COMMUNITY HOME TRUST AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTAL INFORMATION

For the Years Ended June 30, 2024 and 2023

COMMUNITY HOME TRUST AND AFFILIATE

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June 30, 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Community Home Trust and Affiliate
Chapel Hill, North Carolina

Opinion

We have audited the accompanying consolidated financial statements of Community Home Trust and Affiliate (a non-profit organization), which comprise the consolidated statements of financial position as of June 30, 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 financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Home Trust and Affiliate as of June 30, 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 auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Home Trust and Affiliate 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Home Trust and Affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of Community Home Trust and Affiliate'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Home Trust and Affiliate's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules on pages 28-31 are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Neal, Bradsher & Taylor

CERTIFIED PUBLIC ACCOUNTANTS
Durham, North Carolina

November 15, 2024

COMMUNITY HOME TRUST AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 752 724	$ 676 753
Restricted cash – Transfer fees	433 501	396 759
Restricted cash – Master leasing	23 087	16 378
Restricted cash – Capital improvements and maintenance	53 985	51 702
Grants receivable	194 308	19 133
Accounts and other receivables	78 758	77 284
Real estate, development, and construction costs	11 997	13 410
Prepaid expenses	42 163	2 138
Total Current Assets	1 590 523	1 253 557
PROPERTY AND EQUIPMENT: (At Cost)		
Rental real estate	8 311 100	6 574 085
Office furniture and equipment	76 147	111 917
Construction in progress	93 663	93 663
Land	852 862	852 862
	9 333 772	7 632 527
Less: Accumulated depreciation	(1 165 116)	(1 022 780)
Net Property and Equipment	8 168 656	6 609 747
OTHER ASSETS:		
Restricted cash – Stewardship fees	164 535	174 503
Restricted investment – Stewardship fees	1 535 102	1 331 453
Restricted cash – Debt agreement	224 473	198 208
Restricted investment – Transfer fees	125 298	118 632
Investments	485 418	660 694
Cash – Tenant security deposits	18 156	18 045
Deposits	5 112	3 612
Operating lease asset, as restated	77 288	119 099
Notes receivable, net	194 860	200 267
Total Other Assets	2 830 242	2 824 513
Total Assets	$ 12 589 421	$ 10 687 817

See Notes to Financial Statements

COMMUNITY HOME TRUST AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)
June 30, 2024 and 2023

LIABILITIES AND NET ASSETS

		2024		2023
CURRENT LIABILITIES:				
Accounts payable – Trade	$	213 174	$	19 524
Accrued payroll expenses		42 757		40 659
Accrued interest expense		2 734		3 009
Accrued expenses – Other		10 798		2 538
Prepaid rent		8 843		23 657
Short-term operating lease liability		45 231		42 771
Current portion of long-term debt		118 125		113 738
Total Current Liabilities		441 662		245 896
LONG-TERM LIABILITIES:				
Long-term operating lease liability		31 279		76 510
Long-term debt		6 099 153		6 179 836
Total Long-Term Liabilities		6 130 432		6 256 346
OTHER LIABILITIES:				
Stewardship fees		1 699 637		1 517 387
Security deposits		18 156		18 045
Total Other Liabilities		1 717 793		1 535 432
Total Liabilities		8 289 887		8 037 674
NET ASSETS:				
Without donor restrictions		3 070 900		1 528 457
With donor restrictions		1 228 634		1 121 686
Total Net Assets		4 299 534		2 650 143
Total Liabilities and Net Assets	$	12 589 421	$	10 687 817

See Notes to Financial Statements

COMMUNITY HOME TRUST AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2024 and 2023

	2024		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE:			
Grants for operations	$ 1 180 826	$ 136 759	$ 1 317 585
Marketing and development fees	18 000	-	18 000
Transfer fees	10 000	100 196	110 196
Contributions	60 156	11 190	71 346
In-kind contribution	1 204 999	-	1 204 999
Land lease income	53 379	-	53 379
Investment income, net of fees	80 071	12 952	93 023
Rental income	582 970	-	582 970
Master leasing program	68 694	5 350	74 044
Program service revenue	-	-	-
Other revenue	41 134	-	41 134
Net assets released from restrictions	159 499	(159 499)	-
Total Support and Revenue	3 459 728	106 948	3 566 676
PROJECT INCOME:			
Residential sales	2 789 000	-	2 789 000
Grant subsidies	60 500	-	60 500
Total residential sales and grant subsidies	2 849 500	-	2 849 500
Costs of residential construction and sales	(2 426 824)	-	(2 426 824)
Loan subsidy allowance	(367 250)	-	(367 250)
Total Net Project Income	55 426	-	55 426
Total Support, Revenue, and Project Income	3 515 154	106 948	3 622 102
EXPENSES:			
Home sales	467 969	-	467 969
Down payment assistance	-	-	-
Property management	507 308	-	507 308
Rental – Landings	645 895	-	645 895
Rental – CHT	32 887	-	32 887
Master leasing	106 133	-	106 133
Total Program	1 760 192	-	1 760 192
General and administrative	90 724	-	90 724
Fundraising	121 795	-	121 795
Total Expenses	1 972 711	-	1 972 711
CHANGE IN NET ASSETS	1 542 443	106 948	1 649 391
NET ASSETS AT BEGINNING OF YEAR	1 528 457	1 121 686	2 650 143
NET ASSETS AT END OF YEAR	$ 3 070 900	$ 1 228 634	$ 4 299 534

See Notes to Financial Statements

COMMUNITY HOME TRUST AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES (Continued)
For the Years Ended June 30, 2024 and 2023

