COMMUNITY SOLUTIONS

COMMUNITY SOLUTIONS INTERNATIONAL, INC.
AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.

Consolidated Financial Statements
and Supplementary Information
(Together with Independent Auditors' Report)

December 31, 2019 and 2018

MARKS PANETH

ACCOUNTANTS & ADVISORS

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)

DECEMBER 31, 2019 AND 2018

TABLE OF CONTENTS

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MARKS PANETH
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Solutions International, Inc. and Subsidiaries
d/b/a Community Solutions, Inc.

We have audited the accompanying consolidated financial statements of Community Solutions International, Inc. and Subsidiaries d/b/a Community Solutions, Inc. (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidate Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain of the Organization's subsidiaries which statements reflect total assets of $26,610,733 (35%) and $26,145,307 (39%), respectively, as of December 31, 2019 and 2018 and total revenues of $55,618 (0.3%) and $50,344 (0.4%), respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for certain of the Organization's subsidiaries, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Solutions International, Inc. and Subsidiaries d/b/a Community Solutions, Inc., as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information (shown on pages 27 and 28) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
June 18, 2020

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (Notes 2C and 3)	$ 10,368,711	$ 4,230,717
Contributions receivable, net (Notes 2D, 3 and 5)	5,587,937	2,094,832
Other receivables, net of allowance for uncollectible receivables of $19,073 and $21,113 in 2019 and 2018, respectively (Note 3)	956,756	1,262,107
Loans receivable (Notes 2K, 7, 8 and 15C)	26,562,275	26,777,275
Restricted cash (Note 4)	4,833,868	17,809,460
Replacement reserve (Note 9)	74,580	74,580
Operating reserve (Note 9)	99,368	99,368
Prepaid expenses and other assets	90,835	50,262
Due from Northeast Neighborhood Partners, Inc. (Note 15A)	96,417	73,049
Due from North Capitol Commons GP LLC (Note 15C)	6,265	4,350
Investment in Vesta CO LLC, at cost (Note 1)	379,000	-
Deferred leasing costs, net (Note 14)	30,893	-
Property and equipment, net (Notes 2E, 2F, 6 and 9)	25,957,756	14,148,837
TOTAL ASSETS	$ 75,044,661	$ 66,624,837
LIABILITIES AND NET ASSETS/MEMBERS' EQUITY		
LIABILITIES		
Accounts payable and accrued expenses (Note 6)	$ 2,024,436	$ 1,838,433
Due to Made in Brownsville	-	3,816
Deferred revenue (Notes 2G and 2H)	671,900	-
Loans payable, net (Note 9)	41,044,457	41,393,175
TOTAL LIABILITIES	43,740,793	43,235,424
COMMITMENTS AND CONTINGENCIES (Note 13)		
NET ASSETS/MEMBERS' EQUITY (Note 2B)		
Without donor restrictions	20,794,573	18,199,203
Non-controlling members' interests in consolidated subsidiaries	1,218,208	1,266,935
Total without donor restrictions	22,012,781	19,466,138
With donor restrictions (Note 10)	9,291,087	3,923,275
TOTAL NET ASSETS/MEMBERS' EQUITY	31,303,868	23,389,413
TOTAL LIABILITIES AND NET ASSETS	$ 75,044,661	$ 66,624,837

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

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	For the Year Ended December 31, 2019			For the Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT						
Governmental grants (Note 2H)	$ 25,000	$ -	$ 25,000	$ 545,675	$ -	$ 545,675
Contributions (Notes 2D and 2I)	1,394,965	17,688,308	19,083,273	2,905,412	8,217,163	11,122,575
Consulting income	1,642,851	-	1,642,851	455,526	-	455,526
Development and management fees (Note 15C)	572,043	-	572,043	691,490	-	691,490
Rental income (Notes 2G and 14)	251,568	-	251,568	154,589	-	154,589
Other income	43,652	-	43,652	34,215	-	34,215
Program income	-	-	-	34,008	-	34,008
Interest income (Notes 2K and 7)	399,098	-	399,098	256,585	-	256,585
Net assets released from donor restrictions (Note 10)	12,320,496	(12,320,496)	-	9,564,379	(9,564,379)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	16,649,673	5,367,812	22,017,485	14,641,879	(1,347,216)	13,294,663
EXPENSES (Note 2J)						
Program services:						
Built For Zero	6,584,456	-	6,584,456	5,025,186	-	5,025,186
Inspiring Places	1,412,182	-	1,412,182	1,153,150	-	1,153,150
Brownsville Partnership	-	-	-	741,758	-	741,758
Hartford Community Partnership	-	-	-	428,778	-	428,778
Real estate projects	1,599,479	-	1,599,479	2,159,016	-	2,159,016
Fiscal sponsorships	1,635,439	-	1,635,439	576,589	-	576,589
Other programs	1,159,500	-	1,159,500	163,400	-	163,400
Total program services	12,391,056	-	12,391,056	10,247,877	-	10,247,877
Supporting services:						
Management and general	988,560	-	988,560	720,154	-	720,154
Fundraising	723,414	-	723,414	334,480	-	334,480
Total supporting services	1,711,974	-	1,711,974	1,054,634	-	1,054,634
TOTAL EXPENSES	14,103,030	-	14,103,030	11,302,511	-	11,302,511
CHANGE IN NET ASSETS	2,546,643	5,367,812	7,914,455	3,339,368	(1,347,216)	1,992,152
Non-controlling members' interests in consolidated subsidiaries - beginning of year	1,266,935	-	1,266,935	-	-	-
Non-controlling members' interests in net income of consolidated subsidiaries (Note 2B)	(48,727)	-	(48,727)	21,132	-	21,132
Non-controlling members' capital contributions (Note 11)	-	-	-	1,245,803	-	1,245,803
Non-controlling members' interests in consolidated subsidiaries - end of year	1,218,208	-	1,218,208	1,266,935	-	1,266,935
Net assets/members' equity - beginning of year	19,466,138	3,923,275	23,389,413	14,880,967	5,270,491	20,151,458
Net assets/members' equity - end of year	$ 22,012,781	$ 9,291,087	$ 31,303,868	$ 19,466,138	$ 3,923,275	$ 23,389,413

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

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR 2018)

	Program Services								Supporting Services				
	Built For Zero	Inspiring Places	Brownsville Partnership	Hartford Community Partnership	Real Estate Projects	Fiscal Sponsorships	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2019 Total Expenses	2018 Total Expenses
Personnel services (Note 12)	$ 3,805,320	$ 445,591	$ -	$ -	$ 56,710	$ 401,096	$ -	$ 4,708,717	$ 423,271	$ 613,719	$ 1,036,990	$ 5,745,707	$ 5,199,996
Professional services (Note 2I)	884,074	791,788	-	-	190,113	529,534	-	2,395,509	394,941	58,462	453,403	2,848,912	1,763,490
Occupancy (Note 13A)	107,325	20,694	-	-	58,679	100,327	-	287,025	15,444	8,580	24,024	311,049	202,808
Travel and conference	732,527	98,804	-	-	96	11,514	-	842,941	113,065	5,267	118,332	961,273	657,726
Program expenses and supplies	689,834	22,994	-	-	116,068	31,179	-	860,075	-	-	-	860,075	920,781
Building management	-	-	-	-	69,286	-	-	69,286	-	-	-	69,286	119,199
Communication	68,237	9,863	-	-	4,587	10,626	-	93,313	8,489	9,740	18,229	111,542	108,416
Insurance	38,058	8,354	-	-	12,737	7,254	-	66,403	11,603	6,446	18,049	84,452	83,820
Office supplies and expenses	24,538	3,100	-	-	9,726	16,349	-	53,713	1,698	1,028	2,726	56,439	40,233
Printing and postage	5,131	578	-	-	531	453	-	6,693	514	6,158	6,672	13,365	35,914
Equipment purchases and rental	22,547	1,472	-	-	132	8,490	-	32,641	1,455	4,624	6,079	38,720	42,727
Real estate tax	-	-	-	-	1,339	-	-	1,339	-	-	-	1,339	8,108
Staff training and development	160,805	1,782	-	-	125	23	-	162,735	1,950	4,072	6,022	168,757	92,489
Advertising and marketing	45,910	6,435	-	-	13,019	62	-	65,426	8,858	4,921	13,779	79,205	122,609
Depreciation and amortization (Notes 6 and 14)	-	-	-	-	234,488	-	-	234,488	770	-	770	235,258	146,508
Interest (Notes 8 and 9)	-	-	-	-	814,251	-	-	814,251	-	-	-	814,251	741,559
Subcontract expenses	-	-	-	-	-	3,500	1,159,500	1,163,000	-	-	-	1,163,000	758,115
Miscellaneous expenses	150	727	-	-	17,592	515,032	-	533,501	6,502	397	6,899	540,400	258,013
Total expenses - 2019	$ 6,584,456	$ 1,412,182	$ -	$ -	$ 1,599,479	$ 1,635,439	$ 1,159,500	$ 12,391,056	$ 988,560	$ 723,414	$ 1,711,974	$ 14,103,030	
Total expenses - 2018	$ 5,025,186	$ 1,153,150	$ 741,758	$ 428,778	$ 2,159,016	$ 576,589	$ 163,400	$ 10,247,877	$ 720,154	$ 334,480	$ 1,054,634		$ 11,302,511

