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, 2024 AND 2023

CERINI & ASSOCIATES LLP
CERTIFIED PUBLIC ACCOUNTANTS

Connected to your business goals success

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT, SUPPLEMENTARY INFORMATION, AND AUDIT REPORT RELATED TO THE UNIFORM GUIDANCE FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

TABLE OF CONTENTS

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, the consolidating statements of activities for the years ended December 31, 2024 and 2023, and the lease schedule in accordance with ASC 842 for the years ended December 31, 2024 and 2023 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 23, 2025 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 23, 2025
Bohemia, New York

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 16,679,905	$ 13,325,256
Accounts receivable and accrued revenue, net of allowance for doubtful accounts	18,564,716	10,316,619
Prepaid expenses and other current assets	41,764	44,656
TOTAL CURRENT ASSETS	35,286,385	23,686,531
Security deposits and other assets	140,567	136,269
Property and equipment, net of accumulated depreciation	14,426,573	14,929,392
Operating lease right-of use-assets	92,203,615	102,850,458
Deferred compensation plan	257,256	-
TOTAL ASSETS	$ 142,314,396	$ 141,602,650
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of mortgages payable, net of deferred financing fees	$ 211,249	$ 199,182
Current portion of notes payable	33,634	33,634
Current portion of grants payable	110,877	873,801
Current portion of operating lease liability	30,318,041	28,182,614
Contract advances and due to government agencies	5,566,119	2,733,340
Accounts payable and accrued expenses	18,622,649	10,557,143
Deposits payable	128,735	121,372
TOTAL CURRENT LIABILITIES	54,991,304	42,701,086
Mortgages payable, net of current portion and deferred financing fees	3,831,767	4,067,330
Notes payable, net of current portion	40,328	73,963
Operating lease liability, net of current portion	63,669,274	76,549,021
Grants payable, net of current portion	5,527,064	5,637,959
Contract advances and due to government agencies, net of current portion	555,961	784,422
Deferred compensation plan	257,256	107,994
TOTAL LIABILITIES	128,872,954	129,921,775
Net Assets:		
Without donor restrictions	13,435,798	11,675,339
With donor restrictions	5,644	5,536
TOTAL NET ASSETS	13,441,442	11,680,875
TOTAL LIABILITIES AND NET ASSETS	$ 142,314,396	$ 141,602,650

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Rental income	$ 4,976,533	$ -	$ 4,976,533
Scattered site housing/shelters	99,814,525	-	99,814,525
Revenue from government contracts	4,624,227	-	4,624,227
Interest	491,405	-	491,405
Special events, net	298,561	-	298,561
Contributions	118,357	108	118,465
Gain on sales/disposal of property and equipment	232,826	-	232,826
Other	287,844	-	287,844
Release of restrictions on grants payable	873,819	-	873,819
Net assets released from restriction	-	-	-
TOTAL REVENUE AND SUPPORT	111,718,097	108	111,718,205
FUNCTIONAL EXPENSES:			
Program Services:			
County funded emergency shelters	94,618,933	-	94,618,933
Permanent housing	2,788,839	-	2,788,839
Home grant programs	1,161,660	-	1,161,660
Other programs	3,590,712	-	3,590,712
TOTAL PROGRAM SERVICES	102,160,144	-	102,160,144
Supporting Services:			
Management and general	7,623,105	-	7,623,105
Fundraising	88,967	-	88,967
TOTAL SUPORTING SERVICES	7,712,072	-	7,712,072
TOTAL EXPENSES	109,872,216	-	109,872,216
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	1,845,881	108	1,845,989
Impairment loss	(85,422)	-	(85,422)
CHANGE IN NET ASSETS	1,760,459	108	1,760,567
Net assets, beginning of year	11,675,339	5,536	11,680,875
Total net assets, end of year	$ 13,435,798	$ 5,644	$ 13,441,442

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
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)	-
TOTAL REVENUE AND SUPPORT	90,813,511	1,750	90,815,261
FUNCTIONAL EXPENSES:			
Program Services:			
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
TOTAL PROGRAM SERVICES	82,922,731	-	82,922,731
Supporting Services:			
Management and general	5,954,156	-	5,954,156
Fundraising	36,463	-	36,463
TOTAL SUPPORTING SERVICES	5,990,619	-	5,990,619
TOTAL EXPENSES	88,913,350	-	88,913,350
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	1,900,161	1,750	1,901,911
Impairment loss	-	-	-
CHANGE IN NET ASSETS	1,900,161	1,750	1,901,911
Net assets, beginning of year	9,775,178	3,786	9,778,964
Total net assets, end of year	$ 11,675,339	$ 5,536	$ 11,680,875

