

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2023 AND 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Columbus House, Inc. and Subsidiaries  
New Haven, Connecticut

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Columbus House, Inc. and Subsidiaries (collectively, the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Columbus House, Inc. and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Change in Accounting Principle***

As discussed in Note 1, during the year ended June 30, 2023, Columbus House, Inc. and Subsidiaries adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Columbus House, Inc. and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Columbus House, Inc. and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

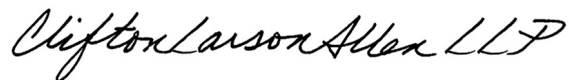
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on the Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of program services expenses is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 a report dated February 21, 2024 on our consideration of the Organization’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the Organization’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 the Organization’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
February 21, 2024

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 635,252	\$ 452,056
Investments	560,688	487,355
Grants Receivable	1,643,587	1,541,943
Contract and Other Receivables	419,674	262,704
Client Funds	401,669	431,228
Other Assets	170,884	162,091
Restricted Cash	278,156	249,290
Property, Buildings, and Equipment, Net	11,849,637	12,253,398
Right-of-Use Assets, Net	183,673	-
Total Assets	<b>\$ 16,143,220</b>	<b>\$ 15,840,065</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 1,067,857	\$ 1,009,130
Client Funds Liability	401,669	431,228
Notes Payable, Net	1,129,169	1,185,734
Refundable Advances	486,593	568,037
CHFA Mortgages Payable	358,922	377,202
CHFA Advances	2,885,400	2,885,400
Lease Liabilities	188,348	-
Total Liabilities	6,517,958	6,456,731
<b>NET ASSETS</b>		
Without Donor Restrictions	8,990,021	8,876,523
With Donor Restrictions	635,241	506,811
Total Net Assets	9,625,262	9,383,334
Total Liabilities and Net Assets	<b>\$ 16,143,220</b>	<b>\$ 15,840,065</b>

See accompanying Notes to Consolidated Financial Statements.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, SUPPORT, AND OTHER CHANGES</b>						
Federal and State Grants	\$ 12,733,071	\$ -	\$ 12,733,071	\$ 12,974,040	\$ -	\$ 12,974,040
Contributions	967,748	259,350	1,227,098	1,250,463	340,976	1,591,439
Program Fees	1,324,996	-	1,324,996	997,838	-	997,838
Donated Rent	6,500	-	6,500	21,499	-	21,499
Other Income	474,663	-	474,663	286,983	-	286,983
Special Fundraising Activities	100,016	-	100,016	11,500	-	11,500
Net Assets Released from Restrictions	130,920	(130,920)	-	183,542	(183,542)	-
Total Revenues, Support, and Other Changes	<u>15,737,914</u>	<u>128,430</u>	<u>15,866,344</u>	<u>15,725,865</u>	<u>157,434</u>	<u>15,883,299</u>
<b>EXPENSES</b>						
Program Services	12,380,038	-	12,380,038	12,732,945	-	12,732,945
Management and General	2,369,064	-	2,369,064	2,108,705	-	2,108,705
Development and Fundraising	368,423	-	368,423	348,172	-	348,172
Total Expenses	<u>15,117,525</u>	<u>-</u>	<u>15,117,525</u>	<u>15,189,822</u>	<u>-</u>	<u>15,189,822</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	620,389	128,430	748,819	536,043	157,434	693,477
<b>OTHER CHANGES</b>						
Depreciation	(506,891)	-	(506,891)	(508,477)	-	(508,477)
Total Other Changes	<u>(506,891)</u>	<u>-</u>	<u>(506,891)</u>	<u>(508,477)</u>	<u>-</u>	<u>(508,477)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	113,498	128,430	241,928	27,566	157,434	185,000
Net Assets - Beginning of Year	<u>8,876,523</u>	<u>506,811</u>	<u>9,383,334</u>	<u>8,848,957</u>	<u>349,377</u>	<u>9,198,334</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 8,990,021</u>	<u>\$ 635,241</u>	<u>\$ 9,625,262</u>	<u>\$ 8,876,523</u>	<u>\$ 506,811</u>	<u>\$ 9,383,334</u>

