

**COMMUNITY HOUSING INNOVATIONS, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT,  
SUPPLEMENTARY INFORMATION, AND  
AUDIT REPORT RELATED TO THE UNIFORM GUIDANCE**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors of  
Community Housing Innovations, Inc. and its subsidiaries  
75 South Broadway Suite 340  
White Plains, NY 10601



### **Report on the Audits of the Consolidated Financial Statements**

#### *Opinion*

We have audited the consolidated financial statements of Community Housing Innovations, Inc. (a “nonprofit organization”) and its subsidiaries (hereinafter collectively the “Organization”), which comprise the consolidated statements of financial position as of December 31, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

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

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

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

## ***Auditors' Responsibilities for the Audits 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 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 audits 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 the Organization'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 the Organization'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, including the consolidating statements of financial position as of December 31, 2023 and 2022, the consolidating statements of activities for the years ended December 31, 2023 and 2022, and the lease schedule in accordance with ASC 842 for the years ended December 31, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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 is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal Awards 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 May 16, 2024 on our consideration of the Organization'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 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.

*Cerini & Associates LLP*

May 16, 2024

Bohemia, New York

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31,**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents.....	\$ 13,325,256	\$ 15,858,677
Accounts receivable and accrued revenue, net of allowance for doubtful accounts.....	10,316,619	8,355,224
Prepaid expenses and other current assets.....	44,655	95,847
<b>TOTAL CURRENT ASSETS</b>	<b>23,686,530</b>	<b>24,309,748</b>
Security deposits and other assets.....	136,269	134,705
Property and equipment, net of accumulated depreciation.....	14,929,392	14,854,623
Operating lease right-of use-assets.....	102,850,458	86,374,554
<b>TOTAL ASSETS</b>	<b>\$ 141,602,649</b>	<b>\$ 125,673,630</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Current portion of mortgages payable, net of deferred financing fees.....	\$ 199,182	\$ 198,421
Current portion of notes payable.....	33,634	9,718
Current portion of grants payable.....	873,801	813,517
Current portion of operating lease liability.....	28,182,615	19,524,614
Contract advances and due to government agencies.....	2,733,340	7,240,366
Accounts payable and accrued expenses.....	10,557,143	7,389,424
Deposits payable.....	121,372	101,024
<b>TOTAL CURRENT LIABILITIES</b>	<b>42,701,087</b>	<b>35,277,084</b>
Mortgages payable, net of current portion and deferred financing fees.....	4,067,330	4,065,750
Notes payable, net of current portion.....	73,963	68,028
Operating lease liability, net of current portion.....	76,549,020	68,709,664
Grants payable, net of current portion.....	5,637,959	6,511,763
Contract advances and due to government agencies, net of current portion.....	784,422	1,262,377
Deferred compensation plan.....	107,993	-
<b>TOTAL LIABILITIES</b>	<b>129,921,774</b>	<b>115,894,666</b>
<b>Net Assets:</b>		
Without donor restrictions.....	11,675,339	9,775,178
With donor restrictions.....	5,536	3,786
<b>TOTAL NET ASSETS</b>	<b>11,680,875</b>	<b>9,778,964</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 141,602,649</b>	<b>\$ 125,673,630</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT:</b>			
Rental income .....	\$ 3,730,269	\$ -	\$ 3,730,269
Scattered site housing/shelters.....	82,799,092	-	82,799,092
Revenue from government contracts .....	2,547,839	-	2,547,839
Interest .....	156,834	-	156,834
Special events, net.....	242,486	-	242,486
Contributions .....	103,886	1,814	105,700
Gain on sales/disposal of property and equipment .....	240,888	-	240,888
Other .....	178,633	-	178,633
Release of restrictions on grants payable .....	813,520	-	813,520
Net assets released from restriction .....	64	(64)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>90,813,511</b>	<b>1,750</b>	<b>90,815,261</b>
<b>FUNCTIONAL EXPENSES:</b>			
<b>Program Services:</b>			
County funded emergency shelters.....	77,440,223	-	77,440,223
Permanent housing.....	2,756,958	-	2,756,958
Home grant programs.....	1,830,780	-	1,830,780
Other programs.....	894,770	-	894,770
<b>TOTAL PROGRAM SERVICES</b>	<b>82,922,731</b>	<b>-</b>	<b>82,922,731</b>
<b>Supporting Services:</b>			
Management and general.....	5,954,156	-	5,954,156
Fundraising.....	36,463	-	36,463
<b>TOTAL SUPPORTING SERVICES</b>	<b>5,990,619</b>	<b>-</b>	<b>5,990,619</b>
<b>TOTAL EXPENSES</b>	<b>88,913,350</b>	<b>-</b>	<b>88,913,350</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,900,161</b>	<b>1,750</b>	<b>1,901,911</b>
Net assets, beginning of year.....	9,775,178	3,786	9,778,964
Total net assets, end of year.....	<u>\$ 11,675,339</u>	<u>\$ 5,536</u>	<u>\$ 11,680,875</u>

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT:</b>			
Rental income .....	\$ 2,337,082	\$ -	\$ 2,337,082
Scattered site housing/shelters.....	45,915,762	-	45,915,762
Revenue from government contracts .....	1,656,109	-	1,656,109
Interest .....	3,087	-	3,087
Special events, net.....	-	-	-
Contributions .....	92,274	12,318	104,592
Gain on sales/disposal of property and equipment .....	283,146	-	283,146
Other .....	373,740	-	373,740
Release of restrictions on grants payable .....	638,229	-	638,229
Net assets released from restriction .....	26,158	(26,158)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>51,325,587</b>	<b>(13,840)</b>	<b>51,311,747</b>
<b>FUNCTIONAL EXPENSES:</b>			
<b>Program Services:</b>			
County funded emergency shelters.....	42,240,405	-	42,240,405
Permanent housing.....	2,473,130	-	2,473,130
Home grant programs.....	1,037,778	-	1,037,778
Other programs.....	889,769	-	889,769
<b>TOTAL PROGRAM SERVICES</b>	<b>46,641,082</b>	<b>-</b>	<b>46,641,082</b>
<b>Supporting Services:</b>			
Management and general.....	3,552,620	-	3,552,620
Fundraising.....	71,513	-	71,513
<b>TOTAL SUPPORTING SERVICES</b>	<b>3,624,133</b>	<b>-</b>	<b>3,624,133</b>
<b>TOTAL EXPENSES</b>	<b>50,265,215</b>	<b>-</b>	<b>50,265,215</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,060,372</b>	<b>(13,840)</b>	<b>1,046,532</b>
Net assets, beginning of year.....	8,714,806	17,626	8,732,432
Total net assets, end of year.....	<u>\$ 9,775,178</u>	<u>\$ 3,786</u>	<u>\$ 9,778,964</u>

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services					Supporting Services					Direct Cost of Special Events
	County Funded Emergency Shelters	Permanent Housing	Home Grant Programs	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses		
Salaries.....	\$ 22,257,307	\$ 187,903	\$ 388,599	\$ 270,914	\$ 23,104,723	\$ 3,331,522	\$ 17,913	\$ 3,349,435	\$ 26,454,158	\$ -	
Fringe benefits and payroll taxes.....	4,279,947	48,263	128,013	86,150	4,542,373	803,264	1,647	804,911	5,347,284	-	
Advertising.....	26,846	28	31,888	131	58,893	29,179	533	29,712	88,605	11,775	
Depreciation and amortization.....	634,139	628,854	-	-	1,262,993	25,943	-	25,943	1,288,936	-	
Conference, dues and subscriptions.....	2,847	-	517	49	3,413	26,750	4,236	30,986	34,399	-	
Food.....	5,803,692	-	-	4,400	5,808,092	-	-	-	5,808,092	-	
Interest expense.....	115,104	127,787	-	-	242,891	-	-	-	242,891	-	
Interest expense - debt issuance costs.....	-	-	-	24,796	24,796	-	-	-	24,796	-	
Insurance.....	1,109,629	402,335	3,260	92,690	1,607,914	46,193	-	46,193	1,654,107	-	
Licenses and permits.....	1,950	6,441	1,138	185	9,714	1,151	25	1,176	10,890	-	
Office expense.....	497,474	9,114	8,169	9,676	524,433	183,439	-	183,439	707,872	1,031	
Professional fees.....	84,118	62,300	5,944	60,014	212,376	388,651	-	388,651	601,027	5,840	
Rent.....	27,949,982	38,678	737,707	303,749	29,030,116	258,691	3,855	262,546	29,292,662	-	
Equipment rental.....	94,474	7,242	4,164	1,785	107,665	55,642	1,013	56,655	164,320	-	
Repairs and maintenance.....	3,047,836	705,416	231	29,971	3,783,454	505,623	6,667	512,290	4,295,744	-	
Security.....	9,758,717	6,518	-	-	9,765,235	3,493	-	3,493	9,768,728	-	
Real estate taxes.....	392,759	124,237	13,303	-	530,299	29,546	46	29,592	559,891	-	
Telephone.....	103,654	3,085	2,963	2,158	111,860	76,971	14	76,985	188,845	-	
Training.....	22,239	363	10,288	360	33,250	10,958	-	10,958	44,208	-	
Travel.....	31,923	1,232	27,528	2,289	62,972	64,967	-	64,967	127,939	38,412	
Utilities.....	910,928	277,938	6,827	4,453	1,200,146	64,722	514	65,236	1,265,382	-	
Bad debt expense.....	27,806	110,012	-	1,000	138,818	-	-	-	138,818	-	
Grant expenses pass through.....	-	-	453,816	-	453,816	-	-	-	453,816	-	
Other expenses.....	286,852	9,212	6,425	-	302,489	47,451	-	47,451	349,940	702	
<b>TOTAL EXPENSES</b>	<b>\$ 77,440,223</b>	<b>\$ 2,756,958</b>	<b>\$ 1,830,780</b>	<b>\$ 894,770</b>	<b>\$ 82,922,731</b>	<b>\$ 5,954,156</b>	<b>\$ 36,463</b>	<b>\$ 5,990,619</b>	<b>\$ 88,913,350</b>	<b>\$ 57,760</b>	