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

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services								Supporting Services			
	Built For Zero	Inspiring Places	Brownsville Partnership	Hartford Community Partnership	Real Estate Projects	Fiscal Sponsorships	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2018 Total Expenses
Personnel services (Note 12)	$ 3,272,851	$ 715,824	$ 602,653	$ 349,474	$ 139,305	$ -	$ -	$ 5,080,107	$ 56,045	$ 63,844	$ 119,889	$ 5,199,996
Professional services (Note 2I)	244,290	336,495	45,314	57,809	50,369	298,369	87,766	1,120,412	523,065	120,013	643,078	1,763,490
Occupancy (Note 13A)	29,336	-	6,867	8,295	69,520	6,790	-	120,808	7,068	74,932	82,000	202,808
Travel and conference	518,990	51,262	16,768	65	998	24,717	443	613,243	44,483	-	44,483	657,726
Program expenses and supplies	691,870	32,751	30,329	3,322	416	113,456	48,637	920,781	-	-	-	920,781
Building management	-	-	-	-	119,199	-	-	119,199	-	-	-	119,199
Communication	30,806	8,632	17,082	4,897	5,849	8,421	-	75,687	15,300	17,429	32,729	108,416
Insurance	-	-	-	-	19,450	-	-	19,450	30,091	34,279	64,370	83,820
Office supplies and expenses	10,145	1,358	6,417	909	8,140	2,872	-	29,841	4,858	5,534	10,392	40,233
Printing and postage	14,285	-	425	63	84	1,756	310	16,923	8,878	10,113	18,991	35,914
Equipment purchases and rental	15,248	900	10,468	1,329	589	5,795	-	34,329	3,926	4,472	8,398	42,727
Real estate tax	-	-	-	-	-	-	-	-	8,108	-	8,108	8,108
Staff training and development	82,861	5,320	1,568	2,339	-	-	-	92,088	187	214	401	92,489
Advertising and marketing	114,474	433	532	276	-	40	-	115,755	3,204	3,650	6,854	122,609
Depreciation and amortization (Notes 6 and 14)	-	-	-	-	144,258	-	-	144,258	2,250	-	2,250	146,508
Interest (Notes 8 and 9)	-	-	-	-	733,638	-	-	733,638	7,921	-	7,921	741,559
Subcontract expenses	-	-	-	-	699,379	32,811	25,925	758,115	-	-	-	758,115
Miscellaneous expenses	30	175	3,335	-	167,822	81,562	319	253,243	4,770	-	4,770	258,013
Total expenses	$ 5,025,186	$ 1,153,150	$ 741,758	$ 428,778	$ 2,159,016	$ 576,589	$ 163,400	$ 10,247,877	$ 720,154	$ 334,480	$ 1,054,634	$ 11,302,511

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

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 7,914,455	$ 1,992,152
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	235,258	146,508
Increase (decrease) in discount to net present value on contributions receivable	63,211	(20,800)
Amortization of loan closing costs	49,747	79,467
Changes in operating assets and liabilities:		
Contributions receivable	(3,556,316)	1,303,015
Grants receivable	-	506,236
Other receivables	305,351	(343,338)
Prepaid expenses and other assets	(40,573)	208,453
Due to/from Northeast Neighborhood Partners, Inc.	(23,368)	330,162
Due to/from North Capitol Commons GP LLC	(1,915)	(4,350)
Due to/from Made in Brownsville	(3,816)	3,816
Deferred leasing costs	(31,000)	-
Accounts payable and accrued expenses	(1,214,309)	383,896
Deferred revenue	671,900	(9,000)
Net Cash Provided by Operating Activities	4,368,625	4,576,217
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(10,593,641)	(9,048,968)
Issuance of loans receivable	-	(17,007,275)
Paid-in capital contributed to Vesta CO LLC	(164,000)	-
Net Cash Used in Investing Activities	(10,757,641)	(26,056,243)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of line of credit	-	(325,000)
Proceeds from loans payable	3,102,119	44,592,510
Repayments on loans payable	(3,394,376)	(3,288,587)
Payments of loan issuance costs	(156,325)	(1,081,600)
Capital contributions from non-controlling members	-	1,245,803
Net Cash (Used in) Provided by Financing Activities	(448,582)	41,143,126
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(6,837,598)	19,663,100
Cash and cash equivalents and restricted cash - beginning of year	22,040,177	2,377,077
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 15,202,579	$ 22,040,177
Reconciliation to Consolidated Statements of Financial Position:		
Cash and cash equivalents	$ 10,368,711	$ 4,230,717
Restricted cash	4,833,868	17,809,460
	$ 15,202,579	$ 22,040,177
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest, including capitalized interest of $194,677 in 2019 and $158,634 in 2018	$ 958,253	$ 628,038
Noncash investing and financing transactions:		
Accounts payable and accrued expenses - construction in progress	$ 1,400,312	$ 922,243
Capitalized interest expense - loan closing costs	$ 50,117	$ 23,135
Loan receivable converted to investment in Vesta CO LLC	$ 215,000	$ -

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Community Solutions International, Inc. d/b/a Community Solutions, Inc. ("CSI") is a not-for-profit organization formed in 2011 with the primary mission to strengthen communities to end homelessness by building partnerships, sharing innovations and connecting vulnerable people to homes and support. CSI is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC").

The accompanying consolidated financial statements include the accounts of CSI itself and its consolidated subsidiaries (collectively, the "Organization") as listed below:

- Community Solutions 519 Rockaway Ave, Inc. ("CS Rockaway"), a wholly-owned subsidiary of CSI formed in 2014, consists of a 14,000-square-foot building and lot which houses the administrative offices of CSI and is a rental facility of space to tenants. CS Rockaway is exempt from income tax under Section 501(c)(2) of the IRC.

- CS Swift, LLC ("CS Swift"), a Connecticut limited liability company, was formed on October 17, 2014 and organized with CSI as its sole member. CS Swift holds a controlling, 90% interest in Swift Factory, LLC ("Swift Factory") and a controlling, 1% interest in Swift Factory Master Tenant LLC ("Master Tenant"), which holds a 10% interest in Swift Factory. There were no significant financial transactions of CS Swift prior to the year ended December 31, 2018.

- Swift Factory, a Connecticut limited liability company, was formed on October 17, 2014 for the purpose of rehabilitating, maintaining, leasing, and selling or otherwise disposing of its leasehold interest in four historic buildings located at 10 & 60 Love Lane, Hartford, Connecticut, commonly known as the Swift Factory (the "Property"). The Property is being renovated as a historic rehabilitation project to generate federal historic tax credits ("HTCs") and State of Connecticut historic tax credits ("State HTCs," and collectively with the HTCs, the "Tax Credits") in accordance with Sections 47 and 50 of the IRC and Section 10-416c of the Connecticut General Statutes, respectively. Swift Factory is further intended to qualify as a qualified active low-income community business pursuant to the New Markets Tax Credit ("NMTC") Program under Section 45D of the IRC.

