

**COMMUNITY HOUSING
SERVICES AGENCY, INC.
AND CHSA DEVELOPMENT, INC.
(A WHOLLY-OWNED SUBSIDIARY)**

**CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2022

**COMMUNITY HOUSING SERVICES AGENCY, INC.,
AND CHSA DEVELOPMENT, INC.
(A WHOLLY-OWNED SUBSIDIARY)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Housing Services Agency, Inc. and
CHSA Development, Inc. (A Wholly-Owned Subsidiary)
Savannah, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of the **Community Housing Services Agency, Inc.** (the "Agency"), and CHSA Development, Inc. (the "Subsidiary"), which comprise the consolidated statement of financial position as of December 31, 2022, the related consolidated statement of activities and consolidated statement of cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Agency and Subsidiary as of December 31, 2022, and the changes in their net assets its cash flows, thereof, 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 and the standards applicable to financial audits in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and Subsidiary 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.

Change in Accounting Principle

The Agency implemented Financial Accounting Standards Board Statement No. 842, Leases, as of January 1, 2022 which significantly changed the reporting of the Agency's Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency and Subsidiary's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the 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 Agency and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency and Subsidiary'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.

Other Information

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated statement of financial position and consolidated statement of activities of the Agency and its Subsidiary as of and for the year ended December 31, 2021, and have issued our report thereon dated June 6, 2022, which contained an unmodified opinion on the respective financial statements of the Agency and its Subsidiary.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, on our consideration of the Agency and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency or Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency and the Subsidiary's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 20, 2023

BASIC FINANCIAL STATEMENTS

**COMMUNITY HOUSING SERVICES AGENCY, INC.
AND CHSA DEVELOPMENT, INC.
(A WHOLLY-OWNED SUBSIDIARY)**

**CONSOLIDATED STATEMENTS OF NET POSITION
DECEMBER 31, 2022**

	CHSA, Inc.	Savannah Affordable Housing Fund	Total CHSA, Inc.	CHSA Development, Inc.	2022 Consolidated Total	2021 Consolidated Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,767,024	\$ 9,094,163	\$ 10,861,187	\$ 456,454	\$ 11,317,641	\$ 2,208,229
Accrued interest receivable	6,473	-	6,473	-	6,473	22,242
Current portion of loans receivable	307,764	25,296	333,060	-	333,060	416,311
Current portion of notes receivable	-	421,915	421,915	-	421,915	-
Real estate held for sale	-	-	-	1,585,054	1,585,054	1,348,532
Total current assets	<u>2,081,261</u>	<u>9,541,374</u>	<u>11,622,635</u>	<u>2,041,508</u>	<u>13,664,143</u>	<u>3,995,314</u>
Non-current assets						
Leased assets, net	-	-	-	30,799	30,799	-
Loans receivable, net of allowance	2,283,025	603,967	2,886,992	-	2,886,992	2,933,595
Total non-current assets	<u>2,283,025</u>	<u>603,967</u>	<u>2,886,992</u>	<u>30,799</u>	<u>2,917,791</u>	<u>2,933,595</u>
Total assets	<u>\$ 4,364,286</u>	<u>\$ 10,145,341</u>	<u>\$ 14,509,627</u>	<u>\$ 2,072,307</u>	<u>\$ 16,581,934</u>	<u>\$ 6,928,909</u>
LIABILITIES AND NET POSITION						
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	\$ 10,691	\$ -	\$ 10,691	\$ 2,398	\$ 13,089	\$ 7,060
Current portion of leases payable	-	-	-	4,284	4,284	-
Current portion of notes payable	421,915	-	421,915	-	421,915	593,915
Total current liabilities	<u>432,606</u>	<u>-</u>	<u>432,606</u>	<u>6,682</u>	<u>439,288</u>	<u>600,975</u>
Long-term liabilities:						
Notes payable	-	-	-	-	-	16,288
Leases payable	-	-	-	26,323	26,323	-
Notes payable	-	-	-	961,552	961,552	729,360
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>987,875</u>	<u>987,875</u>	<u>745,648</u>
Total liabilities	<u>432,606</u>	<u>-</u>	<u>432,606</u>	<u>994,557</u>	<u>1,427,163</u>	<u>1,346,623</u>
Net Position						
Unrestricted	3,931,680	10,145,341	14,077,021	1,077,750	15,154,771	5,582,286
Total liabilities and net position	<u>\$ 4,364,286</u>	<u>\$ 10,145,341</u>	<u>\$ 14,509,627</u>	<u>\$ 2,072,307</u>	<u>\$ 16,581,934</u>	<u>\$ 6,928,909</u>

