

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

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT,
AND SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024



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COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

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AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
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INDEPENDENT AUDITORS' REPORT

Board of Directors of
Community Housing Innovations, Inc. and its subsidiaries
One North Broadway, Suite 602
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, 2025 and 2024, 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, 2025 and 2024, 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”). 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the 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, 2025 and 2024, the consolidating statements of activities for the years ended December 31, 2025 and 2024, and the lease schedule in accordance with ASC 842 for the years ended December 31, 2025 and 2024 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.

Corin & Associates LLP

May 27, 2026

Bohemia, New York

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 29,193,005	\$ 16,679,905
Accounts receivable and accrued revenue, net of allowance for doubtful accounts.....	9,498,734	18,564,716
Prepaid expenses and other current assets.....	81,905	41,764
TOTAL CURRENT ASSETS	38,773,644	35,286,385
Security deposits and other assets.....	244,762	140,567
Property and equipment, net of accumulated depreciation.....	12,976,726	14,426,573
Operating lease right-of use-assets.....	69,360,555	92,203,615
Deferred compensation plan.....	479,215	257,256
TOTAL ASSETS	\$ 121,834,902	\$ 142,314,396
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of mortgages payable, net of deferred financing fees.....	\$ 209,055	\$ 211,249
Current portion of notes payable.....	20,195	33,634
Current portion of grants payable.....	1,606,614	110,877
Current portion of operating lease liability.....	25,075,959	30,318,041
Contract advances and due to government agencies.....	15,502,613	5,566,119
Accounts payable and accrued expenses.....	11,236,071	18,622,649
Deposits payable.....	133,845	128,735
TOTAL CURRENT LIABILITIES	53,784,352	54,991,304
Mortgages payable, net of current portion and deferred financing fees.....	3,369,138	3,831,767
Notes payable, net of current portion.....	20,133	40,328
Operating lease liability, net of current portion.....	46,086,323	63,669,274
Grants payable, net of current portion.....	3,920,450	5,527,064
Contract advances and due to government agencies, net of current portion.....	667,497	555,961
Deferred compensation plan.....	479,215	257,256
TOTAL LIABILITIES	108,327,108	128,872,954
Net Assets:		
Without donor restrictions.....	13,501,240	13,435,798
With donor restrictions.....	6,554	5,644
TOTAL NET ASSETS	13,507,794	13,441,442
TOTAL LIABILITIES AND NET ASSETS	\$ 121,834,902	\$ 142,314,396

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

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Rental income	\$ 6,741,331	\$ -	\$ 6,741,331
Scattered site housing/shelters	101,722,429	-	101,722,429
Revenue from government contracts	6,702,436	-	6,702,436
Interest	580,571	-	580,571
Special events, net of \$79,719 of direct benefit to donors.....	246,219	-	246,219
Contributions	157,805	1,429	159,234
Gain on sales/disposal of property and equipment	998,900	-	998,900
Other	306,186	-	306,186
Release of restrictions on grants payable	110,877	-	110,877
Net assets released from restriction	519	(519)	-
TOTAL REVENUE AND SUPPORT	<u>117,567,273</u>	<u>910</u>	<u>117,568,183</u>
FUNCTIONAL EXPENSES:			
Program Services:			
County funded emergency shelters.....	97,863,855	-	97,863,855
Permanent housing.....	2,935,089	-	2,935,089
Home grant programs.....	1,201,021	-	1,201,021
Other programs.....	5,638,753	-	5,638,753
TOTAL PROGRAM SERVICES	<u>107,638,718</u>	<u>-</u>	<u>107,638,718</u>
Supporting Services:			
Management and general.....	9,669,197	-	9,669,197
Fundraising.....	25,832	-	25,832
TOTAL SUPPORTING SERVICES	<u>9,695,029</u>	<u>-</u>	<u>9,695,029</u>
TOTAL EXPENSES	<u>117,333,747</u>	<u>-</u>	<u>117,333,747</u>
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	233,526	910	234,436
Impairment loss.....	(168,084)	-	(168,084)
CHANGE IN NET ASSETS	65,442	910	66,352
Net assets, beginning of year.....	13,435,798	5,644	13,441,442
Total net assets, end of year.....	<u>\$ 13,501,240</u>	<u>\$ 6,554</u>	<u>\$ 13,507,794</u>

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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 of \$1,577 of direct benefit to donors.....	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 SUPPORTING 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.....	<u>\$ 13,435,798</u>	<u>\$ 5,644</u>	<u>\$ 13,441,442</u>