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services					Supporting Services				
	County Funded Emergency Shelters	**Permanent Housing**	**Home Grant Programs**	**Other Programs**	**Total Program Services**	**Management and General**	**Fundraising**	**Total Supporting Services**	**Total Expenses**	**Direct Cost of Special Events**
Salaries	$ 28,820,144	$ 270,690	$ 314,856	$ 574,915	$ 29,980,605	$ 4,418,865	$ -	$ 4,418,865	$ 34,399,470	$ -
Fringe benefits and payroll taxes	6,759,379	82,852	100,734	160,573	7,103,538	1,148,045	-	1,148,045	8,251,583	-
Advertising	31,592	160	20,211	4,919	56,882	11,315	14,981	26,296	83,178	-
Depreciation and amortization	580,601	635,608	-	-	1,216,209	45,869	-	45,869	1,262,078	-
Conference, dues and subscriptions	11,138	-	1,438	9	12,585	43,906	55	43,961	56,546	-
Food	6,177,530	-	978	1,631	6,180,139	-	1,440	1,440	6,181,579	-
Interest expense	138,400	124,827	-	-	263,227	-	-	-	263,227	-
Interest expense - debt issuance costs	-	-	-	23,700	23,700	-	-	-	23,700	-
Insurance	1,860,766	454,377	-	157,398	2,472,541	46,753	-	46,753	2,519,294	-
Licenses and permits	3,759	5,165	8,856	-	17,780	1,296	-	1,296	19,076	-
Office expense	536,907	4,622	12,702	13,854	568,085	230,804	5,390	236,194	804,279	1,485
Professional fees	83,804	41,002	358	66,984	192,148	385,486	30,823	416,309	608,457	-
Rent	30,188,373	35,596	186,024	2,402,441	32,812,434	309,752	30,240	339,992	33,152,426	-
Equipment rental	172,337	450	-	1,793	174,580	50,118	-	50,118	224,698	-
Repairs and maintenance	3,548,567	743,027	654	81,789	4,374,037	624,884	-	624,884	4,998,921	-
Security	13,621,468	1,873	-	-	13,623,341	3,168	-	3,168	13,626,509	-
Real estate taxes	407,659	90,796	233	697	499,385	31,577	-	31,577	530,962	-
Telephone	97,079	2,214	825	2,984	103,102	62,014	-	62,014	165,116	-
Training	34,954	592	11,286	-	46,832	34,635	-	34,635	81,467	-
Travel	35,651	(1,185)	6,093	37,336	77,895	68,771	898	69,669	147,564	92
Utilities	1,066,295	246,168	10,827	12,288	1,335,578	70,355	-	70,355	1,405,933	-
Bad debt expense	47,597	33,542	-	13,778	94,917	-	-	-	94,917	-
Grant expenses pass through	-	-	483,457	-	483,457	-	-	-	483,457	-
Other expenses	394,933	16,463	2,128	33,623	447,147	35,492	5,140	40,632	487,779	-
TOTAL EXPENSES	$ 94,618,933	$ 2,788,839	$ 1,161,660	$ 3,590,712	$ 102,160,144	$ 7,623,105	$ 88,967	$ 7,712,072	$ 109,872,216	$ 1,577

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

	Program Services					Supporting Services				
	County Funded Emergency Shelters	**Permanent Housing**	**Home Grant Programs**	**Other Programs**	**Total Program Services**	**Management and General**	**Fundraising**	**Total Supporting Services**	**Total Expenses**	**Direct Cost of Special Events**
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
TOTAL EXPENSES	$ 77,440,223	$ 2,756,958	$ 1,830,780	$ 894,770	$ 82,922,731	$ 5,954,156	$ 36,463	$ 5,990,619	$ 88,913,350	$ 57,760

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,845,989	$ 1,901,911
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Bad debt expense	94,917	138,818
Depreciation and amortization	1,262,078	1,288,936
Noncash operating lease expense	26,941,924	25,306,244
Interest expense - debt issuance cost amortization	23,700	24,796
Release of restrictions on grants payable	(873,819)	(813,520)
Net loss on termination of leases	-	70,190
Gain on sale/disposal of property and equipment	(232,826)	(240,888)
Impairment loss	85,422	-
Changes in operating assets and liabilities:		
Accounts receivable and accrued revenues	(8,343,014)	(2,100,213)
Prepaid expenses and other current assets	2,892	51,192
Security deposits and other assets	(4,298)	(1,564)
Contract advances and due to government agencies	2,604,319	(4,984,982)
Accounts payable and accrued expenses	8,065,501	3,167,719
Deposits payable	7,363	20,348
Operating lease liability payments	(27,039,400)	(25,354,981)
Deferred compensation plan	(107,994)	107,993
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	4,332,754	(1,418,001)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchases of property and equipment	(697,277)	(1,122,817)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	-	57,983
Repayments of notes payable	(33,634)	(28,133)
Proceeds from mortgages payable	46,905	317,030
Repayments of mortgages payable	(294,099)	(339,483)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(280,828)	7,397
Net change in cash and cash equivalents	3,354,649	(2,533,421)
Cash and cash equivalents, beginning of year	13,325,256	15,858,677
Cash and cash equivalents, end of year	$ 16,679,905	$ 13,325,256
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Non-cash transaction recording of operating lease asset and related liability	$ 16,295,082	$ 41,782,148
Cash paid for interest	$ 263,227	$ 242,891

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 2024 and 2023 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 2024 and 2023 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, 2024 and 2023.