See accompanying Notes to Consolidated Financial Statements.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023				2022			
	Program Services	Management and General	Development and Fundraising	Total	Program Services	Management and General	Development and Fundraising	Total
Personnel Costs	\$ 7,847,123	\$ 1,868,687	\$ 268,387	\$ 9,984,197	\$ 8,265,367	\$ 1,759,314	\$ 285,216	\$ 10,309,897
Direct Housing Assistance	2,061,066	28,258	-	2,089,324	2,079,416	-	-	2,079,416
Occupancy	804,953	114,417	4,641	924,011	666,319	34,627	1,065	702,011
Professional Fees and Contractual Services	501,768	98,510	19,949	620,227	620,623	79,211	17,766	717,600
House and Grounds Supplies and Services	328,624	41,648	1,236	371,508	311,628	29,564	754	341,946
Office Expense	273,469	56,459	12,544	342,472	233,452	55,259	9,081	297,792
Insurance	171,647	44,953	1,296	217,896	150,583	51,753	1,149	203,485
Transportation and Vehicle Expense	136,958	-	577	137,535	174,488	9,382	365	184,235
Food and Supplies	136,076	-	-	136,076	111,707	-	-	111,707
Consultants	10,992	77,529	-	88,521	15,966	49,534	-	65,500
Client Support	78,501	-	250	78,751	98,032	150	-	98,182
Interest and Bank Fees	28,861	38,527	7,204	74,592	5,364	39,781	6,077	51,222
Promotion	-	76	52,339	52,415	-	130	26,699	26,829
	<u>12,380,038</u>	<u>2,369,064</u>	<u>368,423</u>	<u>15,117,525</u>	<u>12,732,945</u>	<u>2,108,705</u>	<u>348,172</u>	<u>15,189,822</u>
Total Expenses Before Depreciation								
Depreciation	481,193	24,358	1,340	506,891	481,698	25,255	1,524	508,477
	<u>\$ 12,861,231</u>	<u>\$ 2,393,422</u>	<u>\$ 369,763</u>	<u>\$ 15,624,416</u>	<u>\$ 13,214,643</u>	<u>\$ 2,133,960</u>	<u>\$ 349,696</u>	<u>\$ 15,698,299</u>
Total Expenses								

See accompanying Notes to Consolidated Financial Statements.



**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 241,928	\$ 185,000
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized and Unrealized (Gains) Losses on Investments	(55,726)	83,218
Depreciation	506,891	508,477
Noncash Lease Expense	4,675	-
(Increase) Decrease in Operating Assets:		
Grants Receivable	(101,644)	(715,323)
Contract and Other Receivables	(156,970)	22,531
Client Funds	29,559	(92,345)
Other Assets	(8,793)	15,601
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	58,727	(93,326)
Client Funds Liability	(29,559)	92,345
Refundable Advances	(81,444)	45,657
Net Cash Provided by Operating Activities	407,644	51,835
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of Investments	(17,607)	(144,376)
Acquisition of Property, Buildings, and Equipment	(103,130)	(482,918)
Net Cash Used by Investing Activities	(120,737)	(627,294)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments on Notes Payable	(56,565)	(53,934)
Repayments on CHFA Mortgages	(18,280)	(17,921)
Net Cash Used by Financing Activities	(74,845)	(71,855)
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>	212,062	(647,314)
Cash and Cash Equivalents and Restricted Cash - Beginning of Year	701,346	1,348,660
 <b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	\$ 913,408	\$ 701,346
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ 55,548	\$ 58,278

See accompanying Notes to Consolidated Financial Statements.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Columbus House, Inc. (Columbus House), a Connecticut nonstock corporation, opened its doors in 1982 to provide emergency shelter to men and women over the age of 18 who were experiencing homelessness. Since that time, the agency has expanded its mission and programs dramatically, providing not only shelter but housing and a full array of services designed to help people move out of homelessness towards housing, recovery, and independence. These services are funded by grants and contributions from government entities, individuals, foundations, and religious organizations.

CH Supportive Housing-1, LLC, a single-member limited liability company owned by Columbus House, Inc., was organized in 2012 for the purpose of developing and managing housing for people experiencing homelessness in Connecticut.

Shepherd Home Supportive Housing, LLC, a single-member limited liability company owned by Columbus House, Inc., was organized in 2017 for the purpose of developing and managing housing for veterans experiencing homelessness in Connecticut.

