1300	Total Funded Reserves	\$ 435,881	
1400 FIXED ASSETS	1410.01	Land	\$ 3,125,903
	1420.01	Building	\$ 18,450,888
	1440.01	Building Equipment (portable)	
	1450.01	Furnishings	\$ 810,437
	1450.31	Furniture for Project/Tenant Use	
	1450.91	Office Furniture and Equipment	
	1470.01	Maintenance Equipment	
	1480.01	Motor Vehicles	
	1490.01	Misc Fixed Assets	
	1490.11	Accumulated Depreciation (enter a negative amount)	\$ (9,502,185)
1400	Total Fixed Assets	\$ 12,885,043	
1500 INVESTMENTS	1510.01	Investments-Operations	\$ 4,689,276
	1515.01	Investments-Entity	
	1530.01	Intangible Assets	
1500	Total Investment Long-term	\$ 4,689,276	
1900 MISC ASSETS	1910.01	Misc Other Assets	\$ 255,951
	1900	Total Other Assets	\$ 255,951
	TOTAL ASSETS	\$ 22,293,788	




BALANCE SHEET


STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

2687 MCKENNA BOULEVARD**Date of Statement: 12/31/2022**

	Account	Description of Account	Amount	Comment
2100 CURRENT LIABILITIES	2105.01	Bank Overdraft-Operations		
	2110.01	Accounts Payable-Operations	\$ 409,969	
	2110.11	Accounts Payable-Construction/Development		
	2110.91	Accounts Payable-30 Days		
	2112.01	Accounts Payable-Project Improvements Items		
	2113.01	Accounts Payable-Entity		
	2115.11	Accounts Payable-236 Excess Income Due HUD		
	2115.21	Accounts Payable-WHEDA/HUD		
	2120.01	Accrued Wages Payable	\$ 170,110	
	2120.11	Accrued Payroll Taxes Payable		
	2120.31	Accrued Management Fee Payable		
	2130.01	Accrued Interest Payable-First Mortgage		
	2130.31	Accrued Interest Payable-Second Mortgage		
	2130.41	Accrued Interest Payable-Section 236		
	2131.11	Accrued Interest Payable-Other Loans (Surp Cash)		
	2131.12	Accrued Interest Payable-Other Loans and Notes		
	2131.21	Accrued Interest Payable-Flexible Subsidy Loan		
	2131.31	Accrued Interest Payable-Capital Improvement Loan		
	2131.32	Accrued Interest Payable-Operating Loss Loan		
	2150.11	Accrued Real Estate & Property Tax Payable		
	2160.01	Short Term Notes Payable		
	2160.31	Other Loans and Notes Payable, Surplus Cash ST		
	2160.32	Other Loans and Notes (Short Term)		
	2160.41	Flexible Subsidy Loan Payable (Short Term)		
	2160.51	Capital Improvement Loan Payable (Short Term)		
	2160.52	Operating Loss Loan Payable (Short Term)		
	2170.11	Mortgage Payable-First Mortgage (Short Term)		
	2170.31	Mortgage Payable-Second Mortgage (Short Term)		
	2180.01	Utility Allowances		
	2190.01	Misc Current Liabilities/Preservation Fee		
	2191.01	Tenant Security Deposits	\$ 139,737	
	2210.01	Prepaid Revenue	\$ 77,837	
	2100	Current Liabilities	\$ 797,653	
2300 LONG-TERM LIABILITIES	2310.01	Notes Payable-Long Term		
	2310.31	Notes Payable-Surplus Cash		
	2310.32	Other Loans and Notes Payable	\$ 3,090,291	
	2310.33	Other Loans and Notes Payable-Surplus Cash		
	2310.41	Flexible Subsidy Loan Payable		
	2310.51	Capital Improvement Loan Payable		
	2310.52	Operating Loss Loan Payable		
	2320.11	Mortgage Payable-First Mortgage	\$ 905,317	
	2320.31	Mortgage Payable-Second Mortgage		
	2390.01	Misc Long Term Liabilities		
		2300	Long-Term Liabilities	\$ 3,995,608
		TOTAL LIABILITIES	\$ 4,793,261	
	3110.11	Total Equity/Retained Earnings	\$ 17,500,527	
		TOTAL EQUITY	\$ 17,500,527	
		TOTAL LIABILITIES & EQUITY	\$ 22,293,788	
		<i>Balance Sheet in balance?</i>	YES	