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

**COMMUNITY HOUSING SERVICES AGENCY, INC.
AND CHSA DEVELOPMENT, INC.
(A WHOLLY-OWNED SUBSIDIARY)**

**CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	CHSA	Savannah Affordable Housing Fund	Total CHSA, Inc.	CHSA Development, Inc.	2022 Consolidated Total	2021 Consolidated Total
Operating revenues:						
Contributions and grants	\$ 242,551	\$ 10,863,883	\$ 11,106,434	\$ 641,151	\$ 11,747,585	\$ 870,020
Interest, late charges and other fees on loans	92,109	-	92,109	-	92,109	76,651
Loss on sale of real estate	-	-	-	(296,286)	(296,286)	78,909
Miscellaneous	800	-	800	8,400	9,200	-
Total operating revenues	<u>335,460</u>	<u>10,863,883</u>	<u>11,199,343</u>	<u>353,265</u>	<u>11,552,608</u>	<u>1,025,580</u>
Operating expenses:						
Salaries and benefits	166,872	-	166,872	-	166,872	-
City of Savannah in-kind	151,415	-	151,415	-	151,415	-
Administrative expenses	70,234	-	70,234	-	70,234	-
Operating expenses	337,638	1,367,723	1,705,361	6,758	1,712,119	661,015
Interest expense on loans	34,442	-	34,442	-	34,442	1,870
Amortization expense	-	-	-	3,770	3,770	-
Total operating expenses	<u>760,601</u>	<u>1,367,723</u>	<u>2,128,324</u>	<u>10,528</u>	<u>2,138,852</u>	<u>662,885</u>
Operating income (loss)	<u>(425,141)</u>	<u>9,496,160</u>	<u>9,071,019</u>	<u>342,737</u>	<u>9,413,756</u>	<u>362,695</u>
Non-operating revenues (expenses):						
Interest income	28,769	124,377	153,146	6,894	160,040	806
Interest expense	-	-	-	(1,311)	(1,311)	-
Total non-operating revenues, net	<u>28,769</u>	<u>124,377</u>	<u>153,146</u>	<u>5,583</u>	<u>158,729</u>	<u>806</u>
Interfund transfers	<u>(457,338)</u>	<u>524,804</u>	<u>67,466</u>	<u>(67,466)</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u>(853,710)</u>	<u>10,145,341</u>	<u>9,291,631</u>	<u>280,854</u>	<u>9,572,485</u>	<u>363,501</u>
Net position, beginning of year	<u>4,785,390</u>	<u>-</u>	<u>4,785,390</u>	<u>796,896</u>	<u>5,582,286</u>	<u>5,218,785</u>
Net position, end of year	<u>\$ 3,931,680</u>	<u>\$ 10,145,341</u>	<u>\$ 14,077,021</u>	<u>\$ 1,077,750</u>	<u>\$ 15,154,771</u>	<u>\$ 5,582,286</u>