  On May 4, 2018, Swift Factory, as the lessor, and Master Tenant, as the lessee, executed an Amended and Restated Master Lease Agreement (the "Master Lease"), pursuant to which Swift Factory elected under Section 50 of the IRC to pass-through to Master Tenant the HTCs to which Swift Factory is otherwise entitled as a result of the rehabilitation of the Property.

  The Property was formerly held by a related party, Northeast Neighborhood Partners, Inc. ("NNPI"). During 2015, the properties were transferred to Swift Factory by NNPI (see Note 15A), and the rehabilitation of the Property commenced in 2018. There were no significant financial transactions of Swift Factory prior to the year ended December 31, 2018.

- Master Tenant, a Connecticut limited liability company, was formed on December 22, 2017. The primary purpose of Master Tenant is to lease the Property, and to maintain, operate and sell or otherwise dispose of its leasehold interest in the Property in accordance with Sections 47 and 50 of the IRC and Section 10-416c of the Connecticut General Statutes, respectively. There were no significant financial transactions of Master Tenant prior to the year ended December 31, 2018.

- CS North Capitol Commons LLC ("CSNCC") with CSI as the sole member holds a non-controlling, 51% interest in North Capitol Commons GP, LLC ("NCC GP"), which holds a .009% interest in North Capitol Commons LP (the "North Capitol Project"). CSNCC is a disregarded entity of CSI for federal and state income tax purposes, therefore the activities of CSNCC are included in the CSI column in the accompanying supplementary consolidating information. The consolidated financial statements reflect the activity of CSNCC; however, the North Capitol Project does not meet the requirements for consolidation. CSNCC's interest in NCC GP is not material to the consolidated financial statements. See Note 15C for further discussion regarding the North Capitol Project.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

- CS Abrigo Management LLC ("CS Abrigo") was incorporated as a wholly-owned subsidiary of CSI. CS Abrigo is a disregarded entity of CSI for federal and state income tax purposes, therefore the activities of CS Abrigo are included in the CSI column in the accompanying supplementary consolidating information. As of March 21, 2018, CSI became an ordinary member and owns 10% of Vesta CO LLC d/b/a Abrigo Apartments ("Vesta"). Both transactions are for the purpose of a new housing project, known as Abrigo Apartments, in Colorado. The consolidated financial statements reflect the activity of CS Abrigo.

  Pursuant to a paid-in capital agreement dated December 31, 2019, CSI contributed $379,000 to Vesta as paid-in capital which is reflected as investment in Vesta in the accompanying consolidated statements of financial position. The capital contribution consisted of grant funds and gift cards totaling $379,000 received by CSI to support the Abrigo Apartments project. Of this amount, $215,000 was previously reflected as loans receivable in the December 31, 2018 consolidated financial statements (see Note 7). This capital contribution did not impact CSI's ownership interest in Vesta as an ordinary member, nor did it impact the ownership interests of any of the preferred members of Vesta.

In the preparation of the accompanying consolidated financial statements, all material intercompany accounts and transactions have been eliminated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ***Basis of Accounting and Use of Estimates***

The Organization's consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

B. ***Basis of Presentation***

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 – represents resources available for support of the Organization's operations over which the Board of Directors (the "Board") has discretionary control and not subject to donor (or certain grantor) restrictions.

  Non-controlling members' interests in consolidated subsidiaries are shown as a component of net assets without donor restrictions and members' equity in the consolidated statements of financial position. The share of the income or loss of the consolidated subsidiaries attributed to the non-controlling members' interest is shown as a component of the change in net assets without donor restrictions in the consolidated statements of activities.

- Net Assets With Donor Restrictions – represents net assets subject to donor-imposed restrictions. Some donor-restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donors stipulate that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of December 31, 2019 and 2018, the Organization's net assets with donor restrictions did not include any amounts that must remain intact in perpetuity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ***Cash and Cash Equivalents***

The Organization considers all highly liquid investments with maturities of three months or less to be cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

D. ***Contributions***

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional contributions and promises to give, those with a measurable performance or other barrier and a right of return, are not recognized as support until the conditions on which they depend are substantially met. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

E. ***Property and Equipment***

Property and equipment are recorded at cost. Major renewals and improvements in excess of $5,000 are capitalized, while replacements, maintenance and repairs that do not extend the lives of the assets are charged directly to expense as incurred. Upon disposition or retirement of property and equipment, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gains and losses are included in the consolidated statements of activities.

Depreciation is provided for using the straight-line method based on the estimated useful lives of the assets.

F. ***Impairment of Long-Lived Assets***

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized during the years ended December 31, 2019 and 2018, respectively.

G. ***Rental Income***

Rental income is recognized on a straight-line basis over the terms of the leases. Advance receipts of rental income are deferred and classified as liabilities until earned.

H. ***Governmental Grants and Contracts***

Governmental grants and contracts are not recognized as support until the conditions on which they depend, a measurable performance barrier and right of return, are substantially met. Grant and contract receipts in excess of revenue recognized are presented as deferred revenue.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. *Donated Services*

The Organization recognizes donated services at their estimated fair value if they create or enhance nonfinancial assets or require specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition. Donated professional services in the amount of $132,423 and $181,347 for the years ended December 31, 2019 and 2018, respectively, have been recognized as contributions without donor restrictions in the accompanying consolidated statements of activities and professional services in the accompanying consolidated statements of functional expenses.

J. *Functional Allocation of Expenses*

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel services, occupancy, office supplies and expenses, printing and postage, equipment purchases and rental, communication, insurance and staff training and development. Such expenses are allocated on the basis of estimates of time and effort.

K. *Loans Receivable and Allowance for Loan Losses*

Loans receivable are stated at unpaid principal balances, less an allowance for loan losses and net of deferred loan origination fees and unearned discounts, as applicable.

Loan origination and commitment fees, as well as certain direct origination costs, are deferred and recognized into income ratably over the term of the loan. Amortization of deferred loan fees is discontinued when a loan is placed on nonaccrual status.

The allowance is increased by a provision for loan losses, which is charged to expense, and reduced by charge-offs, net of recoveries. Management’s periodic evaluation of the adequacy of the allowance is based on the Organization’s past loan loss experience, known and other risks inherent in the portfolio, specific impaired loans, and adverse situations. Although management uses available information to recognize losses on loans, because of uncertainties associated with local economic conditions, collateral values, and future cash flows on impaired loans, it is reasonably possible that a material change could occur in the allowance for loan losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

The Organization considers a loan impaired when based on current information or factors, it is probable that the Organization will not collect the principal and interest payments according to the loan agreement. Management considers many factors in determining whether a loan is impaired, such as payment history and value of collateral. Loans that are contractually delinquent less than 90 days are generally not considered impaired, unless the borrower has claimed bankruptcy, or the Organization has received specific information concerning the loan impairment. The Organization reviews delinquent loans to determine impaired accounts. The Organization measures impairment on a loan-by-loan basis by either using the fair value of collateral or the present value of expected cash flows.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization's key credit quality indicator is a loan's performance status, defined as accruing or non-accruing. Performing loans are considered to have a lower risk of loss, while nonaccrual loans are those which the Organization believes have a higher risk of loss. Loans that are 90 days or more past due, based on the contractual terms of the loan, are classified on nonaccrual status. Loans may also be placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired, or collection of interest is doubtful. Uncollectible interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectible. There were no loans on nonaccrual status at December 31, 2019 and 2018.

A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. Loans may also resume accruing interest if management no longer believes a loan is impaired or the collection of principal and interest is no longer in doubt. As of December 31, 2019 and 2018, management believes that the Organization's loans receivable are fully collectible and as such, the allowance for loan loss is zero.

L. *Recently Enacted Accounting Standards*

Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("ASU 2014-09") was effective for fiscal years beginning after December 15, 2018. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services.