Additional Comments:

	PROFIT & LOSS STATEMENT		STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)		
2687	MCKENNA BOULEVARD				
	Statement Period:		01/01/2022-12/31/22		
	Account	Description of Account	Amount	Comment	
5100 RENT REVENUE	5120.11	Rent Revenue-Gross Potential	\$ 31,200		
	5120.21	Tenant Assistance Payments			
	5140.01	Rent Revenue - Commercial/Stores @ 100%			
	5170.01	Rent Revenue-Garage/Parking @ 100%			
	5180.01	Flexible Subsidy Revenue			
	5190.01	Misc Rent Revenue			
	5190.11	Excess Rent			
	5190.12	Rent Revenue/Insurance			
	5190.13	Special Claims Revenue			
	5190.14	Retained Excess Income			
	5100	Rent Revenue		\$ 31,200	
	5200 VACANCY	5220.01	Apartment Vacancies <i>(enter a negative amount)</i>	\$ (1,559)	
		5240.01	Stores/Commercial Vacancies or Concessions <i>(enter a negative amount)</i>		
5250.01		Rental Concessions <i>(enter a negative amount)</i>			
5270.01		Garage/Parking Vacancies or Concessions <i>(enter a negative amount)</i>			
5290.01		Miscellaneous Vacancies <i>(enter a negative amount)</i>			
5200		Vacancies		\$ (1,559)	
5300 ELDERLY SERVICE REVENUE	5310.14	Priv Pay Room / Board			
	5310.24	Medicare Room / Board			
	5310.34	Medicaid Room / Board			
	5310.44	VA Room / Board			
	5320.34	Food			
	5320.51	Housekeeping			
	5320.71	Laundry / Linen			
	5300	Elderly Service Revenue		\$ -	
5400 FINANCIAL REVENUE	5410.01	Financial Revenue-Project Operations	\$ 4,987		
	5430.01	Revenue from Investments-Residual Receipts			
	5440.01	Revenue from Investments-Replacement Reserve	\$ 195		
	5490.01	Revenue from Investments-Miscellaneous			
	5400	Financial Revenue		\$ 5,182	
5900 OTHER REVENUE	5910.01	Laundry/Vending Income (Net)			
	5920.01	Tenant Charges			
	5990.01	Miscellaneous Revenue			
	5900	Other Revenue		\$ -	
TOTAL REVENUE			\$ 34,823		
6200-6300 RENT/ADMIN EXPENSES	6210.01	Advertising/Marketing Expense			
	6250.01	Other Rent Expense			
	6310.01	Office Salaries	\$ 11,048		
	6311.01	Office Expenses	\$ 373		
	6311.21	Office or Model Apartment Rent			
	6320.01	Management Fees All			
	6330.11	Manager/Superintendent Salaries	\$ 1,319		
	6330.21	Administrative Rent-Free Unit			
	6340.01	Legal Expense-Project Only			
	6350.01	Audit Expense - Project Only	\$ 456		
	6351.01	Bookkeeping Fees/Accounting Services	\$ 962		
	6370.01	Bad Debt Expense			
	6390.01	Misc Administrative Expenses	\$ 692		
	6200	Administrative Expense		\$ 14,870	
	6400 UTILITY EXPENSE	6420.01	Fuel Oil		
		6450.11	Electricity	\$ 1,052	
6450.21		Gas			
6450.32		Water	\$ 1,234		
6450.33		Sewer	\$ 1,976		
6400		Utility Expense		\$ 4,262	
6500 OPERATING & MAINTENANCE EXPENSE	6510.01	Payroll	\$ 7,500		
	6510.31	Operating and Maintenance Rent Free Unit			
	6515.01	Supplies	\$ 545		
	6520.01	Contracts			
	6525.01	Garbage & Trash Removal	\$ 26		
	6530.11	Security Payroll/Contract (incl taxes and benefits)			
	6530.21	Security Rent Free Unit			
	6540.11	Heating/Cooling Repairs & Maintenance			
	6540.21	Snow Removal	\$ 1,903		
	6570.01	Vehicle/Maintenance Equipment Operation & Repairs	\$ 65		
	6580.01	RR releases to reimburse expensed items <i>(enter a negative amount) (MEMO ONLY)</i>			
	6590.01	Misc Operating & Maintenance Expense	\$ 4,299		
6500	Operating and Maintenance Expense		\$ 14,338		