**COMMUNITY HOUSING SERVICES AGENCY, INC.
AND CHSA DEVELOPMENT, INC.
(A WHOLLY-OWNED SUBSIDIARY)**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	CHSA, Inc.	Savannah Affordable Housing Fund	Total CHSA, Inc.	CHSA Development, Inc.	Consolidated Total
Cash flows from operating activities:					
Program income	\$ 337,229	\$ 10,863,884	\$ 11,201,113	\$ 387,265	\$ 11,568,378
Salaries and benefits	(166,872)	-	(166,872)	-	(166,872)
City of Savannah in-kind	(151,415)	-	(151,415)	-	(151,415)
Administrative expenses	(70,234)	-	(70,234)	-	(70,234)
Operating expenses	(332,707)	(1,387,724)	(1,700,431)	(5,660)	(1,706,091)
Interest expense	(34,442)	-	(34,442)	-	(34,442)
Proceeds from property sales	-	-	-	1,529,508	1,529,508
Property purchases	-	-	-	(1,766,030)	(1,766,030)
Loans receivable (payments)	-	(629,263)	(629,263)	-	(629,263)
Notes receivable (payments)	-	(421,915)	(421,915)	-	(421,915)
Loan proceeds (payments), net	570,829	-	570,829	232,192	803,021
Net cash provided (used) by operating activities	<u>152,388</u>	<u>8,444,982</u>	<u>8,597,370</u>	<u>357,275</u>	<u>8,954,645</u>
Cash flows from noncapital financing activities:					
Interfund transfers	(457,338)	524,804	67,466	(67,466)	-
Net cash provided (used) by investing activities	<u>(457,338)</u>	<u>524,804</u>	<u>67,466</u>	<u>(67,466)</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Principal payments on lease payable	\$ -	\$ -	\$ -	\$ (3,962)	\$ (3,962)
Issuance of leases	-	-	-	34,569	34,569
Acquisition of leased assets	-	-	-	(34,569)	(34,569)
Interest paid	-	-	-	(1,311)	(1,311)
Net cash provided (used) by capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,273)</u>	<u>\$ (5,273)</u>
Cash flows from investing activities:					
Interest income	28,769	124,377	153,146	6,894	160,040
Net cash provided (used) by investing activities	<u>28,769</u>	<u>124,377</u>	<u>153,146</u>	<u>6,894</u>	<u>160,040</u>
Net increase (decrease) in cash and cash equivalents	(276,181)	9,094,163	8,817,982	291,430	9,109,412
Cash and cash equivalents, beginning of year	2,043,205	-	2,043,205	165,024	2,208,229
Cash and cash equivalents, end of year	<u>\$ 1,767,024</u>	<u>\$ 9,094,163</u>	<u>\$ 10,861,187</u>	<u>\$ 456,454</u>	<u>\$ 11,317,641</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (425,141)	\$ 9,496,160	\$ 9,071,019	\$ 342,737	\$ 9,413,756
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Amortization	-	\$ -	\$ -	\$ 3,770	3,770
Changes in assets and liabilities:					
Decrease in receivables	1,769	-	1,769	14,000	15,769
(Increase) decrease in loan receivables	759,117	(629,263)	129,854	-	129,854
(Increase) decrease in note receivables	-	(421,915)	(421,915)	-	(421,915)
Decrease in property held for resale	-	-	-	(236,522)	(236,522)
Increase in accounts payable and other liabilities	4,931	-	4,931	1,098	6,029
Increase (decrease) in loans payable	(188,288)	-	(188,288)	232,192	43,904
Total adjustments	<u>577,529</u>	<u>(1,051,178)</u>	<u>(473,649)</u>	<u>14,538</u>	<u>(459,111)</u>
Net cash provided (used) by operating activities	<u>\$ 152,388</u>	<u>\$ 8,444,982</u>	<u>\$ 8,597,370</u>	<u>\$ 357,275</u>	<u>\$ 8,954,645</u>

**COMMUNITY HOUSING SERVICES AGENCY, INC.
AND CHSA DEVELOPMENT, INC.
(A WHOLLY-OWNED SUBSIDIARY)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Community Housing Services Agency, Inc. (the "Agency") was incorporated by the State of Georgia on May 19, 1989, and began operation on January 1, 1990. The Agency is governed by a Board of Directors. As a Community Development Financial Institution (CDFI), and administrators of the Savannah Affordable Housing Fund (SAHF) CHSA provides financing and technical assistance to individuals and businesses. CHSA is focused on creating, improving, and retaining real estate – workforce and affordable housing, in minority, low income, and disinvested communities in Chatham County.