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services					Direct Cost of Special Events
	County Funded Emergency Shelters	Permanent Housing	Home Grant Programs	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses		
Salaries.....	\$ 10,641,445	\$ 178,498	\$ 272,267	\$ 262,919	\$ 11,355,129	\$ 2,171,483	\$ 38,307	\$ 2,209,790	\$ 13,564,919	\$ -	
Fringe benefits and payroll taxes.....	1,941,884	27,369	47,104	78,111	2,094,468	422,619	1,279	423,898	2,518,366	-	
Advertising.....	44,450	308	6,194	-	50,952	2,535	4,703	7,238	58,190	-	
Depreciation and amortization.....	413,342	611,069	-	-	1,024,411	1,226	-	1,226	1,025,637	-	
Conference, dues and subscriptions.....	1,723	-	1,130	2,682	5,535	17,851	8,142	25,993	31,528	-	
Food.....	2,459,228	-	148	2,520	2,461,896	-	4,622	4,622	2,466,518	-	
Interest expense.....	106,413	127,598	-	-	234,011	-	-	-	234,011	-	
Interest expense - debt issuance costs.....	-	-	-	21,235	21,235	-	-	-	21,235	-	
Insurance.....	655,677	292,722	800	77,873	1,027,072	37,026	-	37,026	1,064,098	-	
Licenses and permits.....	615	3,863	1,545	-	6,023	752	-	752	6,775	-	
Office expense.....	231,418	7,475	13,906	6,318	259,117	66,161	343	66,504	325,621	-	
Professional fees.....	70,695	80,476	3,659	75,450	230,280	143,075	200	143,275	373,555	-	
Rent.....	19,187,201	20,113	34,154	321,249	19,562,717	209,133	6,039	215,172	19,777,889	-	
Equipment rental.....	55,475	26,193	1,744	1,614	85,026	36,171	774	36,945	121,971	-	
Repairs and maintenance.....	1,825,928	622,961	3,689	15,569	2,468,147	262,707	5,305	268,012	2,736,159	-	
Security.....	3,318,093	15,703	-	-	3,333,796	2,746	-	2,746	3,336,542	-	
Real estate taxes.....	349,147	76,360	423	-	425,930	20,752	91	20,843	446,773	-	
Telephone.....	73,495	4,824	1,556	2,228	82,103	45,008	256	45,264	127,367	-	
Training.....	11,797	375	5,235	310	17,717	8,410	125	8,535	26,252	-	
Travel.....	40,518	5,055	4,826	9,975	60,374	28,086	-	28,086	88,460	-	
Utilities.....	755,048	265,869	4,553	3,450	1,028,920	51,784	935	52,719	1,081,639	-	
Bad debt expense.....	32,047	103,091	-	-	135,138	-	-	-	135,138	-	
Grant expenses pass through.....	-	-	633,184	-	633,184	-	-	-	633,184	-	
Other expenses.....	24,766	3,208	1,661	8,266	37,901	25,095	392	25,487	63,388	-	
<b>TOTAL EXPENSES</b>	<b>\$ 42,240,405</b>	<b>\$ 2,473,130</b>	<b>\$ 1,037,778</b>	<b>\$ 889,769</b>	<b>\$ 46,641,082</b>	<b>\$ 3,552,620</b>	<b>\$ 71,513</b>	<b>\$ 3,624,133</b>	<b>\$ 50,265,215</b>	<b>\$ -</b>	

The accompanying notes are an integral part of these consolidated financial statements.

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets.....	\$ 1,901,911	\$ 1,046,532
<u>Adjustments to reconcile change in net assets to net cash (used in)/ provided by operating activities:</u>		
Bad debt expense.....	138,818	135,138
Depreciation and amortization.....	1,288,936	1,025,637
Noncash operating lease expense.....	25,306,244	18,164,110
Interest expense - debt issuance cost amortization.....	24,796	21,235
Release of restrictions on grants payable.....	(813,520)	(638,229)
Net loss on termination of leases.....	70,190	98,086
Gain on sale/disposal of property and equipment.....	(240,888)	(283,146)
<u>Changes in operating assets and liabilities:</u>		
Accounts receivable and accrued revenues.....	(2,100,213)	(5,258,600)
Prepaid expenses and other current assets.....	51,192	(87,376)
Security deposits and other assets.....	(1,564)	1,405
Contract advances and due to government agencies.....	(4,984,982)	7,628,697
Accounts payable and accrued expenses.....	3,167,719	4,489,346
Employee Retention Tax Credits payable.....	-	(1,908,998)
Deposits payable.....	20,348	18,109
Operating lease liability payments.....	(25,354,981)	(18,246,104)
Deferred compensation plan.....	107,993	-
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>	<b>(1,418,001)</b>	<b>6,205,842</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>		
Purchases of property and equipment .....	(1,122,817)	(1,439,084)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from notes payable .....	57,983	87,464
Repayments of notes payable.....	(28,133)	(9,718)
Proceeds from mortgages payable .....	317,030	-
Repayments of mortgages payable.....	(339,483)	(199,402)
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>	<b>7,397</b>	<b>(121,656)</b>
Net change in cash and cash equivalents.....	(2,533,421)	4,645,102
Cash and cash equivalents, beginning of year.....	15,858,677	11,213,575
Cash and cash equivalents, end of year.....	<u>\$ 13,325,256</u>	<u>\$ 15,858,677</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Non-cash transaction recording of operating lease asset and related liability.....	<u>\$ 41,782,148</u>	<u>\$ 61,606,946</u>
Cash paid for interest.....	<u>\$ 242,891</u>	<u>\$ 227,956</u>

## COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### **NOTE 1 - ORGANIZATION**

Community Housing Innovations, Inc. ("CHI") was organized in New York in 1991 as a nonprofit corporation for the purpose of establishing, maintaining, and operating transitional housing and to develop permanent housing for homeless and low-income individuals and families. CHI is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, it is publicly supported, as described in Section 509(a) of the Internal Revenue Code.

The consolidated financial statements of CHI include assets, liabilities, net assets and results of operations of CHI and its subsidiaries, as shown below:

#### *CHI Mount Vernon, Inc.*

This entity is a nonprofit organization established to undertake activities that provide low-and moderate-income families and individuals with affordable rental and homeownership opportunities in the City of Mount Vernon, New York. All 2023 and 2022 transactions for CHI Mt. Vernon Inc. are included within CHI.

#### *CHI Yonkers, Inc.*

This entity is a nonprofit organization established to undertake activities that provide low-and moderate-income families and individuals with affordable rental and homeownership opportunities in the City of Yonkers, New York. All 2023 and 2022 transactions for CHI Yonkers, Inc. are included within CHI.

#### *CHI Realty, Inc.*

This entity provides property management services for other corporations and may engage in real estate services that help facilitate CHI in carrying out its missions and objectives.

#### *Mayfair Housing Development Fund Company, Inc.*

This entity is a nonprofit organization established to develop a housing project for persons of low income in the State of New York. During 2021, CHI began to receive a development fee for the occupied units. There was no activity during the years ended December 31, 2023 and 2022.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Community Housing Innovations, Inc. and its subsidiaries (hereinafter, collectively, "the Organization"), as defined above, is presented to assist in understanding the Organization's consolidated financial statements. The consolidated financial statements and notes are representations of the Organization's management, who is responsible for the integrity and objectivity of the consolidated financial statements.

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the Organization as discussed above. Accordingly, all intercompany transactions and accounts have been eliminated in consolidation.

## COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation and Use of Estimates:** The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. These consolidated financial statements have been prepared on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

**Recently Adopted Accounting Pronouncements:** In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, Current Expected Credit Losses ("CECL"), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. For available-for-sale securities where fair value is less than cost, credit-related impairment, if any, is recognized through an allowance for credit losses and adjusted each period for changes in credit risk. During the year ended December 31, 2023, the Organization adopted the new standard and noted an additional impact on the valuation allowance of \$98,613. There was no other impact on the consolidated financial statements associated with the adoption.

In March 2020, the FASB has issued Accounting Standards Update ASU 2020-04, *(Topic 848) Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The ASU provides "optional expedients and exceptions for applying generally accepted accounting principles to contract modifications and hedging relationships, subject to meeting certain criteria, that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued." The amendments in this update apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. During the year ended December 31, 2023, the Organization adopted the new standard and noted no impact on the consolidated financial statements.