	PROFIT & LOSS STATEMENT		STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)	
2687	MCKENNA BOULEVARD			
	Statement Period:		01/01/2022-12/31/22	
	Account	Description of Account	Amount	Comment
6700 TAXES AND INSURANCE	6710.01	Real Estate & Personal Property Taxes		
	6711.01	Payroll Taxes - Project Share	\$ 1,517	
	6720.01	Property & Liability Insurance (Hazard)	\$ 2,793	
	6723.01	Health Insurance and Other Employee Benefits		
	6723.11	Fidelity Bond Insurance		
	6723.21	Workmens Compensation	\$ 5,839	
	6790.01	Misc Taxes, Licenses, Permits, and Insurance		
	6700	Tax and Insurance Expense	\$ 10,149	
6900 ELDERLY SERVICE EXPENSE	6930.11	Dietary Salaries		
	6930.21	Food		
	6930.22	Dietary Prchsd Serv		
	6940.11	Regstrd Nurse Salary		
	6950.11	Housekeeping Salary		
	6950.21	Housekeeping Supply		
	6950.31	Other Housekeeping		
	6960.22	Medical Supplies		
	6960.29	Medical Prchsd Serv		
	6970.01	Laundry Expenses		
	6975.01	Medical Records		
	6980.11	Recreation/Rehab		
	6980.21	Activity Supplies		
	6990.01	Elderly Service Other		
	6900	Elderly Service Expense	\$ -	
RR DEPOSITS	11320.01	Annual Replacement Reserve Deposits (MEMO ONLY)	\$ 1,000	
		TOTAL OPERATING EXPENSES	\$ 43,619	
		NET OPERATING INCOME (NOI)	\$ (8,796)	
6800 FINANCIAL EXPENSE	6810.01	WHEDA Senior Hard Debt Interest		
	6820.01	WHEDA Junior Hard Debt Interest	\$ 2,882	
	6825.01	Other Mortgage Interest		
	6850.01	Mortgage Insurance Premium/Service Charge		
	6890.01	Misc Financial Expense/Preservation Fee	\$ 2,191	
		6800	Financial Expense	\$ 5,073
DEPRECIATION AMORTIZATION	6610.01	Depreciation Expense	\$ 8,112	
	6620.01	Amortization Expense		
		OPERATING PROFIT OR LOSS	\$ (21,981)	
7100 CORPORATE OR MORTGAGOR EXPENSE	7110.01	Officer's Salaries		
	7120.01	Legal Expense		
	7130.01	Federal, State, and Other Income Taxes		
	7140.01	Interest Income		
	7140.11	Interest on Notes Payable		
	7140.21	Interest on Mortgage Payable		
	7190.01	Other Expense		
	7100	Net Entity Expenses	\$ -	
TOTAL PRINCIPAL PAYMENTS	16810.01	WHEDA Senior Hard Debt Principal		
	16820.01	WHEDA Junior Hard Debt Principal		
	16825.01	Other Debt Principal		

Additional Comments:



STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

PROPERTY INFO	
Property Name	PHEASANT RIDGE TRAIL
Project Number	2688
HFA Number	
Balance Sheet Date of Statement:	12/31/2022
P&L Statement Period:	01/01/2022-12/31/22