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	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.....	\$ 27,241,467	\$ 259,960	\$ 305,021	\$ 846,937	\$ 28,653,385	\$ 5,584,468	\$ -	\$ 5,584,468	\$ 34,237,853	\$ -
Fringe benefits and payroll taxes.....	7,460,663	72,140	76,862	228,174	7,837,839	1,654,160	-	1,654,160	9,491,999	-
Advertising.....	34,228	167	28,409	9,254	72,058	23,484	2,461	25,945	98,003	6,630
Depreciation and amortization.....	572,610	694,625	-	-	1,267,235	63,052	-	63,052	1,330,287	-
Conference, dues and subscriptions.....	15,460	8	1,003	98	16,569	61,818	-	61,818	78,387	-
Food.....	5,724,358	-	1,048	88	5,725,494	-	2,750	2,750	5,728,244	-
Interest expense.....	134,265	110,577	-	-	244,842	-	-	-	244,842	-
Interest expense - debt issuance costs.....	-	-	-	23,700	23,700	-	-	-	23,700	-
Insurance.....	2,079,350	498,657	-	164,883	2,742,890	53,166	-	53,166	2,796,056	-
Licenses and permits.....	7,736	16,413	13,058	290	37,497	1,247	-	1,247	38,744	-
Office expense.....	540,785	3,507	6,925	20,382	571,599	285,514	577	286,091	857,690	3,612
Professional fees.....	57,116	62,511	113	5,231	124,971	453,648	10,722	464,370	589,341	22,469
Occupancy.....	35,043,462	35,441	33,911	4,225,991	39,338,805	395,023	5,517	400,540	39,739,345	44,700
Equipment rental.....	132,732	2,100	2,081	4,753	141,666	69,049	-	69,049	210,715	-
Repairs and maintenance.....	2,846,006	604,313	1,565	20,795	3,472,679	692,118	17	692,135	4,164,814	-
Security.....	14,494,566	801	-	-	14,495,367	2,685	-	2,685	14,498,052	-
Real estate taxes.....	9,601	108,706	196	1,116	119,619	29,089	28	29,117	148,736	-
Telephone.....	42,246	1,946	920	2,696	47,808	62,457	-	62,457	110,265	-
Training.....	28,596	380	9,410	2,257	40,643	34,518	-	34,518	75,161	-
Travel.....	24,060	901	17,409	33,197	75,567	78,755	-	78,755	154,322	-
Utilities.....	898,590	261,266	2,935	19,275	1,182,066	84,978	306	85,284	1,267,350	-
Bad debt expense.....	166,406	176,159	-	-	342,565	-	-	-	342,565	-
Grant expenses pass through.....	-	-	697,950	-	697,950	-	-	-	697,950	-
Other expenses.....	309,552	24,511	2,205	29,636	365,904	39,968	3,454	43,422	409,326	2,308
TOTAL EXPENSES	\$ 97,863,855	\$ 2,935,089	\$ 1,201,021	\$ 5,638,753	\$ 107,638,718	\$ 9,669,197	\$ 25,832	\$ 9,695,029	\$ 117,333,747	\$ 79,719

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

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.....	22,712	41,002	358	66,984	131,056	385,486	30,823	416,309	547,365	-
Occupancy.....	32,239,124	35,596	186,024	2,402,441	34,863,185	309,752	30,240	339,992	35,203,177	-
Equipment rental.....	172,337	450	-	1,793	174,580	50,118	-	50,118	224,698	-
Repairs and maintenance.....	2,606,709	743,027	654	81,789	3,432,179	624,884	-	624,884	4,057,063	-
Security.....	13,480,065	1,873	-	-	13,481,938	3,168	-	3,168	13,485,106	-
Real estate taxes.....	453	90,796	233	697	92,179	31,577	-	31,577	123,756	-
Telephone.....	52,217	2,214	825	2,984	58,240	62,014	-	62,014	120,254	-
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.....	617,386	246,168	10,827	12,288	886,669	70,355	-	70,355	957,024	-
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.....	389,512	16,463	2,128	33,623	441,726	35,492	5,140	40,632	482,358	-
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

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

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets.....	\$ 234,436	\$ 1,845,989
<u>Adjustments to reconcile change in net assets to net cash provided by operating activities:</u>		
Bad debt expense.....	342,565	94,917
Depreciation and amortization.....	1,330,287	1,262,078
Noncash operating lease expense.....	29,445,124	26,941,924
Interest expense - debt issuance cost amortization.....	23,700	23,700
Release of restrictions on grants payable.....	(110,877)	(873,819)
Gain on sale/disposal of property and equipment.....	(998,900)	(232,826)
Impairment loss.....	(168,084)	85,422
<u>Changes in operating assets and liabilities:</u>		
Accounts receivable and accrued revenues.....	8,723,417	(8,343,014)
Prepaid expenses and other current assets.....	(40,141)	2,892
Security deposits and other assets.....	(104,195)	(4,298)
Contract advances and due to government agencies.....	10,048,030	2,604,319
Accounts payable and accrued expenses.....	(7,386,578)	8,065,501
Deposits payable.....	5,110	7,363
Operating lease liability payments.....	(29,427,095)	(27,039,400)
Deferred compensation plan.....	-	(107,994)
NET CASH PROVIDED BY OPERATING ACTIVITIES	11,916,799	4,332,754
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(673,737)	(930,106)
Sales of property and equipment	1,792,197	232,829
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	1,118,460	(697,277)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of notes payable.....	(33,634)	(33,634)
Proceeds from mortgages payable	-	46,905
Repayments of mortgages payable.....	(488,525)	(294,099)
NET CASH USED IN FINANCING ACTIVITIES	(522,159)	(280,828)
Net change in cash and cash equivalents.....	12,513,100	3,354,649
Cash and cash equivalents, beginning of year.....	16,679,905	13,325,256
Cash and cash equivalents, end of year.....	<u>\$ 29,193,005</u>	<u>\$ 16,679,905</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Non-cash transaction recording of operating lease asset and related liability.....	<u>\$ 6,602,062</u>	<u>\$ 16,295,082</u>
Cash paid for interest.....	<u>\$ 244,842</u>	<u>\$ 263,227</u>

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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 2025 and 2024 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 2025 and 2024 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, 2025 and 2024.