**Consolidated Financial Statement Presentation:** The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Cash and Cash Equivalents: The Organization considers all highly liquid fixed income investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable and Accrued Revenues, net: Accounts receivable and accrued revenues consist primarily of amounts owed to the Organization for the provision of transitional housing and other types of housing for the homeless in New York City, Suffolk, Nassau, Dutchess, Westchester, and Orange counties and various other receivables. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for estimated uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance, which is the Organization's best estimate of the amount of probable credit losses in the Organization's existing accounts receivable. Such estimate is based on management's assessments of the creditworthiness of its funding sources and the aged basis of its receivables, as well as current economic conditions and historical information. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in accounts receivable. As of December 31, 2023 and 2022, the total allowance for doubtful accounts was \$159,038 and \$60,425, respectively.

Property and Equipment: Fixed assets are stated at cost. Furniture and equipment as well as improvements to the buildings with a cost of \$5,000 or more are capitalized. Fixed assets other than land are depreciated utilizing the straight-line method over the estimated useful lives of the related assets. Useful lives are determined based on the Suffolk County Reimbursable Cost Manual and other appropriate schedules as follows, which in the opinion of management, approximate the economic lives of the assets.

Buildings and building improvements.....	10-40 years
Furniture and fixtures .....	5-7 years
Computer equipment .....	3-5 years
Vehicles.....	5 years

Debt Issuance Costs: Debt issuance costs are reported on the consolidated statements of financial position as a direct deduction from the face amount of related debt. The debt issuance costs are being amortized over the term of the debt on a method that approximates the effective interest method. The Organization reflects amortization of debt issuance costs with interest expense, in accordance with U.S. GAAP.

## COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions:** Contributions, including unconditional promises to give, are reported as revenues in the period received. Unconditional promises to give that are due beyond one year are discounted to reflect the present value of future cash flows using a risk adjusted discount rate assigned in the year the respective pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Conditional promises to give are recognized when the conditions upon which they depend have been substantially met.

**In-kind Contributions:** Donated services are reported in the consolidated financial statements at fair value, if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation. The Organization benefits from volunteer services in program, fundraising, and administrative duties from Board members and other volunteers. Even though these donated services are valuable to the Organization, and help to advance the Organization's mission, no amounts have been reflected in the consolidated financial statements for contributed services inasmuch as such services do not meet the criteria for recognition in the consolidated financial statements, nor do they create or enhance nonfinancial assets.

**Revenue Recognition (Including Government Grants):** The Organization receives substantially all of its funding from governmental agencies. These revenues are comprised of fee-based billings and amounts based, in part, on cost reimbursements, and are subject to audit by the United States Department of Housing and Urban Development ("HUD"), and other federal, state, and local agencies. Provisions for estimated settlements are provided in the period the related services are rendered. Settlements with third-party payers for retroactive revenue adjustments due to audits, review, or investigations are considered variable consideration and are included in the determination of the estimated transaction prices for providing services using the most likely outcome method. These settlements are estimated based on the terms of the payment agreements and rate methodologies with the payers, cost reports filed with the payers, correspondence from the payers, and historical rates and settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known, (that is, new information becomes available), or as years are reconciled or no longer subject to such audits, reviews, and investigations. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

In the opinion of management, any possible disallowances by any related governmental agencies resulting from an audit will not have a material effect on the accompanying consolidated financial statements.

The Organization recognizes revenue from government grants as revenue when eligible costs are incurred, or services are provided. A receivable is recognized to the extent revenue earned receives cash advances. Conversely, contract advances and due to government agencies are recorded when cash advances exceed support and revenue earned.

## COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Operating Leases: In accordance with ASC 842, for all operating leases, the Organization has recognized a right of use ("ROU") asset and a lease liability at the commencement date. The lease liability was calculated based on the present value of the lease payments not yet paid, discounted using an appropriate discount rate at the commencement date. The ROU asset will initially be equal to the lease liability plus any initial direct costs and prepaid lease payments less any lease incentives received.

Under this approach, amortization of ROU assets are charged to lease expense, which is recorded on the straight-line basis over the term of each lease, unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis will be used.

The lease liability for an operating lease at any given time is calculated as the present value of the lease payments not yet paid, discounted by using the rate that was established on the lease commencement date. The ROU asset, at any given time, is measured as the ROU asset balance at the beginning of the period, adjusted by the current-period ROU asset amortization, which is calculated as the current-period lease cost adjusted by the lease liability accretion to the then outstanding lease balance.

Changes in present value discount on operating leases are charged to the respective lease expense based upon the nature of the ROU asset that gave rise to the discount. See Note 9 for additional details on these leases.

ASC 842 permits a lessee to account for its leases at a portfolio level provided that the leases commenced at or around the same time and the resulting accounting at this level would not differ materially from the accounting at the individual lease level. The Organization has applied this approach for certain leases that are (1) similar in nature (e.g., similar underlying assets) and (2) have identical or nearly identical contract provisions.

Functional Allocation of Expenses: The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the accompanying consolidated financial statements. Accordingly, costs have been directly charged to the programs they benefit. Where costs can't be directly charged, they have been allocated among programs and supporting services benefited based on management's assessment of the benefit derived. Allocation methodologies for the most significant expenditures include the following:

- Salaries are allocated based on an estimate of time spent on program related functions and general and administrative activities.
- Fringe benefits and payroll taxes are allocated on an estimate of time spent on program related functions and general and administrative activities.
- Rent and other occupancy costs (e.g. utilities, repairs and maintenance, insurance, real estate taxes, security, etc.) are allocated based upon the space utilized by each program.

Income Taxes: The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization did not conduct unrelated business activities during the years ended December 31, 2023 or 2022.

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Organization files an IRS form 990 and respective state tax returns. These tax returns are subject to review and examination by federal and state taxing authorities. The Organization has determined that it has registered in all states where it is required to be registered.

**NOTE 3 - CONCENTRATION OF CREDIT RISK/DISAGGREGATED REVENUE**

The Organization maintains cash and investments in several bank and securities accounts that are insured by the Federal Deposit Insurance Corporation (“FDIC”) and the Securities Investor Protection Corporation (“SIPC”). From time to time, the Organization may have cash on deposits and investments with financial institutions that are in excess of the FDIC limit and SIPC limits.

Due to recent bank failures and other uncertainties affecting the banking sector, there may be greater financial and liquidity risk for uninsured deposits held at financial institutions. Although the FDIC has taken significant steps to protect uninsured deposits impacted by these bank failures, there are no assurances surrounding any potential future failures and their impacts on uninsured deposits in terms of both guarantees and the ability to access funds timely. The Organization’s management does not believe that a significant risk of loss due to failure of a financial institution presently exists.

The Organization disaggregates revenue from contracts with customers by the type of service as this depicts the nature, amount, timing, and uncertainty of its revenue and cash flows as affected by economic factors.

Revenue consists of the following for the years ended December 31,:

<b><u>Funding Source</u></b> <b><u>Revenue Recognized At a Point Time</u></b>	<b><u>2023</u></b>		<b><u>2022</u></b>	
	<b><u>Revenue Amount</u></b>	<b><u>Percent of Total</u></b>	<b><u>Revenue Amount</u></b>	<b><u>Percent of Total</u></b>
<b><u>Scattered Site Housing</u></b>				
New York City .....	\$49,388,449	54%	\$17,322,702	34%
Suffolk County .....	26,314,708	29%	21,565,317	43%
Dutchess County .....	2,024,753	2%	1,877,355	4%
Westchester County .....	1,936,060	2%	2,261,809	4%
Orange County .....	1,842,443	2%	1,652,368	3%
Nassau County .....	1,292,679	1%	1,236,211	2%
Total Scattered Site Housing.....	<u>82,799,092</u>	<u>90%</u>	<u>45,915,762</u>	<u>90%</u>
<b><u>Revenue Recognized Over Time</u></b>				
<b><u>Rental Income</u></b>				
Rental income (welfare, tenant, Section 8) ..	<u>3,730,269</u>	<u>4%</u>	<u>2,337,082</u>	<u>4%</u>
Total Revenue Subject to ASU 606 .....	<u>86,529,361</u>	<u>94%</u>	<u>48,252,844</u>	<u>94%</u>

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 3 - CONCENTRATION OF CREDIT RISK/DISAGGREGATED REVENUE**

<u>Government Contracts</u>				
NYS Office of Mental Health .....	852,245	2%	821,887	2%
Westchester County Rental Supplement ....	678,503	1%	-	-%
NYS Affordable Housing Corporation.....	453,816	1%	633,184	1%
NYS Office of the Attorney General .....	239,762	-%	105,687	-%
Other government contracts .....	323,513	-%	95,351	-%
<u>Total Government Contracts and CARES</u>				
Act Funding .....	2,547,839	4%	1,656,109	6%
<u>Contributions</u>				
Contributions .....	348,186	1%	104,592	-%
<u>Other</u>				
Release of restrictions on grants payable ....	813,520	1%	638,229	1%
Gain on sales/disposal of property and equipment.....	240,888	-%	283,146	1%
Miscellaneous.....	335,467	-%	376,827	1%
Total Other .....	1,389,875	1%	1,298,202	3%
Total Revenue not Subject to ASU 606 .....	4,285,900	6%	3,058,903	6%
Total Revenue and Support .....			<u>\$90,815,261</u>	<u>\$51,311,747</u>

The Organization has minimal credit risk with respect to its accounts receivable.