The Savannah Affordable Housing Fund (the "SAHF") is an innovative and meaningful way for banks, businesses, non-profits and local governments to expand housing opportunities for Savannah's modest-wage workforce and seniors. The SAHF was established in 2012 by the City of Savannah at the urging of StepUp Savannah with support from the Savannah Economic Development Authority, the Savannah Area Chamber of Commerce and other business and community leaders. It helps Savannah address its local housing needs and opportunities. It also helps leverage significant private investments. The Agency has administered the SAHF since its inception. On June 13, 2022, the City of Savannah and the Agency entered into a formal memorandum of understanding for the SAHF.

The CHSA Development, Inc. (the "Subsidiary") was incorporated by the State of Georgia on August 28, 1991, and began operation on January 1, 1992. The Subsidiary is governed by a Board of Directors. The purpose of the Subsidiary is to consult, buy, construct and operate apartment houses, office buildings and buildings and structures of all kinds in furtherance of the prevention of blight and deterioration, and the promotion of economic reinvestment, development and revitalization within neighborhoods of Savannah, Georgia.

The consolidated financial statements of the Agency and Subsidiary have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the combined financial statements to the reader.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Fund Accounting

The accounts of the Agency and the Subsidiary are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. The assets, liabilities and net position of the Agency and Subsidiary are reported in one self-balancing operating fund, which includes restricted and unrestricted resources representing the portion of expendable funds that are available for support of Agency and Subsidiary operations. Operating funds restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenues when the Agency and Subsidiary has incurred expenses in compliance with the specific restrictions. Such amounts received but not yet earned are reported as restricted deferred inflows of resources.

B. Other Accounting Policies

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund that owned the assets. Ordinary income from investments, receivables and the like is accounted for in the fund owning the assets.

C. Donated Services

The Agency reported \$151,415 of donated services from the City of Savannah in the form of accounting services, facilities, and staffing. Additionally, a substantial number of volunteers donate significant amounts of their time in the Agency and Subsidiary's program services. This donated time has not been reflected in the accompanying consolidated financial statements as there is no objective basis available to measure the value of such services.

D. Real Estate Held for Resale

Real estate held for resale is stated at cost. Gains or losses are recognized when the sale of the real estate is finalized.

E. Revenue Recognition

The Agency and Subsidiary follow the accrual basis of accounting. Contributions and grant revenues are recognized when received.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Leases

The Agency is a lessee for noncancellable leases of property. The Agency recognizes a lease liability and an intangible right-to-use lease asset in the consolidated financial statements. The Agency recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Agency determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the Agency is reasonably certain to exercise.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

NOTE 2. CASH AND INVESTMENTS

Unrestricted

A majority of the Agency, SAHF and Subsidiary's cash is held in the City of Savannah's Investment Fund. Due to the large amounts of cash invested by the City, a better rate of return is attainable, so the pooling provides a better rate of return for the Agency, Fund and Subsidiary. The City's bank accounts were appropriately collateralized. Also, the City donates accounting services to the Agency, Fund and Subsidiary.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3. ACCOUNTS RECEIVABLE

At December 31, 2022, receivables reported in the Statement of Net Position are comprised of \$6,473 of interest receivable.

NOTE 4. LOANS RECEIVABLE

As of December 31, 2022, the Agency and the SAHF had mortgage agreements with varying terms that had been finalized and are classified below as mortgage loans receivable. The balance of mortgage loans receivable at December 31, 2022, is as follows:

	CHSA, Inc.	Savannah Affordable Housing Fund
Short-term	\$ 307,764	\$ 25,296
Long-term	2,529,236	658,685
	2,837,000	683,981
Allowance for doubtful loans	(246,211)	(54,718)
Total loans receivable	\$ 2,590,789	\$ 629,263

NOTE 5. NOTES RECEIVABLE

Notes Receivable

The SAHF had an internal notes receivable to the Agency at December 31, 2022 is \$421,915, which is all current for fiscal year 2022.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6. LEASED ASSETS

Leased asset activity for the fiscal year ended December 31, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Remeasurements	Ending Balance
Leased assets, being amortized:					
Property	\$ 34,569	\$ -	\$ -	\$ -	\$ 34,569
Total	<u>34,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,569</u>
Less accumulated amortization for:					
Property	-	(3,770)	-	-	(3,770)
Total	<u>-</u>	<u>(3,770)</u>	<u>-</u>	<u>-</u>	<u>(3,770)</u>
Total leased assets, being amortized, net	<u>\$ 34,569</u>	<u>\$ (3,770)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,799</u>

NOTE 7. LONG-TERM LIABILITIES

A. Notes Payable

The Agency had an internal notes payable to SAHF at December 31, 2022 is \$421,915, which is all current for fiscal year 2022.