CHI-Peterson, LLC, a single-member limited liability company owned by Columbus House, Inc., was organized in 2018 for the purpose of developing and managing housing for people experiencing homelessness in Connecticut. In the 2019 fiscal year, CHI-Peterson, LLC, acquired 25 Green Street and 54 Grand Street, which are affordable housing properties funded by the Connecticut Housing Finance Authority (CHFA). Effective July 17, 2019, CHI-Peterson, LLC, acquired 38 Ferry Street, 519 High Street, and 40 Walnut Street. Assets assumed in the acquisition include all real property. Columbus House, CH Supportive Housing-1, LLC, Shepherd Home Supportive Housing, LLC, and CHI-Peterson, LLC, are collectively referred to as the Organization.

**Adoption of New Accounting Standards**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Leases (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of consolidated financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards (Continued)**

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

In addition, the Organization elected the hindsight practical expedient to determine the lease term for existing leases. The election of the hindsight practical expedient did not result in any changes to existing lease terms.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, a lease liability of \$333,204, which represents the present value of the remaining operating lease payments of \$345,030, discounted using the risk free rate of return between 2.79% and 2.88%, and a right-of-use asset of \$333,204.

The standard had an impact on the consolidated statements of financial position but did not have an impact on the consolidated statements of activities, nor consolidated statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the Organization's accounting for finance leases remained substantially unchanged.

**Programs and Services**

**Shelter and Services**

Columbus House provides emergency shelter and case management services in New Haven, Wallingford, and Middletown. In New Haven, intensive case management support is provided to 17 men in recovery at Recovery House, while at the main shelter, 81 beds provide emergency shelter to single adults. During winter months, a seasonal shelter is provided to 75 men. In addition, in collaboration with congregations in the faith community, shelter is provided for 12 people in social halls of these congregations for 5 months during the peak winter season.

Also in New Haven, the Organization operates a Medical Respite program for people leaving Yale New Haven Hospital or the VA Hospital, who are in need of recuperative care. Once in the Respite program, patients receive ongoing medical care from visiting nurses until they are medically cleared by a physician. While in the Respite program, the patients receive intensive services that help them make and keep follow-up healthcare visits and work towards getting appropriate housing.

Columbus House also provides seasonal warming centers in Hamden and Middletown, providing emergency shelter for up to 65 people during the coldest winter months. In Wallingford, a seasonal shelter offers 15 beds to men and women, during the winter months. Year-round shelter is provided to four families. In Middletown, families experiencing homelessness are offered shelter in the seven available units. All shelter clients receive case management to support them in finding permanent housing.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Programs and Services (Continued)**

Shelter and Services (Continued)

During 2021, due to pandemic conditions, Columbus House in collaboration with State partners moved all congregate shelter clients into hotels in both New Haven and Middletown to increase health and safety. Programs that normally were seasonal, became year-round and all emergency shelter staff focused on moving clients into permanent housing. Clients moved back into the shelters starting April 1, 2022. For the year ended June 30, 2023, 284 clients were served in emergency service programs.

Housing Services

Columbus House provided housing and services to over 940 individuals and families in 2023 and 2022, respectively, through either permanent supportive housing or rapid rehousing supports. Permanent supportive housing is for people who have been homeless for a year or more and live with a disability, most often with mental illness. The client has a lease with the landlord and pays 30% of his/her income towards rent, which is subsidized by federal, or state funds managed through Columbus House. Supportive case management services help clients stay housed by tending to the lease agreement and helping them integrate into the community.

Columbus House is also a housing developer, providing 85 units of permanent supportive housing at various locations to both very low income single adults and chronically homeless individuals.

Rapid Rehousing is for people in the shelter who can move out quickly with short-term financial support. Columbus House has been awarded Rapid Rehousing funds for individuals and families, in both Middletown and New Haven. Clients may receive a short-term subsidy that helps them move from homelessness to appropriate housing in the community. During the pandemic, the Rapid Rehousing programs were critical in quickly housing a vulnerable population.

Support Services

In every program, Columbus House provides support services through professional and paraprofessional staff. Case management services assist clients with getting housed and taking care of basic needs such as obtaining an ID, furniture, or bus passes. The Organization's employment specialists work with clients on employment readiness skills and connect with employers, opening doors to new opportunities for the clients. Benefits specialists ensure that clients are enrolled in health insurance, Social Security benefits, food stamps and other entitlement programs. A Rep Payee program helps clients manage their money so that they can maintain housing by paying their rent and bills on time and fully.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Programs and Services (Continued)**

Support Services (Continued)

Veteran-specific services include Harkness House and the Support Services for Veteran Families program. Harkness House provides temporary housing for veterans along with case management services. Support Services for Veteran Families provides case management, employment, housing, and benefits specialists for veterans who are homeless and for those who are at risk of becoming homeless. Through these and other programs, Columbus House serves more than 400 veterans annually.