The operations of the Organization's subsidiaries are concentrated in the multifamily and low-and moderate-income real estate markets. These projects operate in a heavily regulated environment. The operations of these projects are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by such regulatory agencies. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

For the years ended December 31, 2023 and 2022, scattered site housing receivables accounted for approximately 96% and 97% of total accounts receivables and accrued revenues, respectively. Approximately 1% of the scattered site receivable is due from client obligations, and the remaining portion of the outstanding scattered site receivables are due from various counties. The remaining receivables are a combination of government grants, contributions, rental income, and more.

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31,:

	<u>2023</u>	<u>2022</u>
Land .....	\$ 1,649,882	\$ 1,664,504
Buildings and building improvements.....	24,972,017	24,240,553
Furniture and fixtures .....	1,123,706	835,092
Computer equipment.....	689,511	495,623
Vehicles .....	254,536	175,983
Total cost .....	<u>28,689,652</u>	<u>27,411,755</u>
Less: accumulated depreciation.....	(13,760,260)	(12,557,132)
Property and equipment, net .....	<u>\$ 14,929,392</u>	<u>\$ 14,854,623</u>

During the years ended December 31, 2023 and 2022, there were property sales which resulted in net gains of \$240,888 and \$283,146, respectively. During the year ended, December 31, 2023 there was no retirement of fully depreciated fixed assets. During the year ended December 31, 2022, the retirement of fully depreciated fixed assets was \$84,951.

**NOTE 5 - GRANTS PAYABLE**

Grants payable consist of grants provided to the Organization, which the Organization is not required to repay, as long as the properties that were acquired and/or renovated with the grant funds are used to provide qualified housing within the grant requirements for a specified period of time.

Grants payable outstanding were from the following sources as of December 31,:

	<u>2023</u>	<u>2022</u>
Homeless Housing Assistance Corporation (A).....	\$ 4,708,858	\$ 4,708,858
HUD Supportive Housing Projects (B).....	140,106	273,121
Islip Community Development Agency (C) ..	781,206	1,461,711
Westchester County (D).....	688,000	688,000
Other (E).....	193,590	193,590
Total outstanding grants payable.....	<u>\$ 6,511,760</u>	<u>\$ 7,325,280</u>

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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**NOTE 5 - GRANTS PAYABLE (continued)**

- (A) **Homeless Housing Assistance Corporation (“HHAC”)** - The Organization received numerous mortgages from the Homeless Housing Assistance Corporation to purchase and renovate properties to be used to provide affordable housing in accordance with agreed occupancy and rent restrictions. The Organization is required to operate these properties under these restrictions for twenty-five years. The Organization is not required to make any payments on these mortgages unless they cease using the properties for their intended purposes, in which case the mortgages would become immediately due in their entirety. After twenty-five years, the mortgages will expire and be forgiven. During 2022, the Office of Temporary and Disability Assistance (“OTDA”) forgave the mortgage on the project located at 678 Mamaroneck Avenue in Mamaroneck. The remaining HHAC loans will be forgiven between the years ending December 31, 2024 and 2040. There was no recognition of grants payable to revenue for HHAC projects in 2023. In 2022, \$412,305 of grants payable for HHAC projects was recognized as revenue in satisfaction of the terms of the underlying debt.
- (B) **HUD Supportive Housing Projects** - Grants from HUD are to provide scattered site housing in Suffolk and Nassau Counties under the Stewart B, McKinney Homeless Assistance Act. No principal or interest payments are due. The loans on these properties will be forgiven, barring default, over the last ten years of the loans. The amount to be forgiven in each year ending December 31, is listed in the table below. In 2023 and 2022, \$133,015 and \$225,924, respectively, of grants payable for HUD Supporting Housing Projects was recognized as revenue in satisfaction of the terms of the underlying debt.
- (C) **Islip Community Development Agency (“CDA”)** - The Organization received funding from the Islip CDA to acquire and renovate two properties in Islip to be used for Housing Opportunities for Persons With AIDS (“HOPWA”). During the year ended December 31, 2023, one loan totaling \$680,505 was forgiven in full. If the remaining loan is utilized for its intended purpose, the loan will be forgiven in 2028. If additional HOPWA funds are requested, the loan forgiveness date can be extended for three to ten years based upon the level of funds requested. While a ten-year use period exists for HOPWA, the Town of Islip CDA allows for recoupment of funds even after the ten-year use period expires.
- (D) **Westchester County** - Property acquisition grants were used to purchase and develop a vacant lot located in Westchester County. In 2017, the Organization entered into a grant agreement in the amount of \$688,000 with Westchester County that conveyed a property to the Organization restricted for the rehabilitation of four affordable housing rental units that will provide affordable housing in Westchester County for a period of fifty years. If the property is used for its intended purpose, the loan will be forgiven after fifty years.
- (E) **Other** - The Organization has grants with several counties that were provided for acquisition and renovation of scattered site supportive housing.

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 5 - GRANTS PAYABLE (continued)**

As long as these grants are used for the intended purposes, they will be forgiven during the years ending December 31, as follows:

	HHAC	HUD	Islip CDA	Westchester County	Other	Total
2024.....	\$ 780,000	\$ 93,801	\$ -	\$ -	\$ -	\$ 873,801
2025.....	-	46,305	-	-	64,590	110,895
2026.....	1,606,614	-	-	-	-	1,606,614
2027.....	-	-	-	-	-	-
2028.....	-	-	781,206	-	129,000	910,206
Thereafter	2,322,244	-	-	688,000	-	3,010,244
	<u>\$ 4,708,858</u>	<u>\$ 140,106</u>	<u>\$ 781,206</u>	<u>\$ 688,000</u>	<u>\$ 193,590</u>	<u>\$ 6,511,760</u>

**NOTE 6 - MORTGAGES PAYABLE**

CHI and its subsidiaries have purchased properties that were financed with mortgage liabilities from various financial institutions. Interest rates on these obligations range from 3.79% to 7.50% with maturity dates from December 2027 through December 2033. In 2017, the Organization refinanced three of the mortgages through the issuance of a mortgage note in the amount of \$2,565,582. The note of \$2,565,582 has a balloon payment due in December of 2027. During 2023, the Organization refinanced two of its mortgages into notes in the amount of \$412,500 and \$382,500. The property financed by each mortgage serves as collateral.

Annual maturities of the mortgages' principal for the years ending December 31, are as follows:

	Principal Maturities	Amortization of Deferred Financing Fees	Net Maturities
2024.....	\$ 222,882	\$ (23,700)	\$ 199,182
2025.....	234,949	(23,700)	211,249
2026.....	247,387	(23,700)	223,687
2027.....	1,474,431	(23,698)	1,450,733
2028.....	120,412	(10,728)	109,684
Thereafter.....	2,114,340	(42,363)	2,071,977
Totals.....	<u>\$ 4,414,401</u>	<u>\$ (147,889)</u>	<u>\$ 4,266,512</u>

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 7 - LINE OF CREDIT**

On December 5, 2017, the Organization secured a line of credit from a bank totaling \$2,450,000, that matured on December 2022. The line of credit interest rate is charged on the outstanding principal balance from the date of issuance until the maturity date at the bank's prime lending rate, which at no time will be less than 3.25%. The Organization had no outstanding balance on the line of credit as of December 31, 2023 and 2022. There was no interest expense for the years ended December 31, 2023 and 2022 related to the line. The Organization has granted the bank a first priority continuing lien on twenty-three of its properties. The line of credit was renewed in February of 2023, which resulted in modifications to the line of credit terms. The borrowing amount on the line of credit was increased to \$2,950,000 and was converted from committed to on demand. Additionally, as LIBOR is being discontinued, the LIBOR-based Rate has been replaced with Secured Overnight Financing Rate ("SOFR") plus 2.10%; with a floor of 0%. The Prime-based Rate shall no longer be offered. The financial covenants associated with the line of credit will be eliminated.

**NOTE 8 - RETIREMENT PLAN**

The Organization has an IRS-approved 401(k) profit sharing plan and trust for all eligible employees. To qualify for the plan, employees must be at least twenty-one years of age and have completed 1,000 hours of service. Employees are entitled to a 3% safe harbor contribution regardless of whether they contribute to the plan or not. Employees are fully vested upon completing their first year of employment. In 2023 and 2022, the Organization has recorded a safe harbor pension expense of \$289,887 and \$209,764, respectively.

During the year ended December, 31, 2023, the Organization adopted an executive 457(b) retirement plan. Eligibility for the plan is determined by the Organization and is currently limited to the C-Suite. The total liability due to the investment account at December 31, 2023 was \$107,993. Subsequent to year-end, the total amount was deposited into an investment account.

