

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
DECEMBER 31, 2023 (Audited)
With Reviewed Comparative Totals for the Year Ended December 31, 2022



VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Virginia Housing and Community Development Corporation

Opinion

We have audited 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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virginia Housing and Community Development Corporation as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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 Audit of the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

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 the Organization's ability to continue as a going concern for one year after the date 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 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 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 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 statement
- 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 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 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

LaMichelle Hecht, CPA
Overhead Solutions
Group

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September 3, 2024

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VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

Statement of Financial Position
December 31, 2023 and 2022

	Audited <u>December 31, 2023</u>	Reviewed Restated <u>December 31, 2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 137,514	\$ 40,741
Accounts receivable	30	30
Prepaid expenses	1,406	1,406
Investments	161	14,908
Total current assets	<u>139,111</u>	<u>57,085</u>
PROPERTY AND EQUIPMENT, NET	364,561	315,950
OTHER ASSETS		
Loan fees, net	0	5,768
Long-term Investments	7,825	9,600
Total other assets	7,825	15,368
TOTAL ASSETS	<u>511,497</u>	<u>388,403</u>
LIABILITIES		
Current liabilities		
Notes payable, current portion of long-term debt	6,682	17,896
Accounts payable	1,600	1,600
Accrued expenses	535	5,092
Security deposits payable	-	-
Total current liabilities	<u>8,817</u>	<u>24,588</u>
Long-term liabilities		
Notes payable	309,833	216,516
Less-current portion above	6,682	17,895
Total	<u>303,151</u>	<u>198,621</u>
SBA Loan, less current maturities	9,100	9,100
Notes payable-related party	50,000	-
Net long-term liabilities	<u>362,250</u>	<u>207,721</u>
TOTAL LIABILITIES	<u>371,068</u>	<u>232,309</u>
NET Assets		
Without donor restrictions	140,429	156,094
TOTAL NET ASSETS	<u>140,429</u>	<u>156,094</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 511,497</u>	<u>\$ 388,403</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, 2023 and 2022

	Audited		Reviewed Restated	
	December 31, 2023		December 31, 2022	
	Without Donor Restrictions	Total	Without Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT				
Contributions	\$ 81,635	\$ 81,635	\$ 11,992	\$ 11,992
Program service revenue	16,193	16,193	20,362	20,362
Event income	-	-	19,713	19,714
In-kind donations	-	-		
Other income	33,208	33,208	67,174	67,174
TOTAL PUBLIC SUPPORT AND REVENUE	131,036	131,036	119,241	119,241
EXPENSES				
Program services	125,780	125,780	108,555	108,555
Management and general	14,798	14,798	11,156	11,156
Fundraising	7,399	7,399	5,578	5,578
TOTAL EXPENSES	147,977	147,977	125,289	125,289
Change in Net Assets from Operating Activities	(16,941)	(16,941)	(6,048)	(6,048)
	71,426			
NONOPERATING ACTIVITIES				
Interest and dividend income	1,276	1,276	393	393
Other investment income	-	-		
Interest expense	-	-		
Change in Net Assets from Nonoperating Activities	1,276	1,276	393	393
Net Increase (Decrease) in Net Position	(15,665)	(15,665)	(5,655)	(5,655)
Net Position, Beginning of the year	156,094	156,094	161,749	161,749
Net Position, End of the year	140,429	140,429	156,094	156,094