Outreach Programs

In many communities across Connecticut, there are people who are homeless who are living on the streets, in encampments and in abandoned buildings. Columbus House staff provide street outreach in New Haven and Middletown to work with people who do not or cannot come into the shelters in those communities. The goal is to help move people into housing by providing regular engagement and, ultimately, case management services. The Organization also provides a transportation program that offers free rides for people who are homeless and in need of getting to and from medical or treatment-related appointments, anywhere in the State.

**Basis of Accounting and Presentation**

The financial statements are presented on a consolidated basis to include the transactions of Columbus House, Inc., and its subsidiaries, CH Supportive Housing-1, LLC, Shepherd Home Supportive Housing, LLC, and CHI-Peterson, LLC. All material intercompany balances and transactions have been eliminated in the consolidated financial statements. The consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Organization are reported in the following net asset categories: without donor restrictions and with donor restrictions.

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the board of directors. The board of directors has designated net assets of \$303,010 for operational reserves at June 30, 2023 and 2022.

*Net Assets With Donor Restrictions* – Net assets with donor restrictions represent contributions that are restricted by the donor either as to purpose or time. The Organization's net assets held in perpetuity consist of the land value of a property restricted in perpetuity for the benefit of low-income persons.

**Use of Estimates**

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

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

Cash and cash equivalents include cash in banks and certain highly liquid investments with original maturities of 90 days or less. The Organization maintains its cash and cash equivalents in financial institutions that may, at times, exceed federal depository insurance limits. Management believes that the Organization's deposits are not subject to significant credit risk.

**Investment Valuation and Income Recognition**

Investments in mutual funds are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in certificates of deposit are reported at cost. See Note 3 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Realized and unrealized gains include the Organization's gains and losses on investments bought and sold as well as held during the year.

**Grants, Contracts and Other Receivables, Net**

Grants from federal, state, and other sources are recognized as revenue when the related expenditures are incurred, or revenue is otherwise earned. The Organization has also entered into contract fee-for-service agreements with several governmental agencies. Additionally, the Organization enters into service agreements with clients in certain of its housing programs. Grants receivable represents unreimbursed expenses, and contracts and other receivables represents contract fee receivables at June 30, 2023 and 2022. Grant receipts in excess of expenditures are recognized as refundable advances.

Management performs a periodic review of client receivables arising out of such agreements and specific accounts are written off after normal collection efforts have been exhausted. Management has determined that an allowance for doubtful accounts is not necessary as of June 30, 2023 and 2022.

**Other Assets**

Other assets consist of security deposits on rental properties and prepaid expenses.

**Property, Buildings, and Equipment**

Property and equipment acquisitions and improvements thereon that exceed \$5,000 are capitalized at cost and depreciated on a straight-line basis over their estimated useful lives. Repairs and maintenance are charged to expense as incurred.

**Leases**

The Organization leases certain office space, vehicles, and various equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in Operating right-of-use (ROU) assets and lease liabilities on the consolidated statement of financial position for the year ended June 30, 2023.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the consolidated statements of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. The risk-free discount rates used were between 2.79% and 2.88% and were the U.S. Treasury Rates as of the inception of the lease for the remaining term of each lease.

**Revenue Recognition**

Columbus House, Inc. and Subsidiaries recognize revenue at an amount that reflects the consideration to which Columbus House, Inc. and Subsidiaries expect to be entitled in exchange for transferring goods or services to its customers using the following five step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the company satisfies a performance obligation

Refer to the following disclosures for details on how the above five step process is applied to the Organization's contracts with customers.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Service Contracts**

Columbus House, Inc. and Subsidiaries revenue is derived from contracts to provide housing services. Income is recognized at a point in time when the performance obligations have been met.

**Contract Balances**

The opening and closing balances of Columbus House, Inc. and Subsidiaries' service contracts receivable are as follows:

	<u>Receivables</u>
Opening (July 1, 2021)	\$ 58,943
Closing (June 30, 2022)	<u>43,721</u>
Decrease	<u>\$ (15,222)</u>
Opening (July 1, 2022)	\$ 43,721
Closing (June 30, 2023)	<u>188,918</u>
Increase	<u>\$ 145,197</u>

**Transaction Price**

Housing services are identified through contracts. The transaction price is determined upon establishment of the contract that contains the final terms of the agreement, including the description and price of each service and payment terms. Management has determined that Columbus House, Inc. and Subsidiaries' contracts do not contain a significant financial component.