MHP CHI Member, LLC.

In 2023, Community Housing Innovations, Inc. was awarded a New York State Empire State Supportive Housing Initiative ("ESSHI") grant to support twenty units within a new 56-unit affordable housing development for individuals aged 62 and older in White Plains, New York. CHI is responsible for twenty of the fifty-six units. In 2024, CHI became a 50/50 partner in the development entity in response to a request for an additional construction guarantor. As part of this arrangement, CHI is entitled to 40% of the project's operating cash flow surplus upon lease-up.

To account for its interest in the project, CHI established MHP CHI Member, LLC, which will record development fee income and its share of surplus cash flows when the project becomes operational.

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.

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. During the year ended December 31, 2024, the Organization noted an impact on the valuation allowance of $83,781. There was no other impact on the consolidated financial statements associated with the adoption.

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

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.
>
> 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, 2024 and 2023, the total allowance for doubtful accounts was $143,962 and $159,038, respectively.

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

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.

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.

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

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, reviews, 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.

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.

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

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, 2024 or 2023.

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.

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.

NOTE 3 – CONCENTRATION OF CREDIT RISK/DISAGGREGATED REVENUE (*continued*)

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

	2024		2023	
Funding Source **Revenue Recognized At a Point Time**	**Revenue Amount**	**Percent of Total**	**Revenue Amount**	**Percent of Total**
Scattered Site Housing				
New York City	$64,570,504	58%	$49,388,449	54%
Suffolk County	27,647,335	25%	26,314,708	29%
Dutchess County	2,382,935	2%	2,024,753	2%
Orange County	1,996,297	2%	1,842,443	2%
Westchester County	1,822,957	2%	1,936,060	2%
Nassau County	1,394,497	1%	1,292,679	1%
Total Scattered Site Housing	99,814,525	90%	82,799,092	90%
Revenue Recognized Over Time				
Rental Income				
Rental income (welfare, tenant, Section 8)	4,976,533	4%	3,730,269	4%
Total Revenue Subject to ASU 606	104,791,058	94%	86,529,361	94%
Government Contracts				
Westchester County Rental Supplement	2,127,242	2%	678,503	1%
NYS Office of Mental Health	904,114	1%	852,245	2%
NYS Affordable Housing Corporation	483,457	-%	453,816	1%
NYS Office of the Attorney General	268,499	-%	239,762	-%
Other government contracts	840,915	1%	323,513	-%
Total Government Contracts and CARES Act Funding	4,624,227	4%	2,547,839	4%
Contributions				
Contributions and special events	417,026	-%	348,186	1%
Other				
Release of restrictions on grants payable	873,819	1%	813,520	1%
Gain on sales/disposal of property and equipment	232,826	-%	240,888	-%
Miscellaneous	779,249	1%	335,467	-%
Total Other	1,885,894	2%	1,389,875	1%
Total Revenue not Subject to ASU 606	6,927,147	6%	4,285,900	6%
Total Revenue and Support	111,718,205		90,815,261	

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

NOTE 3 – CONCENTRATION OF CREDIT RISK/DISAGGREGATED REVENUE (*continued)*

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, 2024 and 2023, scattered site housing receivables accounted for approximately 97% and 96% 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.

NOTE 4 – PROPERTY AND EQUIPMENT

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

	2024	2023
Land	$ 1,636,882	$ 1,649,882
Buildings and building improvements	25,160,472	24,972,017
Furniture and fixtures	1,357,530	1,123,706
Computer equipment	717,969	689,511
Vehicles	254,536	254,536
Total cost	29,127,389	28,689,652
Less: accumulated depreciation	(14,700,816)	(13,760,260)
Property and equipment, net	$ 14,426,573	$ 14,929,392

During the years ended December 31, 2024 and 2023, there were property sales which resulted in gains of $232,826 and $240,888, respectively. During the year ended, December 31, 2024, the retirement of fully depreciated fixed assets was $209,072. During the year ended December 31, 2023, there was no retirement of fully depreciated fixed assets. During the year ended December 31, 2024, there was an impairment loss of $85,422 for assets that were written off, that were not fully depreciated. No asset impairment was recognized during the year ended December 31, 2023.

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.