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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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.

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.

Reclassification: During 2025, the Organization reclassified certain embedded non-lease costs (including real property taxes, utilities, repairs, security expenses, telephone, and professional fees) from their natural expense classifications into occupancy expense for the year ended December 31, 2024, to conform with the current-year presentation and provide comparability between periods. The reclassification did not impact the presentation of expenses between program services and management and general on the statement of functional expenses.

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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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

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, 2025 and 2024, the total allowance for doubtful accounts was \$191,045 and \$143,962, respectively.

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

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

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

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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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 exceeds 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 Accounting Standards Codification ("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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Functional Allocation of Expenses: The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the accompanying consolidated financial statements. Accordingly, costs have been directly charged to the programs they benefit. Where costs can't be directly charged, they have been allocated among programs and supporting services benefited based on management's assessment of the benefit derived. Allocation methodologies are reviewed periodically and modified as necessary. 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, 2025 or 2024.

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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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

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

<u>Funding Source</u>	<u>2025</u>		<u>2024</u>	
	<u>Revenue Amount</u>	<u>Percent of Total</u>	<u>Revenue Amount</u>	<u>Percent of Total</u>
<u>Revenue Recognized At a Point Time</u>				
<u>Scattered Site Housing</u>				
New York City	\$63,110,487	53%	\$64,570,504	58%
Suffolk County	29,648,935	25%	27,647,335	25%
Dutchess County	3,075,955	3%	2,382,935	2%
Orange County	2,333,244	2%	1,996,297	2%
Westchester County	2,092,565	2%	1,822,957	2%
Nassau County.....	1,461,243	1%	1,394,497	1%
Total Scattered Site Housing.....	<u>101,722,429</u>	<u>86%</u>	<u>99,814,525</u>	<u>90%</u>
<u>Revenue Recognized Over Time</u>				
<u>Rental Income</u>				
Rental income (welfare, tenant, Section 8) ..	6,741,331	6%	4,976,533	4%
 Total Revenue Subject to ASU 606	<u>108,463,760</u>	<u>92%</u>	<u>104,791,058</u>	<u>94%</u>
<u>Government Contracts</u>				
Westchester County Rental Supplement....	2,995,551	3%	2,127,242	2%
NYS Office of Mental Health	948,626	1%	904,114	1%
Suffolk County Rental Supplement	792,332	-%	220,869	-%
NYS Affordable Housing Corporation.....	697,950	-%	483,457	-%
Nassau County Rental Supplement.....	639,090	-%	161,444	-%
NYS Office of the Attorney General	215,282	-%	268,499	-%
Other government contracts	413,605	2%	458,602	1%
Total Government Contracts	<u>6,702,436</u>	<u>6%</u>	<u>4,624,227</u>	<u>4%</u>
<u>Contributions</u>				
Contributions and special events	405,453	-%	417,026	-%
<u>Other</u>				
Release of restrictions on grants payable....	110,877	-%	873,819	1%
Gain on sales/disposal of property and equipment.....	998,900	1%	232,826	-%
Miscellaneous.....	886,757	1%	779,249	1%
Total Other	<u>1,996,534</u>	<u>2%</u>	<u>1,885,894</u>	<u>2%</u>
Total Revenue not Subject to ASU 606	<u>9,104,423</u>	<u>8%</u>	<u>6,927,147</u>	<u>6%</u>
 Total Revenue and Support	<u>117,568,183</u>		<u>111,718,205</u>	

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

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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, 2025 and 2024, scattered site housing receivables accounted for approximately 93% and 97% of total accounts receivables and accrued revenues, respectively. Approximately 1% of the scattered site receivable is due from client obligations, and the remaining portion of the outstanding scattered site receivables are due from various counties. The remaining receivables are a combination of government grants, contributions, rental income, and more.

NOTE 4 - PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>
Land.....	\$ 1,572,294	\$ 1,636,882
Buildings and building improvements.....	23,588,466	25,160,472
Furniture and fixtures.....	1,734,424	1,357,530
Computer equipment.....	793,963	717,969
Vehicles	280,498	254,536
Total cost.....	27,969,645	29,127,389
Less: accumulated depreciation.....	(14,992,919)	(14,700,816)
Property and equipment, net.....	<u>\$ 12,976,726</u>	<u>\$ 14,426,573</u>

During the years ended December 31, 2025 and 2024, there were property sales which resulted in gains of \$998,900 and \$232,826, respectively. During the year ended, December 31, 2025, there was no retirement of fully depreciated fixed assets. During the year ended December 31, 2024, the retirement of fully depreciated fixed assets was \$209,072. During the year ended December 31, 2025, no asset impairment was recognized. 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.

