

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION FINANCIAL

STATEMENTS

DECEMBER 31, 2022 (Reviewed)

With Audited Comparative Totals for the Year Ended December 31, 2021



VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 13



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors

Virginia Housing and Community Development Corporation

We have reviewed the accompanying financial statements of Virginia Housing and Community Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of Virginia Housing and Community Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

LaMichelle Hecht, CPA
Overhead Solutions Group

LaMichelle Hecht

February 13, 2024

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

Statement of Financial Position
December 31, 2022 and 2021

	Reviewed <u>December 31, 2022</u>	Audited <u>December 31, 2021</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 40,741	\$ 12,063
Accounts receivable	30	30
Prepaid expenses	1,406	1,406
Investments	14,908	848
Total current assets	<u>57,085</u>	<u>14,347</u>
PROPERTY AND EQUIPMENT, NET	315,950	369,610
OTHER ASSETS		
Loan fees, net	5,768	5,768
Long-term Investments	9,600	9,150
Total other assets	15,368	14,918
TOTAL ASSETS	<u>388,403</u>	<u>398,875</u>
LIABILITIES		
Current liabilities		
Notes payable, current portion of long-term debt	17,895	101,628
Accounts payable	1,600	1,600
Accrued expenses	5,092	4,943
Security deposits payable	-	1,136
Current maturities of long-term SBA loan	223	91
Total current liabilities	<u>24,810</u>	<u>109,398</u>
Long-term liabilities		
Notes payable	216,516	203,466
Less-current portion above	17,895	101,628
Total	<u>198,621</u>	<u>101,838</u>
SBA Loan, less current maturities	8,876	9,009
Notes payable-related party	74,300	35,100
Net long-term liabilities	<u>281,796</u>	<u>145,947</u>
TOTAL LIABILITIES	<u>306,607</u>	<u>255,345</u>
NET Assets		
Without donor restrictions	<u>81,796</u>	<u>143,530</u>
TOTAL NET ASSETS	<u>81,796</u>	<u>143,530</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 388,403</u>	<u>\$ 398,875</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

Statement of Activities
For the years ended December 31, 2022 and 2021

	Reviewed		Audited	
	December 31, 2022		December 31, 2021	
	Without Donor Restrictions	Total	Without Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT				
Contributions	\$ 11,992	\$ 11,992	\$ 22,373	\$ 22,373
Program service revenue	20,362	20,362	13,663	13,663
Event income	19,713	19,714	5,231	5,231
In-kind donations	-	-	500	500
Other income	11,095	11,095	252	252
TOTAL PUBLIC SUPPORT AND REVENUE	63,162	63,162	42,019	42,019
EXPENSES				
Program services	108,555	108,555	30,022	30,022
Management and general	11,156	11,156	20,846	20,846
Fundraising	5,578	5,578	953	953
TOTAL EXPENSES	125,289	125,289	51,821	51,821
Change in Net Assets from Operating Activities	(62,127)	(62,127)	(9,802)	(9,802)
	116,612			
NONOPERATING ACTIVITIES				
Interest and dividend income	393	393	73	73
Other investment income	-	-	437	437
Interest expense	-	-	(8,927)	(8,927)
Change in Net Assets from Nonoperating Activities	393	393	(8,417)	(8,417)
Net Increase (Decrease) in Net Position	(61,734)	(61,734)	(18,219)	(18,219)
Net Position, Beginning of the year	143,530	143,530	161,749	161,749
Net Position, End of the year	81,796	81,796	143,530	143,530

The accompanying Notes to the Financial Statements are an integral part of this statement.

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

Statement of Functional Expenses
For the years ended December 31, 2022 and 2021

	Reviewed				Audited			
	December 31, 2022				December 31, 2021			
Program	Management			Total	Program	Management	Fundraising	Total
Services	and General	Fundraising			Services	and General		
Salaries	36,412	\$ 4,284	\$ 2,142	\$ 42,838	\$	\$	\$	\$
Payroll taxes, insurance, and benefits	10,980	1,292	646	12,917				
Professional Fees	1,943	229	114	2,286	3,445	405	203	4,053
Advertising	2,382	280	140	2,802	1,551	182	91	1,824
Amortization (all management)						1,505		1,505
Awards					1,071			1,071
Bank charges	7,888	928	464	9,280	179	21	11	211
Conferences and meetings	2,150	253	126	2,530				
Construction-rehabilitation	13,728			13,728	1,194			1,194
Contract services	1,254	148	74	1,475	1,660	15,000		16,660
Depreciation	4,683	551	275	5,509	8,022	2,228		10,250
Dues and subscriptions	2,893	340	170	3,403	629	74	37	740
Insurance	2,924	344	172	3,440	1,383	163	81	1,627
Licenses and fees					63	7		70
Office expenses	3,861	454	227	4,542	2,635	310	155	3,100
Other supplies	1,119	132	66	1,317	52	6	3	61
Postage and printing	570	67	34	671	496	58	29	583
R/E Real Estate Expense	7,918	931	466	9,315				
Taxes	499	59	29	587	1,810	201		2,011
Telephone	1,935	228	114	2,277	1,673	197	98	1,968
Utilities	5,418	637	319	6,374	4,159	489	245	4,893
	108,555	\$ 11,156	\$ 5,578	\$ 125,289	\$ 30,022	\$ 20,846	\$ 953	\$ 51,821