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

Operating Leases:

The Organization leases numerous sites of real property for the housing of its constituents. The Organization has elected to adopt the practical expedient for accounting of non-lease costs embedded within leases by allocating non-lease costs to the total transaction price. Rent expense for facilities was \$31,244,193 and \$21,490,965 for the years ended December 31, 2023 and 2022, respectively. Included within rent expense for the year ended December 31, 2023 was \$29,292,662 in rent and \$1,951,531 in embedded costs (i.e. real property taxes, utilities, repairs, security expense, etc.). Included within rent expense for the year ended December 31, 2022 was \$19,777,889 in rent and \$1,713,076 in embedded costs (i.e. real property taxes, utilities, repairs, security expense, etc.).

As of December 31, 2023, the future minimum annual lease obligations under the above leases were as follows for the years ending December 31,:

2024 .....	\$	29,187,130
2025 .....		28,471,309
2026 .....		21,981,867
2027 .....		11,294,785
2028 .....		6,514,368
Thereafter .....		16,813,734
Total .....		114,263,193
Less: present value discount.....		(9,531,558)
Present value of future lease payments .....		104,731,635
Less: short-term lease liabilities .....		(28,182,615)
Long-term lease liabilities.....	\$	76,549,020
 Months remaining.....		 1,457

The detailed future minimum payment schedules separated by each individual lease in accordance with ASC 842 can be found in the supplementary information on pages 26 and 27 of the consolidated financial statements as of December 31, 2023 and 2022, respectively.

- (a) The Organization entered into many leases for its Emergency Housing Apartment Program (“EHAP”) at various locations. Each EHAP lease has a term of approximately one to three years. The EHAP leases are transient in nature, which results in the Organization terminating and entering into new leases throughout the course of the year. There are approximately one hundred individual leases for various apartments at various addresses that were active during 2023. Since all of these leases operate for the benefit of one program, a practical expedient was utilized, and all leases are combined into one calculation for the right of use asset and liability.
- (b) During February of 2022, the Organization entered into a five-year lease for administrative office space at 75 South Broadway, White Plains, New York, expiring January of 2027. This lease calls for monthly payments ranging from \$12,502 to \$13,614 with escalations at various points during the lease term.

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 9 - COMMITMENTS AND CONTINGENCIES (continued)**

- (c) During September of 2021, the Organization entered into a seven-year lease for administrative office space at 285 Sills Road, East Patchogue, New York, expiring in August of 2028. This lease calls for monthly payments ranging from \$11,486 to \$13,715 with escalations at various points during the lease term.
  
- (c-1) During January 2023, the Organization entered into a five-year lease at 285 Sills Road, East Patchogue, New York, for two additional units, expiring in August of 2028. This lease calls for monthly payments ranging from \$6,080 to \$7,048 with escalations at various points during the lease term.
  
- (d) During July of 2021, the Organization entered into a three-year lease at 213 North Hamilton Street, Poughkeepsie, New York, expiring in June of 2024. This lease calls for monthly payments ranging from \$4,325 to \$4,558 with escalations at various points during the lease term.
  
- (e) During August of 2022, the Organization extended its existing lease for an additional year at 456 Jerusalem Avenue, Uniondale, New York, expiring in July of 2023. The monthly payments are \$5,677. In July of 2023, the Organization entered into a one-year lease agreement for this property. Since the lease is for one-year only, it is not included in the ASC-842 adoption.
  
- (f) During January of 2017, the Organization entered into a lease for three years and four months at 130 Mount Vernon Avenue, City of Mount Vernon, New York, expiring in December of 2026. The rent is paid on a quarterly basis and totals \$20,592. There are no rent escalations as part of this lease.
  
- (g) During July of 2021, the Organization entered into a lease for four years and five months for the Mayfair Apartments. The lease calls for quarterly payments ranging from \$18,937 to \$57,117 with escalations at various points during the lease term.
  
- (h) During January of 2017, the Organization entered into a ten-year lease at 3240 Route 112, Medford, New York, expiring December 31, 2026. This lease calls for monthly payments ranging from \$152,083 to \$161,392 with escalations at various points during the lease term. The monthly rental payments for this lease include various embedded costs (utilities, real estate taxes, repairs and maintenance, etc.).
  
- (i) During February of 2017, the Organization entered into a ten-year lease for a scattered site housing shelter at 450 Moreland Road, Commack, New York, expiring in December of 2027. This lease calls for monthly payments ranging from \$304,167 to \$335,825 with escalations at various points during the lease term. The monthly rental payments for this lease include various embedded costs (utilities, real estate taxes, repairs and maintenance, etc.).

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 9 - COMMITMENTS AND CONTINGENCIES (continued)**

- (j) During September of 2013, the Organization entered into a five-year lease at 5890 Route 25, Wading River, New York, expiring in 2018. The Organization extended the lease beginning in October 2018 and concluding in September of 2023. The Organization further extended the lease to conclude September of 2028. This second extension is incorporated in the total lease liability and asset. This lease calls for monthly payments ranging from \$83,950 to \$112,975 with escalations at various points during the lease term. The monthly rental payments for this lease include various embedded costs (utilities, real estate taxes, repairs and maintenance, etc.).
- (k) During October of 2021, the Organization entered into a three-year lease at the Vanderbilt Motel in Hyde Park, New York, expiring September of 2024. The monthly lease payments are based on a daily rate, but can fluctuate depending on the total rooms occupied each day and the number of people staying in each room. The daily rate increases by 2% annually. The total right of use asset and liability are calculated using estimated occupancy rates.
- (l) During July of 2017, the Organization entered into a ten-year lease at 44 Grand Street, Newburgh, New York, expiring June of 2027. This lease calls for monthly payments ranging from \$21,000 to \$22,947 with escalations of 3% on the anniversary date of the third, sixth, and ninth years.
- (m) During September of 2020, the Organization entered into a three-year lease at 5248 Route 9W, Newburgh, New York, expiring August of 2023. The monthly lease payments are based on a daily rate, but can fluctuate depending on the total rooms occupied each day and the number of people staying in each room. The total right of use asset and liability are calculated using estimated occupancy rates. The lease is now operating on a month-to-month basis.
- (n) During April of 2022, the Organization entered into a lease for four years and nine months at 279 Butler Street, New York, New York, expiring December of 2026. This lease calls for monthly lease payments based on a total daily rate for each room occupied. The monthly rental payments range from \$458,640 to \$473,928 depending on the number of days in each month.
- (o) During February of 2022, the Organization entered into a lease for ten years at 880 West Jericho Turnpike, Smithtown, New York, expiring February of 2032. This lease calls for monthly lease payments ranging from \$186,302 to \$197,705 with escalations at various points during the lease.
- (p) During April of 2022, the Organization entered into a lease for four years and nine months at 267 3<sup>rd</sup> Avenue, Brooklyn, New York, expiring December of 2026. This lease calls for monthly lease payments based on a total daily rate for each room occupied. The monthly rental payments range from \$226,800 to \$234,360 depending on the number of days in each month.
- (q) During September of 2022, the Organization entered into a lease for five years at 440 Middle County Road, Middle Island, New York, expiring August of 2027. This lease calls for monthly payments ranging from \$22,000 to \$23,814 with escalations at various points during the lease term.
- (r) During February of 2023, the Organization entered into a nine-year lease at 1591 East 233<sup>rd</sup> Street, Bronx, New York, expiring December of 2031. This lease calls for monthly lease payments ranging from \$220,400 to \$249,948 with escalations at various points during the lease term.

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 9 - COMMITMENTS AND CONTINGENCIES (continued)**

- (s) During January of 2023, the Organization entered into a three-year lease at 625 Union Street, Brooklyn, New York, expiring December 2025. This lease calls for monthly lease payments ranging from \$473,340 to \$524,055. The monthly rent is estimated by the 115 agreed upon rooms multiplied by the daily rate of \$147 per day.
- (t) During April of 2023, the Organization entered into a nine-year lease at 773 East 233<sup>rd</sup> Street, Bronx, New York, expiring April of 2032. This lease calls for monthly lease payments ranging from \$12,000 to \$12,731 for ancillary space with escalations at various points during the lease term. The tenant lease expense is funded by New York City rent supplement programs as well as tenants.

Historically, the Organization was required to maintain certain ratio requirements as part of its debt agreements. During 2023, the minimum required financial covenants were removed from the agreements. The Organization will calculate its ratios to consider the results with and without the impact of ASC 842.

The Organization had a current ratio at December 31, of:

	<b>2023</b>	<b>2022</b>
Without short-term lease obligation.....	1.63	1.54
With short-term lease obligation.....	.55	.69

In addition, the Organization had a debt service coverage ratio at December 31, of:

	<b>2023</b>	<b>2022</b>
Without lease obligation .....	5.59	3.45
With lease obligation .....	0.02	0.02

**Litigation:**

The Organization is subject to several lawsuits/claims in the normal course of operating its business. The Organization has retained legal counsel to assist with these matters. Management does not believe these matters will have a material impact on the Organization’s consolidated financial position or operations.