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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 5 - GRANTS PAYABLE (continued)

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

	2025	2024
Homeless Housing Assistance Corporation (A).....	\$ 3,928,858	\$ 3,928,858
HUD Supportive Housing Projects (B).....	-	46,287
Islip Community Development Agency (C) ..	781,206	781,206
Westchester County (D).....	688,000	688,000
Other (E).....	129,000	193,590
Total outstanding grants payable.....	\$ 5,527,064	\$ 5,637,941

(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. There was no recognition of grants payable to revenue for HHAC projects in 2025. In 2024, \$780,000 of grants payable for HHAC projects was recognized as revenue in satisfaction of the terms of the underlying debt. 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 2025 and 2024, \$110,877 and \$93,819, 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”). No loans were forgiven during the years ended December 31, 2025 and 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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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
2026.....	\$ 1,606,614	\$ -	\$ -	\$ -	\$ -	\$ 1,606,614
2027.....	-	-	-	-	-	-
2028.....	-	-	781,206	-	129,000	910,206
2029.....	850,110	-	-	-	-	850,110
2030.....	-	-	-	-	-	-
Thereafter	1,472,134	-	-	688,000	-	2,160,134
	<u>\$ 3,928,858</u>	<u>\$ -</u>	<u>\$ 781,206</u>	<u>\$ 688,000</u>	<u>\$ 129,000</u>	<u>\$ 5,527,064</u>

NOTE 6 - MORTGAGES PAYABLE

CHI and its subsidiaries have purchased properties that were financed with mortgage liabilities from various financial institutions. Interest rates on these obligations range from 3.79% to 7.50% with maturity dates from December 2027 through December 2033. In 2017, the Organization refinanced three of the mortgages through the issuance of a mortgage note in the amount of \$2,565,582. The note of \$2,565,582 has a balloon payment due in December of 2027. During 2024, the Organization refinanced one of its mortgages in the amount of \$350,000. The property financed by each mortgage serves as collateral. During 2025, the Organization did not refinance any of its mortgages.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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
2026	\$ 232,755	\$ (23,700)	\$ 209,055
2027	1,461,151	(23,699)	1,437,452
2028	105,146	(23,699)	81,447
2029	108,651	(10,729)	97,922
2030	114,177	(10,729)	103,448
Thereafter.....	1,656,804	(7,935)	1,648,869
Totals	\$ 3,678,684	\$ (100,491)	\$ 3,578,193

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, 2025 and 2024. There was no interest expense for the years ended December 31, 2025 and 2024 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. As part of the renewal, the interest rate was modified to Secured Overnight Financing Rate ("SOFR") plus 2.10%, subject to a floor of 0%, and the Prime-based rate option was eliminated. In addition, all 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 2025 and 2024, the Organization has recorded a safe harbor pension expense of \$729,554 and \$515,878, 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, 2025 and 2024 was \$479,215 and \$257,256, respectively. In 2025 and 2024, the total amount was deposited into an investment account.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

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. Occupancy expense for facilities was \$39,784,045 and \$35,203,177 for the years ended December 31, 2025 and 2024, respectively. Included within occupancy expense for the year ended December 31, 2025 was \$37,697,397 in rent and \$2,086,648 in embedded costs (i.e. real property taxes, utilities, repairs, security expense, etc.). 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.).

As of December 31, 2025, the future minimum annual lease obligations under the above leases were as follows for the years ending December 31,:

2026	\$	25,960,167
2027		14,837,649
2028		9,066,590
2029		7,969,616
2030		7,757,481
Thereafter		12,413,913
Total		78,005,416
Less: present value discount.....		(6,843,134)
Present value of future lease payments		71,162,282
Less: short-term lease liabilities		(25,075,959)
Long-term lease liabilities	\$	46,086,323
Months remaining.....		1,593

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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, 2025 and 2024, 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 2025. 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. During 2025, the Organization ceased use of this leased space. As a result, management evaluated the related right of use asset for impairment and recorded an impairment loss of \$168,084, representing the excess of the carrying amount of the estimated fair value.
- (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 the right of use asset and related liability at either December 31, 2025 or 2024.
- (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. Upon expiration of this lease, it became a month-to-month lease, and therefore, is not included in the right of use asset and related liability at December 31, 2025.
- (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 \$27,589, with escalations at various points during the lease term.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 - COMMITMENTS AND CONTINGENCIES (continued)

- (g) During July of 2021, the Organization entered into a lease for four years and five months for the Mayfair Apartments. The lease called for quarterly payments ranging from \$18,937 to \$57,117 with escalations at various points during the lease term. This lease expired effective December 31, 2025 and was not renewed, and therefore, is not included in the right of use asset and related liability at December 31, 2025.
- (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. This lease was renewed in January of 2025. Refer to (aa) below.
- (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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 - COMMITMENTS AND CONTINGENCIES (continued)