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, 2023 and 2022

	December 31, 2023				December 31, 2022			
	Program	Management	Fundraising	Total	Program	Management	Fundraising	Total
	Services	and General			Services	and General		
Salaries	\$ 31,749	\$ 3,736	\$ 1,868	\$ 37,353	\$ 36,412	\$ 4,284	\$ 2,142	\$ 42,838
Payroll taxes, insurance, and benefits	4,266	502	251	5,019	10,980	1,292	646	12,918
Professional Fees	7,946	935	467	9,348	1,943	229	114	2,286
Advertising	3,727	438	219	4,384	2,382	280	140	2,802
Amortization (all management)	-	-	-	-	-	-	-	-
Awards	149	18	8	175	-	-	-	-
Bank charges	19,291	2,270	1,135	22,695	7,886	927	464	9,277
Conferences and meetings	8,809	1,036	518	10,364	2,150	253	126	2,529
Construction-rehabilitation	-	-	-	-	13,728	-	-	13,728
Contract services	1,729	203	102	2,034	1,254	148	74	1,476
Depreciation	3,905	459	230	4,594	4,683	551	275	5,509
Dues and subscriptions	2,557	301	150	3,009	2,893	340	170	3,403
Insurance	3,926	462	231	4,619	2,924	344	172	3,440
Licenses and fees	-	-	-	-	-	-	-	-
Office expenses	20,416	2,402	1,201	24,018	3,861	454	227	4,542
Other supplies	3,677	433	216	4,325	1,119	132	66	1,317
Postage and printing	658	77	39	775	570	67	34	671
R/E Real Estate Expense	3,394	399	200	3,993	7,918	931	466	9,315
Taxes	-	-	-	-	499	59	29	587
Telephone	2,637	310	155	3,102	1,935	228	114	2,277
Utilities	6,944	817	408	8,170	5,418	637	319	6,374
	<u>\$ 125,780</u>	<u>\$ 14,798</u>	<u>\$ 7,398</u>	<u>\$ 147,977</u>	<u>\$ 108,555</u>	<u>\$ 11,156</u>	<u>\$ 5,578</u>	<u>\$ 125,289</u>

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, 2023 and 2022

	Audited <u>December 31, 2023</u>	Reviewed Restated <u>December 31, 2022</u>
Cash flows from operating activities:		
Increase (Decrease) in net position	\$ (15,664)	\$ (5,655)
Depreciation and amortization	4,594	5,509
(Increase)/Decrease in accounts receivable	-	-
(Increase)/Decrease in other assets	7,543	-
(Increase)/Decrease in security deposit	-	1,136
Increase/(Decrease) in accounts payable	-	-
Increase/(Decrease) in accrued expenses	(4,557)	149
Gain on Sale of Land	-	9,150
Net cash provided by (used in) operating activities	<u>(8,084)</u>	<u>10,289</u>
Cash flows from investing activities:		
Sale of Property	-	119,473
Purchase of property	(47,371)	-
Construction in progress	(5,835)	(62,252)
Changes in investments	14,747	(14,510)
Net cash provided by (used in) investing activities	<u>(38,459)</u>	<u>42,711</u>
Cash flows from financing activities:		
Proceeds from notes payables	100,000	219,200
Repayments on notes payables	(6,684)	(208,422)
Increase in related party loans	50,000	(35,100)
Net cash provided by (used in) financing activities	<u>143,316</u>	<u>(24,322)</u>
Net increase (decrease) in cash and cash equivalents	96,773	28,678
Cash and cash equivalents at the beginning of the year	<u>40,741</u>	<u>12,063</u>
Cash and cash equivalents at the end of the year	<u>\$ 137,514</u>	<u>\$ 40,741</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, 2023

(AUDITED)

With Reviewed Comparative Totals for the Year Ended December 31, 2022

NOTE 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

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).

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.

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. 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, 2023 and 2022, the Organization did not have demand deposits on hand in financial institutions that exceeded depositor's insurance provided by the applicable guaranty agency.

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, 2023

(AUDITED)

With Reviewed Comparative Totals for the Year Ended December 31, 2022

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, 2023 and 2022 amounted to

\$4,594, and \$5,509, respectively.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor- imposed restrictions. Accordingly, net assets and changes therein are classified and reported 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.
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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.

Advertising

VHDC expenses the cost of advertising when incurred. Advertising cost amounted to \$4,384 and \$2,802 as of December 31, 2023 and 2022, 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.

VIRGINIA HOUSE AND COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

(AUDITED)

With Reviewed Comparative Totals for the Year Ended December 31, 2022

Income Taxes

VHCDC 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 2023, 2022, 2021, 2020, 2019, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

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.

Accounts Receivable and Allowance for Doubtful Accounts and Program Revenue

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. VHCDC 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, 2023, and 2022.