**Performance Obligations**

Contracts for services are assessed for performance obligations at contract inception. Columbus House, Inc. and Subsidiaries determines the performance obligations based on contract specifics and ultimate deliverables to the client. To identify the performance obligations, Columbus House, Inc. and Subsidiaries consider all of the services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices.

The services rendered represent point in time transactions for services rendered and invoiced at a point in time. Revenue is not recognized until the service has been rendered and the performance obligation has been met.



**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions, Including Government Grants and Contracts**

In accordance with accounting principles generally accepted in the United States of America, certain governmental grants and contracts received by a nonprofit, including certain awards to fund capital expenditures, are generally considered to be contributions rather than exchange transactions since there was not commensurate value transferred between the resource provider and the Organization. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor.

The Organization reports contributions of cash and other assets as donor restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented as net assets without donor restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying consolidated statements of financial position.

Conditional governmental grants and contracts not recognized as revenue as of June 30, 2023 and 2022 total \$3,812,978 and \$3,878,103, respectively. Government grants and contracts are conditioned on incurring qualified program expenses, meeting performance measures and availability of funds for multi-year contracts.

**Donated Property and Services**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization.

Donated property and the use of equipment and facilities are recorded as contributions and expensed at fair market value when determinable, otherwise at values indicated by the donor.

While many individuals volunteer their time and perform a variety of tasks that assist the Organization, most amounts have not been recognized in the accompanying consolidated financial statements for such services because the criteria for recognition of such volunteer efforts have not been met.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Expenses are charged directly to program services, development and fundraising, and management and general based on specific identification to the extent practicable. Expenses related to more than one function have been allocated based on staff time and effort expended, square footage occupied and other reasonable measures of relative benefit. Management and general expenses include those expenses that are not directly identifiable with a specific function but provide for the overall support and direction of the Organization.

**Income Taxes**

Columbus House is exempt from federal and state income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code (IRC). CH Supportive Housing-1, LLC, and CHI-Peterson, LLC, are wholly owned by Columbus House and are treated as disregarded entities pursuant to Treasury Regulation Section 301.7701-3 for federal income tax purposes. Generally, disregarded entities are not subject to entity-level federal or state income taxation and, as such, the Organization is not required to provide for income taxes. All activity of CH Supportive Housing-1, LLC, and CHI-Peterson, LLC, is included in the Columbus House Form 990. Shepherd Home Supportive Housing, LLC, is treated as a corporation for income tax purposes.

**Subsequent Events**

In preparing these consolidated financial statements, management has evaluated subsequent events through February 21, 2024, which represents the date the consolidated financial statements were available to be issued.

**NOTE 2 SHEPHERD HOME LIMITED PARTNERSHIP**

Shepherd Home Supportive Housing, LLC, is the general partner in the limited partnership, Shepherd Home Limited Partnership, which was established in 2018. Shepherd Home Supportive Housing, LLC, has a .01% ownership interest in Shepherd Home Limited Partnership. The purpose of the partnership is to own, finance, lease and operate the

Shepherd Home project, which includes a building containing 32 residential units for low-income individuals, administration offices and community rooms.

The Organization is contingently liable for the satisfaction of all liabilities of Shepherd Home Limited Partnership. The construction phase was completed on March 1, 2019, and as of June 30, 2019, all 32 units were occupied. As of June 30, 2023 and 2022, the Organization has recorded \$150,000 of accounts receivable from Shepherd Home Limited Partnership for unreimbursed expenses. Summarized unaudited financial data for Shepherd Home Limited Partnership are as follows as of June 30:

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 SHEPHERD HOME LIMITED PARTNERSHIP (CONTINUED)**

	2023	2022
Assets	\$ 8,859,405	\$ 9,168,397
Liabilities	6,120,931	6,034,068
Partners' Surplus	\$ 2,738,474	\$ 3,134,329
Revenues	\$ 593,114	\$ 368,512
Expenses	924,558	534,585
Net Income	\$ (331,444)	\$ (166,073)

**NOTE 3 FAIR VALUE MEASUREMENTS**

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

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

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

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

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

The following is a description of the valuation methodology used for financial instruments measured at fair value:

Mutual Funds

Mutual funds are valued at the quoted net asset value of shares reported in the active market in which the mutual funds are traded.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

There have been no changes in the methodology used at June 30, 2023 and 2022.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is 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.