- (n) During April of 2022, the Organization entered into a lease for four years and nine months at 279 Butler Street, New York, New York, expiring December of 2026. This lease calls for monthly lease payments based on a total daily rate for each room occupied. The monthly rental payments range from \$458,640 to \$473,928 depending on the number of days in each month.
- (o) During February of 2022, the Organization entered into a lease for ten years at 880 West Jericho Turnpike, Smithtown, New York, expiring February of 2032. This lease calls for monthly lease payments ranging from \$186,302 to \$197,705 with escalations at various points during the lease.
- (p) During April of 2022, the Organization entered into a lease for four years and nine months at 2673rd 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. In February 2026, the lease was extended through June 30, 2026. No renewal option or extension right enforceable by the Organization existed as of December 31, 2025.
- (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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 - COMMITMENTS AND CONTINGENCIES (continued)

- (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.
- (y) During April of 2025, the Organization entered into a three-year lease for office space at 1591 East 233rd Street, Bronx, New York, expiring March of 2028. This lease calls for monthly lease payments of \$3,500.
- (z) During March of 2025, the Organization entered into a five-year lease at 1974 Route 112, Coram, New York, expiring February of 2030. This lease calls for monthly lease payments ranging from \$22,000 to \$23,813, with escalations every year during the lease term.
- (aa) During January of 2025, the Organization entered into a three-year lease at the Vanderbilt Motel in Hyde Park, New York, expiring December of 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 daily rate increases by 2% annually. The total right of use asset and liability are calculated using estimated occupancy rates.
- (bb) During June of 2025, the Organization entered into an eleven-year lease for office space at One North Broadway, White Plains, New York. The lease has a commencement date of December 1, 2025. The lease calls for monthly lease payments of \$26,067, with escalations every year during the lease term.
- (cc) During September of 2025, the Organization entered into an eleven-year lease for storage space at One North Broadway, White Plains, New York. The lease calls for monthly payments of \$649, with no escalations during the lease term.

Historically, the Organization is subject to various financial covenants under its debt agreements with its lender, including a requirement to maintain a minimum debt service coverage ratio ("DSCR"). For the year ended December 31, 2025, the Organization did not meet the required DSCR covenant.

The Organization obtained a formal waiver from its lender, M&T Bank, for this covenant violation prior to the issuance of the financial statements. As a result, the lender has not declared the debt to be in default or accelerated repayment under the terms of the related agreements.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 - COMMITMENTS AND CONTINGENCIES (continued)

The Organization had financial ratios at December 31, of:

	2025	2024
Current ratio	1.35	1.41
Debt service coverage ratio.....	0.10	3.21

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. Payments of \$176,330 and \$302,280 were made during the years ended December 31, 2023 and 2024, respectively. The remaining balance of \$125,953 was paid during the year ended December 31, 2025.

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,:

	2025	2024
Cash and cash equivalents	\$ 29,193,005	\$ 16,679,905
Accounts receivable and accrued revenues net of allowance for doubtful accounts	9,498,734	18,564,716
Total financial assets available within one year	38,691,739	35,244,621
Less: Net assets with donor restrictions	(6,554)	(5,644)
Total financial assets available within one year for general expenditures	\$ 38,686,185	\$ 35,238,977

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.

COMMUNITY HOUSING INNOVATIONS, INC. AND SUBSIDIARIES

*NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024*

NOTE 11 - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions that occurred between January 1, 2026 and May 27, 2026, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements. Certain events were disclosed, including the lease extension described in Note 9.