On June 3, 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities* ("ASU 2020-05"), to defer ASU 2014-09 for privately owned companies and nonprofits that have not yet adopted the standard. As allowed by ASU 2020-5, the Organization has decided to defer adoption of ASU 2014-09 to its annual reporting period beginning after December 15, 2019.

FASB ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) was adopted by the Organization for the year ended December 31, 2019. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution is conditional. The adoption of ASU 2018-08 did not result in changes to the Organization's consolidated financial statements as the funding received from contributors are nonreciprocal transactions where the contributors did not receive direct benefit.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprised the following as of December 31, 2019:

Cash and cash equivalents	$ 10,368,711
Contributions receivable, net	5,587,937
Other receivables, net	956,756
Less: donor-restricted net assets not available for general expenditure	(9,291,087)
Total financial assets	$ 7,622,317

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (Continued)

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they become due, while also striving to maximize the investment of its available funds. In the event of an unanticipated liquidity need, the Organization also could draw upon its $500,000 line of credit as further discussed in Note 8.

NOTE 4 – RESTRICTED CASH

Restricted cash consisted of the following as of December 31:

	2019	2018
CSI:		
BCLF Reserve	$ 138,950	$ 462,913
CS Swift:		
BCLF Reserve	4,579	85,151
Swift Factory:		
Disbursement Account	4,101,025	16,605,987
MHIC Fee Reserve Account	379,314	445,409
NTCIC Fee Reserve Account	210,000	210,000
	$ 4,833,868	$ 17,809,460

BCLF Reserves:

Pursuant to the loan agreements (see Note 9) of CSI and CS Swift with Boston Community Loan Fund ("BCLF"), interest reserve accounts were established and BCLF has a security interest in, and control over, such interest reserve accounts. In conjunction with the extension of the maturity date of the $6,396,187 BCLF loan (see Note 9) from May 4, 2020 to January 1, 2021, CSI made an additional deposit of $160,000 to the interest reserve account.

Disbursement Account:

Pursuant to the QLICI Loan Agreement (see Note 9), certain proceeds of the QLICI loans were required to be deposited into a disbursement account ("Disbursement Account") upon closing of the loans. Withdrawals from the Disbursement Account are subject to a disbursement agreement and are used to pay construction and other costs related to the rehabilitation of the Property. Such withdrawals are subject to the approval of the lenders.

Fee Reserves:

Pursuant to the QLICI Loan Agreement, the Company was required to establish and fund a fee reserve account in the amount of $482,500, pledged to MHIC NE CDE II Subsidiary 47 LLC ("MHIC") (the "MHIC Fee Reserve Account"). Withdrawals from the MHIC Reserve Account are permitted to be made to pay asset management fees and operating expense reimbursements to MHIC.

Pursuant to the QLICI Loan Agreement, Swift Factory was required to establish and fund a fee reserve account in the amount of $210,000, pledged to NTCIC-Swift, LLC ("NTCIC") (the "NTCIC Fee Reserve Account"). Withdrawals from the NTCIC Reserve Account are permitted to be made to pay asset management fees, loan servicing fees and operating expense reimbursements to NTCIC.

NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, consisted of the following as of December 31:

	2019	2018
Less than one year	$ 4,044,298	$ 1,696,432
One to five years	1,623,450	415,000
	5,667,748	2,111,432
Less: Discount to net present value	(79,811)	(16,600)
Total	$ 5,587,937	$ 2,094,832

Contributions receivable to be collected in more than one year were discounted using risk-adjusted discount rates ranging from 0.89% to 0.96% and 0.93% to 1% as of December 31, 2019 and 2018, respectively. Amortization of the discount is included in contribution revenue in the accompanying consolidated statements of activities. Management has determined that an allowance for uncollectible accounts for contributions receivable was not necessary as of December 31, 2019 and 2018. Such estimate is based on management's assessments of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions and historical information.

NOTE 6 – PROPERTY AND EQUIPMENT, NET

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

	2019	2018	Estimated Useful Lives
Land	$ 371,800	$ 371,800	
Building and improvements	23,812,385	5,388,345	33.5-39 Years
Sitework	2,051,747	-	15 Years
Computer and equipment	14,800	14,800	3-5 Years
Contruction in progress	451,193	8,882,910	
	26,701,925	14,657,855	
Less: accumulated depreciation	(744,169)	(509,018)	
Property and equipment, net	$ 25,957,756	$ 14,148,837	

Depreciation expense was $235,151 and $146,508 for the years ended December 31, 2019 and 2018, respectively.

Construction in progress was reclassified into depreciable/amortizable categories or expense based on the nature of the costs. As of December 31, 2019, the total costs of $451,193 in construction in progress are related to the portion of the overall construction work that will not be placed in service until 2020. Swift Factory has entered into construction contracts with Capital Restoration Inc. ("Capital Restoration") and Consigli Construction Co., Inc. ("Consigli" and together with Capital Restoration, the "Contractors") for the rehabilitation of the Property.

NOTE 6 – PROPERTY AND EQUIPMENT, NET (Continued)

The total value of each of the construction contracts was as follows as of December 31, 2019:

	Original Contract Amount	Total Change Orders	Total Contract Amount
Capital Restoration	$ 725,940	$ 175,243	$ 901,183
Consigli Construction Co.	13,152,733	1,673,422	14,826,155
	$ 13,878,673	$ 1,848,665	$ 15,727,338

As of December 31, 2019 and 2018, $1,400,312 and $922,243, respectively, was payable to the Contractors, and was included in accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

NOTE 7 – LOANS RECEIVABLE

Loans receivable consisted of the following as of December 31:

	2019	2018
In August 2014, CSI entered into a loan agreement with North Capitol Commons LP, a related party, as a lender of $9,120,000 (2nd sponsor loan as discussed in Note 15C). The loan became receivable once the North Capitol Project was completed in 2017. The loan bears interest at 0.50% annually and matures on August 28, 2059. Currently, only interest payments are being received.	$ 9,120,000	$ 9,120,000
In October 2014, CSI entered into a loan agreement with North Capitol Commons LP, a related party, as the lender of $500,000. These funds were remitted from the Federal Home Loan Bank of Pittsburgh's Community Investment Department to CSI, who remitted the funds to the project. The loan became receivable once the North Capitol Project was completed in 2017. As of December 31, 2019 and 2018, there was no formal repayment plan.	500,000	500,000
In August 2014, CSI entered into a loan agreement with North Capitol Commons LP, a related party, as a lender of $150,000 (1st sponsor loan as discussed in Note 15C). The loan became receivable once the North Capitol Project was completed in 2017. The loan bears interest at the greater of the long-term Applicable Federal Rate, or 3.09% annually, and matures on August 28, 2064. Currently, only interest payments are being received.	150,000	150,000

NOTE 7 – LOANS RECEIVABLE (Continued)

	2019	2018
In May 2018, CSI executed a fund loan agreement with Twain Investment Fund 298 LLC, as a lender of $16,792,275. The principal balance of the loan shall accrue interest of 1.3962% per annum. Commencing June 15, 2018, quarterly installments of interest are due through June 15, 2028. Commencing June 15, 2028, quarterly installments of principal and interest equal to $199,221 shall be due to fully amortize the loan through maturity on May 4, 2053. Currently, only interest payments are being received.	$ 16,792,275	$ 16,792,275
In August 2018, CSI entered into two loan agreements with Vesta as a lender for up to a total of $354,000. The loans bear no interest. During the year ended December 31, 2019, the amounted was contributed to Vesta as paid-in capital (see Note 1).	-	215,000
Total Loans Receivable	$ 26,562,275	$ 26,777,275

Interest income recognized on the loans receivable totaled $285,590 and $205,863 for the years ended December 31, 2019 and 2018, respectively.

NOTE 8 – LINE OF CREDIT, NET

On May 4, 2018, CSI entered into a revolving line of credit agreement with BCLF for up to $350,000. The line of credit bears interest at a rate of 5% and has a maturity date of May 4, 2026. Borrowings are secured by CSI's rights to the loan receivable from Twain Investment Fund 298, LLC (see Note 7). There were no borrowings outstanding as of December 31, 2019 and 2018.