	2023		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE:			
Grants for operations	$ 680 855	$ -	$ 680 855
Marketing and development fees	4 000	-	4 000
Transfer fees	(718)	34 228	33 510
Contributions	60 334	-	60 334
In-kind contribution	-	-	-
Land lease income	50 987	-	50 987
Investment income, net of fees	51 631	3 487	55 118
Rental income	547 886	-	547 886
Master leasing program	-	111 029	111 029
Program service revenue	55 000	-	55 000
Other revenue	24 329	-	24 329
Net assets released from restrictions	277 857	(277 857)	-
Total Support and Revenue	1 752 161	(129 113)	1 623 048
PROJECT INCOME:			
Residential sales	1 650 000	-	1 650 000
Grant subsidies	10 000	-	10 000
Total residential sales and grant subsidies	1 660 000	-	1 660 000
Costs of residential construction and sales	(1 529 104)	-	(1 529 104)
Loan subsidy allowance	(75 800)	-	(75 800)
Total Net Project Income	55 096	-	55 096
Total Support, Revenue, and Project Income	1 807 257	(129 113)	1 678 144
EXPENSES:			
Home sales	412 559	-	412 559
Down payment assistance	24 049	-	24 049
Property management	524 796	-	524 796
Rental – Landings	675 132	-	675 132
Rental – CHT	-	-	-
Master leasing	141 201	-	141 201
Total Program	1 777 737	-	1 777 737
General and administrative	82 955	-	82 955
Fundraising	153 734	-	153 734
Total Expenses	2 014 426	-	2 014 426
CHANGE IN NET ASSETS	(207 169)	(129 113)	(336 282)
NET ASSETS AT BEGINNING OF YEAR	1 735 626	1 250 799	2 986 425
NET ASSETS AT END OF YEAR	$ 1 528 457	$ 1 121 686	$ 2 650 143

See Notes to Financial Statements

COMMUNITY HOME TRUST AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2024 and 2023

	2024								
	Home Sales	Property Management	Rental – Landings	Rental – CHT	Master Leasing	Program Total	General and Administrative	Fundraising	Grand Total
Salaries	$ 278 599	$ 250 520	$ -	$ 11 204	$ 27 074	$ 567 397	$ 50 272	$ 71 950	$ 689 619
Payroll taxes	22 597	18 318	-	480	1 159	42 554	2 153	6 980	51 687
Employee benefits	39 540	32 710	-	788	1 904	74 942	3 535	6 262	84 739
Retirement	20 972	16 595	-	440	1 064	39 071	1 975	7 144	48 190
Professional services	40 629	25 506	68 253	823	1 990	137 201	22 394	5 288	164 883
Occupancy	21 776	19 581	-	876	2 116	44 349	3 929	5 624	53 902
Realtor fees	6 502	-	-	-	-	6 502	-	-	6 502
Utilities	-	-	56 924	-	-	56 924	-	-	56 924
Travel, training, and meeting expense	11 270	4 971	-	233	403	16 877	3 257	11 047	31 181
Depreciation	6 884	6 191	162 137	277	669	176 158	1 242	1 778	179 178
Insurance	1 901	1 709	20 768	76	185	24 639	343	491	25 473
Contract labor	4 720	1 420	90 019	64	154	96 377	285	1 308	97 970
Rental repairs and maintenance	-	-	142 736	16 324	68 694	227 754	-	-	227 754
Office expense	7 418	6 671	10 242	298	721	25 350	1 339	1 916	28 605
Advertising	5 018	2 007	-	1 004	-	8 029	-	2 007	10 036
Stewardship expense	-	-	-	-	-	-	-	-	-
Homeowner's association expense	-	8 000	17 664	-	-	25 664	-	-	25 664
Transfer fee expense	-	88 030	-	-	-	88 030	-	-	88 030
Asset maintenance	-	24 367	10 226	-	-	34 593	-	-	34 593
Interest expense	-	-	63 070	-	-	63 070	-	-	63 070
Miscellaneous	143	712	3 856	-	-	4 711	-		4 711
Total Expenses	$ 467 969	$ 507 308	$ 645 895	$ 32 887	$ 106 133	$ 1 760 192	$ 90 724	$ 121 795	$ 1 972 711

See Notes to Financial Statements

COMMUNITY HOME TRUST AND AFFILIATE
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)
For the Years Ended June 30, 2024 and 2023

	2023								
	Home Sales	Property Management	Rental – Landings	Master Leasing	Down Payment Assistance	Program Total	General and Administrative	Fundraising	Grand Total
Salaries	$ 258 020	$ 239 545	$ -	$ 22 714	$ 13 371	$ 533 650	$ 44 628	$ 86 852	$ 665 130
Payroll taxes	21 422	18 105	-	831	489	40 847	1 632	7 076	49 555
Employee benefits	33 562	33 257	-	1 952	1 149	69 920	3 836	8 370	82 126
Retirement	20 347	17 174	-	838	493	38 852	1 647	6 189	46 688
Professional services	24 603	21 912	47 924	783	3 416	98 638	21 394	3 073	123 105
Occupancy	20 499	19 030	-	1 804	1 062	42 395	3 545	6 900	52 840
Realtor fees	5 971	-	-	-	-	5 971	-	-	5 971
Utilities	-	-	61 499	-	-	61 499	-	-	61 499
Travel, training, and meeting expense, as restated	5 684	4 987	-	353	208	11 232	3 341	23 782	38 355
Depreciation	6 790	6 303	161 773	598	351	175 815	1 174	2 285	179 274
Insurance	937	1 645	14 948	82	49	17 661	712	315	18 688
Contract labor	922	680	67 429	65	1 478	70 574	127	4 824	75 525
Rental repairs and maintenance	-	7 535	213 244	110 723	-	331 502	-	-	331 502
Office expense	6 125	5 221	11 647	458	939	24 390	900	1 944	27 234
Advertising	5 424	2 088	9 857	-	1 044	18 413	-	2 088	20 501
Stewardship expense	-	5 000	-	-	-	5 000	-	-	5 000
Homeowner's association expense	-	18 000	17 651	-	-	35 651	-	-	35 651
Transfer fee expense	-	110 946	-	-	-	110 946	-	-	110 946
Asset maintenance	-	12 000	-	-	-	12 000	-	-	12 000
Interest expense	-	-	67 661	-	-	67 661	-	-	67 661
Miscellaneous	2 253	1 368	1 499	-	-	5 120	19	36	5 175
Total Expenses	$ 412 559	$ 524 796	$ 675 132	$ 141 201	$ 24 049	$ 1 777 737	$ 82 955	$ 153 734	$ 2 014 426