SUPPLEMENTARY INFORMATION

SCHEDULE OF FUTURE LEASE PAYMENTS IN ACCORDANCE WITH ASC 842
DECEMBER 31, 2025

	Lease (a)	Lease (b)	Lease (c)	Lease (c-1)	Lease (e)	Lease (f)	Lease (g)	Lease (h)	Lease (i)	Lease (j)	Lease (l)	Lease (m)	Lease (n)	Lease (o)	Lease (p)	Lease (q)	Lease (r)	Lease (s)	Lease (t)	Lease (u)	Lease (v)	Lease (w)	Lease (x)	Lease (y)	Lease (z)	Lease (aa)	Lease (bb)	Lease (cc)	Total		
2026	\$ 857,300	\$ 163,088	\$ 156,685	\$ 79,725	\$ -	\$ 111,177	\$ -	\$ 1,936,705	\$ 4,029,895	\$ 1,355,700	\$ 271,356	\$ 405,165	\$ 5,580,120	\$ 2,280,338	\$ 2,759,400	\$ 282,027	\$ 2,857,220	\$ -	\$ 147,240	\$ 1,647,240	\$ 53,515	\$ 10,300	\$ 184,032	\$ 42,000	\$ 268,400	\$ 447,680	\$ 26,067	\$ 7,792	\$ 25,960,167		
2027	244,145	13,614	161,386	82,117	-	-	-	-	4,029,895	1,355,700	137,682	277,020	-	2,318,343	-	190,508	2,857,220	-	148,320	1,680,185	54,585	-	184,952	42,000	273,768	465,616	312,801	7,792	14,837,649		
2028	-	-	109,721	56,387	-	-	-	-	-	1,016,775	-	-	-	2,325,944	-	-	2,857,220	-	148,320	1,696,657	55,677	-	189,553	10,500	279,243	-	312,801	7,792	9,066,590		
2029	-	-	-	-	-	-	-	-	-	-	-	-	-	2,364,710	-	-	2,942,937	-	151,657	1,696,657	18,681	-	189,553	-	284,828	-	312,801	7,792	7,969,616		
2030	-	-	-	-	-	-	-	-	-	-	-	-	-	2,372,463	-	-	2,942,937	-	152,770	1,730,590	-	-	190,501	-	47,627	-	312,801	7,792	7,757,481		
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-	-	2,739,630	-	-	2,942,937	-	203,693	4,077,633	-	-	553,178	-	-	-	-	-	1,850,738		
Total	1,101,445	176,702	427,793	218,230	-	111,177	-	1,936,705	8,059,790	3,728,175	409,038	682,185	5,580,120	14,401,428	2,759,400	472,535	17,400,471	-	952,000	12,528,962	182,457	10,300	1,491,769	94,500	1,153,865	913,296	3,128,009	85,064	78,005,416		
Less: Present value discount	(35,174)	(1,671)	(35,669)	(11,530)	-	(2,741)	-	(87,822)	(539,933)	(313,782)	(24,508)	(34,395)	(76,622)	(855,875)	(37,890)	(13,793)	(1,730,200)	-	(100,574)	(1,879,545)	(13,850)	(125)	(233,100)	(4,116)	(95,154)	(40,027)	(658,421)	(16,615)	(6,843,134)		
Present Value	1,066,271	175,031	392,123	206,699	-	108,436	-	1,848,883	7,519,857	3,414,393	384,530	647,790	5,503,498	13,545,553	2,721,510	458,742	15,670,271	-	851,426	10,649,417	168,607	10,175	1,258,669	90,384	1,058,711	873,269	2,469,588	68,449	71,162,282		
Short-term lease liabilities	822,035	160,472	149,580	76,703	-	108,436	-	1,848,883	3,847,155	1,294,224	259,051	390,483	5,441,365	2,236,283	2,690,785	272,779	2,761,133	-	142,233	1,576,910	51,142	9,817	176,327	40,443	257,928	429,264	25,043	7,485	25,075,959		
Long-term lease liabilities	244,236	14,558	242,543	129,996	-	-	-	-	3,672,702	2,120,169	125,479	257,307	62,133	11,309,270	30,725	185,963	12,909,138	-	709,193	9,072,507	117,465	358	1,082,342	49,941	800,783	444,005	2,444,545	60,964	46,086,323		
Total lease liabilities	\$ 1,066,271	\$ 175,031	\$ 392,123	\$ 206,699	\$ -	\$ 108,436	\$ -	\$ 1,848,883	\$ 7,519,857	\$ 3,414,393	\$ 384,530	\$ 647,790	\$ 5,503,498	\$ 13,545,553	\$ 2,721,510	\$ 458,742	\$ 15,670,271	\$ -	\$ 851,426	\$ 10,649,417	\$ 168,607	\$ 10,175	\$ 1,258,669	\$ 90,384	\$ 1,058,711	\$ 873,269	\$ 2,469,588	\$ 68,449	\$ 71,162,282		
Percentage of total	1.50%	0.25%	0.55%	0.29%	0.00%	0.15%	0.00%	2.60%	10.57%	4.80%	0.54%	0.91%	7.73%	19.03%	3.82%	0.64%	22.02%	0.54%	0.00%	1.20%	7.73%	14.96%	0.24%	0.01%	1.77%	0.13%	1.49%	1.23%	3.47%	0.10%	100.00%
Months Remaining	541	13	32	32	-	12	-	12	24	33	18	20	12	74	12	20	72	-	76	88	40	5	94	27	50	24	131	131	1,593		
Discount rate at commencement	4.29%	1.63%	4.75%	3.94%	4.62%	4.00%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	2.55%	1.97%	2.55%	3.39%	3.48%	3.94%	3.52%	4.46%	4.64%	4.92%	4.37%	3.85%	4.06%	4.29%	4.09%	4.11%			
Weighted average remaining lease term	8.11	0.03	0.18	0.09	-	0.02	-	0.31	2.54	1.58	0.10	0.18	0.93	14.09	0.46	0.13	15.85	-	0.91	13.17	0.09	0.00	1.66	0.03	0.74	0.29	4.55	0.13			
Weighted average discount rate	0.06%	0.00%	0.03%	0.01%	0.00%	0.01%	0.00%	0.12%	0.50%	0.23%	0.03%	0.04%	0.20%	0.37%	0.10%	0.02%	0.77%	0.00%	0.04%	0.67%	0.01%	0.00%	0.08%	0.00%	0.06%	0.05%	0.14%	0.00%			