The following tables set forth by level, within the fair value hierarchy, the Organization's investments at fair value as of June 30:

	2023			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equity	\$ 327,024	\$ -	\$ -	\$ 327,024
Fixed Income	233,664	-	-	233,664
Total Assets at Fair Value	\$ 560,688	\$ -	\$ -	\$ 560,688
	2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Equity	\$ 276,233	\$ -	\$ -	\$ 276,233
Fixed Income	211,122	-	-	211,122
Total Assets at Fair Value	\$ 487,355	\$ -	\$ -	\$ 487,355

There were no transfers between levels of investments during the years ended June 30, 2023 and 2022.

**NOTE 4 PROPERTY, BUILDINGS, AND EQUIPMENT**

Property, buildings, and equipment consist of the following as of June 30:

	2023	2022
Land	\$ 774,837	\$ 774,837
Buildings and Improvements	15,005,348	14,837,225
Furniture and Equipment	911,186	798,413
Leasehold Improvements	824,141	746,735
Vehicles	359,010	294,421
Construction in Progress	110,549	439,279
Total Property, Buildings, and Equipment, and Cost	17,985,071	17,890,910
Less: Accumulated Depreciation	6,135,434	5,637,512
Property, Buildings, and Equipment, Net	\$ 11,849,637	\$ 12,253,398

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 4 PROPERTY, BUILDINGS, AND EQUIPMENT (CONTINUED)**

The amounts in construction in progress as of June 30, 2023, relate to various repair and construction projects with estimated completion dates of December 31, 2023, and June 30, 2024, with approximately \$500,000 of costs left to completion.

**NOTE 5 LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Organization's financial assets available for general expenditures within one year of the statements of financial position date are as follows:

	2023	2022
Investments	\$ 255,129	\$ 127,030
Grants Receivable	1,643,587	1,541,943
Contracts and Other Receivables	<u>244,858</u>	<u>87,888</u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 2,143,574</u>	<u>\$ 1,756,861</u>

**Liquidity Management**

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization has a line of credit with Webster Bank of \$1,000,000 available at June 30, 2023 that it could draw upon in the event of an unanticipated liquidity need. The Organization's governing board has designated \$303,010 of net assets without donor restrictions as an operating reserve. These funds may be spent at the discretion of the board. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

**NOTE 6 CONCENTRATIONS**

The Organization receives a significant portion of its total support from federal and state grants and contracts. As with all government funding, these grants and contracts are subject to reduction or termination in future years. Any significant reduction in these grants and contracts could have an adverse effect on the Organization's program services. Based on historical experience, management believes grants receivable represent negligible credit risk.

**NOTE 7 LINE OF CREDIT**

The Organization has an available line of credit from Webster Bank of \$1,000,000 that expires on February 13, 2024. The line bears interest at 8.25%, the Prime Rate, and is secured by substantially all of the Organization's assets. The total available balance on this line of credit agreement was \$1,000,000 as of June 30, 2023 and 2022.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 8 NOTES PAYABLE**

Notes payable consist of the following at June 30:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Note payable to Citizens Bank, due November 2029, with monthly payments of \$2,280, including interest at 4.75%, secured by certain real property.	\$ 164,336	\$ 183,288
Note payable to The Greater New Haven Community Loan Fund, due June 2029, with interest of 0%, secured by certain real property. Any payments are deferred, and this note is forgivable in June 2029 if the property remains as affordable housing during this period.	50,000	50,000
Note payable to U.S. Department of Housing and Urban Development, due May 2026, with interest at 0% and secured by certain real property.	80,000	80,000
Note payable to Citizens Bank, due April 2037, with monthly payments of \$3,784 including interest at 4.5%, secured by certain real property.	470,943	494,279
Note payable to Citizens Bank, due July 2029, with monthly payments of \$2,787 including interest at 4.99%, secured by certain real property.	<u>370,975</u>	<u>385,252</u>
Total Notes Payable	1,136,254	1,192,819
Less: Unamortized Issuance Costs	<u>7,085</u>	<u>7,085</u>
Notes Payable, Net	<u>\$ 1,129,169</u>	<u>\$ 1,185,734</u>

Future maturities of long-term debt are as follows at June 30, 2023:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 61,263
2025	64,211
2026	67,301
2027	70,539
2028	73,934
Thereafter	<u>799,006</u>
Total	<u>\$ 1,136,254</u>