See Notes to Financial Statements

COMMUNITY HOME TRUST AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		
Cash Flows From Operating Activities:		
Cash received from public and government support	$ 1 213 756	$ 792 680
Cash received from home sales and other revenue	3 063 675	1 813 693
Cash paid to employees and suppliers	(3 989 396)	(3 295 491)
Cash received from investment income	19 399	5 084
Cash paid for interest expense	(36 372)	(41 664)
Cash received from rental and land lease income	647 760	707 992
Net Cash Provided (Used) by Operating Activities	918 822	(17 706)
Cash Flows From Investing Activities:		
Cash paid for investment activities	(24 065)	(9 084)
Cash received from investment activities	266 299	119 813
Cash paid for office furniture and equipment	(1 072)	(14 539)
Cash paid for purchase of real property	(532 016)	-
Cash paid for construction in progress	-	(562)
Cash received for construction in progress	1 413	-
Cash paid to reserve – CHT Landings	(26 265)	(23 215)
Cash received from reserve – CHT Landings	-	76 460
Cash received from notes receivable	334 709	288 200
Cash paid for notes receivable	(696 552)	(357 500)
Net Cash Provided (Used) by Investing Activities	(677 549)	79 573
Cash Flows From Financing Activities:		
Principal payments on long-term debt	(108 137)	(112 091)
Cash received and due to Stewardship	-	11 431
Cash paid for due to Stewardship	(11 431)	-
Net Cash Used by Financing Activities	(119 568)	(100 660)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	121 705	(38 793)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1 141 592	1 180 385
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1 263 297	$ 1 141 592

See Notes to Financial Statements

COMMUNITY HOME TRUST AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
For the Years Ended June 30, 2024 and 2023

	2024	2023
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Change in net assets	$ 1 649 391	$ (336 282)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
In-kind donation – Assets	(1 204 999)	-
Investment income, as restated	(73 624)	(50 034)
Depreciation	179 178	179 274
Amortization of loan discounts	31 841	32 802
Operating lease	(960)	(254)
Allowance of current year permanent subsidies on notes receivable	367 250	75 800
(Increase) decrease in operating assets:		
Grants receivable	(175 175)	51 491
Accounts and other receivable	(1 474)	30 831
Prepaid expenses	(40 025)	11 913
Deposits	(1 500)	-
Increase (decrease) in operating liabilities:		
Accounts payable	193 650	(15 412)
Accrued payroll expense	2 098	(167)
Accrued interest expense	(275)	(289)
Accrued expenses – Other	8 260	(1 492)
Prepaid rent	(14 814)	4 113
Net Cash Provided (Used) by Operating Activities	$ 918 822	$ (17 706)

See Notes to Financial Statements

1. NATURE OF ACTIVITIES:

Community Home Trust and Affiliate (the "Organization") is incorporated as a tax-exempt organization to provide affordable housing to low and moderate income households in Orange County, North Carolina. The Organization strives to keep its inventory of affordable homes affordable in perpetuity by using the community land trust model, wherein homes are conveyed to buyers using a 99-year ground lease. The ground lease includes a resale formula that restricts price appreciation, thereby allowing homes to remain affordable to subsequent buyers. The Organization acquires most of its housing inventory as a result of inclusionary housing policies in the Towns of Chapel Hill and Carrboro. As of June 30, 2024, there were 343 homes in the Organization's inventory of affordable homes. This includes 282 units for homeownership and 61 rental units.

In October 2017, the Organization established a limited liability corporation, named CHT Landings, LLC (The Project). The Organization is the sole member of CHT Landings, and owns 100% of the membership interests in the entity. CHT Landings was established to acquire, own, lease and operate a 58-unit rental development located in Carrboro, NC called The Landings at Winmore. The Landings is a tax credit development built in 2010. Since acquiring The Landings at Winmore, the Organization has focused on making it a better place to live for the residents. This includes creating a tenant advisory committee to hear tenant concerns and advise ownership of desired changes. With the help of a grant from Blue Cross Blue Shield, the Organization has invested significant funds into making The Landings a healthier, safer, and more energy efficient place to live. Upgrades have included replacing old carpet with luxury vinyl plank, adding exterior lights and cameras for added security, and replacing outdated interior lights with LED fixtures.

The Master Leasing Program began in April 2019 and is approved to extend through April 2025 with the possibility of an extension. The program provides rental housing for applicants earning less than 30% of the AMI and are either experiencing homelessness or are at risk of immediate homelessness. Currently, there are eight participants in the program. The Organization holds a master lease with Glen Lennox apartments for eight units. The Organization then leases these units to the participants at a significantly reduced cost that does not exceed 30% of their gross monthly income, including utilities. The cost for the program has been funded by a grant from the town of Chapel Hill as well as private donations. There are currently 8 units in the Master Leasing Program.

In 2024, the Organization established another Master Leasing program with Chatham County Schools. This program targets teachers, providing rental housing, charging teachers rent based on 30% of their income. Private foundation funding assists with the gap funding. Currently five units are available for this pilot program with a possibility of adding an additional five units. The Organization holds master a lease with The Guild at Mosaic and subleases to eligible teachers.