BALANCE SHEET

STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

2688 PHEASANT RIDGE TRAIL		Date of Statement: 12/31/2022	
Account	Description of Account	Amount	Comment
1100 CURRENT ASSETS	1120.01	Cash - Operations	\$ 967,630
	1121.01	Construction Cash Account	
	1125.11	Cash - Entity	\$ 1,439,267
	1130.01	Tenant Accounts Receivable	\$ 124,140
	1130.02	Allowance for Doubtful Accounts (enter a negative amount)	
	1140.01	Accounts and Notes Receivable-Operations	
	1140.91	Accounts Receivable-WHEDA	
	1145.01	Accounts and Notes Receivable-Entity	
	1160.01	Accounts Receivable-Interest	
	1160.11	Interest Reduction Payment Receivable	
	1170.11	Short Term Investments- Operations	
	1170.21	Short Term Investments-Entity	
	1190.01	Misc Current Assets	\$ 1,392,582
	1191.01	Tenant Security Deposits	
1100	Total Current Assets	\$ 3,923,619	
1200 PREPAID EXPENSES	1210.01	Misc Prepaid Expenses	\$ 104,018
	1200	Total Prepaid Expenses	\$ 104,018
1300 FUNDED RESERVES	1310.01	Escrow Deposits	
	1310.21	Insurance Escrow	
	1310.22	Real Estate Tax or PILOT Escrow	
	1320.01	Reserve for Replacements	\$ 435,881
	1330.01	Other Reserve	
	1340.01	Residual Receipts Reserve	
	1360.01	Development Cost Escrow	
	1360.41	FHA Insurance Reserve	
	1380.01	Management Improvement and Operating Plan	
1300	Total Funded Reserves	\$ 435,881	
1400 FIXED ASSETS	1410.01	Land	\$ 3,125,903
	1420.01	Building	\$ 18,450,888
	1440.01	Building Equipment (portable)	
	1450.01	Furnishings	
	1450.31	Furniture for Project/Tenant Use	\$ 810,437
	1450.91	Office Furniture and Equipment	
	1470.01	Maintenance Equipment	
	1480.01	Motor Vehicles	
	1490.01	Misc Fixed Assets	
	1490.11	Accumulated Depreciation (enter a negative amount)	\$ (9,502,185)
1400	Total Fixed Assets	\$ 12,885,043	
1500 INVESTMENTS	1510.01	Investments-Operations	\$ 4,689,276
	1515.01	Investments-Entity	
	1530.01	Intangible Assets	
1500	Total Investment Long-term	\$ 4,689,276	
1900 MISC ASSETS	1910.01	Misc Other Assets	\$ 255,951
	1900	Total Other Assets	\$ 255,951
	TOTAL ASSETS	\$ 22,293,788	




BALANCE SHEET


STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)