NOTE 5 – GRANTS PAYABLE (*continued*)

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

	2024	2023
Homeless Housing Assistance Corporation (A)	$ 3,928,858	$ 4,708,858
HUD Supportive Housing Projects (B)	46,287	140,106
Islip Community Development Agency (C)	781,206	781,206
Westchester County (D)	688,000	688,000
Other (E)	193,590	193,590
Total outstanding grants payable	$ 5,637,941	$ 6,511,760

(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. In 2024, $780,000 of grants payable for HHAC projects was recognized as revenue in satisfaction of the terms of the underlying debt. There was no recognition of grants payable to revenue for HHAC projects in 2023. The remaining HHAC loans will be forgiven between the years ending December 31, 2026 and 2040.

(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 2024 and 2023, $93,819 and $133,015, 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. No loans were forgiven during the year ended December 31, 2024. 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.

NOTE 5 – GRANTS PAYABLE *(continued)*

(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.

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
2025...........	$ -	$ 46,287	$ -	$ -	$ 64,590	$ 110,877
2026...........	1,606,614	-	-	-	-	1,606,614
2027...........	-	-	-	-	-	-
2028...........	850,110	-	781,206	-	129,000	1,760,316
2029...........	-	-	-	-	-	-
Thereafter	1,472,134	-	-	688,000	-	2,160,134
	$ 3,928,858	$ 46,287	$ 781,206	$ 688,000	$ 193,590	$ 5,637,941

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. During 2024, the Organization refinanced one of its mortgages in the amount of $350,000. The property financed by each mortgage serves as collateral.

NOTE 6 – MORTGAGES PAYABLE (*continued*)

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

	Principal Maturities	Amortization of Deferred Financing Fees	Net Maturities
2025	$ 234,949	$ (23,700)	$ 211,249
2026	247,387	(23,700)	223,687
2027	1,474,431	(23,699)	1,450,732
2028	120,412	(23,700)	96,712
2029	124,579	(10,729)	113,850
Thereafter	1,965,450	(18,664)	1,946,786
Totals	$ 4,167,208	$ (124,192)	$ 4,043,016

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, 2024 and 2023. There was no interest expense for the years ended December 31, 2024 and 2023 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 will no longer be offered. The financial covenants associated with the line of credit were 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 2024 and 2023, the Organization has recorded a safe harbor pension expense of $515,878 and $289,887, 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, 2024 and 2023 was $257,256 and $107,994, respectively. The $107,994 remained in the primary cash account as of December 31, 2023, and was not transferred into the investment account until after year end. In 2024, the total amount was deposited into an investment account.

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 $35,203,177 and $31,244,193 for the years ended December 31, 2024 and 2023, respectively. Included within rent expense for the year ended December 31, 2024 was $33,152,426 in rent and $2,050,751 in embedded costs (i.e. real property taxes, utilities, repairs, security expense, etc.). 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.).

As of December 31, 2024, the future minimum annual lease obligations under the above leases were as follows for the years ending December 31,:

2025	$	31,410,411
2026		24,359,373
2027		13,491,527
2028		8,456,255
2029		7,364,195
Thereafter		17,906,333
Total		102,988,094
Less: present value discount		(9,000,779)
Present value of future lease payments		93,987,315
Less: short-term lease liabilities		(30,318,041)
Long-term lease liabilities	$	63,669,274
Months remaining		1,397

NOTE 9 – COMMITMENTS AND CONTINGENCIES *(continued)*

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 27 and 28 of the consolidated financial statements as of December 31, 2024 and 2023, 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 2024. 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.

(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 July of 2024. This lease called for monthly payments ranging from $4,325 to $4,558 with escalations at various points during the lease term. Upon expiration of this lease, effective July 1, 2024, it became a month-to-month lease, and therefore, is not included in ASC-842.

(e) During July of 2023, the Organization entered into a one-year lease agreement at 456 Jerusalem Avenue, Uniondale, New York. During August 2024, the Organization extended its lease for an additional seventeen months, expiring December 2025. This lease calls for monthly payments of $6,075.

(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.

NOTE 9 – COMMITMENTS AND CONTINGENCIES *(continued)*

(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.).

(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. During September 2024, the Organization re-entered into a three-year lease at this property, expiring August 2027. 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.

(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.

NOTE 9 – COMMITMENTS AND CONTINGENCIES (*continued*)

(p) During April of 2022, the Organization entered into a lease for four years and nine months at 267 3rd 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 233rd 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.

(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 233rd 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.

(u) During May of 2024, the Organization entered into a nine-year lease at 61-18 93rd Street, Queens, New York, expiring May 2033, with two additional nine-year options to renew. This lease calls for monthly lease payments ranging from $137,270 to $145,631, with escalations every three years during the lease term.

(v) During March of 2024, the Organization entered into a five-year lease at 300 Westage Business Center Drive, Fishkill, New York, expiring April 2029. This lease calls for monthly lease payments of $4,315, for the first year, with increases of 2% per year thereafter taking place on each anniversary of the commencement date.

(w) During June of 2024, the Organization entered into a two-year lease at 1100 Shames Drive, Suite 210, Westbury, New York, expiring May of 2026. The lease calls for monthly lease payments of $2,000, for the first year, with increases of 3% per year thereafter taking place on each anniversary of the commencement date.