Also in 2024, the Organization acquired five single family homes in Durham from another non-profit organization. With private foundation funding and an affordable housing loan, the Organization will renovate all five homes to provide safe, stable housing for the long-term tenants currently living in the properties. The goal of the project is to preserve naturally occurring affordable housing and keep the homes permanently affordable by acquiring them into the land trust. The tenants will have the option, if eligible, to convert their tenancies to homeownership.

In 2025, the Organization is anticipating adding 30 more homeownership units to its inventory, and in 2026, an additional 60 units. 2027 and 2028 will see increases in inventory as well, with a projected doubling of inventory by 2030.

1. NATURE OF ACTIVITIES: (Continued)

In 2025, the Organization will begin construction of a 48-unit Low Income Tax Credit project in conjunction with a private affordable housing developer. In 2026, the Organization will begin construction of another 48-unit Low Income Housing Tax Credit project that will serve residents that are 55 and older.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of the Organization are prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of CHT Landings, LLC, a wholly-owned subsidiary. All material interagency balances and transactions have been eliminated.

FINANCIAL STATEMENT PRESENTATION

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investment and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GRANTS RECEIVABLE

Grants receivable is stated at unpaid balances. The management of the organization believes that grants receivables will be collected. Therefore, no allowances for uncollectible accounts are considered necessary.

ACCOUNTS AND NOTES RECEIVABLE

The Organization uses an allowance method to account for subsidies provided on notes receivable from homeowners. The allowance is based on management's estimate of the collectability of the notes receivable balance. No allowance is deemed necessary for accounts receivable. The carrying value of accounts and notes receivable approximates their fair value.

PROPERTY AND EQUIPMENT

All acquisitions of property and equipment in excess of $1,000 are capitalized. Property and equipment are stated at cost if purchased, and fair market value at the date of gift if donated. Depreciation is computed primarily using the straight-line method over the estimated useful lives ranging from 3 to 40 years.

The Project has a different capitalization policy from the Organization. All acquisitions of property and equipment in excess of $5,000 are capitalized.

INVESTMENTS – STOCKS AND BONDS

The Organization carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

COMPENSATED ABSENCES

Employees earn a maximum of 20 days per year and are allowed to carryover a maximum of five days at the end of the calendar year. Unused vacation pay will be reimbursed at the employee's current rate of pay upon the last day of their employment with the Organization.

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

LEASES

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. We adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after July 1, 2021 using a modified retrospective approach with certain practical expedients available. We elected the available practical expedients to account for our existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of an operating lease would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. In addition, we elected the hindsight practical expedient to determine the lease term for existing leases.

RECOGNITION OF PROJECT INCOME

A portion of the Organization's operations consists of residential real estate development and construction of residential dwelling projects. The Organization recognizes these revenues on the completed-contract method. This method is used because the typical contract is completed in less than one year, and financial position and results of operations do not vary significantly from those which would result from use of the percentage-of-completion method. A contract is considered complete when all costs except insignificant items have been incurred (usually at the time of final closing). Grant subsidies received to purchase and develop residential real estate are recorded as deferred revenue until the contract is completed and the final closing of the residential dwelling has occurred.

Contract costs include direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs, and depreciation. General and administrative costs are charged to expense as incurred.

ADVERTISING COSTS

Advertising costs, consisting primarily of real estate advertisements, are expensed as incurred.

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Management has considered the tax positions taken in its tax returns and believes that all of the positions taken by the Organization in its federal exempt organization tax returns are more likely-than-not to be sustained upon examination.

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

INCOME TAX STATUS (Continued)

Generally, the Organization's tax returns remain open for three years for examination by taxing authorities. The Organization does not believe there are any material uncertain tax positions and, accordingly, it did not recognize any liability for unrecognized tax benefits.

FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management’s judgment about the assumptions that market participants would use in pricing the asset or liability.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated based on estimated time spent on the programs and supporting services benefited.

2. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

REVENUE RECOGNITION

The Financial Accounting Standards Board (FASB) issued two accounting standard updates that has affected the Organization's revenue recognition. The first – Accounting Standards Update No. 2014-09 – Revenue from Contracts with Customers (Topic 606) affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this update is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services. This update requires entities to make new judgements and estimates and provide expanded disclosures about revenue. The second – Accounting Standards Update No. 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, establishes standards for characterizing grants and similar contracts with resource providers as either exchange transactions or conditional contributions.

3. LIQUIDITY:

The below reflects Community Home Trust and Affiliate's financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to donor-imposed restrictions within one year of the statement of financial position date. Financial assets include $125,298 and $107,201 from other assets to offset amounts included in restricted by donor as of June 30, 2024 and 2023, respectively.

	2024	2023
Financial assets, at June 30	$ 2 023 810	$ 1 360 757
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	(1 228 634)	(1 121 686)
Prepaid expenses	(42 163)	(2 138)
Real estate development and construction costs	(11 997)	(13 410)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 741 016	$ 223 523

The Organization has access to investments of $485,418 and $660,694 at June 30, 2024 and 2023, respectively, that may be used for operations in subsequent years. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

4. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents at June 30 are reflected on the Statements of Financial Position as follows:

	2024	2023
Cash and cash equivalents	$ 752 724	$ 676 753
Restricted cash – Transfer fees	433 501	396 759
Restricted cash – Master leasing	23 087	16 378
Restricted cash – Capital improvements and maintenance	53 985	51 702
	$ 1 263 297	$ 1 141 592

5. RESERVES:

Replacement Reserve

The Project is required to establish a replacement reserve for working capital needs, capital asset repairs, and replacement. Annual deposits of $250 per unit are required, paid in monthly installments. Deposits are required to increase by 4% annually. The replacement reserve is comprised of the following as of June 30:

	2024	2023
Balance, July 1	$ 147 307	$ 200 552
Deposits	26 265	23 215
Withdrawals	-	(76 460)
Balance, June 30	$ 173 572	$ 147 307

Operating Reserve

The Project is required to maintain an operating reserve in the amount of $188,662 for operating expenses and debt service of the Project which exceed revenues available for payment. The reserve is required to be replenished as cash flow permits. As of June 30, 2024 and 2023, the balance in the operating reserve was $50,901 and $50,901, respectively.