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 9 CHFA MORTGAGES**

CHFA mortgages payable consist of the following at June 30:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Mortgage payable to CHFA, due June 2023, with monthly payments of \$1,540, including interest at 2%, secured by certain real property.	\$ 1,403	\$ 19,683
Mortgage payable to CHFA, due September 2038, with interest-only payments at 2% through September 2023, then monthly payments of \$373, including interest at 2%, secured by certain real property.	58,000	58,000
Mortgage payable to CHFA, due September 2058, with quarterly payments due from surplus cash, if any, interest at 0%, secured by certain real property.	211,648	211,648
Mortgage payable to CHFA, due upon sale of property, interest at 0%, secured by certain real property.	<u>87,871</u>	<u>87,871</u>
Total Mortgages Payable	<u><u>\$ 358,922</u></u>	<u><u>\$ 377,202</u></u>

Future maturities of long-term debt are as follows at June 30, 2023:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	2,881
2025	3,408
2026	3,476
2027	3,547
2028	3,618
Thereafter	341,992
Total	<u><u>\$ 358,922</u></u>

**NOTE 10 CHFA ADVANCE**

CH Supportive Housing-1, LLC, contracted with CHFA, under the State Permanent Supportive Housing Initiative Program, for funding for the purpose of construction/rehabilitation of affordable permanent supportive housing units. The advance bears no interest and repayments are not required so long as the Organization fulfills all agreed-upon provisions for a period of 31 years. As of June 30, 2023 and 2022, the Organization had received and expended \$2,885,400.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 10 CHFA ADVANCE (CONTINUED)**

The CHFA contracts with CH Supportive Housing-1, LLC and CHI-Peterson, LLC require cash to be held in an escrow account. For the years ended June 30, 2023 and 2022, the balance held in escrow was \$278,156 and \$249,290, respectively, and is reported as restricted cash on the consolidated statements of financial position. The funds are invested at CHFA's discretion and are interest bearing. The proceeds from this account may be utilized towards expenses of the program upon approval from CHFA.

**NOTE 11 LEASE COMMITMENTS – ASC 842**

The Organization has entered into operating leases for office space, vehicles, and various equipment. The terms of the operating leases expire at various times through March 2026.

The following table provides quantitative information concerning the Organization's lease:

Lease Cost:	
Operating Lease Cost	\$ 156,726
Other Information	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 152,050
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 333,204
Weighted-Average Remaining Lease Term - Operating Leases	1.6 years
Weighted-Average Discount Rate - Operating Leases	2.83%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 125,052
2025	42,549
2026	24,665
2027	714
Undiscounted Cash Flows	192,980
(Less) Imputed Interest	(4,632)
Total Present Value	<u>\$ 188,348</u>



**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 12 LEASE COMMITMENTS – ASC 840**

The Organization has entered into operating leases for office space, vehicles, and various equipment. The terms of the operating leases expire at various times through March 2026.

Rent and vehicle lease expenses for the years ended June 30, 2022 amounted to \$248,337.

At June 30, 2023, minimum future rental payments under operating leases were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 98,630
2024	39,290
2025	14,383
2026	2,662
Total	<u>\$ 154,965</u>

The Organization signed a 98-year lease with the Housing Authority of the City of New Haven for land in New Haven on which they have rehabilitated rental housing. The lease payment for this land is \$1 per year and expires January 2112.

The fair market rental value of the lease is \$6,500 for the year ended June 30, 2022, and has been recognized as donated property and services on the consolidated statements of activities and occupancy expense on the consolidated statements of functional expenses.

**NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS**

The Organization has recorded contributed nonfinancial assets in the statement of activities as follows for the year ended June 30:

	<u>2023</u> <u>Revenue</u> <u>Recognized</u>	<u>2022</u> <u>Revenue</u> <u>Recognized</u>	<u>Utilization in</u> <u>Programs/</u> <u>Activities</u>	<u>Donor</u> <u>Restrictions</u>	<u>Valuation Techniques</u> <u>and Inputs</u>
Donated Rent	\$ 6,500	\$ 21,499	Programs	No associated donor restrictions	Based on value of rent as invoiced by landlord

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purpose or time period at June 30:

	<u>2023</u>	<u>2022</u>
Land Held in Perpetuity for the Benefit of Low-Income Persons	\$ 40,700	\$ 40,700
Purposes:		
Program	594,541	461,219
Property, Building, and Equipment	-	4,892
Total Net Assets With Donor Restrictions	<u>\$ 635,241</u>	<u>\$ 506,811</u>

**NOTE 15 NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from restrictions by incurring expenses satisfying the following purpose restrictions for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Programs	\$ 126,028	\$ 178,343
Property, Building, and Equipment	4,892	5,199
Total Net Assets Released from Restrictions	<u>\$ 130,920</u>	<u>\$ 183,542</u>

**NOTE 16 DEFINED CONTRIBUTION RETIREMENT PLAN**

The Organization maintains a defined contribution retirement plan under Section 401(a) of the IRC. All employees are eligible to participate after 90 days of service and 18 years of age. The Organization's discretionary annual contribution is equal to 3% of the eligible employees' annual salary for 2022 and 2021. In addition, the Organization has the option of making additional discretionary contributions. Employer contributions to the plan were \$114,153 and \$119,600 for 2023 and 2022, respectively. No discretionary contributions were made for the years ended June 30, 2023 and 2022.

**NOTE 17 CONTINGENCIES**

The Organization receives funding in the form of state and federal grant programs. The use of grants is subject to further review by the granting agencies. Such reviews may result in the Organization having liabilities to the grantors. There are no known liabilities as a result of such reviews.

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF PROGRAM SERVICES EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	Shelter and Services	Housing Services	Support Services	Outreach Program	Total
Personnel Costs	\$ 2,857,666	\$ 2,148,927	\$ 1,996,507	\$ 844,023	\$ 7,847,123
Direct Housing Assistance	-	1,170,249	890,817	-	2,061,066
Occupancy	463,059	314,715	11,429	15,750	804,953
Professional Fees and Contractual Services	159,360	102,806	161,323	78,279	501,768
House and Grounds Supplies and Services	195,152	118,289	9,683	5,500	328,624
Office Expense	50,649	140,319	57,222	25,279	273,469
Insurance	61,201	54,100	35,580	20,766	171,647
Transportation and Vehicle Expense	15,075	33,632	78,454	9,797	136,958
Food and Supplies	112,291	-	23,785	-	136,076
Client Support	15,497	23,062	22,801	17,141	78,501
Interest and Bank Fees	14,119	1,683	6,689	6,370	28,861
Consultants	261	10,731	-	-	10,992
<b>Total Expenses Before Depreciation</b>	<b>3,944,330</b>	<b>4,118,513</b>	<b>3,294,290</b>	<b>1,022,905</b>	<b>12,380,038</b>
Depreciation	248,260	190,106	33,211	9,616	481,193
<b>Total</b>	<b>\$ 4,192,590</b>	<b>\$ 4,308,619</b>	<b>\$ 3,327,501</b>	<b>\$ 1,032,521</b>	<b>\$ 12,861,231</b>

**COLUMBUS HOUSE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED SCHEDULE OF PROGRAM SERVICES EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	Shelter and Services	Housing Services	Support Services	Outreach Program	Total
Personnel Costs	\$ 2,847,560	\$ 2,367,504	\$ 2,215,794	\$ 834,509	\$ 8,265,367
Direct Housing Assistance	-	1,169,864	909,552	-	2,079,416
Occupancy	242,634	329,499	73,206	20,980	666,319
Professional Fees and Contractual Services	232,550	94,022	215,425	78,626	620,623
House and Grounds Supplies and Services	163,914	134,024	5,385	8,305	311,628
Office Expense	43,670	136,313	35,921	17,548	233,452
Transportation and Vehicle Expense	29,601	20,383	101,225	23,279	174,488
Insurance	55,500	47,181	32,364	15,538	150,583
Food and Supplies	84,881	-	26,826	-	111,707
Client Support	19,401	22,260	36,514	19,857	98,032
Interest and Bank Fees	2	5,347	12	3	5,364
Consultants	5,990	9,976	-	-	15,966
<b>Total Expenses Before Depreciation</b>	<b>3,725,703</b>	<b>4,336,373</b>	<b>3,652,224</b>	<b>1,018,645</b>	<b>12,732,945</b>
Depreciation	255,560	183,899	32,518	9,721	481,698
<b>Total</b>	<b>\$ 3,981,263</b>	<b>\$ 4,520,272</b>	<b>\$ 3,684,742</b>	<b>\$ 1,028,366</b>	<b>\$ 13,214,643</b>