B. Notes Payable and Interfund Loans (Long-Term) – CHSA Development, Inc.

There are outstanding loans obtained from the Mayor and Alderman of the City of Savannah. The proceeds of such loans were used to purchase land and for construction of residential real property to be held for sale. The loans bear 0% interest and are due within 12 months of the loan agreements or when the property is sold.

The following is a summary of the foregoing notes payable as of December 31, 2022:

Mayor and Aldermen of the City of Savannah	
0% interest rate due November 16, 2022	\$ 410,000
Development loans payable	<u>551,552</u>
Total	<u>\$ 961,552</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

C. Lease Liability

The Agency has entered into lease agreements for leasing property. The lease have been recorded at the present value of the future minimum lease payments as of the date the lease for property began. The Agency uses the implicit interest rate of 6% to compute the net present value. Lease terms on the lease is 5 years with the option to renew for two additional five-year terms.

The balance of the lease liability at December 31, 2022, is as follows:

Current portion of lease liability	\$ 4,284
Long-term portion of lease liability	26,323
Total	\$ 30,607

Lease payments maturities are as follows:

	Principal	Interest	Total
2023	\$ 4,284	\$ 1,147	\$ 5,431
2024	4,625	969	5,594
2025	4,984	777	5,761
2026	5,363	571	5,934
2027	5,706	349	6,055
2028	5,645	111	5,756
	\$ 30,607	\$ 3,924	\$ 34,531

NOTE 8. INCOME TAXES

The Agency is exempt from federal income tax under Section 501 (a) of the Internal Revenue Code as a Publicly Supported organization as described in Section (c) (3).

It is the Agency's policy to account for any uncertainties in income tax law in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 clarifies the accounting for uncertain income tax positions and requires that the Agency recognize the impact of such a tax position in its financial statements if, upon ultimate settlement, that position is more likely than not to be sustained. Management has evaluated the Agency's tax positions and concluded that the Agency has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment of the financial statements. As a result, no provision or liability for income taxes has been included in the financial statements. The Agency files a 990 Return of Organization Exempt from Income Tax.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9. REVENUES AND SUPPORT

Government contributions and grants are reported on the financial statements as combined revenues. The following is a breakdown of contributed cash by contributor.

	CHSA, Inc.	Savannah Affordable Housing Fund	CHSA Development, Inc.	Consolidated
City of Savannah ("SAHF")	\$ -	\$ 9,021,873	\$ -	\$ 9,021,873
Contributions by banks	200,302	-	-	200,302
CDBG Grant Revenue	49,749	-	-	49,749
CDBG CV Grant Revenue	-	-	619,420	619,420
Donations from Private	-	556,617	200	556,817
HOME Contributions	-	-	21,530	21,530
Savannah Affordable Housing Fund	-	1,500	-	1,500
Other contributions	-	174,754	-	174,754
Total	\$ 250,051	\$ 9,754,744	\$ 641,150	\$ 10,645,945

NOTE 10. INTERNAL TRANSFERS

Interfund transfers as of December 31, 2022, are as follows:

	CHSA, Inc.	Savannah Affordable Housing Fund	CHSA Development, Inc.
Transfer - administrative expenses	\$ 67,466	\$ -	\$ (67,466)
Transfer- contractual service expenses	(524,804)	524,804	-
	\$ (457,338)	\$ 524,804	\$ (67,466)

NOTE 11. CONTINGENT LIABILITIES

Grants

The Agency receives a number of grants which are subject to program compliance audits by the grantors. Noncompliance with the terms and provisions of these grant agreements could result in contingent liabilities to the grantor agencies.

Grants from the Federal Government to the Agency did not exceed \$750,000 for the year ended December 31, 2022, thus a Single Audit is not required.