6. NOTES RECEIVABLE:

Notes receivable as of June 30, consist of:

	2024	2023
Non-interest bearing notes receivable received as part of sale proceeds of residential units. Notes are payable by the buyer upon the subsequent transfer of the property.	$ 6 437 118	$ 6 088 868
Non-interest bearing notes receivable received for HOA assessments and home repairs paid on behalf of the homeowner. Note is payable by the homeowner upon sale of the home.	49 879	36 286
	6 486 997	6 125 154
Allowance for permanent loan subsidies	(6 292 137)	(5 924 887)
	$ 194 860	$ 200 267

6. NOTES RECEIVABLE: (Continued)

The Organization issues no interest, no payment, second mortgages (loan subsidies) to homeowners to reduce the amount of the total purchase of the home and make the home more affordable. These loan subsidies are issued based on the individual's income, bank loan amount and housing ratio, and the floor price of the home. The maximum income that can be earned for a household as established by HUD income limits is expected to increase slightly over the next five years as the price of homes in the Organization may appreciate each year. Also, non-mortgage costs such as taxes, HOA dues, and insurance are expected to increase each year. As a result, management anticipates the loan subsidies issued for various properties to be rolled over to the new homeowner when the property is sold. Loan subsidies totaled $6,292,137 and $5,924,887 as of June 30, 2024 and 2023, respectively.

7. INVESTMENTS:

Investments consist of various types of publicly traded securities carried at fair market values (based on Level 1 inputs only) in the statements of financial position.

June 30, 2024	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Exchange Traded Funds	$ 642 279	$ 610 716	$ (31 563)

June 30, 2023	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Exchange Traded Funds	$ 857 903	$ 779 326	$ (78 577)

The above fair values are included in the statements of financial position under the following captions as of June 30:

	2024	2023
Restricted Investment – Transfer Fees	$ 125 298	$ 118 632
Investments	485 418	660 694
Total	$ 610 716	$ 779 326

The components of investment return in the statements of activities are as follows:

Interest and dividends, net of fees	$ 38 616	$ 22 107
Realized gain/(loss) on investments	7 393	(13 808)
Unrealized gain/(loss) on investments	47 014	46 819
Total	$ 93 023	$ 55 118

8. INVESTMENTS – STEWARDSHIP FEES:

Investments consist of various types of publicly traded securities carried at fair market values (based on Level 1 inputs only) in the statements of financial position.

June 30, 2024	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Exchange Traded Funds	$ 470 732	$ 488 647	$ 17 915
Fixed Income	959 513	1 046 455	86 942
Total	$ 1 430 245	$ 1 535 102	$ 104 857

June 30, 2023	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Exchange Traded Funds	$ 1 444 948	$ 1 331 453	$ (113 495)

The above fair values are included in the statements of financial position under the following captions as of June 30:

	2024	2023
Restricted Investment – Stewardship Fees	$ 1 535 102	$ 1 331 453

The components of investment return not reflected in these financial statements are as follows:

Interest and dividends, net of fees	$ 35 357	$ 27 527
Realized gain on investments	(77 759)	-
Unrealized gain (loss) on investments	212 759	88 397
Total	$ 170 357	$ 115 924

9. STEWARDSHIP FEES:

The Organization began collecting a monthly stewardship fee on all sales of homes beginning March 30, 2007. The fee is accumulated by property and maintained in a separate bank account. The fees will be used to subsidize the cost for specific repairs depending on property type. Stewardship fees approximating $236,966 and $237,247 were collected for each year as of June 30, 2024 and 2023, respectively.

10. OPERATING LEASES:

Building Lease

The Organization has an operating lease for its administrative office. The lease has terms of January 1, 2016 – February 28, 2026. Operating lease expense for the years ended June 30, 2024 and 2023 totaled $46,678 and $46,678, respectively.

The determinate of discount rate was based on what was considered a risk-free interest rate. The risk-free rate was based on applicable federal rates provided by IRS revenue ruling. The weighted-average discount rate for operating leases for the years ended June 30, 2024 and 2023 were 4.08% and 4.08%, respectively.

Cash paid for amounts included in the measurement of the lease liabilities are as follows:
Operating cash outflows from operating leases for the years ended June 30, 2024 and 2023 totaled $46,938 and $47,638, respectively.

Future maturities of operating lease liabilities are as follows:

	Amount
2025	$ 48 352
2026	32 556
Total lease payments	80 908
Less: Imputed interest	4 398
Total lease obligations	76 510
Less: Short-term operating lease liability	45 231
Total Long-Term Operating Lease Liability	$ 31 279

11. LEASES:

Master Leasing Program
The Organization entered into a master lease agreement for nine units with Glen Lennox Apartments in connection with the Master Leasing Program (as described in Note 1). The monthly lease payments for the units are $5,445, collectively. Total annual payments of $51,274 and $79,298 were incurred for the years ended June 30, 2024 and 2023, respectively. Future minimum lease payments for the units are $41,282 and $24,058 for the years ending June 30, 2024 and 2025, respectively, after which there are no future minimum lease payments.

The Organization entered into six sublease agreements with participants in the master leasing program. All leases have an automatic renewal clause for the lease to extend to month to month beyond the first year. There are no future minimum lease payments to be received from the subleases for the year ended June 30, 2024. Rental payments of $43,368 and $51,748 were received for the sublet properties for the years ended June 30, 2024 and 2023, respectively.