NOTE 9 – LOANS PAYABLE, NET

Loans payable consisted of the following as of December 31:

	2019	2018
On August 12, 2014, CS Rockaway entered into a loan agreement with the Low Income Investment Fund ("LIIF") to assist in the acquisition and renovation of 519 Rockaway Avenue. CS Rockaway may draw down funds on this loan up to $1,320,000. The loan bears interest at 5.75% and is secured by the building. CS Rockaway only paid interest on this loan through 2015, and upon completion of the building renovations in 2016, principal repayments commenced. Principal has been paid annually in the amount of $124,000 and the loan matures on September 1, 2020. Interest continues to be paid monthly. In conjunction with this loan, CS Rockaway is required to maintain a replacement reserve and an operating reserve.	$ 824,000	$ 948,000
On May 4, 2018, CSI entered into a loan agreement with BCLF. The loan bears interest at 5.00%, and the maturity date of the loan was May 4, 2020, but has been extended to January 1, 2021. Commencing on June 1, 2018, and thereafter on the 1st day of each succeeding calendar month, interest on the unpaid principal then outstanding shall be paid, in arrears; and the entire balance of principal and all accrued interest thereon, and all other payments, fees, costs, and charges, if any, shall be due and payable on or before the maturity date.	6,396,187	6,396,187
On May 4, 2018, CSI entered into a loan agreement with BCLF. The loan bears interest at 5.00%, and the maturity date of the loan is May 4, 2026. Commencing on July 1, 2018, and thereafter on the 1st day of each third succeeding calendar month up to April 1, 2019, interest on the unpaid principal then outstanding shall be paid in arrears; commencing on July 1, 2019, and thereafter on the 1st day of each third succeeding calendar month up to the maturity date, interest on the unpaid principal then outstanding and principal shall be paid upon a 20-year amortization schedule; and the entire balance of principal and all accrued interest thereon, and all other fees, costs and charges, if any, shall be due and payable on or before the maturity date.	3,597,907	3,650,000
On May 4, 2018, CS Swift entered into a loan agreement with BCLF. The loan bears interest at 5.00% and was repaid in full during 2019.	-	3,218,283

NOTE 9 – LOANS PAYABLE, NET (Continued)

	2019	2018
On May 4, 2018, CS Swift entered into a loan agreement with Capital Region Development Authority. CS Swift may draw down funds on this loan up to $4,300,000. The loan bears interest at 1.00% during the construction phase (2 years) and interest at 3.00% during the permanent phase (20 years). Conditions to conversion to Permanent Phase include completion of construction and issuance of certificates of occupancy and issuance of lien waivers. Payment of principal and interest will be annual and paid within 120 days of the calendar year following construction completion and will equal 70% of net cash flows. In the event of insufficient cash flows to pay all or any part of required interest payments, such amount will accrue and be due and payable, to the extent of available net cash flows on the next scheduled annual payment. All outstanding principal and interest will be due in full 20 years from the date of the conversion of the loan to the Permanent Phase.	$ 4,300,000	$ 2,064,730
On May 4, 2018, CS Swift entered into a loan agreement with NNPI. The loan bears interest at 1.48%, and the maturity date of the loan is March 28, 2053. Commencing on the first day of the thirty-seventh (37th) month following the Advancement Date, and continuing on the first day of each month thereafter, principal and interest shall be payable in equal, consecutive monthly installments in an amount determined by the lender to be sufficient to fully amortize the outstanding principal balance of this note plus all accrued and unpaid interest thereon at the interest rate then in effect over the then remaining term of this note. Unless sooner paid, the outstanding principal balance of this note, together with all accrued and unpaid interest and other amounts payable under this note shall be due and payable in full on maturity date without notice or demand.	2,960,572	2,093,723

On May 4, 2018, Swift Factory entered into a loan agreement (the “QLICI Loan Agreement”) with NTCIC, BCC NMTC CDE XXX LLC (“BCC”) and MHIC, (collectively, the “Lenders”) for six loans totaling $24,005,000 (collectively, the “QLICI Loans”).

Pursuant to the respective promissory notes, interest-only payments are due on the 1st day of each March, June, September and December commencing on June 1, 2018 through March 1, 2028. A one-time principal payment of $30,000 shall be due and payable to MHIC on Note B-3 on May 4, 2025. Commencing on April 1, 2028 and through the maturity date, principal and interest payments are due on the 1st day of each March, June, September and December in amounts sufficient to fully amortize the outstanding balance over the remaining term, with the first payment due on June 1, 2028. Pursuant to the QLICI Loan Agreement, the QLICI Loans are secured by the leasehold mortgage on the Property.

NOTE 9 – LOANS PAYABLE, NET (Continued)

	2019	2018
The QLICI loans consisted of the following:		
NTCIC A-1	$ 7,214,704	$ 7,214,704
NTCIC B-1	2,785,296	2,785,296
BCC A-2	1,999,411	1,999,411
BCC B-2	850,589	850,589
MHIC A-3	7,578,160	7,578,160
MHIC B-3	3,576,840	3,576,840
Total loans payable	42,083,666	42,375,923
Less: unamortized loan costs	(1,039,209)	(982,748)
Loans payable, net	$ 41,044,457	$ 41,393,175

Principal payments due on loans payable of the Organization in each of the five subsequent years ending December 31 and thereafter are as follows:

2020	$	7,330,885
2021		142,519
2022		200,070
2023		207,598
2024		243,491
Thereafter		33,959,103
	$	42,083,666

Loan closing costs are legal fees and other costs incurred in obtaining financing that are amortized on a straight-line basis over the term of the related debt. Loan closing costs are presented as a direct deduction of the carrying amount of the debt. Loan closing costs are being amortized to interest expense over the terms of the loans, except for the amortization of Swift Factory's loan costs which are capitalized into property and equipment.

Loan closing costs were as follows as of and for the years ended December 31:

	2019	2018
Loan closing costs, beginning of year	$ 982,748	$ -
Additional costs incurred	156,325	1,081,600
Costs amortized into expense	(49,747)	(75,717)
Costs capitalized	(50,117)	(23,135)
Loan closing costs, end of year	$ 1,039,209	$ 982,748

NOTE 9 – LOANS PAYABLE, NET (Continued)

Pursuant to the QLICI Loan Agreement, Swift Factory is required to pay NTCIC an asset management fee and a loan servicing fee in an annual amount of $10,000 for each fee per each calendar year, commencing in 2018 and continuing through 2025. Swift Factory is required to reimburse NTCIC's operating and accounting expenses incurred in connection with the QLICI Loans, in the expected amount of $10,000 annually (collectively, the "NTCIC Fees"), commencing in 2018 and continuing through 2025. For the year ended December 31, 2019 and the period from October 17, 2014 (inception) to December 31, 2018, NTCIC Fees in the amount of $33,332 and $30,000, respectively, were incurred, paid, and capitalized to property and equipment in the accompanying consolidated statements of financial position.

Pursuant to the QLICI Loan Agreement, Swift Factory is required to pay BCC an asset management fee of $30,000 per calendar year, commencing in 2018 and continuing through 2025, after which it shall be reduced to an amount equal to $30,000 multiplied by the Reimbursement Percentage (as defined in the QLICI Loan Agreement), and an audit and tax preparation fee (collectively, the "BCC Fees") of $10,000 per calendar year, commencing in 2019 and continuing through 2024. Swift Factory is required to pay an audit and tax preparation fee of $20,000 in 2025. For the year ended December 31, 2019 and the period from October 17, 2014 (inception) to December 31, 2018, BCC Fees in the amount of $40,000 and $30,000, respectively, were incurred, paid, and capitalized to property and equipment in the accompanying consolidated statements of financial position.