(x) During November of 2024, the Organization entered into a nine-year lease at 4180 Carpenter Avenue, Bronx, New York, expiring October of 2033. This lease calls for monthly lease payments ranging from $15,336 to $16,270 with escalations at various points during the lease term.

NOTE 9 – COMMITMENTS AND CONTINGENCIES (*continued*)

Historically, the Organization was required to maintain certain ratio requirements as part of its debt agreements. The Organization calculates its ratios to consider the results with and without the impact of ASC 842.

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

	2024	2023
Without short-term lease obligation	1.41	1.63
With short-term lease obligation	0.64	0.55

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

	2024	2023
Without lease obligation	3.21	5.59
With lease obligation	0.05	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 Organization made payments of $302,280 during the year ended December 31, 2024. The remaining balance as of December 31, 2024 is $125,953.

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,:

	2024	2023
Cash and cash equivalents	$ 16,679,905	$ 13,325,256
Accounts receivable and accrued revenues net of allowance for doubtful accounts	18,564,716	10,316,619
Total financial assets available within one year	35,146,008	23,641,875
Less: Net assets with donor restrictions	(5,644)	(5,536)
Less: Deferred compensation 457(b)	-	(107,994)
Total financial assets available within one year for general expenditures	$ 35,140,364	$ 23,528,345

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, 2025 and May 23, 2025, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

SCHEDULE OF FUTURE LEASE PAYMENTS IN ACCORDANCE WITH ASC 842
DECEMBER 31, 2024

	Lease (a)	Lease (b)	Lease (c)	Lease (c-1)	Lease (d)	Lease (e)	Lease (f)	Lease (g)	Lease (h)	Lease (i)
2025	$ 764,064	$ 159,754	$ 152,122	$ 77,403	$ -	$ 72,900	$ 104,415	$ 228,470	$ 1,936,705	$ 4,029,895
2026	53,119	163,088	156,685	79,725	-	-	106,504	-	1,936,705	4,029,895
2027	-	13,614	161,386	82,117	-	-	-	-	-	4,029,895
2028	-	-	109,721	56,387	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-
Total	817,183	336,456	579,914	295,632	-	72,900	210,919	228,470	3,873,410	12,089,685
Less: Present value discount	(19,898)	(5,902)	(60,348)	(21,128)	-	(1,792)	(11,392)	(10,361)	(259,483)	(1,063,669)
Present Value	797,285	330,554	519,566	274,504	-	71,108	199,527	218,109	3,613,927	11,026,016
Short-term lease liabilities	734,042	157,192	145,224	74,470	-	69,681	99,462	218,109	1,848,883	3,847,155
Long-term lease liabilities	63,243	173,362	374,342	200,034	-	1,427	100,065	-	1,765,044	7,178,861
Total lease liabilities	$ 797,285	$ 330,554	$ 519,566	$ 274,504	-	$ 71,108	$ 199,527	$ 218,109	$ 3,613,927	$ 11,026,016
Percentage of total	0.85%	0.35%	0.55%	0.29%	0.00%	0.08%	0.21%	0.23%	3.85%	11.73%
Months Remaining	444	25	44	44	0	12	24	12	24	36
Discount rate at commencement	4.09%	1.63%	4.75%	3.94%	4.75%	4.62%	4.98%	4.75%	4.75%	4.75%
Weighted average remaining lease term	3.77	0.09	0.24	0.13	-	0.01	0.05	0.03	0.92	4.22
Weighted average discount rate	0.03%	0.01%	0.03%	0.01%	0.00%	0.00%	0.01%	0.01%	0.18%	0.56%

	Lease (j)	Lease (k)	Lease (l)	Lease (m)	Lease (n)	Lease (o)	Lease (p)	Lease (q)
2025	$ 1,335,758	$ -	$ 267,348	$ 388,740	$ 5,580,120	$ 2,280,338	$ 2,759,400	$ 276,497
2026	1,355,700	-	271,356	405,165	5,580,120	2,280,338	2,759,400	282,027
2027	1,355,700	-	137,682	277,020	-	2,318,343	-	190,508
2028	1,016,775	-	-	-	-	2,325,944	-	-
2029	-	-	-	-	-	2,364,710	-	-
Thereafter	-	-	-	-	-	5,112,093	-	-
Total	5,063,933	-	676,386	1,070,925	11,160,240	16,681,766	5,518,800	749,032
Less: Present value discount	(529,182)	-	(54,070)	(71,957)	(291,663)	(1,144,044)	(144,229)	(34,094)
Present Value	4,534,751	-	622,316	998,968	10,868,577	15,537,722	5,374,571	714,938
Short-term lease liabilities	1,275,187	-	255,224	374,653	5,441,365	2,236,283	2,690,785	267,431
Long-term lease liabilities	3,259,564	-	367,092	624,315	5,427,212	13,301,439	2,683,786	447,507
Total lease liabilities	$ 4,534,751	-	$ 622,316	$ 998,968	$ 10,868,577	$ 15,537,722	$ 5,374,571	$ 714,938
Percentage of total	4.82%	0.00%	0.66%	1.06%	11.56%	16.53%	5.72%	0.76%
Months Remaining	45	0	30	32	24	86	24	32
Discount rate at commencement	4.75%	4.75%	4.75%	3.76%	2.55%	1.97%	2.55%	3.39%
Weighted average remaining lease term	2.17	-	0.20	0.34	2.78	14.22	1.37	0.24
Weighted average discount rate	0.23%	0.00%	0.03%	0.04%	0.29%	0.33%	0.15%	0.03%