NOTE 2 - LIQUIDITY AND AVAILABILITY:

The following represents VHCDC's financial assets at December 31, 2023 Financial assets at year end:

Cash and cash equivalents	\$ 137,514
Accounts receivable	30
Current investments	<u>161</u>
Financial assets available to meet general expenditures within one year	<u>\$ 137,705</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.

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2023 and 2022 consisted of the following:

	(Audited) 2023	(Reviewed) 2022
Buildings and land	\$ 157,870	\$ 110,501
Construction in progress	228,027	222,191
Furniture, fixtures and equipment	7,700	7,700
Total property and equipment	<u>393,597</u>	<u>340,392</u>
Less accumulated depreciation	29,036	24,442
Net property and equipment	<u>\$ 364,561</u>	<u>\$ 315,950</u>

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

(AUDITED)

With Reviewed Comparative Totals for the Year Ended December 31, 2022

NOTE 4 - FAIR VALUE MEASUREMENTS:

VHDCDC 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 VHDCDC 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, 2023 and 2022, 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, 2023

(AUDITED)

With Reviewed Comparative Totals for the Year Ended December 31, 2022

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, 2023.

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, 2023 (Audited).

	Level 1	Level 2	Level 3	Total
Program Investments	\$ -	\$ 7,825	\$ -	\$ 7,825
Exchange Traded Funds	120,829	-	-	\$ 120,829
Total	\$ 120,829	\$ 7,825	\$ -	\$ 128,654

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

NOTE 5 - LIQUIDITY AND AVAILABILITY:

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 (

AUDITED)

With Reviewed Comparative Totals for the Year Ended December 31, 2022

NOTE 7 - NOTES PAYABLE:

	(Audited)	(Reviewed)
	<u>2023</u>	<u>2022</u>
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.	\$ 209,833	\$ 216,516
	-	-
6.75% loan of \$100,000 due July 2025. The loan has 24 interest payments and a ballon payment of \$100,000 due in July 2025 The loan is secured by the real property located at 908 Florida Street in the city of Hampton, Virginia.	100,000	-
	<hr/>	<hr/>
Total long-term liability	\$ 309,833	\$ 216,516
Less current portion	6,682	17,895
Net long-term liability	<hr/> <u>\$ 303,151</u>	<hr/> <u>\$ 198,621</u>

Future maturities of long-term liability are as follows:

	<u>Amount</u>
2024	\$ 24,645
2025	121,833
2026	17,895
2027	<u>17,895</u>
Total	<hr/> <u>\$ 71,580</u>

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

(AUDITED)

With Reviewed Comparative Totals for the Year Ended December 31, 2022

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, 2023, from which the summarized information was derived.

NOTE 9 - RELATED PARTY TRANSACTIONS:

The organization is the general partner of 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 organization received a \$50,000 loan from Mr. Taylor during 2023. Mr. Taylor is the President of the Board of Directors of Virginia Housing and Community Development Corporation. Mr. Taylor does not vote on matters involving the Partnership.

NOTE 10 - 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, 2023, interest only payments until 2023 and interest at 2.75%, due July 2050, 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 \$9,100 at December 31, 2023 and 2022.

Future maturities of long-term liability are as follows:

	<u>Amount</u>
2024	300
2025	300
2026	300
2027	300
Thereafter	<u>7,900</u>
Total	<u>\$ 9,100</u>

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023

(AUDITED)

With Reviewed Comparative Totals for the Year Ended December 31, 2022

NOTE 11 - SUBSEQUENT EVENTS:

Subsequent events were evaluated through September 3, 2024, which is the date the financial statements were available to be issued. In September 2024, they signed a contract to sell a piece of property for \$319,900, with the closing scheduled to occur on or before October 15, 2024. No other events have occurred subsequent to the balance sheet date and through September 3, 2024, that would require adjustment to, or disclosure in, the financial statements.

NOTE 12 PRIOR PERIOD ADJUSTMENT

The accompanying financial statements include a restatement of the beginning net assets to reflect an adjustment related to the reconciliation of officer loans for the year ended December 31, 2022. This adjustment resulted in an increase in net assets of \$74,000.