Pursuant to the QLICI Loan Agreement, Swift Factory is required to pay MHIC an asset management fee in an annual amount of $57,500 prorated for partial years, commencing in 2018 and continuing through 2025, and reimburse MHIC's operating and accounting expenses incurred in connection with the QLICI Loans (collectively, the "MHIC Fees"), commencing in 2019 and continuing through 2025. For the year ended December 31, 2019 and the period from October 17, 2014 (inception) to December 31, 2018, MHIC Fees in the amount of $57,000 and $38,333, respectively, were incurred, paid, and capitalized to property and equipment in the accompanying consolidated statements of financial position.

Pursuant to the QLICI Loan Agreement, Swift Factory is also required to pay MHIC an exit fee in the amount of $30,000 on May 4, 2025.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

	2019	2018
Purpose restrictions:		
Inspiring Places	$ 1,159,918	$ 217,047
Brownsville Partnership	-	874,125
Real estate projects	1,357,022	655,973
Hartford Community Partnership	-	308,324
Fiscal sponsorships	580,678	172,922
Built for Zero	2,816,389	1,514,403
Time restrictions	3,377,080	180,481
Total net assets with donor restrictions	$ 9,291,087	$ 3,923,275

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the years ended December 31 as follows:

	2019	2018
Purpose restrictions:		
Real estate projects	$ -	$ 1,119,197
Built for Zero	6,570,874	5,828,931
Brownsville Partnership	-	746,548
Inspiring Places	1,015,912	519,973
Hartford Community Partnership	-	360,417
Fiscal sponsorships	1,453,799	536,328
Pass-through grants	959,500	163,400
Time restrictions	2,320,411	289,585
Total net assets released from donor restrictions	$ 12,320,496	$ 9,564,379

NOTE 11 – MEMBERS' CAPITAL AND DISTRIBUTIONS

Pursuant to the Master Tenant's Amended and Restated Operating Agreement dated May 4, 2018 (the "Operating Agreement") and the First Amendment to the Operating Agreement dated September 5, 2018 (the "Amendment"), the investor member was required to make capital contributions totaling $4,152,677, subject to adjustments, as described in the Operating Agreement. As of December 31, 2019 and 2018, the investor member had made capital contributions totaling $1,245,803.

Pursuant to the Operating Agreement, the investor member is entitled to receive annual distributions equal to their tax liability generated from taxable income passed through from Master Tenant ("Special Tax Distributions") to the investor member. For the years ended December 31, 2019 and 2018, no Special Tax Distributions were made or owed to the investor member.

Pursuant to the Operating Agreement, the investor member shall receive a cumulative, annual distribution of net cash flows, as defined in the Operating Agreement, in an amount equal to 2% of its paid-in capital contributions, as defined in the Operating Agreement ("Priority Return"). For the years ended December 31, 2019 and 2018, no Priority Return payments were made or owed to the investor member.

NOTE 12 – EMPLOYEE BENEFIT PLAN

The Organization maintains a defined contribution retirement plan that is available to all full-time employees who have attained age 21. The plan provides for voluntary employee contributions, and the Organization may elect to match 100% of employee contributions up to 3% of their gross salary after a minimum of one year of service. The Organization's contributions to the plan totaled $89,551 and $92,775 for the years ended December 31, 2019 and 2018, respectively.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. ***Lease Commitments***

The Organization leases equipment and office spaces under multiple operating leases that run through October 2020. In May 2018, the Organization ended its lease with 125 Maiden Office Equities LLC and entered into an operating lease with Bond Collective for new office space that expires in October 2020. The lease requires fixed monthly payments of $7,150 over the term of the lease.

Future minimum lease payments were approximately $89,000 for the year ended December 31, 2020.

Rent expense for these leases amounted to $78,047 and $106,437 for the years ended December 31, 2019 and 2018, respectively.

B. ***Uncertainty in Income Taxes***

The Organization believes it had no uncertain income tax positions as of December 31, 2019 and 2018 in accordance with FASB Accounting Standards Codification Topic 740 “Income Taxes”, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

C. ***Rehabilitation Tax Credits***

Swift Factory is expected to generate HTCs under IRC Section 47. Pursuant to the Master Lease, Master Tenant is eligible to claim HTCs generated from the Property. HTCs are available for use ratably over five years from the date the rehabilitation is placed in service and are equal to 20% of the qualified rehabilitation expenditures with respect to any certified historic structure. In order to qualify for HTCs, Swift Factory must comply with various federal requirements. The requirements include, but are not limited to, the Property being listed as a certified historic structure in the National Register of Historic Places or located in a registered historic district and certified by the Secretary of the Interior as being of historic significance to the district, and the rehabilitation being performed in a manner consistent with standards established by the Secretary of the Interior. Because HTCs are subject to complying with certain requirements, there can be no assurance that the aggregate amount of rehabilitation credits will be realized and failure to meet all such requirements may result in generating a lesser amount of HTCs than the expected amount. During the year ended December 31, 2019, upon a portion of the Property being placed in service, Swift Factory generated $3,850,373 of HTCs, which have been passed through to the Master Tenant pursuant to the Master Lease.

Swift Factory also participated in the State of Connecticut historic rehabilitation tax credit program under Section 10-416c of the Connecticut General Statutes and is expected to generate State HTCs. State HTCs are available at the date the rehabilitation is placed in service and are generally equal to the lesser of 25% of the qualified rehabilitation expenditures with respect to any certified historic structure or $4,500,000. In order to qualify for State HTCs, Swift Factory must comply with various State of Connecticut requirements. State HTCs shall be allocated 100% to CS Swift as the Managing Member. Because State HTCs are subject to complying with certain requirements, there can be no assurance that the aggregate amount of State HTCs will be realized and failure to meet all such requirements may result in generating a lesser amount of State HTCs than the expected amount. Because certain tenant improvement rehabilitation was in progress as of December 31, 2019, the State HTCs had not yet been earned.

NOTE 14 – LEASE INCOME

The Organization entered into an agreement as the lessor with a nonprofit organization ("Tenant 1") to lease space at their 519 Rockaway Avenue location for a term expiring in February 2025. The lease requires escalating monthly payments ranging from $8,079 to $10,541 over the term of the lease. Rental income recognized on a straight-line basis over the respective lease term of the underlying agreement amounted to $111,142 for each of the years ended December 31, 2019 and 2018, respectively.

The Organization also entered into an agreement as the lessor with a nonprofit organization ("Tenant 2") to lease space at their 519 Rockaway Avenue location for a term expiring in December 2019. The lease requires a monthly payment of $8,079 over the term of the lease. Rental income recognized on a straight-line basis over the respective lease term of the underlying agreement amounted to $96,950 for the year ended December 31, 2019. In 2019, Tenant 2 entered into separate agreements with three subtenants to sublease workspace at 519 Rockaway Avenue as follows:

- Subtenant 1: The sublease term expired in December 2019. The lease required a monthly payment of $860 over the term of the sublease. Rental income recognized over the respective sublease term of the underlying agreement amounted to $10,320 for the year ended December 31, 2019.

- Subtenant 2: The sublease term expired in December 2019. The sublease required monthly rent payments of $1,667 for the first eight months from January to August 2019 for the use of half of the front area space on the fourth floor and $2,777 for the next four months from September to December 2019 for the use of full front area space on the 4th floor, and additional monthly rent payments of $454 from March to December 2019 for the use of private dropdown office space. Rental income recognized over the respective sublease term of the underlying agreement amounted to $28,981 for the year ended December 31, 2019.

- Subtenant 3: The sublease term expired in December 2019, but the subtenant moved out by the end of September 2019. The sublease required monthly rent payments ranging from $453 to $467 over the term of the sublease. Rental income recognized over the respective sublease term of the underlying agreement amounted to $4,174 for the year ended December 31, 2019.

Future annual lease income of the Organization in each of the five subsequent years ending December 31 and thereafter was approximately as follows:

2020	$	112,000
2021		115,000
2022		119,000
2023		122,000
2024		126,000
Thereafter		21,000
Total	$	615,000

During the year ended December 31, 2019, the Organization incurred lease acquisition costs totaling $31,000, which are being amortized over the life of the lease. For the year ended December 31, 2019, amortization expense was $107.