11. LEASES: (Continued)

Rental Properties

As of June 30, 2024 the Organization owned several properties that are leased by tenants. All leases either have an automatic renewal clause for the lease to extend to month to month beyond the first year, or are extended to 12 months after a tenant goes through recertification. The total basis of the properties being rented to tenants was $6,325,187 and $6,481,057 as of June 30, 2024 and 2023, respectively.

Rental payments of $569,035 and $554,657 were received from the tenants of the properties for the years ended June 30, 2024 and 2023, respectively. Future minimum lease payments to be received on the properties for fiscal year ending 2024 are $262,523, after which there are no future minimum lease payments.

12. RETIREMENT PLAN:

Effective January 1, 2015, the Organization established a 403(b) plan. The plan covers all eligible employees and is funded by both the organization and each participant, upon election, based on a percentage of the participant's compensations. For the year ending June 30, 2024 and 2023, the Organization's contribution approximated $45,657 and $43,300, respectively.

13. LONG-TERM DEBT:

	2024	2023
AHP First Loan The Project entered into a promissory note with Bank of America, N.A., funded from the Affordable Housing Program (“AHP”), in the amount of $1,440,000 on December 22, 2010. The note bears interest at 2% per annum, compounded annually. Monthly principal and interest payments as set forth in the loan agreement shall be payable with all outstanding principal and unpaid interest due and payable upon maturity on December 1, 2030. The loan is secured by a deed of trust and security agreement. For the years ended June 30, 2024 and 2023 interest incurred related to this loan was $11,544 and $13,056, respectively. The loan balance is net of discount of $41,867 and $54,663, respectively. Amortization of loan discount of $12,786 and $14,209 was recorded to interest expense for the years ending June 30, 2024 and 2023, respectively.	$ 501 045	$ 559 704
AHP Second Loan The Project entered into a promissory note with Bank of America, N.A. funded from the AHP in the amount of $550,000 on December 17, 2010. The note bears interest at 7% per annum, compounded annually. Monthly principal and interest payments as set forth in the loan agreement shall be payable with all outstanding principal and unpaid interest due and payable upon maturity on December 1, 2030. The loan is secured by a deed of trust and security agreement. For the years ended June 30, 2024 and 2023, interest incurred related to this loan was $15,634 and $17,605, respectively.	207 366	234 654

13. LONG-TERM DEBT: (Continued)

	2024	2023
<u>NCHFA Loan</u> The Project entered into a promissory note and loan agreement with the North Carolina Housing Finance Agency ("NCHFA") in the amount of $4,995,112 on January 27, 2010. The loan was received in lieu of tax credits as outlined in Note 10. The note does not bear interest and matures on December 31, 2025, at which time all outstanding principal shall be due and payable. In the event that the Project maintains compliance with the terms of the loan agreement for the duration of the loan, all outstanding principal shall be forgiven by the lender. The loan is secured by a deed of trust.	4 995 112	4 995 112
<u>NCHFA Loan #2</u> The Project entered into a promissory note agreement with the NCHFA, funded from the Tax Credit Assistance Program ("TCAP") in the amount of $410,160 on January 27, 2010. The note does not bear interest and matures on February 1, 2040. The loan is secured by a deed of trust. The loan balance is net of discount of $149,660 and $156,446. Amortization of loan discount of $6,786 and $6,520 was recorded to interest expense for the years ending June 30, 2024 and 2023, respectively.	173 337	166 551
<u>UHA Loan</u> The Project entered into a promissory note and loan agreement with United Housing Associates, Inc. ("UHA"), a member of the Project, in the amount of $250,000 on December 10, 2010. The note does not bear interest and matures on December 1, 2030. The loan is secured by a deed of trust. The loan balance is net of discount of $56,582 and $64,156. Amortization of loan discount of $7,574 and $7,227 was recorded to interest expense for the years ending June 30, 2024 and 2023, respectively.	193 418	185 844
<u>Orange County Loan</u> The Project entered into a promissory note agreement with Orange County, North Carolina pursuant to the Orange County HOME Investment Partnership Program and the Orange County Long-Term Housing Affordability Policy in the amount of $300,000 on May 4, 2011. Monthly payments of principal and interest in the amount of $1,109 are required through maturity on May 1, 2041. The note bears interest at the rate of 2% per annum. The loan is secured by a deed of trust and security agreement. For the years ended June 30, 2024 and 2023, interest incurred related to this loan was $3,903 and $4,089, respectively. The loan balance is net of discount of $45,082 and $49,778. Amortization of loan discount of $4,696 and $4,846 was recorded as interest expense for the years ending June 30, 2024 and 2023, respectively.	147 000	151 709
	6 217 278	6 293 574
Less Current Maturities	(118 125)	(113 738)
Total Long-Term Debt	$ 6 099 153	$ 6 179 836

13. LONG-TERM DEBT: (Continued)

Future minimum principal payments on the debt obligations as of June 30 are as follows:

June 30	Amount
2025	$ 118 125
2026	5 117 569
2027	128 238
2028	134 322
2029	140 728
Thereafter	871 497
Less: Amortized discount	(293 201)
Total	$ 6 217 278

The discount on Notes Payable above were calculated using an incremental borrowing rate of 4%. Notes Payable were discounted using Fair Value Measurement Level 3.

14. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets released from restrictions for the years ended June 30, consist of the following:

	2024	2023
Purpose Restrictions:		
Transfer fee usage – HOA dues and other home expenses	$ 88 030	$ 111 049
Robert Dowling Fund	13 593	500
Amortization of loan discount	31 842	32 801
Capital improvement and maintenance	21 147	21 542
Master leasing	-	107 078
105 Wesley	4 887	4 887
Net Assets Released from Restrictions	$ 159 499	$ 277 857

15. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	2024	2023
Purpose Restriction:		
54 East	$ 309 469	$ 273 911
Greenbridge	236 778	247 219
Capital improvement and maintenance	44 774	65 920
Oak Foundation	136 759	-
Robert Dowling Fund	46 089	48 492
Master Leasing	40 399	35 049
105 Wesley	121 165	126 052
Discount on below market loans	293 201	325 043
Net Assets With Donor Restrictions	$ 1 228 634	$ 1 121 686

16. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions consist of the following:

	2024	2023
Board Designated Net Assets:		
Operating reserves	$ 462 576	$ 453 496
Project reserves	275 757	284 496
Total Board Designated Net Assets	738 333	737 992
Undesignated net assets	2 223 641	652 478
Member's capital – CHT Landings, LLC	108 926	137 987
Net Assets Without Donor Restrictions	$ 3 070 900	$ 1 528 457

17. LAND LEASE INCOME:

As described in Note 1, the Organization makes use of the community land trust model, and as a result, retains title to all the properties it sells. When properties are sold to qualified buyers using the 99-year ground lease, the Organization conveys an "ownership interest", defined as the exclusive right to occupy and possess the land, buildings, structures and other improvements and fixtures attached to any improvements located on premises. Purchasers of this ownership interest are required to pay a monthly land lease fee to the Organization.

For the years ended June 30, 2024 and 2023, land lease income collected under the land leases totaled $53,379 and $50,987, respectively.

18. CONCENTRATIONS:

SUPPORT AND REVENUES

The Organization received approximately 55% and 62% of support and revenues from three local government agencies for the fiscal years ended June 30, 2024 and 2023, respectively. These funds are awarded annually. A decline in funding from these agencies could have a detrimental effect on the Organization's operations.

CASH DEPOSITS

The Organization maintains cash balances at a financial institution that at times exceed the insured amounts of $250,000 provided by the U.S. Federal Deposit.

There was approximately $366,000 and $216,506 in excess of insured limits at June 30, 2024 and 2023, respectively.

19. TAX CREDITS:

The Project has qualified for and has been allocated low-income housing tax credits pursuant to IRC Section 42 which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. The Project elected to receive tax credits in the form of a loan from the NCHFA as described in Note 13. Failure to maintain compliance with tenant income eligibility and rent limits or to correct instances of non-compliance within a reasonable time period may result in the required repayment of this loan, as well as an adjustment to the Organization's contributed capital.

20. CONTINGENCY:

As described in Note 1, the Organization makes use of the community land trust model, and as a result, retains title to all the properties it sells. During the year ending June 30, 2016, the NC State Employees Credit Union (SECU) became a lender to purchasers of the Organization's properties. However, in order to make loans to the Organization's buyers, SECU required the Organization to execute a Hypothecated Security Rider, which provides SECU with fee simple collateral to the Organization's property. In the event the Organization does not pay off the borrower's Note to prevent a foreclosure, SECU will have the right to foreclose on that fee simple interest. In that event, the Organization could lose a property from its portfolio.

21. PROPERTY MANAGEMENT FEE:

As of March 19, 2021 the Project entered into an agreement with Multifamily Select, Inc., an unrelated party, in connection with management of the rental operation of the Project. The agreement term runs May 1, 2021 through April 30, 2023. The contract was auto renewed for one year ending April 30, 2024. The agreement is month to month as of the date of the financial statements. The agreement provides a management fee of 6% of gross collections of preceding month as well as a $5 per unit fee. For the years ended June 30, 2024 and 2023, property management fees of $39,501 and $33,369, respectively, were incurred.

22. BOARD DESIGNATED SPENDING:

During the years ended June 30, 2024 and 2023, the Organization's Board of Directors approved additional expenditures which are included in the Consolidated Statement of Activities, to invest in the long-term affordability and maintenance of Community Home Trust and Affiliate properties as follows:

	2024	2023
Asset maintenance expenses	$ 24 368	$ 12 000
Stewardship expense	-	5 000
HOA expenses	8 000	18 000
Total	$ 32 368	$ 35 000

23. RECLASSIFICATIONS:

Certain balances in the prior year financial statements may have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassifications had no effect on the change in net assets.

24. SUBSEQUENT EVENT:

The Organization evaluated the effect subsequent events would have on the financial statements through the date of the report, November 15, 2024, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

COMMUNITY HOME TRUST
SCHEDULES OF ASSETS, LIABILITIES, AND NET ASSETS – CHT
June 30, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 634 357	$ 561 652
Restricted cash – Transfer fees	433 501	396 759
Restricted cash – Master leasing	23 087	16 378
Restricted cash – Capital improvements and maintenance	53 985	51 702
Grants receivable	194 308	19 133
Accounts and other receivables	52 383	49 256
Real estate, development and construction costs	11 997	13 410
Prepaid expenses	23 929	2 138
Total Current Assets	1 427 547	1 110 428
PROPERTY AND EQUIPMENT: (At Cost)		
Rental real estate	2 106 166	380 071
Office furniture and equipment	18 147	53 917
Construction in progress	93 663	93 663
	2 217 976	527 651
Less: Accumulated depreciation	(114 449)	(134 250)
Net Property and Equipment	2 103 527	393 401
OTHER ASSETS:		
Restricted cash – Stewardship fees	164 535	174 503
Restricted investment – Stewardship fees	1 535 102	1 331 453
Restricted investment – Transfer fees	125 298	118 632
Investment	485 418	660 694
Deposits	5 112	3 612
Operating lease asset	77 288	119 099
Accounts receivable – Landings	88 373	88 373
Notes receivable, net	194 860	200 267
Total Other Assets	2 675 986	2 696 633
Total Assets	$ 6 207 060	$ 4 200 462

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES:		
Accounts payable – Trade	$ 193 526	$ 10 979
Accrued payroll expenses	42 757	40 659
Payroll liabilities	4 023	-
Short-term operating lease liability	45 231	42 771
Total Current Liabilities	285 537	94 409
LONG-TERM LIABILITIES:		
Long-term operating lease liability	31 279	76 510
OTHER LIABILITIES:		
Stewardship fees	1 699 637	1 517 387
Total Liabilities	2 016 453	1 688 306
NET ASSETS:		
Without donor restrictions	3 255 174	1 715 513
With donor restrictions	935 433	796 643
Total Net Assets	4 190 607	2 512 156
Total Liabilities and Net Assets	$ 6 207 060	$ 4 200 462