The accompanying Notes to the Financial Statements are an integral part of this statement.

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

Statement of Cash Flows
For the years ended December 31, 2022 and 2021

	Reviewed December 31, 2022	Audited December 31, 2021
Cash flows from operating activities:		
Increase (Decrease) in net position	\$ (61,734)	\$ (18,219)
Depreciation and amortization	5,509	11,755
(Increase)/Decrease in accounts receivable	-	2,905
(Increase)/Decrease in prepaid expenses	-	(1,406)
(Increase)/Decrease in security deposit	1,136	-
Increase/(Decrease) in accounts payable	-	1,600
Increase/(Decrease) in accrued expenses	149	4,015
Gain on Sale of Land	(9,071)	-
Net cash provided by (used in) operating activities	<u>(64,011)</u>	<u>650</u>
Cash flows from investing activities:		
Sale of Property	119,473	-
Purchase of property	-	(1,286)
Construction in progress	(62,252)	(151,563)
Changes in investments	(14,510)	13,856
Net cash provided by (used in) investing activities	<u>42,711</u>	<u>(138,993)</u>
Cash flows from financing activities:		
Proceeds from notes payables	219,200	100,000
Repayments on notes payables	(208,422)	(1,534)
Increase in related party loans	39,200	30,000
Net cash provided by (used in) financing activities	<u>49,978</u>	<u>128,466</u>
Net increase (decrease) in cash and cash equivalents	28,678	(9,877)
Cash and cash equivalents at the beginning of the year	12,063	21,940
Cash and cash equivalents at the end of the year	<u>\$ 40,741</u>	<u>\$ 12,063</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

VIRGINIA HOUSE AND COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 (REVIEWED)
With Audited Comparative Totals for the Year Ended December 31, 2021

NOTE 1 - ORGANIZATION:

The community development mission of Virginia Housing and Community Development Corporation (VHDC) is to educate and empower individuals, families and minority business owners to build wealth, access capital and credit, and achieve home ownership. VHDC achieves this mission through a steady stream of wealth building initiatives, home ownership education and assistance, small business financing, and acquiring and rehabilitating distressed housing in targeted communities. VHDC is a 501(c)(3) tax-exempt Community Development Corporation (CDC).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, as such, recognize income when earned and expenses when incurred.

Basis of Presentation

These financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and to present net assets, revenues, and expenses based on the existence or absence of donor-impaired restrictions. This has been accomplished by the classification of assets, liabilities, and net assets into two groups with donor restrictions and without donor restrictions.

These two groups are defined as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.
- *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, where by the donor has stipulated the funds be maintained in perpetuity.

The Organization follows the provisions of the Financial Accounting Standards Board *Accounting Standards Codification (FASB ASC)*.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022
(REVIEWED)
With Audited Comparative Totals for the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Recognition of Restrictions on Assets

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the same reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

Donated Materials and Services

VHDC recognizes in-kind contributions as revenue and expense in the period in which they are received. Donated materials are valued by donor at fair market value on the date of the gift. No amounts have been reflected in the accompanying financial statements for volunteer services since they are not susceptible to objective measurement or valuation; however, a number of volunteers donated significant amounts of their time performing services that would otherwise be performed by paid employees.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year end, less an allowance for doubtful accounts and discount, if necessary. VHDC uses the allowance method to determine uncollectible receivables. The allowance is based on prior collection experience and management's analysis of specific accounts. There was no allowance for doubtful accounts for the years ended December 31, 2022 and 2021.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for maintenance and repairs are expensed as incurred while renewals and betterments are capitalized. The gain or loss on items traded is applied to the asset account, and that on items otherwise disposed of is reflected in income.