NOTE 15 – RELATED PARTY TRANSACTIONS

A. ***Northeast Neighborhood Partners, Inc.***

During the years ended December 31, 2019 and 2018, the Organization paid expenses for NNPI from advance payments received by CSI for NNPI. In addition, certain employees of CSI performed work for NNPI throughout the year. The portion of the employees' salaries allocated to the work performed is charged to NNPI throughout the year. Amounts due to CSI from NNPI related to these transactions were $96,417 and $73,049 as of December 31, 2019 and 2018, respectively. Lastly, the President of the Organization was the Secretary of the Board of Directors of NNPI as of December 31, 2019 and 2018, respectively.

In 2015, NNPI transferred the Property located at 10 and 60 Love Lane in Hartford, Connecticut, with a book value of $1,208,521, to Swift Factory. In December 2017, these properties were transferred from Swift Factory to CSI, and then from CSI to NNPI. The transfer totaled $3,567,994, including the properties with a book value of $2,003,613, and existing assets and liabilities related to these properties in the amount of $1,443,933. This resulted in a loss of $559,680.

On December 27, 2017 and as amended on May 4, 2018, Swift Factory entered into a ground lease of the Property with NNPI for the purpose of leasing, renovating, and holding, maintaining, operating and assigning or subleasing its leasehold interest in the Property. The term of the ground lease is 98 years and Swift Factory is required to pay $98 as base rent and $3,867,053 as additional base rent for the entire lease term. Swift Factory shall pay the additional base rent in installments as NNPI's portion of the renovation work progresses.

B. ***Community Solutions 519 Rockaway Avenue, Inc.***

During the year ended December 31, 2015, CSI entered into a lease agreement with CS Rockaway for one year. This lease will automatically extend for up to 20 successive one-year periods unless terminated by either party with 30 days' written notice. Rental income and expense of $155,660 for each year was eliminated within the consolidated statements of activities for the years ended December 31, 2019 and 2018, respectively, related to this agreement.

C. ***North Capitol Project***

The North Capitol Project (the "Project") is a Washington, D.C., residential project consisting of a new building with a total of 124 low-income housing tax unit apartments for use by veterans of the military. The Project, with a total cost of approximately $32,650,000, was funded by the issuance of short-term tax-exempt bonds, equity investments, other federal and local government funding, and two sponsor loans from CSI in the aggregate amount of $9,270,000, more fully described below. The Project was completed and placed in service during the year ended December 31, 2017.

In 2014, CSNCC as co-managing member, along with an unrelated party, of NCC GP, the General Partner of North Capitol Commons, LP, entered into a series of agreements related to the Project as follows:

- North Capitol Commons LP Amended and Restated Agreement of Limited Partnership
- North Capitol Commons GP LLC Initial Operating Agreement and Amended and Restated Agreement
- Purchase Option and Right of First Refusal Agreement
- Deed of Trust, Security Agreement and Assignment of Leases and Rents

NOTE 15 – RELATED PARTY TRANSACTIONS (Continued)

On August 28, 2014, CSI entered into two loan agreements in the amount of $150,000 (1st Sponsor loan) and $9,120,000 (2nd Sponsor loan) to provide permanent loan proceeds of $9,270,000 to assist in funding the Project. All loan proceeds were drawn down by the Project and were recorded on the consolidated statements of financial position as loans receivable (see Note 7) as of December 31, 2019 and 2018, respectively.

To date, CSI has secured $4,000,000 of private and corporate contributions, $4,080,000 of Department of General Services ("DGS") funds and $1,190,000 from the Department of Housing and Community Development ("DHCD"). During the year ended December 31, 2017, private and corporate contributions of $4,000,000 were released from net assets with donor restrictions, upon completion of the Project. DGS funds in the amount of $4,080,000 have been received by CSI and were remitted to the Project as of December 31, 2019 and 2018. As of December 31, 2019 and 2018, $1,190,000 from the DHCD funds were drawn and remitted to the Project.

In October 2014, CSI entered into a loan agreement in the amount of $500,000 to provide additional loan proceeds to assist in funding the Project. CSI received and remitted the $500,000 from Federal Home Loan Bank of Pittsburgh's Community Investment Department to the Project during the year ended December 31, 2017. This balance is recorded in the consolidated statements of financial position as loans receivable (see Note 7) as of December 31, 2019 and 2018, respectively.

As of December 31, 2019 and 2018, CSI had transferred funding in the amount of $9,770,000 to the Project in accordance with the private and public donor stipulations. Contributions with donor restrictions received for the Project were released upon the Project being placed in service.

The 2nd sponsor loan provided that CSI enter into a pledge and assignment agreement assigning Chase Bank, Trustee for the short-term tax-exempt bonds funding of the Project, a security interest in certain funds and agreeing to certain conditions for the release of the funds. Such funds were fully expended during the year ended December 31, 2018.

The Project is the recipient of a $7,000,000 HOME loan from DHCD. During 2016, CSI received $3,450,996 from DHCD and remitted a total of $1,940,827 to the Project. During 2017, CSI received the balance of this loan and has remitted all funds to the Project as of December 31, 2017.

CSI, along with an unrelated entity, are co-developers of the Project. As such, CSI is entitled to a developer fee of $1,290,000, payable in four installments as follows: $276,235 was paid at initial closing, $300,000 was paid upon receipt of a grant from the Federal Home Loan Bank of Pittsburgh under the Affordable Housing Program, $386,234 will be paid upon satisfaction of the conditions to the payment of the Limited Partner of its Third Capital Contribution, $15,361 will be paid upon satisfaction of the conditions to the payment of the Limited Partner of its Fourth Capital Contribution, and the last payment of $312,170 will be paid upon satisfaction of the conditions to the payment of the Limited Partner of its Fifth Capital Contribution, of which $237,531 is anticipated to be deferred and payable out of net cash flow pursuant to the partnership agreement. During the years ended December 31, 2019 and 2018, CSI recognized $166,794 and $0, respectively, of such developer fees, which are included in development and management fees in the accompanying consolidated statements of activities. Since the inception of the Project, CSI has recognized $943,029 of developer fees under this agreement.

On August 28, 2014, CSI entered into a Purchase Option and Right of First Refusal Agreement with North Capitol Commons LP and other unrelated parties.

NOTE 15 – RELATED PARTY TRANSACTIONS (Continued)

Grant of Option

North Capitol Commons LP grants to CSI an option to purchase the real estate, fixtures and personal property comprising the Project or associated with the physical operations thereof, owned by North Capitol Commons LP at the time of purchase, after the close of the 15-year compliance period for the low-income housing tax credit for the Project (the "Compliance Period"), on the terms and conditions set forth in the agreement.

Grant of Refusal Right

In the event that North Capitol Commons LP receives a bona fide offer to purchase the Project, CSI shall have a right of first refusal to purchase the Property (the "Refusal Right") after the close of the Compliance Period, on the terms and conditions set forth in the agreement.

On August 28, 2014, CSI entered into a Leasehold Deed of Trust, Security Agreement and Assignment of Leases and Rents with North Capitol Commons LP. Under the terms of said agreement, North Capitol Commons LP (the "Borrower") irrevocably conveyed its right, title and interest in the leases of said property to CSI as collateral for the guaranteed performance by North Capitol Commons LP.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through June 18, 2020, the date the consolidated financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, which continues to spread throughout the United States. The Organization could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Organization's mission, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the Organization cannot predict the extent to which its financial condition and results of operations will be affected.

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act ("CARES Act"). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program ("PPP"). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity's average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made; or (b) $10 million. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the eight week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the Organization's employees. The Organization applied for this loan through an SBA authorized lender. On April 10, 2020, the Organization received PPP funding of $918,532.

On June 10, 2020, the Organization obtained a $1,000,000 loan from the Corporation for Supportive Housing to finance predevelopment expenses related to the new construction of an 81-unit supportive housing project in Brooklyn, New York. The loan bears interest at 6% and matures at the earlier of closing of construction financing or June 1, 2023.