	Lease (r)	Lease (s)	Lease (t)	Lease (u)	Lease (v)	Lease (w)	Lease (x)	Total
2025	$ 2,774,000	$ 6,170,325	$ 144,000	$ 1,647,240	$ 52,465	$ 24,420	$ 184,032	$ 31,410,411
2026	2,857,220	-	147,240	1,647,240	53,514	10,300	184,032	24,359,373
2027	2,857,220	-	148,320	1,680,185	54,585	-	184,952	13,491,527
2028	2,857,220	-	148,320	1,696,657	55,678	-	189,553	8,456,255
2029	2,942,937	-	151,657	1,696,657	18,681	-	189,553	7,364,195
Thereafter	5,885,874	-	356,463	5,808,223	-	-	743,680	17,906,333
Total	20,174,471	6,170,325	1,096,000	14,176,202	234,923	34,720	1,675,802	102,988,094
Less: Present value discount	(2,317,179)	(130,208)	(132,689)	(2,382,345)	(22,782)	(1,256)	(291,108)	(9,000,779)
Present Value	17,857,292	6,040,117	963,311	11,793,857	212,141	33,464	1,384,694	93,987,315
Short-term lease liabilities	2,680,711	5,936,430	139,104	1,576,910	50,139	23,275	176,326	30,318,041
Long-term lease liabilities	15,176,581	103,687	824,207	10,216,947	162,002	10,189	1,208,368	63,669,274
Total lease liabilities	$ 17,857,292	$ 6,040,117	$ 963,311	$ 11,793,857	$ 212,141	$ 33,464	$ 1,384,694	$ 93,987,315
Percentage of total	19.00%	6.43%	1.02%	12.55%	0.23%	0.04%	1.47%	100.00%
Months Remaining	84	12	88	100	52	17	106	1,397
Discount rate at commencement	3.48%	3.94%	3.52%	4.46%	4.64%	4.92%	4.37%	
Weighted average remaining lease term	15.96	0.77	0.90	12.55	0.12	0.01	1.56	
Weighted average discount rate	0.66%	0.25%	0.04%	0.56%	0.01%	0.00%	0.06%	

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)
2024	$ 758,596	$ 156,420	$ 147,691	$ 75,149	$ 27,530	$ -	$ 82,368	$ 223,990	$ 1,936,705
2025	216,806	159,754	152,122	77,403	-	-	82,368	228,470	1,936,705
2026	-	163,088	156,685	79,725	-	-	82,368	-	1,936,705
2027	-	13,614	161,386	82,117	-	-	-	-	-
2028	-	-	109,721	56,388	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-
Total	975,402	492,876	727,605	370,782	27,530	-	247,104	452,460	5,810,115
Less: Present value discount	(53,616)	(12,618)	(90,605)	(33,298)	(1,248)	-	(21,741)	(30,408)	(511,183)
Present Value	921,786	480,258	637,000	337,484	26,282	-	225,363	422,052	5,298,932
Short-term lease liabilities	724,197	153,911	140,994	72,300	26,282	-	78,633	213,833	1,848,883
Long-term lease liabilities	197,589	326,347	496,006	265,184	-	-	146,730	208,219	3,450,049
Total lease liabilities	$ 921,786	$ 480,258	$ 637,000	$ 337,484	$ 26,282	$ -	$ 225,363	$ 422,052	$ 5,298,932
Percentage of total	0.88%	0.46%	0.61%	0.32%	0.03%	0.00%	0.22%	0.40%	5.06%
Months Remaining	595	37	56	56	6	-	48	32	36
Discount rate at commencement	4.75%	1.63%	4.75%	3.94%	4.75%	5.50%	4.75%	4.75%	4.75%
Weighted average remaining lease term	5.24	0.17	0.34	0.18	0.00	-	0.10	0.13	1.82
Weighted average discount rate	0.04%	0.01%	0.03%	0.01%	0.00%	0.00%	0.01%	0.02%	0.24%