2688 PHEASANT RIDGE TRAIL**Date of Statement: 12/31/2022**

	Account	Description of Account	Amount	Comment
2100 CURRENT LIABILITIES	2105.01	Bank Overdraft-Operations		
	2110.01	Accounts Payable-Operations	\$ 409,969	
	2110.11	Accounts Payable-Construction/Development		
	2110.91	Accounts Payable-30 Days		
	2112.01	Accounts Payable-Project Improvements Items		
	2113.01	Accounts Payable-Entity		
	2115.11	Accounts Payable-236 Excess Income Due HUD		
	2115.21	Accounts Payable-WHEDA/HUD		
	2120.01	Accrued Wages Payable	\$ 170,110	
	2120.11	Accrued Payroll Taxes Payable		
	2120.31	Accrued Management Fee Payable		
	2130.01	Accrued Interest Payable-First Mortgage		
	2130.31	Accrued Interest Payable-Second Mortgage		
	2130.41	Accrued Interest Payable-Section 236		
	2131.11	Accrued Interest Payable-Other Loans (Surp Cash)		
	2131.12	Accrued Interest Payable-Other Loans and Notes		
	2131.21	Accrued Interest Payable-Flexible Subsidy Loan		
	2131.31	Accrued Interest Payable-Capital Improvement Loan		
	2131.32	Accrued Interest Payable-Operating Loss Loan		
	2150.11	Accrued Real Estate & Property Tax Payable		
	2160.01	Short Term Notes Payable		
	2160.31	Other Loans and Notes Payable, Surplus Cash ST		
	2160.32	Other Loans and Notes (Short Term)		
	2160.41	Flexible Subsidy Loan Payable (Short Term)		
	2160.51	Capital Improvement Loan Payable (Short Term)		
	2160.52	Operating Loss Loan Payable (Short Term)		
	2170.11	Mortgage Payable-First Mortgage (Short Term)		
	2170.31	Mortgage Payable-Second Mortgage (Short Term)		
	2180.01	Utility Allowances		
	2190.01	Misc Current Liabilities/Preservation Fee	\$ 139,737	
	2191.01	Tenant Security Deposits		
	2210.01	Prepaid Revenue	\$ 77,837	
	2100	Current Liabilities	\$ 797,653	
2300 LONG-TERM LIABILITIES	2310.01	Notes Payable-Long Term		
	2310.31	Notes Payable-Surplus Cash		
	2310.32	Other Loans and Notes Payable	\$ 3,090,291	
	2310.33	Other Loans and Notes Payable-Surplus Cash		
	2310.41	Flexible Subsidy Loan Payable		
	2310.51	Capital Improvement Loan Payable		
	2310.52	Operating Loss Loan Payable		
	2320.11	Mortgage Payable-First Mortgage	\$ 905,317	
	2320.31	Mortgage Payable-Second Mortgage		
	2390.01	Misc Long Term Liabilities		
		2300	Long-Term Liabilities	\$ 3,995,608
		TOTAL LIABILITIES	\$ 4,793,261	
	3110.11	Total Equity/Retained Earnings	\$ 17,500,527	
		TOTAL EQUITY	\$ 17,500,527	
		TOTAL LIABILITIES & EQUITY	\$ 22,293,788	
		<i>Balance Sheet in balance?</i>	YES	

Additional Comments:

	PROFIT & LOSS STATEMENT		STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)			
	2688 PHEASANT RIDGE TRAIL					
		Statement Period:		01/01/2022-12/31/22		
	Account	Description of Account	Amount	Comment		
5100 RENT REVENUE	5120.11	Rent Revenue-Gross Potential	\$ 117,120			
	5120.21	Tenant Assistance Payments				
	5140.01	Rent Revenue - Commercial/Stores @ 100%				
	5170.01	Rent Revenue-Garage/Parking @ 100%				
	5180.01	Flexible Subsidy Revenue				
	5190.01	Misc Rent Revenue				
	5190.11	Excess Rent				
	5190.12	Rent Revenue/Insurance				
	5190.13	Special Claims Revenue				
	5190.14	Retained Excess Income				
		5100 Rent Revenue		\$ 117,120		
5200 VACANCY	5220.01	Apartment Vacancies <i>(enter a negative amount)</i>	\$ (75,268)			
	5240.01	Stores/Commercial Vacancies or Concessions <i>(enter a negative amount)</i>				
	5250.01	Rental Concessions <i>(enter a negative amount)</i>	\$ (3,000)			
	5270.01	Garage/Parking Vacancies or Concessions <i>(enter a negative amount)</i>				
	5290.01	Miscellaneous Vacancies <i>(enter a negative amount)</i>				
	5200 Vacancies		\$ (78,268)			
5300 ELDERLY SERVICE REVENUE	5310.14	Priv Pay Room / Board				
	5310.24	Medicare Room / Board				
	5310.34	Medicaid Room / Board				
	5310.44	VA Room / Board				
	5320.34	Food				
	5320.51	Housekeeping				
	5320.71	Laundry / Linen				
	5300 Elderly Service Revenue		\$ -			
5400 FINANCIAL REVENUE	5410.01	Financial Revenue-Project Operations	\$ 208,326			
	5430.01	Revenue from Investments-Residual Receipts				
	5440.01	Revenue from Investments-Replacement Reserve	\$ 1,371			
	5490.01	Revenue from Investments-Miscellaneous				
	5400 Financial Revenue		\$ 209,697			
5900 OTHER REVENUE	5910.01	Laundry/Vending Income (Net)				
	5920.01	Tenant Charges				
	5990.01	Miscellaneous Revenue				
	5900 Other Revenue		\$ -			
TOTAL REVENUE			\$ 248,549			
6200-6300 RENT/ADMIN EXPENSES	6210.01	Advertising/Marketing Expense				
	6250.01	Other Rent Expense				
	6310.01	Office Salaries	\$ 11,089			
	6311.01	Office Expenses	\$ 825			
	6311.21	Office or Model Apartment Rent				
	6320.01	Management Fees All				
	6330.11	Manager/Superintendent Salaries	\$ 2,635			
	6330.21	Administrative Rent-Free Unit				
	6340.01	Legal Expense-Project Only				
	6350.01	Audit Expense - Project Only	\$ 911			
	6351.01	Bookkeeping Fees/Accounting Services	\$ 1,962			
	6370.01	Bad Debt Expense	\$ 300			
	6390.01	Misc Administrative Expenses	\$ 1,061			
		6200 Administrative Expense		\$ 18,783		
	6400 UTILITY EXPENSE	6420.01	Fuel Oil			
6450.11		Electricity	\$ 7,453			
6450.21		Gas	\$ 2,238			
6450.32		Water	\$ 2,455			
6450.33		Sewer	\$ 1,716			
	6400 Utility Expense		\$ 13,862			
6500 OPERATING & MAINTENANCE EXPENSE	6510.01	Payroll	\$ 30,644			
	6510.31	Operating and Maintenance Rent Free Unit				
	6515.01	Supplies	\$ 2,235			
	6520.01	Contracts				
	6525.01	Garbage & Trash Removal	\$ 2,677			
	6530.11	Security Payroll/Contract (incl taxes and benefits)				
	6530.21	Security Rent Free Unit				
	6540.11	Heating/Cooling Repairs & Maintenance	\$ 502			
	6540.21	Snow Removal	\$ 2,515			
	6570.01	Vehicle/Maintenance Equipment Operation & Repairs	\$ 130			
	6580.01	RR releases to reimburse expensed items <i>(enter a negative amount) (MEMO ONLY)</i>				
6590.01	Misc Operating & Maintenance Expense	\$ 19,563				
	6500 Operating and Maintenance Expense		\$ 58,266			

	PROFIT & LOSS STATEMENT		STANDARDIZED FINANCIALS TEMPLATE (Rev. 2022.10.01)	
2688 PHEASANT RIDGE TRAIL				
	Statement Period:		01/01/2022-12/31/22	
	Account	Description of Account	Amount	Comment
6700 TAXES AND INSURANCE	6710.01	Real Estate & Personal Property Taxes		
	6711.01	Payroll Taxes - Project Share	\$ 3,166	
	6720.01	Property & Liability Insurance (Hazard)	\$ 6,315	
	6723.01	Health Insurance and Other Employee Benefits	\$ 16,222	
	6723.11	Fidelity Bond Insurance		
	6723.21	Workmens Compensation		
	6790.01	Misc Taxes, Licenses, Permits, and Insurance		
		6700	Tax and Insurance Expense	\$ 25,703
6900 ELDERLY SERVICE EXPENSE	6930.11	Dietary Salaries		
	6930.21	Food		
	6930.22	Dietary Prchsd Serv		
	6940.11	Regstrd Nurse Salary		
	6950.11	Housekeeping Salary		
	6950.21	Housekeeping Supply		
	6950.31	Other Housekeeping		
	6960.22	Medical Supplies		
	6960.29	Medical Prchsd Serv		
	6970.01	Laundry Expenses		
	6975.01	Medical Records		
	6980.11	Recreation/Rehab		
	6980.21	Activity Supplies		
	6990.01	Elderly Service Other		
		6900	Elderly Service Expense	\$ -
RR DEPOSITS	11320.01	Annual Replacement Reserve Deposits (MEMO ONLY)		
		TOTAL OPERATING EXPENSES	\$ 116,614	
		NET OPERATING INCOME (NOI)	\$ 131,935	
6800 FINANCIAL EXPENSE	6810.01	WHEDA Senior Hard Debt Interest		
	6820.01	WHEDA Junior Hard Debt Interest	\$ 5,086	
	6825.01	Other Mortgage Interest		
	6850.01	Mortgage Insurance Premium/Service Charge		
	6890.01	Misc Financial Expense/Preservation Fee	\$ 6,402	
		6800	Financial Expense	\$ 11,488
DEPRECIATION AMORTIZATION	6610.01	Depreciation Expense	\$ 29,652	
	6620.01	Amortization Expense		
		OPERATING PROFIT OR LOSS	\$ 90,795	
7100 CORPORATE OR MORTGAGOR EXPENSE	7110.01	Officer's Salaries		
	7120.01	Legal Expense		
	7130.01	Federal, State, and Other Income Taxes		
	7140.01	Interest Income		
	7140.11	Interest on Notes Payable		
	7140.21	Interest on Mortgage Payable		
	7190.01	Other Expense		
	7100	Net Entity Expenses	\$ -	
TOTAL PRINCIPAL PAYMENTS	16810.01	WHEDA Senior Hard Debt Principal		
	16820.01	WHEDA Junior Hard Debt Principal		
	16825.01	Other Debt Principal		