**Government Audits:**

Suffolk County conducted a performance audit of the Organization for the period January 1, 2016 through December 13, 2017 to determine if the revenues and expenses relating to the Emergency Housing Services Program were properly calculated, adequately documented and were reported in accordance with Suffolk County Department of Social Services (“DSS”) guidelines, including the DSS Reimbursable Cost Manual for Not-for-Profit Shelters (“RCM”), and all other applicable laws, contracts and regulations. The audit was issued on April 11, 2023, and disclosed that the Organization was overpaid \$604,563 by Suffolk County, which must be returned. The Organization recorded this liability during the year ended December 31, 2022. The Organization made payments of \$176,330 during the year ended December 31, 2023. The remaining balance as of December 31, 2023 is \$428,233.

**COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**NOTE 10 - LIQUIDITY AND AVAILABILITY**

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows at December 31,:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents .....	\$ 13,325,256	\$ 15,858,677
Accounts receivable and accrued revenues net of allowance for doubtful accounts .....	<u>10,316,619</u>	<u>8,355,224</u>
Total financial assets available within one year .....	23,641,875	24,213,901
Less: Net assets with donor restrictions .....	<u>(5,536)</u>	<u>(3,786)</u>
Total financial assets available within one year for general expenditures .....	<u>\$ 23,636,339</u>	<u>\$ 24,210,115</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 11 - SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions that occurred between January 1, 2024 and May 16, 2024, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

During 2023, the Organization was awarded by New York State another Empire State Supportive Housing Initiative ("ESSHI") program to support twenty units for clients ages sixty-two and older that would reside in a new development planning to open in White Plains. This project consisted of a total of fifty-six units, and the Organization would be responsible for twenty of the fifty-six. Subsequent to year-end, the LLC leading the development needed an additional guarantor during the construction phase. The Organization became fifty-fifty partners on the development of the project and agreed to forty percent ownership for operating cash flow when the project is leased up. The Organization created an LLC called "MHP CHI Member, LLC" to record the development fee income and forty percent of the operating cash flow surplus when the project is completed.

## **SUPPLEMENTARY INFORMATION**

SCHEDULE OF FUTURE LEASE PAYMENTS IN ACCORDANCE WITH ASC 842  
DECEMBER 31, 2023

	Lease (a)	Lease (b)	Lease (c)	Lease (c-1)	Lease (d)	Lease (e)	Lease (f)	Lease (g)	Lease (h)	Lease (i)	Lease (j)	Lease (k)	Lease (l)	Lease (m)	Lease (n)	Lease (o)	Lease (p)	Lease (q)	Lease (r)	Lease (s)	Lease (t)	Total	
2024.....	\$ 758,596	\$ 156,420	\$ 147,691	\$ 75,149	\$ 27,530	\$ -	\$ 82,368	\$ 223,990	\$ 1,936,705	\$ 3,950,877	\$ 1,329,111	\$ 236,691	\$ 267,348	\$ -	\$ 5,595,408	\$ 2,272,886	\$ 2,766,960	\$ 271,075	\$ 2,774,000	\$ 6,170,325	\$ 144,000	\$ 29,187,130	
2025.....	216,806	159,754	152,122	77,403	-	-	82,368	228,470	1,936,705	4,029,895	1,335,758	-	267,348	-	5,580,120	2,280,338	2,759,400	276,497	2,774,000	6,170,325	144,000	28,471,309	
2026.....	-	163,088	156,685	79,725	-	-	82,368	-	1,936,705	4,029,895	1,355,700	-	271,356	-	5,580,120	2,280,338	2,759,400	282,027	2,857,220	-	-	147,240	21,981,867
2027.....	-	13,614	161,386	82,117	-	-	-	-	-	4,029,895	1,355,700	-	137,682	-	-	2,318,343	-	190,508	2,857,220	-	-	148,320	11,294,785
2028.....	-	-	109,721	56,388	-	-	-	-	-	-	1,016,775	-	-	-	-	2,325,944	-	-	2,857,220	-	-	148,320	6,514,368
Thereafter.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,476,803	-	-	8,828,811	-	-	508,120	16,813,734
Total.....	975,402	492,876	727,605	370,782	27,530	-	247,104	452,460	5,810,115	16,040,562	6,393,044	236,691	943,734	-	16,755,648	18,954,652	8,285,760	1,020,107	22,948,471	12,340,650	1,240,000	114,263,193	
Less: Present value discount.....	(53,616)	(12,618)	(90,605)	(33,298)	(1,248)	-	(21,741)	(30,408)	(511,183)	(1,742,812)	(795,086)	(10,733)	(94,411)	-	(641,708)	(1,471,026)	(317,328)	(62,823)	(2,978,851)	(493,395)	(168,668)	(9,531,558)	
Present Value.....	921,786	480,258	637,000	337,484	26,282	-	225,363	422,052	5,298,932	14,297,750	5,597,958	225,958	849,323	-	16,113,940	17,483,626	7,968,432	957,284	19,969,620	11,847,255	1,071,332	104,731,635	
Short-term lease liabilities.....	724,197	153,911	140,994	72,300	26,282	-	78,633	213,833	1,848,883	3,771,721	1,268,841	225,958	255,225	-	5,456,273	2,228,975	2,698,157	262,187	2,680,711	5,936,430	139,104	28,182,615	
Long-term lease liabilities.....	197,589	326,347	496,006	265,184	-	-	146,730	208,219	3,450,049	10,526,029	4,329,117	-	594,098	-	10,657,667	15,254,651	5,270,275	695,097	17,288,909	5,910,825	932,228	76,549,020	
Total lease liabilities.....	\$ 921,786	\$ 480,258	\$ 637,000	\$ 337,484	\$ 26,282	\$ -	\$ 225,363	\$ 422,052	\$ 5,298,932	\$ 14,297,750	\$ 5,597,958	\$ 225,958	\$ 849,323	\$ -	\$ 16,113,940	\$ 17,483,626	\$ 7,968,432	\$ 957,284	\$ 19,969,620	\$ 11,847,255	\$ 1,071,332	\$ 104,731,635	
Percentage of total.....	0.88%	0.46%	0.61%	0.32%	0.03%	0.00%	0.22%	0.40%	5.06%	13.65%	5.35%	0.22%	0.81%	0.00%	15.39%	16.69%	7.61%	0.91%	19.07%	11.31%	1.02%	100.00%	
Months Remaining.....	595	37	56	56	6	-	48	32	36	48	57	9	43	-	36	98	36	44	96	24	100	1,457	
Discount rate at commencement.....	4.75%	1.63%	4.75%	3.94%	4.75%	5.50%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	2.55%	1.97%	2.55%	3.39%	3.48%	3.94%	3.52%		
Weighted average remaining lease term.....	5.24	0.17	0.34	0.18	0.00	-	0.10	0.13	1.82	6.55	3.05	0.02	0.35	-	5.54	16.36	2.74	0.40	18.30	2.71	1.02		
Weighted average discount rate.....	0.04%	0.01%	0.03%	0.01%	0.00%	0.00%	0.01%	0.02%	0.24%	0.65%	0.25%	0.01%	0.04%	0.00%	0.39%	0.33%	0.19%	0.03%	0.66%	0.45%	0.04%		