	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	$ 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	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	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	4,029,895	1,355,700	-	137,682	-	-	2,318,343	-	190,508	2,857,220	-	148,320	11,294,785
2028	-	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	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	(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	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	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	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	$ 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	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	48	57	9	43	-	36	98	36	44	96	24	100	1,457
Discount rate at commencement	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	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	0.65%	0.25%	0.01%	0.04%	0.00%	0.39%	0.33%	0.19%	0.03%	0.66%	0.45%	0.04%	

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	Community Housing Innovations, Inc.	CHI Realty, Inc.	MHP CHI Member, LLC.	Consolidated
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 16,632,261	$ 47,644	$ -	$ 16,679,905
Accounts receivable and accrued revenue, net of allowance for doubtful accounts	18,564,866	(150)	-	18,564,716
Prepaid expenses and other current assets	39,626	2,138	-	41,764
TOTAL CURRENT ASSETS	35,236,753	49,632	-	35,286,385
Security deposits and other assets	140,567	-	-	140,567
Property and equipment, net of accumulated depreciation	14,426,573	-	-	14,426,573
Operating lease right-of-use assets	92,203,615	-	-	92,203,615
Deferred compensation plan	257,256	-	-	257,256
TOTAL ASSETS	$ 142,264,764	$ 49,632	$ -	$ 142,314,396
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current portion of mortgages payable, net of deferred financing fees	$ 211,249	$ -	$ -	$ 211,249
Current portion of notes payable	33,634	-	-	33,634
Current portion of grants payable	110,877	-	-	110,877
Current portion of operating lease liability	30,318,041	-	-	30,318,041
Contract advances and due to government agencies	5,566,119	-	-	5,566,119
Accounts payable and accrued expenses	18,622,649	-	-	18,622,649
Deposits payable	128,735	-	-	128,735
TOTAL CURRENT LIABILITIES	54,991,304	-	-	54,991,304
Mortgages payable, net of current portion and deferred financing fees	3,831,767	-	-	3,831,767
Notes payable, net of current portion	40,328	-	-	40,328
Operating lease liability, net of current portion	63,669,274	-	-	63,669,274
Grants payable, net of current portion	5,527,064	-	-	5,527,064
Contract advances and due to government agencies, net of current portion	555,961	-	-	555,961
Deferred compensation plan	257,256	-	-	257,256
TOTAL LIABILITIES	128,872,954	-	-	128,872,954
Net Assets:				
Without donor restrictions	13,386,166	49,632	-	13,435,798
With donor restrictions	5,644	-	-	5,644
TOTAL NET ASSETS	13,391,810	49,632	-	13,441,442
TOTAL LIABILITIES AND NET ASSETS	$ 142,264,764	$ 49,632	$ -	$ 142,314,396

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	Community Housing Innovations, Inc.	CHI Realty, Inc.	MHP CHI Member, LLC.	Consolidated
ASSETS				
Current Assets:				
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	42,518	2,138	-	44,656
TOTAL CURRENT ASSETS	23,632,944	53,587	-	23,686,531
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
Deferred compensation plan	-	-		-
TOTAL ASSETS	$ 141,549,063	$ 53,587	$ -	$ 141,602,650
LIABILITIES AND NET ASSETS				
Current Liabilities:				
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	28,182,614	-	-	28,182,614
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
TOTAL CURRENT LIABILITIES	42,699,183	1,903	-	42,701,086
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	76,549,021	-	-	76,549,021
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	107,994	-	-	107,994
TOTAL LIABILITIES	129,919,872	1,903	-	129,921,775
Net Assets:				
Without donor restrictions	11,623,655	51,684	-	11,675,339
With donor restrictions	5,536	-	-	5,536
TOTAL NET ASSETS	11,629,191	51,684	-	11,680,875
TOTAL LIABILITIES AND NET ASSETS	$ 141,549,063	$ 53,587	$ -	$ 141,602,650