Additional Comments:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Porchlight, Inc.
Madison, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Porchlight, Inc., which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 15, 2024. The financial statements of Porchlight Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with this entity.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Porchlight, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Porchlight, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Management Comments?

Purpose of This Report

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



Wipfli LLP

Madison, Wisconsin

March 15, 2024

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance

Porchlight, Inc.
Madison, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Porchlight, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2022. Porchlight, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal and State Programs

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal and state program is not modified with respect to this matter.

Government Auditing Standards requires the auditors to perform limited procedures on Porchlight, Inc.'s response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Porchlight, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and a certain deficiency that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Porchlight, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Porchlight, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Wipfli LLP

Madison, Wisconsin
March 15, 2024

Porchlight, Inc.

Schedule of Findings and Questioned Costs

Year Ended December 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes no

Noncompliance material to financial statements noted? yes no

Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance [2 CFR 200.516(a)]? yes no

Identification of major federal programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant - Supplemental Coronavirus Allocation

Identification of major state programs:

Name of State Program or Cluster
Dane County Department of Human Services, Homeless Grant

Dollar threshold used to distinguish between Type A and Type B programs:

Federal	\$750,000
State	\$250,000

Auditee qualified as low-risk auditee? No*

* - Not a low-risk auditee due to a single audit not being required for the year ended December 31, 2020.

Porchlight, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

Section II - Financial Statement Findings

2022-001 – Internal Controls over Financial Reporting

Condition – During our audit, Wipfli, LLP identified several deficiencies related to Porchlight, Inc.'s internal control over financial reporting. Wipfli found the design of Porchlight, Inc.'s fiscal policies and procedures to be sufficient but the execution of the fiscal policies and procedures were lacking. The matters identified were as follows:

- Proper review and approval of reconciliation's in accordance with fiscal policies and procedures was not evident.
- Essentially all significant general ledger accounts were not reconciled in a timely manner throughout the year.
- Proper authorizations on some payroll and cash disbursement transactions was not evident.
- Financial reports were not reconciled to the general ledger
- Financial reports provided to the Board of Directors were not timely and did not provide an accurate presentation of Porchlight, Inc's financial results.
- Material adjustments to cash, promises to give and property and equipment were proposed by the auditor and recorded by management during the audit.

The primary cause of these deficiencies was the resignation of the Finance Director during the year. Porchlight, Inc. did hire and outside contractor as well as additional finance team members to reconcile accounts in preparation of the financial audit. Based on the items noted above, a material weakness exists in Porchlight, Inc.'s internal control over financial reporting.

Criteria – Internal controls need to be in place to assure effective control over, and accountability for all funds, property and other assets for all programs operated by Porchlight, Inc.