SCHEDULE OF FUTURE LEASE PAYMENTS IN ACCORDANCE WITH ASC 842  
DECEMBER 31, 2022

	Lease (a)	Lease (b)	Lease (c)	Lease (d)	Lease (e)	Lease (f)	Lease (g)	Lease (h)	Lease (i)	Lease (j)	Lease (k)	Lease (l)	Lease (m)	Lease (n)	Lease (o)	Lease (p)	Lease (q)	Total
2023.....	\$ 747,094	\$ 153,086	\$ 131,204	\$ 54,259	\$ 28,385	\$ 82,368	\$ 219,598	\$ 1,898,730	\$ 3,950,877	\$ 1,309,565	\$ 316,455	\$ 263,454	\$ 208,202	\$ 5,580,120	\$ 2,235,625	\$ 2,759,400	\$ 265,760	\$ 20,204,182
2024.....	268,742	156,420	147,691	27,531	-	82,368	223,990	1,936,705	3,950,877	1,329,111	236,691	267,348	-	5,595,408	2,272,886	2,766,960	271,075	19,533,803
2025.....	-	159,754	152,122	-	-	82,368	228,469	1,936,705	4,029,895	1,335,758	-	267,348	-	5,580,120	2,280,338	2,759,400	276,497	19,088,774
2026.....	-	163,088	156,685	-	-	82,368	-	1,936,705	4,029,895	1,355,700	-	271,356	-	5,580,120	2,280,338	2,759,400	282,027	18,897,682
2027.....	-	13,614	161,386	-	-	-	-	-	4,029,895	1,355,700	-	137,681	-	-	2,318,343	-	190,508	8,207,127
Thereafter.....	-	-	109,721	-	-	-	-	-	-	1,016,776	-	-	-	-	9,802,745	-	-	10,929,242
Total.....	1,015,836	645,962	858,809	81,790	28,385	329,472	672,057	7,708,845	19,991,439	7,702,610	553,146	1,207,187	208,202	22,335,768	21,190,275	11,045,160	1,285,867	96,860,810
Less: Present value discount.....	(57,698)	(21,722)	(125,441)	(4,901)	(1,480)	(35,695)	(59,504)	(837,568)	(2,570,315)	(1,108,315)	(35,329)	(144,871)	(9,441)	(1,123,615)	(1,835,480)	(555,634)	(99,523)	(8,626,532)
Present Value.....	958,138	624,240	733,368	76,889	26,905	293,777	612,553	6,871,277	17,421,124	6,594,295	517,817	1,062,316	198,761	21,212,153	19,354,795	10,489,526	1,186,344	88,234,278
Short-term lease liabilities.....	713,216	150,631	125,254	51,799	26,905	78,633	209,640	1,812,630	3,771,721	1,250,182	302,105	251,507	198,761	5,441,365	2,192,434	2,690,785	257,046	19,524,614
Long-term lease liabilities.....	244,922	473,609	608,114	25,090	0	215,144	402,913	5,058,647	13,649,403	5,344,113	215,712	810,809	-	15,770,788	17,162,361	7,798,741	929,298	68,709,664
Total lease liabilities.....	\$ 958,138	\$ 624,240	\$ 733,368	\$ 76,889	\$ 26,905	\$ 293,777	\$ 612,553	\$ 6,871,277	\$ 17,421,124	\$ 6,594,295	\$ 517,817	\$ 1,062,316	\$ 198,761	\$ 21,212,153	\$ 19,354,795	\$ 10,489,526	\$ 1,186,344	\$ 88,234,278
Percentage of total.....	1.09%	0.71%	0.83%	0.09%	0.03%	0.33%	0.69%	7.79%	19.74%	7.47%	0.59%	1.20%	0.23%	24.04%	21.94%	11.89%	1.34%	100.00%
Months Remaining.....	627	49	68	18	7	64	48	48	60	69	21	54	8	48	110	48	56	1,403
Discount rate at commencement.....	4.75%	1.63%	4.75%	4.75%	5.50%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	2.55%	1.97%	2.55%	3.39%	
Weighted average remaining lease term.....	6.81	0.35	0.57	0.02	0.00	0.21	0.33	3.74	11.85	5.16	0.12	0.65	0.02	11.54	24.13	5.71	0.75	
Weighted average discount rate.....	0.05%	0.01%	0.04%	0.00%	0.00%	0.02%	0.03%	0.37%	0.94%	0.35%	0.03%	0.06%	0.01%	0.61%	0.43%	0.30%	0.05%	

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023

ASSETS	Community Housing Innovations, Inc.	CHI Realty, Inc.	Consolidated
<b>Current Assets:</b>			
Cash and cash equivalents.....	\$ 13,273,807	\$ 51,449	\$ 13,325,256
Accounts receivable and accrued revenue, net of allowance for doubtful accounts.....	10,316,619	-	10,316,619
Prepaid expenses and other current assets.....	42,517	2,138	44,655
<b>TOTAL CURRENT ASSETS</b>	<b>23,632,943</b>	<b>53,587</b>	<b>23,686,530</b>
Security deposits and other assets.....	136,269	-	136,269
Property and equipment, net of accumulated depreciation.....	14,929,392	-	14,929,392
Operating lease right-of-use assets.....	102,850,458	-	102,850,458
<b>TOTAL ASSETS</b>	<b>\$ 141,549,062</b>	<b>\$ 53,587</b>	<b>\$ 141,602,649</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Current portion of mortgages payable, net of deferred financing fees.....	\$ 199,182	\$ -	\$ 199,182
Current portion of notes payable.....	33,634	-	33,634
Current portion of grants payable.....	873,801	-	873,801
Current portion of operating lease liability.....	28,182,615	-	28,182,615
Contract advances and due to government agencies.....	2,733,340	-	2,733,340
Accounts payable and accrued expenses.....	10,555,240	1,903	10,557,143
Deposits payable.....	121,372	-	121,372
<b>TOTAL CURRENT LIABILITIES</b>	<b>42,699,184</b>	<b>1,903</b>	<b>42,701,087</b>
Mortgages payable, net of current portion and deferred financing fees.....	4,067,330	-	4,067,330
Notes payable, net of current portion.....	73,963	-	73,963
Operating lease liability, net of current portion.....	76,549,020	-	76,549,020
Grants payable, net of current portion.....	5,637,959	-	5,637,959
Contract advances and due to government agencies, net of current portion.....	784,422	-	784,422
Deferred compensation plan.....	107,993	-	107,993
<b>TOTAL LIABILITIES</b>	<b>129,919,871</b>	<b>1,903</b>	<b>129,921,774</b>
<b>Net Assets:</b>			
Without donor restrictions.....	11,623,655	51,684	11,675,339
With donor restrictions.....	5,536	-	5,536
<b>TOTAL NET ASSETS</b>	<b>11,629,191</b>	<b>51,684</b>	<b>11,680,875</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 141,549,062</b>	<b>\$ 53,587</b>	<b>\$ 141,602,649</b>

See Independent Auditors' Report on Consolidated Financial Statements and Supplementary Information.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022

ASSETS	Community Housing Innovations, Inc.	CHI Realty, Inc.	Consolidated
<b>Current Assets:</b>			
Cash and cash equivalents.....	\$ 15,807,543	\$ 51,134	\$ 15,858,677
Accounts receivable and accrued revenue, net of allowance for doubtful accounts.....	8,355,224	-	8,355,224
Prepaid expenses and other current assets.....	93,709	2,138	95,847
<b>TOTAL CURRENT ASSETS</b>	<b>24,256,476</b>	<b>53,272</b>	<b>24,309,748</b>
Security deposits and other assets.....	134,705	-	134,705
Property and equipment, net of accumulated depreciation.....	14,854,623	-	14,854,623
Operating lease right-of-use assets.....	86,374,554	-	86,374,554
<b>TOTAL ASSETS</b>	<b>\$ 125,620,358</b>	<b>\$ 53,272</b>	<b>\$ 125,673,630</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities:</b>			
Current portion of mortgages payable, net of deferred financing fees.....	\$ 198,421	\$ -	\$ 198,421
Current portion of notes payable.....	9,718	-	9,718
Current portion of grants payable.....	813,517	-	813,517
Current portion of operating lease liability.....	19,524,614	-	19,524,614
Contract advances and due to government agencies.....	7,240,366	-	7,240,366
Accounts payable and accrued expenses.....	7,389,424	-	7,389,424
Deposits payable.....	101,024	-	101,024
<b>TOTAL CURRENT LIABILITIES</b>	<b>35,277,084</b>	<b>-</b>	<b>35,277,084</b>
Mortgages payable, net of current portion and deferred financing fees.....	4,065,750	-	4,065,750
Notes payable, net of current portion.....	68,028	-	68,028
Operating lease liability, net of current portion.....	68,709,664	-	68,709,664
Grants payable, net of current portion.....	6,511,763	-	6,511,763
Contract advances and due to government agencies, net of current portion.....	1,262,377	-	1,262,377
Deferred compensation plan.....	-	-	-
<b>TOTAL LIABILITIES</b>	<b>115,894,666</b>	<b>-</b>	<b>115,894,666</b>
<b>Net Assets:</b>			
Without donor restrictions.....	9,721,906	53,272	9,775,178
With donor restrictions.....	3,786	-	3,786
<b>TOTAL NET ASSETS</b>	<b>9,725,692</b>	<b>53,272</b>	<b>9,778,964</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 125,620,358</b>	<b>\$ 53,272</b>	<b>\$ 125,673,630</b>

See Independent Auditors' Report on Consolidated Financial Statements and Supplementary Information.

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions			With Donor Restrictions			
	Community Housing Innovations, Inc.	CHI Realty, Inc.	Consolidated Total	Community Housing Innovations, Inc.	CHI Realty, Inc.	Consolidated Total	Total
<b>REVENUE AND SUPPORT:</b>							
Rental income .....	\$ 3,730,269	\$ -	\$ 3,730,269	\$ -	\$ -	\$ -	\$ 3,730,269
Scattered site housing/shelters.....	82,799,092	-	82,799,092	-	-	-	82,799,092
Revenue from government contracts .....	2,547,839	-	2,547,839	-	-	-	2,547,839
Interest .....	156,834	-	156,834	-	-	-	156,834
Special events, net.....	242,486	-	242,486	-	-	-	242,486
Contributions .....	103,886	-	103,886	1,814	-	1,814	105,700
Gain on sales/disposal of property and equipment .....	240,888	-	240,888	-	-	-	240,888
Other .....	178,058	575	178,633	-	-	-	178,633
Release of restrictions on grants payable .....	813,520	-	813,520	-	-	-	813,520
Net assets released from restriction .....	64	-	64	(64)	-	(64)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>90,812,936</b>	<b>575</b>	<b>90,813,511</b>	<b>1,750</b>	<b>-</b>	<b>1,750</b>	<b>90,815,261</b>
<b>FUNCTIONAL EXPENSES:</b>							
<b>Program Services:</b>							
County funded emergency shelters.....	77,440,223	-	77,440,223	-	-	-	77,440,223
Permanent housing.....	2,756,958	-	2,756,958	-	-	-	2,756,958
Home grant programs.....	1,830,780	-	1,830,780	-	-	-	1,830,780
Other programs.....	892,607	2,163	894,770	-	-	-	894,770
<b>TOTAL PROGRAM SERVICES</b>	<b>82,920,568</b>	<b>2,163</b>	<b>82,922,731</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,922,731</b>
<b>Supporting Services:</b>							
Management and general.....	5,954,156	-	5,954,156	-	-	-	5,954,156
Fundraising.....	36,463	-	36,463	-	-	-	36,463
<b>TOTAL SUPPORTING SERVICES</b>	<b>5,990,619</b>	<b>-</b>	<b>5,990,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,990,619</b>
<b>TOTAL EXPENSES</b>	<b>88,911,187</b>	<b>2,163</b>	<b>88,913,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,913,350</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,901,749</b>	<b>(1,588)</b>	<b>1,900,161</b>	<b>1,750</b>	<b>-</b>	<b>1,750</b>	<b>1,901,911</b>
Net assets, beginning of year.....	9,721,906	53,272	9,775,178	3,786	-	3,786	9,778,964
Total net assets, end of year.....	\$ 11,623,655	\$ 51,684	\$ 11,675,339	\$ 5,536	\$ -	\$ 5,536	\$ 11,680,875