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

	Lease (a)	Lease (b)	Lease (c)	Lease (c-1)	Lease (c)	Lease (f)	Lease (g)	Lease (h)	Lease (i)	Lease (j)	Lease (l)	Lease (m)	Lease (n)	Lease (o)	Lease (p)	Lease (q)	Lease (r)	Lease (s)	Lease (t)	Lease (u)	Lease (v)	Lease (w)	Lease (x)	Total
2025.....	\$ 764,064	\$ 159,754	\$ 152,122	\$ 77,403	\$ 72,900	\$ 104,415	\$ 228,470	\$ 1,936,705	\$ 4,029,895	\$ 1,335,758	\$ 267,348	\$ 388,740	\$ 5,580,120	\$ 2,280,338	\$ 2,759,400	\$ 276,497	\$ 2,774,000	\$ 6,170,325	\$ 144,000	\$ 1,647,240	\$ 52,465	\$ 24,420	\$ 184,032	\$ 31,410,411
2026.....	53,119	163,088	156,685	79,725	-	106,504	-	1,936,705	4,029,895	1,355,700	271,356	405,165	5,580,120	2,280,338	2,759,400	282,027	2,857,220	-	147,240	1,647,240	53,514	10,300	184,032	24,359,373
2027.....	-	13,614	161,386	82,117	-	-	-	-	4,029,895	1,355,700	137,682	277,020	-	2,318,343	-	190,508	2,857,220	-	148,320	1,680,185	54,585	-	184,952	13,491,527
2028.....	-	-	109,721	56,387	-	-	-	-	-	1,016,775	-	-	-	2,325,944	-	-	2,857,220	-	148,320	1,696,657	55,678	-	189,553	8,456,255
2029.....	-	-	-	-	-	-	-	-	-	-	-	-	-	2,364,710	-	-	2,942,937	-	151,657	1,696,657	18,681	-	189,553	7,364,195
Thereafter.....	-	-	-	-	-	-	-	-	-	-	-	-	-	5,112,093	-	-	5,885,874	-	356,463	5,808,223	-	-	743,680	17,906,333
Total.....	817,183	336,456	579,914	295,632	72,900	210,919	228,470	3,873,410	12,089,685	5,063,933	676,386	1,070,925	11,160,240	16,681,766	5,518,800	749,032	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.....	(19,898)	(5,902)	(60,348)	(21,128)	(1,792)	(11,392)	(10,361)	(259,483)	(1,063,669)	(529,182)	(54,070)	(71,957)	(291,663)	(1,144,044)	(144,229)	(34,094)	(2,317,179)	(130,208)	(132,689)	(2,382,345)	(22,782)	(1,256)	(291,108)	(9,000,779)
Present Value.....	797,285	330,554	519,566	274,504	71,108	199,527	218,109	3,613,927	11,026,016	4,534,751	622,316	998,968	10,868,577	15,537,722	5,374,571	714,938	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.....	734,042	157,192	145,224	74,470	69,681	99,462	218,109	1,848,883	3,847,155	1,275,187	255,224	374,653	5,441,365	2,236,283	2,690,785	267,431	2,680,711	5,936,430	139,104	1,576,910	50,139	23,275	176,326	30,318,041
Long-term lease liabilities.....	63,243	173,362	374,342	200,034	1,427	100,065	-	1,765,044	7,178,861	3,259,564	367,092	624,315	5,427,212	13,301,439	2,683,786	447,507	15,176,581	103,687	824,207	10,216,947	162,002	10,189	1,208,368	63,669,274
Total lease liabilities.....	\$ 797,285	\$ 330,554	\$ 519,566	\$ 274,504	\$ 71,108	\$ 199,527	\$ 218,109	\$ 3,613,927	\$ 11,026,016	\$ 4,534,751	\$ 622,316	\$ 998,968	\$ 10,868,577	\$ 15,537,722	\$ 5,374,571	\$ 714,938	\$ 17,857,292	\$ 6,040,117	\$ 963,311	\$ 11,793,857	\$ 212,141	\$ 33,464	\$ 1,384,694	\$ 93,987,315
Percentage of total.....	0.85%	0.35%	0.55%	0.29%	0.08%	0.21%	0.23%	3.85%	11.73%	4.82%	0.66%	1.06%	11.56%	16.53%	5.72%	0.76%	19.00%	6.43%	1.02%	12.55%	0.23%	0.04%	1.47%	100.00%
Months Remaining.....	444	25	44	44	12	24	12	24	36	45	30	32	24	86	24	32	84	12	88	100	52	17	106	1,397
Discount rate at commencement.....	4.09%	1.63%	4.75%	3.94%	4.62%	4.98%	4.75%	4.75%	4.75%	4.75%	4.75%	3.76%	2.55%	1.97%	2.55%	3.39%	3.48%	3.94%	3.52%	4.46%	4.64%	4.92%	4.37%	
Weighted average remaining lease term.....	3.77	0.09	0.24	0.13	0.01	0.05	0.03	0.92	4.22	2.17	0.20	0.34	2.78	14.22	1.37	0.24	15.96	0.77	0.90	12.55	0.12	0.01	1.56	
Weighted average discount rate.....	0.03%	0.01%	0.03%	0.01%	0.00%	0.01%	0.01%	0.18%	0.56%	0.23%	0.03%	0.04%	0.29%	0.33%	0.15%	0.03%	0.66%	0.25%	0.04%	0.56%	0.01%	0.00%	0.06%	