Depreciation has been provided for using straight-line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Building	27.5 years
Furniture, fixtures and equipment	3 - 7 years
Intangible assets	5 - 10 years

Depreciation and amortization expense for the years ended December 31, 2022 and 2021 amounted to \$5,509 and \$10,250, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair market values in the statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Money market funds maintained with investment portfolios are included with investments. Unrealized gains and losses are reported as changes from non-operating activities in the accompanying statement of activities. Realized gains and losses on investment transactions are determined on the first-in, first-out basis except for mutual funds in which realized gains and losses are determined on an average cost basis.

VIRGINIA HOUSE AND COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 (REVIEWED)
With Audited Comparative Totals for the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Advertising

VHDC expenses the cost of advertising when incurred. Advertising cost amounted to \$2,802 and \$1,824 as of December 31, 2022 and 2021, respectively.

Functional Allocation of Expenses

The cost of providing VHDC's programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation Reasonable
Accounting fees	basis consistently applied Reasonable basis
Advertising	consistently applied Reasonable basis
Bank charges Contract services	consistently applied Reasonable basis
Depreciation	consistently applied Square footage
Dues and subscriptions	Reasonable basis consistently applied
Insurance	Reasonable basis consistently applied
Licenses and fees	Reasonable basis consistently applied
Office expenses Other	Reasonable basis consistently applied
supplies Postage and printing	Reasonable basis consistently applied
Taxes	Reasonable basis consistently applied
Telephone	Reasonable basis consistently applied
Utilities	Reasonable basis consistently applied
	Reasonable basis consistently applied

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Income Taxes

VHDC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an unexempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. Currently the Organization has no obligation for any unrelated business income tax. The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements; however, any penalties and interest incurred as a result of uncertain tax positions would be recorded in general administration. The Organization's federal return of Organization Exempt from Income Tax (Form 990) for the years ending 2022, 2021, 2020, 2019, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022
(REVIEWED)
With Audited Comparative Totals for the Year Ended December 31, 2021

NOTE 3 - CONCENTRATION OF CREDIT RISK:

Financial instruments, which potentially subject VHDC to concentration of credit risk, consist principally of cash, temporary cash investments and receivables. The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. All of a depositor's accounts are at an insured depository institution, including all non-interest bearing transaction accounts, are insured by the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) up to the standard deposit insurance amount of \$250,000 and \$500,000, respectively, for each deposit insurance ownership category. For the years ended December 31, 2022 and 2021, the Organization did not have demand deposits on hand in financial institutions that exceeded depositor's insurance provided by the applicable guaranty agency.

VHDC solicits contributions from individuals, businesses, and various agencies. Contributions are not collateralized, and there is no legal recourse to collect unpaid contributions.

NOTE 4 - FAIR VALUE MEASUREMENTS:

VHDC adopted the provisions of this statement for its financial assets and liabilities that are re-measured and reported at fair value each reporting period. The adoption of SFAS 157 did not have any impact on the statements of activities or statements of financial position, but does require additional disclosures.

FASB Statement No. 157, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB statement No. 157 are described as follows:

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

Level 2 Inputs to the valuation methodology include:

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

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

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. As of December 31, 2022 and 2021, there are no level 3 assets or liabilities.

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

VIRGINIA HOUSE AND COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 (REVIEWED)
With Audited Comparative Totals for the Year Ended December 31, 2021

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued):

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

Domestic bonds - fixed income: The investment grade corporate bonds held by the Organization generally do not trade in active markets on the measurement date. Therefore, the domestic bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.

Government, corporate and municipal bonds: Valued based on compilation of primarily observable market information in an inactive market.

Exchange traded funds: Valued at the daily closing priced as reported on the active market on which the individual exchange traded funds are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although VHDC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, VHDC's assets at fair value as of December 31, 2022 (Reviewed).

	Level 1	Level 2	Level 3	Total
Program Investments	\$ -	\$ 9,600	\$ -	\$ 9,600
Exchange Traded Funds	14,908	-	-	14,908
Total	\$ 14,908	\$ 9,600	\$ -	\$ 24,508

The following table sets forth by level, within the fair value hierarchy, VHDC's assets at fair value as of December 31, 2021 (Reviewed).