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions				With Donor Restrictions				
	Community Housing Innovations, Inc.	CHI Realty, Inc.	MHP CHI Member, LLC.	Consolidated Total	Community Housing Innovations, Inc.	CHI Realty, Inc.	MHP CHI Member, LLC.	Consolidated Total	Total
REVENUE AND SUPPORT:									
Rental income	$ 4,976,533	$ -	$ -	$ 4,976,533	$ -	$ -	$ -	$ -	$ 4,976,533
Scattered site housing/shelters	99,814,525	-	-	99,814,525	-	-	-	-	99,814,525
Revenue from government contracts	4,624,227	-	-	4,624,227	-	-	-	-	4,624,227
Interest	491,405	-	-	491,405	-	-	-	-	491,405
Special events, net	298,561	-	-	298,561	-	-	-	-	298,561
Contributions	118,357	-	-	118,357	108	-	-	108	118,465
Gain on sales/disposal of property and equipment	232,826	-	-	232,826	-	-	-	-	232,826
Other	194,167	-	93,677	287,844	-	-	-	-	287,844
Release of restrictions on grants payable	873,819	-	-	873,819	-	-	-	-	873,819
Net assets released from restriction	-	-	-	-	-	-	-	-	-
TOTAL REVENUE AND SUPPORT	111,624,420	-	93,677	111,718,097	108	-	-	108	111,718,205
FUNCTIONAL EXPENSES:									
Program Services:									
County funded emergency shelters	94,618,933	-	-	94,618,933	-	-	-	-	94,618,933
Permanent housing	2,788,839	-	-	2,788,839	-	-	-	-	2,788,839
Home grant programs	1,161,660	-	-	1,161,660	-	-	-	-	1,161,660
Other programs	3,588,660	2,052	-	3,590,712	-	-	-	-	3,590,712
TOTAL PROGRAM SERVICES	102,158,092	2,052	-	102,160,144	-	-	-	-	102,160,144
Supporting Services:									
Management and general	7,529,428	-	93,677	7,623,105	-	-	-	-	7,623,105
Fundraising	88,967	-	-	88,967	-	-	-	-	88,967
TOTAL SUPPORTING SERVICES	7,618,395	-	93,677	7,712,072	-	-	-	-	7,712,072
TOTAL EXPENSES	109,776,487	2,052	93,677	109,872,216	-	-		-	109,872,216
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	1,847,933	(2,052)	-	1,845,881	108	-	-	108	1,845,989
Impairment loss	(85,422)	-	-	(85,422)	-	-	-	-	(85,422)
CHANGE IN NET ASSETS	1,762,511	(2,052)	-	1,760,459	108	-	-	108	1,760,567
Net assets, beginning of year	11,623,655	51,684	-	11,675,339	5,536	-	-	5,536	11,680,875
Total net assets, end of year	$ 13,386,166	$ 49,632	$ -	$ 13,435,798	$ 5,644	$ -	$ -	$ 5,644	$ 13,441,442

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
REVENUE AND SUPPORT:							
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)	-
TOTAL REVENUE AND SUPPORT	90,812,936	575	90,813,511	1,750	-	1,750	90,815,261
FUNCTIONAL EXPENSES:							
Program Services:							
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
TOTAL PROGRAM SERVICES	82,920,568	2,163	82,922,731	-	-	-	82,922,731
Supporting Services:							
Management and general	5,954,156	-	5,954,156	-	-	-	5,954,156
Fundraising	36,463	-	36,463	-	-	-	36,463
TOTAL SUPPORTING SERVICES	5,990,619	-	5,990,619	-	-	-	5,990,619
TOTAL EXPENSES	88,911,187	2,163	88,913,350	-	-	-	88,913,350
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	1,901,749	(1,588)	1,900,161	1,750	-	1,750	1,901,911
Impairment loss	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	1,901,749	(1,588)	1,900,161	1,750	-	1,750	1,901,911
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

SINGLE AUDIT SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Pass through Programs from Family Residences and Essential Enterprises				
Supportive Housing Program	14.235	NY0453L2T031811	N/A	$ 29,915
Pass through Programs from Town of Islip Community Development Agency				
Housing Opportunities for Persons with AIDS	14.241	NYH10F001	N/A	180,295
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
Total Housing Opportunities for Persons with AIDS				781,206
Pass through Programs from Westchester County				
Westchester County Foreclosure Prevention Program	14.218	C-CDBG-CV-20-40	N/A	67,669
Total CDBG-Entitlement/Special Purpose Grants Cluster				67,669
Westchester County Foreclosure Prevention Program	14.231	C-PL-22-556	N/A	150,000
Total Westchester County Eviction Prevention Program				217,669
Pass through Programs from Nassau County				
Emergency Solutions Grant for Services and Operations	14.231	ESG-48-02J	N/A	24,880
Total Expenditures of Federal Awards				$ 1,053,670

See accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024, 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, 2024, the outstanding balance of the forgivable HOPWA grants was $781,206. There were no expenditures or additional money received of HOPWA funds during the year ended December 31, 2024.

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.

NOTE 5 – PROGRAM CLUSTER

Federal Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, we have determined the CDBG Cluster to be a federal cluster of programs.

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CERTIFIED PUBLIC ACCOUNTANTS

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, 2024, 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 23, 2025.

Report on 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.

Report on 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.

Cerini & Associates LLP

May 23, 2025
Bohemia, New York

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

INDEPENDENT AUDITORS' REPORT

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 "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, 2024. 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, 2024.

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.

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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 23, 2025
Bohemia, New York

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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?	____ Yes	X No
Are any significant deficiencies identified?	____ Yes	X No
Is any noncompliance material to consolidated financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major federal program:

Are any material weaknesses identified?	____ Yes	X No
Are any significant deficiencies identified?	____ Yes	X No
Type of auditors' report issued on compliance for major federal programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X No

Identification of major federal programs:

Federal Assistance Listing Number	Name of federal program or cluster
14.241	- Housing Opportunities for Persons with AIDS

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	X Yes	____ 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