See Independent Auditors' Report

CHT LANDINGS, LLC
BALANCE SHEETS
June 30, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 118 367	$ 115 070
Tenant accounts receivable	30 530	32 152
Prepaid expenses	18 233	-
Total Current Assets	167 130	147 222
PROPERTY AND EQUIPMENT: (At Cost)		
Rental real estate	6 204 933	6 194 013
Property, plant and equipment	58 000	58 000
Land	852 862	852 862
	7 115 795	7 104 875
Less: Accumulated depreciation	(1 050 667)	(888 530)
Net Property and Equipment	6 065 128	6 216 345
OTHER ASSETS:		
Restricted cash – Debt agreement	224 473	198 208
Cash – Tenant security deposits	18 156	18 045
Total Other Assets	242 629	216 253
Total Assets	$ 6 474 887	$ 6 579 820

LIABILITIES AND CAPITAL

	2024	2023
CURRENT LIABILITIES:		
Accounts payable – Trade	$ 23 802	$ 12 637
Accrued interest expense	2 734	3 009
Accrued expenses – Other	6 775	2 538
Prepaid rent	8 843	23 657
Current portion of long-term debt	118 125	113 738
Total Current Liabilities	160 279	155 579
LONG-TERM DEBT	6 099 153	6 179 836
OTHER LIABILITIES:		
Security deposits	18 156	18 045
Due to Community Home Trust	88 373	88 373
Total Other Liabilities	106 529	106 418
Total Liabilities	6 365 961	6 441 833
CAPITAL:		
Member's Equity	108 926	137 987
Total Liabilities and Capital	$ 6 474 887	$ 6 579 820

See Independent Auditors' Report

COMMUNITY HOME TRUST
SCHEDULES OF REVENUES AND EXPENSES
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Grants for operations	$ 1 180 826	$ 136 759	$ 1 317 585	$ 680 855	$ -	$ 680 855
Marketing and development fees	18 000	-	18 000	4 000	-	4 000
Transfer fees	10 000	100 196	110 196	(718)	34 228	33 510
Contributions	60 156	11 190	71 346	60 334	-	60 334
In-kind contribution	1 204 999	-	1 204 999	-	-	-
Land lease income	53 379	-	53 379	50 987	-	50 987
Investment income, net of fees	77 407	12 952	90 359	51 631	3 487	55 118
Master leasing program	68 694	5 350	74 044	-	111 029	111 029
Program service revenue	-	-	-	55 000	-	55 000
Rental income	23 532	-	23 532	17 501	-	17 501
Other revenue	38 507	-	38 507	29 828	-	29 828
Net assets released from restrictions	127 657	(127 657)	-	245 056	(245 056)	-
Total Support and Revenue	2 863 157	138 790	3 001 947	1 194 474	(96 312)	1 098 162
Residential sales	2 789 000	-	2 789 000	1 650 000	-	1 650 000
Grant subsidies	60 000	-	60 000	10 000	-	10 000
Total residential sales and grant subsidies	2 849 000	-	2 849 000	1 660 000		1 660 000
Cost of residential construction and sales	(2 426 824)	-	(2 426 824)	(1 529 104)	-	(1 529 104)
Loan subsidy allowance	(367 250)	-	(367 250)	(75 800)	-	(75 800)
Total Net Project Income	54 926	-	54 926	55 096	-	55 096
Total Support, Revenue and Project Income	2 918 083	138 790	3 056 873	1 249 570	(96 312)	1 153 258
Home sales	467 969	-	467 969	412 559	-	412 559
Property management	507 308	-	507 308	524 796	-	524 796
Master leasing	106 133	-	106 133	141 201	-	141 201
Rental	32 887	-	32 887	-	-	-
Down payment assistance	-	-	-	24 049	-	24 049
Total Program	1 114 297	-	1 114 297	1 102 605	-	1 102 605
General and administrative	90 724	-	90 724	82 955	-	82 955
Fundraising	121 795	-	121 795	153 734	-	153 734
Total Expenses	1 326 816	-	1 326 816	1 339 294	-	1 339 294
CHANGE IN NET ASSETS	1 591 267	138 790	1 730 057	(89 724)	(96 312)	(186 036)
NET ASSETS AT BEGINNING OF YEAR	1 715 513	796 643	2 512 156	1 807 148	892 955	2 700 103
EQUITY TRANSFER TO LANDINGS	(51 606)	-	(51 606)	(1 911)	-	(1 911)
NET ASSETS AT END OF YEAR	$ 3 255 174	$ 935 433	$ 4 190 607	$ 1 715 513	$ 796 643	$ 2 512 156

See Independent Auditors' Report

CHT LANDINGS, LLC
SCHEDULES OF INCOME
For the Years Ended June 30, 2024 and 2023

	2024	2023
REVENUE:		
Gross potential rent	$ 568 248	$ 537 156
Less: Vacancies	(8 810)	(6 768)
Net Rental Income	559 438	530 388
Interest income	2 663	-
Other income	11 127	2 500
Total Revenue	573 228	532 888
OPERATING EXPENSES:		
Administration	230 342	168 812
Utilities	65 192	70 833
Operating and maintenance	101 674	195 539
Taxes and insurance	31 480	18 514
Total Operating Expenses	428 688	453 698
OTHER INCOME (EXPENSES):		
Interest expense	(63 070)	(67 661)
Depreciation	(162 137)	(161 773)
Total Other Income (Expenses)	(225 207)	(229 434)
Net Loss	$ (80 667)	$ (150 244)