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS	Community Housing Innovations, Inc.	CHI Realty, Inc.	MHP CHI Member, LLC.	Consolidated
Current Assets:				
Cash and cash equivalents.....	\$ 29,145,283	\$ 47,722	\$ -	\$ 29,193,005
Accounts receivable and accrued revenue, net of allowance for doubtful accounts....	9,498,909	(175)	-	9,498,734
Prepaid expenses and other current assets.....	79,767	2,138	-	81,905
TOTAL CURRENT ASSETS	38,723,959	49,685	-	38,773,644
Security deposits and other assets.....	244,762	-	-	244,762
Property and equipment, net of accumulated depreciation.....	12,976,726	-	-	12,976,726
Operating lease right-of-use assets.....	69,360,555	-	-	69,360,555
Deferred compensation plan.....	479,215	-	-	479,215
TOTAL ASSETS	\$ 121,785,217	\$ 49,685	\$ -	\$ 121,834,902
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Current portion of mortgages payable, net of deferred financing fees.....	\$ 209,055	\$ -	\$ -	\$ 209,055
Current portion of notes payable.....	20,195	-	-	20,195
Current portion of grants payable.....	1,606,614	-	-	1,606,614
Current portion of operating lease liability.....	25,075,959	-	-	25,075,959
Contract advances and due to government agencies.....	15,502,613	-	-	15,502,613
Accounts payable and accrued expenses.....	11,236,071	-	-	11,236,071
Deposits payable.....	133,845	-	-	133,845
TOTAL CURRENT LIABILITIES	53,784,352	-	-	53,784,352
Mortgages payable, net of current portion and deferred financing fees.....	3,369,138	-	-	3,369,138
Notes payable, net of current portion.....	20,133	-	-	20,133
Operating lease liability, net of current portion.....	46,086,323	-	-	46,086,323
Grants payable, net of current portion.....	3,920,450	-	-	3,920,450
Contract advances and due to government agencies, net of current portion.....	667,497	-	-	667,497
Deferred compensation plan.....	479,215	-	-	479,215
TOTAL LIABILITIES	108,327,108	-	-	108,327,108
Net Assets:				
Without donor restrictions.....	13,451,555	49,685	-	13,501,240
With donor restrictions.....	6,554	-	-	6,554
TOTAL NET ASSETS	13,458,109	49,685	-	13,507,794
TOTAL LIABILITIES AND NET ASSETS	\$ 121,785,217	\$ 49,685	\$ -	\$ 121,834,902

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS	Community Housing Innovations, Inc.	CHI Realty, Inc.	MHP CHI Member, LLC.	Consolidated
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

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

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions				With Donor Restrictions				Total
	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	
REVENUE AND SUPPORT:									
Rental income	\$ 6,741,331	\$ -	\$ -	\$ 6,741,331	\$ -	\$ -	\$ -	\$ -	\$ 6,741,331
Scattered site housing/shelters	101,722,429	-	-	101,722,429	-	-	-	-	101,722,429
Revenue from government contracts	6,702,436	-	-	6,702,436	-	-	-	-	6,702,436
Interest	580,571	-	-	580,571	-	-	-	-	580,571
Special events, net	246,219	-	-	246,219	-	-	-	-	246,219
Contributions	157,805	-	-	157,805	1,429	-	-	1,429	159,234
Gain on sales/disposal of property and equipment	998,900	-	-	998,900	-	-	-	-	998,900
Other	304,206	1,980	-	306,186	-	-	-	-	306,186
Release of restrictions on grants payable	110,877	-	-	110,877	-	-	-	-	110,877
Net assets released from restriction	519	-	-	519	(519)	-	-	(519)	-
TOTAL REVENUE AND SUPPORT	117,565,293	1,980	-	117,567,273	910	-	-	910	117,568,183
FUNCTIONAL EXPENSES:									
Program Services:									
County funded emergency shelters	97,863,855	-	-	97,863,855	-	-	-	-	97,863,855
Permanent housing	2,935,089	-	-	2,935,089	-	-	-	-	2,935,089
Home grant programs	1,201,021	-	-	1,201,021	-	-	-	-	1,201,021
Other programs	5,636,826	1,927	-	5,638,753	-	-	-	-	5,638,753
TOTAL PROGRAM SERVICES	107,636,791	1,927	-	107,638,718	-	-	-	-	107,638,718
Supporting Services:									
Management and general	9,669,197	-	-	9,669,197	-	-	-	-	9,669,197
Fundraising	25,832	-	-	25,832	-	-	-	-	25,832
TOTAL SUPPORTING SERVICES	9,695,029	-	-	9,695,029	-	-	-	-	9,695,029
TOTAL EXPENSES	117,331,820	1,927	-	117,333,747	-	-	-	-	117,333,747
CHANGE IN NET ASSETS BEFORE OTHER ITEMS	233,473	53	-	233,526	910	-	-	910	234,436
Impairment loss	(168,084)	-	-	(168,084)	-	-	-	-	(168,084)
CHANGE IN NET ASSETS	65,389	53	-	65,442	910	-	-	910	66,352
Net assets, beginning of year	13,386,166	49,632	-	13,435,798	5,644	-	-	5,644	13,441,442
Total net assets, end of year	\$ 13,451,555	\$ 49,685	\$ -	\$ 13,501,240	\$ 6,554	\$ -	\$ -	\$ 6,554	\$ 13,507,794

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

	Without Donor Restrictions				With Donor Restrictions				Total
	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	
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