Cause – During the audit year, there was turnover in Porchlight, Inc.'s business office which contributed to the lack of timely reconciliation's. In addition, the circumstances surrounding the COVID-19 pandemic continued to affect the timeliness of the reconciliation process. Porchlight, Inc. is working on streamlining and implementing processes to address the deficiencies noted in the condition paragraph.

Effect – As a result of the financial reporting matters identified in the condition paragraph, a material weakness exists in Porchlight, Inc.'s internal control over financial reporting.

Recommendation – We recommend management and those charged with governance evaluate the operation of the business office and implement adequate and timely closing procedures to ensure that financial statement amounts are being reconciled appropriately and all reconciliation's/purchases/reports are being reviewed.

View of Responsible Officials – Management agrees with the assessment and has committed to a corrective action plan.

Porchlight, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

Section III – Federal Award Findings and Questioned Costs

Finding 2022-001 is applicable to the following grants:

U.S. Department of Housing and Urban Development - Community Development Block Grant-Supplemental
Coronavirus Allocation - AL #14.218
Grant Number: JD007-CDBG-CV-2022
Grant Period: January 1, 2022 through December 31, 2022

Questioned Costs: None

How the questioned costs were computed: N/A

As a result of the financial reporting matters identified in the condition paragraph, a material weakness exists in Porchlight, Inc.'s internal control over compliance.

2022-002 – Late Filing of Audit Report and Funding Source Compliance Reports

U.S. Department of Housing and Urban Development - Community Development Block Grant-Supplemental
Coronavirus Allocation - AL #14.218
Grant Number: JD007-CDBG-CV-2022
Grant Period: January 1, 2022 through December 31, 2022

Questioned Costs: None

How the questioned costs were computed: N/A

Condition – Under Uniform Guidance, Porchlight, Inc.'s audited financial statements for the year ended December 31, 2022 were due to the federal single audit clearinghouse by September 30, 2023. Porchlight Inc.'s December 31, 2022 audited financial statements were not completed for submission to the federal audit clearinghouse until after September 30, 2023. In addition, Porchlight, Inc. did not file its quarterly expense status reports for its federal and state grants in a timely manner.

Criteria – Uniform Guidance 200.302(b)(4) states each non-federal entity must provide for “*effective control over, and accountability for, all funds, property, and other assets.*” In addition, Uniform Guidance requires audited financial statements to be submitted to the federal audit clearinghouse within nine-months after an entity’s year-end. The federal and state grant contract provided deadlines for when the quarterly reports were to be submitted.

Cause – During the audit year, there was turnover in Porchlight, Inc.’s business office which contributed to the lack of timely reconciliation’s. In addition, the circumstances surrounding the COVID-19 pandemic continued to affect the timeliness of the reconciliation process. Porchlight, Inc. is working on streamlining and implementing processes to address the deficiencies noted in the condition paragraph.

Effect – A significant deficiency in internal control over compliance and an instance of noncompliance exists due to failure to provide financial statements and grant quarterly reports in a timely manner in order to meet audit and contract submission deadlines.

Porchlight, Inc.
Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2022

Recommendation – We recommend Porchlight, Inc.'s implement procedures to ensure timely completion of the annual audit and quarterly expense reports.

View of Responsible Officials – Management agrees with the assessment and has committed to a corrective action plan.

Porchlight, Inc.
Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2022

Section IV – State Award Findings and Questioned Costs

Finding 2022-001 and Finding 2022-002 are applicable to the following state grants:

Wisconsin Department of Administration through the Dane County Department of Human Services, Homeless Grants

Grant Numbers: 85321-8066 and 85356-9219

Grant Period: January 1, 2022 through December 31, 2022

Questioned Costs: None

How the questioned costs were computed: N/A

Section V - Other Issues

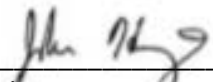
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? ___ yes x no

Does the audit report show audit issues related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

Wisconsin Department of Administration x yes ___ no

Was a management letter or other document conveying audit comments issued as a result of this audit? x yes ___ no

Name and Signature of Partner



John E. Hemming, CPA

Report Date

March 15, 2024