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions			With Donor Restrictions			Total
	Community Housing Innovations, Inc.	CHI Realty, Inc.	Consolidated Total	Community Housing Innovations, Inc.	CHI Realty, Inc.	Consolidated Total	
<b>REVENUE AND SUPPORT:</b>							
Rental income .....	\$ 2,337,082	\$ -	\$ 2,337,082	\$ -	\$ -	\$ -	\$ 2,337,082
Scattered site housing/ shelters .....	45,915,762	-	45,915,762	-	-	-	45,915,762
Revenue from government contracts .....	1,656,109	-	1,656,109	-	-	-	1,656,109
Interest .....	3,087	-	3,087	-	-	-	3,087
Special events, net .....	-	-	-	-	-	-	-
Contributions .....	92,274	-	92,274	12,318	-	12,318	104,592
Gain on sales/disposal of property and equipment .....	283,146	-	283,146	-	-	-	283,146
Other .....	365,930	7,810	373,740	-	-	-	373,740
Release of restrictions on grants payable .....	638,229	-	638,229	-	-	-	638,229
Net assets released from restriction .....	26,158	-	26,158	(26,158)	-	(26,158)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>51,317,777</b>	<b>7,810</b>	<b>51,325,587</b>	<b>(13,840)</b>	<b>-</b>	<b>(13,840)</b>	<b>51,311,747</b>
<b>FUNCTIONAL EXPENSES:</b>							
<b>Program Services:</b>							
County funded emergency shelters .....	42,240,405	-	42,240,405	-	-	-	42,240,405
Permanent housing .....	2,473,130	-	2,473,130	-	-	-	2,473,130
Home grant programs .....	1,037,778	-	1,037,778	-	-	-	1,037,778
Other programs .....	884,746	5,023	889,769	-	-	-	889,769
<b>TOTAL PROGRAM SERVICES</b>	<b>46,636,059</b>	<b>5,023</b>	<b>46,641,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,641,082</b>
<b>Supporting Services:</b>							
Management and general .....	3,552,620	-	3,552,620	-	-	-	3,552,620
Fundraising .....	71,513	-	71,513	-	-	-	71,513
<b>TOTAL SUPPORTING SERVICES</b>	<b>3,624,133</b>	<b>-</b>	<b>3,624,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,624,133</b>
<b>TOTAL EXPENSES</b>	<b>50,260,192</b>	<b>5,023</b>	<b>50,265,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,265,215</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,057,585</b>	<b>2,787</b>	<b>1,060,372</b>	<b>(13,840)</b>	<b>-</b>	<b>(13,840)</b>	<b>1,046,532</b>
Net assets, beginning of year .....	8,664,321	50,485	8,714,806	17,626	-	17,626	8,732,432
Total net assets, end of year .....	\$ 9,721,906	\$ 53,272	\$ 9,775,178	\$ 3,786	\$ -	\$ 3,786	\$ 9,778,964

# **SINGLE AUDIT SECTION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Pass through Programs from Family Residences and Essential Enterprises				
Supportive Housing Program	14.235	NY0453L2T031811	N/A	\$ 31,604
Pass through Programs from Town of Islip Community Development Agency				
Housing Opportunities for Persons with AIDS	14.241	NYH09F001	N/A	234,377
Housing Opportunities for Persons with AIDS	14.241	NYH10F001	N/A	626,423
Housing Opportunities for Persons with AIDS	14.241	NYH11F001	N/A	131,578
Housing Opportunities for Persons with AIDS	14.241	NYH12F001	N/A	6,574
Housing Opportunities for Persons with AIDS	14.241	NYH13F001	N/A	136,104
Housing Opportunities for Persons with AIDS	14.241	NYH14F001	N/A	175,478
Housing Opportunities for Persons with AIDS	14.241	NYH15F001	N/A	71,661
Housing Opportunities for Persons with AIDS	14.241	NYH16F001	N/A	79,516
	<b>Total Housing Opportunities for Persons with AIDS</b>			<u>1,461,711</u>
Pass through Programs from Westchester County				
Westchester County Eviction Prevention Program	14.231	C-CDBG-CV-20-40	N/A	82,215
Westchester County Eviction Prevention Program	14.231	C-PL-22-556	N/A	155,278
	<b>Total Westchester County Eviction Prevention Program</b>			<u>237,493</u>
Pass through Programs from Nassau County				
Emergency Solutions Grant for Services and operations	14.231	ESG-48-02J	N/A	19,696
	<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,750,504</u>

See accompanying notes to schedule of expenditures of federal awards.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICY**

The information in the accompanying schedule of expenditures of federal awards (the "Schedule") of Community Housing Innovations, Inc. ("CHI") has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of CHI, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CHI.

**NOTE 2 - INDIRECT COST RATE**

Many of CHI's federal grants provide for specific allocations for administrative costs. Where administrative costs are not specifically limited by the funding source, CHI has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

**NOTE 3 - SUB-RECIPIENTS**

During the year ended December 31, 2023, CHI had no sub-recipients.

**NOTE 4 - FEDERAL AWARD ASSISTANCE**

CHI has a contract with the United States Department of Housing and Urban Development, under its Housing Opportunities for Persons with AIDS ("HOPWA") program to establish, maintain, and operate transitional housing for homeless low-income individuals and families with an AIDS diagnosis. Between 2012 and 2018, CHI received HOPWA funding to purchase and renovate two properties in Islip, New York. Pursuant to the respective grant agreements, the properties must be used for a period of at least ten years otherwise the grants must be repaid to HOPWA. Furthermore, if additional monies are received from HOPWA for additional renovations to these properties, the forgiveness term of these grants can be extended for three or ten years, depending on if such renovations are non-substantial or substantial, respectively. One grant expired in 2023 and the remaining grant is set to expire in 2028 in the amounts of \$680,505 and \$781,206, respectively. During the year ending December 31, 2023, \$680,505 of grants payable for the HOPWA project was recognized as revenue in satisfaction of the terms of the underlying debt. At December 31, 2023, the outstanding balance of the forgivable HOPWA grants was \$781,206. There were no expenditures of HOPWA funds during the year ended December 31, 2023.

CHI has other contracts that are funded through the United States Department of Housing and Urban Development, all of which are passed through from different agencies, including Family Residences and Essential Enterprises, Westchester County, and Nassau County.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors of  
Community Housing Innovations, Inc.  
75 South Broadway Suite 340  
White Plains, NY 10601

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Community Housing Innovations, Inc. and its subsidiaries (hereinafter collectively the “Organization”), which comprise the consolidated statement of financial position as of December 31, 2023, 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 May 16, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Organization’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’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 a reasonable possibility that a material misstatement of the Organization’s consolidated financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of This Report

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

*Corin & Associates LLP*

May 16, 2024  
Bohemia, New York



**REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE *UNIFORM GUIDANCE***

Board of Directors of  
Community Housing Innovations, Inc.  
75 South Broadway Suite 340  
White Plains, NY 10601

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited Community Housing Innovations, Inc. (hereinafter collectively "CHI") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of CHI's major federal programs for the year ended December 31, 2023. CHI's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, CHI complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

*Basis for Opinion on The Major Federal Program*

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

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

## *Auditors' 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 CHI'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CHI's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CHI'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 CHI'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 CHI'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.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type

of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Cerini & Associates LLP*

May 16, 2024  
Bohemia, New York

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section I: Summary of Auditors' Results**

*Consolidated Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> No
Are any significant deficiencies identified?	<u>      </u> Yes	<u>  X  </u> No
Is any noncompliance material to consolidated financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

*Federal Awards*

Internal control over major federal program:

Are any material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> No
Are any significant deficiencies identified?	<u>      </u> Yes	<u>  X  </u> No
Type of auditors' report issued on compliance for major federal programs	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>      </u> Yes	<u>  X  </u> No
Identification of major federal programs:		
<u>Federal Assistance Listing Number</u>	<u>Name of federal program or cluster</u>	
14.241	- Housing Opportunities for Persons with AIDS	
Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>	
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No

**Section II - Findings - Consolidated Financial Statement Audit - None**

**Section III - Findings and Questioned Costs - Federal Awards - None**

**Section IV - Summary of Prior Year Audit Findings - None**