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

	Community Solutions International, Inc.	Community Solutions 519 Rockaway Avenue, Inc.	CS Swift, LLC	Swift Factory, LLC	Swift Factory Master Tenant LLC	Eliminations	Consolidated Totals
ASSETS							
Cash and cash equivalents	$ 9,333,699	$ 42,979	$ -	$ 962,566	$ 29,467	$ -	$ 10,368,711
Contributions receivable, net	5,087,449	500,488	-	-	-	-	5,587,937
Other receivables, net	2,270,519	569,700	67,615	95,000	79,507	(2,125,585)	956,756
Loans receivable	26,562,275	-	6,182,704	-	1,016,123	(7,198,827)	26,562,275
Restricted cash	138,950	-	4,579	4,690,339	-	-	4,833,868
Replacement reserve	-	74,580	-	-	-	-	74,580
Operating reserve	-	99,368	-	-	-	-	99,368
Prepaid expenses and other assets	88,843	1,992	-	-	-	-	90,835
Due from Northeast Neighborhood Partners, Inc.	96,417	-	-	-	-	-	96,417
Due from North Capitol Commons GP LLC	6,265	-	-	-	-	-	6,265
Due from Community Solutions 519 Rockaway Avenue, Inc.	1,452,292	-	-	-	-	(1,452,292)	-
Due from CS Swift, LLC	-	-	-	4,131	-	(4,131)	-
Due from Swift Factory, LLC	106,748	-	-	-	-	(106,748)	-
Investment in Swift Factory, LLC	-	-	2,067,995	-	229,778	(2,297,773)	-
Investment in Swift Factory Master Tenant LLC	-	-	41,667	-	-	(41,667)	-
Investment in Vesta CO LLC, at cost	379,000	-	-	-	-	-	379,000
Deferred leasing costs, net	-	-	-	30,893	-	-	30,893
Property and equipment, net	-	5,230,821	-	22,297,576	-	(1,570,641)	25,957,756
TOTAL ASSETS	$ 45,522,457	$ 6,519,928	$ 8,364,560	$ 28,080,505	$ 1,354,875	$ (14,797,664)	$ 75,044,661
LIABILITIES AND NET ASSETS/MEMBERS' EQUITY							
LIABILITIES							
Accounts payable and accrued expenses	$ 1,305,922	$ 25,400	$ 55,833	$ 1,400,312	$ 95,000	$ (858,031)	$ 2,024,436
Due to Community Solutions International, Inc.	-	1,452,292	-	-	-	(1,452,292)	-
Due to Swift Factory, LLC	-	-	4,131	-	-	(4,131)	-
Deferred revenue	1,892,541	-	-	3,661	-	(1,224,302)	671,900
Developer fee payable	-	-	-	1,370,641	-	(1,370,641)	-
Loans payable, net	17,150,594	824,000	7,260,572	23,008,118	-	(7,198,827)	41,044,457
TOTAL LIABILITIES	20,349,057	2,301,692	7,320,536	25,782,732	95,000	(12,108,224)	43,740,793
NET ASSETS/MEMBERS' EQUITY							
Without donor restrictions	16,194,286	3,906,263	1,044,024	2,297,773	41,667	(2,689,440)	20,794,573
Non-controlling members' interests in consolidated subsidiaries	-	-	-	-	1,218,208	-	1,218,208
Total without donor restrictions	16,194,286	3,906,263	1,044,024	2,297,773	1,259,875	(2,689,440)	22,012,781
With donor restrictions	8,979,114	311,973	-	-	-	-	9,291,087
TOTAL NET ASSETS/MEMBERS' EQUITY	25,173,400	4,218,236	1,044,024	2,297,773	1,259,875	(2,689,440)	31,303,868
TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY	$ 45,522,457	$ 6,519,928	$ 8,364,560	$ 28,080,505	$ 1,354,875	$ (14,797,664)	$ 75,044,661

See independent auditors' report.

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Community Solutions International, Inc.	Community Solutions 519 Rockaway Avenue, Inc.	CS Swift, LLC	Swift Factory, LLC	Swift Factory Master Tenant LLC	Eliminations	Consolidated Totals
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:							
REVENUES, GAINS, AND OTHER SUPPORT							
Governmental grants	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ 25,000
Contributions	1,394,965	-	119,091	-	-	(119,091)	1,394,965
Consulting income	1,657,851	-	-	-	-	(15,000)	1,642,851
Development and management fees	722,043	-	-	-	-	(150,000)	572,043
Rental income	43,476	266,802	-	91,339	25,126	(175,175)	251,568
Other income	40,616	3,036	-	-	-	-	43,652
Interest income	308,516	-	61,877	55,596	30,607	(57,498)	399,098
Equity in net income (loss) from Swift Factory, LLC	-	-	(9,869)	-	(1,096)	10,965	-
Equity in net income (loss) from Swift Factory Master Tenant LLC	-	-	(492)	-	-	492	-
Net assets released from donor restrictions	12,320,496	-	-	-	-	-	12,320,496
TOTAL REVENUES, GAINS AND OTHER SUPPORT - WITHOUT DONOR RESTRICTIONS	16,512,963	269,838	170,607	146,935	54,637	(505,307)	16,649,673
EXPENSES							
Program services							
Built for Zero	6,584,456	-	-	-	-	-	6,584,456
Inspiring Places	1,412,182	-	-	-	-	-	1,412,182
Real estate projects	995,195	503,912	131,670	157,900	103,856	(293,054)	1,599,479
Fiscal sponsorship	1,650,439	-	-	-	-	(15,000)	1,635,439
Other programs	1,159,500	-	-	-	-	-	1,159,500
Total program services	11,801,772	503,912	131,670	157,900	103,856	(308,054)	12,391,056
Supporting services							
Management and general	1,047,270	-	-	-	-	(58,710)	988,560
Fundraising	723,414	-	-	-	-	-	723,414
Total supporting services	1,770,684	-	-	-	-	(58,710)	1,711,974
TOTAL EXPENSES	13,572,456	503,912	131,670	157,900	103,856	(366,764)	14,103,030
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	2,940,507	(234,074)	38,937	(10,965)	(49,219)	(138,543)	2,546,643
Non-controlling members' interests in net income of consolidated subsidiaries	-	-	-	-	48,727	-	48,727
Capital contributions	-	-	-	-	-	-	-
Net assets without donor restrictions, beginning of year	13,253,779	4,140,337	1,005,087	2,308,738	42,159	(2,550,897)	18,199,203
Net assets without donor restrictions, end of year	16,194,286	3,906,263	1,044,024	2,297,773	41,667	(2,689,440)	20,794,573
CHANGE IN NON-CONTROLLING MEMBERS' INTERESTS IN CONSOLIDATED SUBSIDIARIES							
Non-controlling members' interests in consolidated subsidiaries - beginning of year	-	-	-	-	1,266,935	-	1,266,935
Non-controlling members' interests in net income of consolidated subsidiaries	-	-	-	-	(48,727)	-	(48,727)
Non-controlling members' capital contributions	-	-	-	-	-	-	-
Non-controlling members' interests in consolidated subsidiaries - end of year	-	-	-	-	1,218,208	-	1,218,208
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:							
REVENUES, GAINS, AND OTHER SUPPORT							
Contributions	17,688,308	-	-	-	-	-	17,688,308
Net assets released from donor restrictions	(12,320,496)	-	-	-	-	-	(12,320,496)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	5,367,812	-	-	-	-	-	5,367,812
Net assets with donor restrictions, beginning of year	3,611,302	311,973	-	-	-	-	3,923,275
Net assets with donor restrictions, end of year	8,979,114	311,973	-	-	-	-	9,291,087
Net assets/members' equity, beginning of year	16,865,081	4,452,310	1,005,087	2,308,738	1,309,094	(2,550,897)	23,389,413
CHANGE IN NET ASSETS/MEMBERS' EQUITY	8,308,319	(234,074)	38,937	(10,965)	(49,219)	(138,543)	7,914,455
Net assets/members' equity, end of year	$ 25,173,400	$ 4,218,236	$ 1,044,024	$ 2,297,773	$ 1,259,875	$ (2,689,440)	$ 31,303,868

See independent auditors' report.