	Level 1	Level 2	Level 3	Total
Program Investments	\$ -	\$ 9,150	\$ -	\$ 9,150
Exchange Traded Funds	848	-	-	848
Total	\$ 848	\$ 9,150	\$ -	\$ 9,998

NOTE 5 - LIQUIDITY AND AVAILABILITY:

The following represents VHDC's financial assets at December 31, 2022

Financial assets at year end:

Cash and cash equivalents	\$ 40,741
Accounts receivable	30
Current investments	14,908
Financial assets available to meet general expenditures within one year	<u>\$ 55,679</u>

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

**NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022
(REVIEWED)**

With Audited Comparative Totals for the Year Ended December 31, 2021

NOTE 6 - PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2022 and 2021 consisted of the following:

	(Reviewed) 2022	(Audited) 2021
Buildings and land	\$ 110,500	\$ 232,501
Construction in progress	151,563	51,563
Furniture, fixtures and equipment	7,700	7,700
Intangible assets	8,381	8,381
Total property and equipment	\$ 400,145	\$ 400,145
Less accumulated depreciation	30,535	30,535
Net property and equipment	\$ 369,610	\$ 369,610

NOTE 7 - NOTES PAYABLE:

	(Reviewed) 2022	(Audited) 2021
5.25% installment note payable in 61 payments of \$1,491.26 and one irregular last payment estimated at \$182,771.21, including principal and interest. The loan is secured by the real property located at 31-33 Howard Street in the City of Hampton, Virginia and is personally guaranteed by the president of VHDC. Due July 1, 2027.	\$ 216,516	\$ -
5% installment note payable in 59 monthly payments of \$537 and one irregular last payment estimated at \$98,329, including principal and interest. The loan is secured by the real property located at 527 Virginia Avenue in the city of Suffolk, Virginia and is personally guaranteed by the president of VHDC. Due November 30, 2025	-	103,466
6.25% loan of \$100,000 due April 1, 2022. The loan is secured by the real property located at 31-33 E. Howard Street in the city of Hampton, Virginia and is personally guaranteed by the president of VHDC.	-	100,000
Total long-term liability	\$ 216,516	\$ 203,466
Less current portion	17,895	101,628
Net long-term liability	\$ 198,621	\$ 101,838

Future maturities of long-term liability are as follows:

	Amount
2023	\$ 17,895
2024	17,895
2025	17,895
2026	17,895
Total	\$ 71,580

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022
(REVIEWED)
With Audited Comparative Totals for the Year Ended December 31, 2021

NOTE 8 - COMPARATIVE FINANCIAL INFORMATION:

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended

December 31, 2021, from which the summarized information was derived.

NOTE 9 - RELATED PARTY TRANSACTIONS:

The Organization secured financing on November 28, 2016 from Katrina S. Taylor and James R Taylor III, the vice president and president of the VHDC respectively, in the amount of \$50,000 with interest only payments at 6% per annum beginning January 1, 2017 and continuing until the property is sold or the debt is refinanced, with the balance then due. Loan was not paid off with proceeds from sale of property. The loan was secured by the real property located at 527 Virginia Avenue in the city of Suffolk, Virginia. At December 31, 2022 and 2021, the outstanding balance was \$6,600 and \$6,600, respectively. The outstanding balance included accrued interest for this loan at December 31, 2022 and 2021 of \$1,600.

The Organization secured financing on October 21, 2019 from James R Taylor III, the president of VHDC in the amount of \$3,500 with zero interest on the balance due. The loan matures in November 2023. At December 31, 2022 and 2021, the outstanding balance was \$3,500.

The Organization is the general partner of the VHDC Community Investment Partners, LP, whose limited partner is James R. Taylor III. Mr. Taylor is one of eleven members of the VHDC Community Investment Partners, LP. The VHDC had \$25,000 and \$25,000 due to VHDC Community Investment Partners, LP at December 31, 2022 and 2021, respectively.

The organization received an additional \$39,200 of loans from Mr. Taylor throughout 2022.

NOTE 10 - PROGRAM REVENUE:

The Organization leased a single-family home to tenants under two-year operating lease with an option to purchase. On September 20, 2020, the lease was renewed for an additional two years and will expire on September 30, 2022. The monthly rental income of \$1,136 is due from the tenants on the first of every month.

NOTE 11 - SBA ECONOMIC INJURY DISASTER LOAN:

On July 18, 2020, the Organization was granted Economic Injury Disaster Loan (EIDL) in the amount of \$9,100 from the U.S. Small Business Administration (SBA) to meet financial obligations and operating expenses that could have been met had the disaster not occurred. First payment deferred one year beginning July 18, 2021, including principal and interest at 2.75%, due July 2025, at which time remaining principal and unpaid interest is due. Loan may be repaid at any time with no pre-payment penalties. The outstanding balance was \$9,009 at December 31, 2022 and 2021.

Future maturities of long-term liability are as follows:

	Amount
2023	223
2024	229
2025	236
2026	242
Thereafter	8,079
Total	\$ 9,009

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022
(REVIEWED)

With Reviewed Comparative Totals for the Year Ended December 31, 2021

NOTE 12 - SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 13, 2024, which is the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through February 13, 2024 that would require adjustment to, or disclosure in, the financial statements.