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, 2020 and 2019

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, 2020 AND 2019

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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.

Report on the Consolidated Financial Statements

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, 2020 and 2019, 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 Consolidated 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 Swift Factory, LLC and Swift Factory Master Tenant LLC, which statements reflect total assets of $28,655,232 (30%) and $26,610,733 (35%), respectively, as of December 31, 2020 and 2019, and total revenues of $116,755 (0.3%) and $55,618 (0.3%), 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 Swift Factory, LLC and Swift Factory Master Tenant LLC, 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, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 18 to the consolidated financial statements, in February 2020, Brownsville Partnership, Inc. (“BP”) received its exemption from income tax under Section 501(c)(3) of the internal revenue code (“IRC”) effective December 14, 2018. Prior to obtaining its 501(c)(3) status, Community Solutions, Inc. was the fiscal sponsor for BP and BP’s accounts were consolidated with CSI. The change in BP’s status during 2020 resulted in a change in reporting entity, thus, the accounts of BP were no longer consolidated with CSI. Accordingly, the consolidated financial statements as of and for the year ended December 31, 2019 have been restated to reflect the change. Our opinion is not modified with respect to this matter.

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 30 and 31) 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
August 9, 2021

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

	2020	(As Restated) 2019
ASSETS		
Cash and cash equivalents (Notes 2C and 3)	$ 21,326,990	$ 10,305,304
Contributions receivable, net (Notes 2D, 3 and 5)	6,649,266	5,002,423
Grants receivable (Note 2H)	972,074	-
Other receivables, net of allowance for uncollectible receivables of $20,331 and $19,073 in 2020 and 2019, respectively (Note 3)	827,701	951,455
Loans receivable (Notes 2L, 7, and 9)	26,562,275	26,562,275
Restricted cash (Note 4)	522,219	4,833,868
Replacement reserve (Note 10)	-	74,580
Operating reserve (Note 10)	-	99,368
Prepaid expenses and other assets	255,159	90,835
Due from Northeast Neighborhood Partners, Inc. (Note 16A)	123,142	96,417
Due from North Capitol Commons GP LLC (Note 16B)	8,115	6,265
Investment in Vesta CO LLC, at cost (Note 1)	379,000	379,000
Deferred rent (Note 2G)	43,034	-
Deferred leasing costs, net (Note 15)	29,924	30,893
Property and equipment, net (Notes 2E, 2F, 6 and 10)	39,131,247	25,957,756
TOTAL ASSETS	$ 96,830,146	$ 74,390,439
LIABILITIES AND NET ASSETS/MEMBERS' EQUITY		
LIABILITIES		
Accounts payable and accrued expenses (Note 6)	$ 2,300,496	$ 1,876,730
Security deposits payable	4,696	-
Due to Brownsville Partnership, Inc.	265,359	-
Deferred revenue (Notes 2G and 2J)	49,860	671,900
Note payable (Note 9)	918,532	-
Loans payable, net (Note 10)	38,481,894	41,044,457
TOTAL LIABILITIES	42,020,837	43,593,087
COMMITMENTS AND CONTINGENCIES (Note 14)		
NET ASSETS/MEMBERS' EQUITY (Note 2B)		
Without donor restrictions	39,970,612	20,794,573
Non-controlling members' interests in consolidated subsidiaries	1,826,891	1,218,208
Total without donor restrictions	41,797,503	22,012,781
With donor restrictions (Note 11)	13,011,806	8,784,571
TOTAL NET ASSETS/MEMBERS' EQUITY	54,809,309	30,797,352
TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY	$ 96,830,146	$ 74,390,439

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, 2020 AND 2019

	For the Year Ended December 31, 2020			(As Restated) For the Year Ended December 31, 2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
REVENUES, GAINS AND OTHER SUPPORT						
Governmental grants (Note 2H)	$ 7,434,301	$ -	$ 7,434,301	$ 25,000	$ -	$ 25,000
Contributions (Notes 2D and 2I)	6,864,409	18,364,256	25,228,665	1,394,890	17,440,308	18,835,198
Consulting income	2,294,210	-	2,294,210	1,506,141	-	1,506,141
Development and management fees	392,204	-	392,204	572,043	-	572,043
Rental income (Notes 2G and 15)	167,779	-	167,779	208,093	-	208,093
Other income and gains (Note 15)	918,068	-	918,068	42,272	-	42,272
Interest income (Notes 2L and 7)	302,801	-	302,801	399,098	-	399,098
Net assets released from donor restrictions (Note 11)	14,137,021	(14,137,021)	-	11,704,887	(11,704,887)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	32,510,793	4,227,235	36,738,028	15,852,424	5,735,421	21,587,845
EXPENSES (Note 2K)						
Program services:						
Built For Zero	6,465,137	-	6,465,137	6,584,456	-	6,584,456
Inspiring Places	1,739,494	-	1,739,494	1,412,182	-	1,412,182
Real estate projects	1,998,391	-	1,998,391	1,599,479	-	1,599,479
Fiscal sponsorships	150,620	-	150,620	838,190	-	838,190
Other programs	1,926,268	-	1,926,268	1,159,500	-	1,159,500
Total program services	12,279,910	-	12,279,910	11,593,807	-	11,593,807
Supporting services:						
Management and general	1,151,056	-	1,151,056	988,560	-	988,560
Fundraising	732,858	-	732,858	723,414	-	723,414
Total supporting services	1,883,914	-	1,883,914	1,711,974	-	1,711,974
TOTAL EXPENSES	14,163,824	-	14,163,824	13,305,781	-	13,305,781
CHANGE IN NET ASSETS	18,346,969	4,227,235	22,574,204	2,546,643	5,735,421	8,282,064
Non-controlling members' interests in consolidated subsidiaries - beginning of year	1,218,208	-	1,218,208	1,266,935	-	1,266,935
Non-controlling members' interests in net loss of consolidated subsidiaries (Note 2B)	(829,070)	-	(829,070)	(48,727)	-	(48,727)
Non-controlling members' capital contributions (Note 12)	1,437,753	-	1,437,753	-	-	-
Non-controlling members' interests in consolidated subsidiaries - end of year	1,826,891	-	1,826,891	1,218,208	-	1,218,208
Net assets/members' equity - beginning of year (as previously reported) (Notes 1 and 18)	22,012,781	8,784,571	30,797,352	19,466,138	3,923,275	23,389,413
Net assets of previously consolidated entity (Notes 1 and 18)	-	-	-	-	(874,125)	(874,125)
Net assets/members' equity - beginning of year (as restated)	22,012,781	8,784,571	30,797,352	19,466,138	3,049,150	22,515,288
Net assets/members' equity - end of year	$ 41,797,503	$ 13,011,806	$ 54,809,309	$ 22,012,781	$ 8,784,571	$ 30,797,352

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, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	Program Services						Supporting Services				
	Built For Zero	Inspiring Places	Real Estate Projects	Fiscal Sponsorships	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2020 Total Expenses	2019 Total Expenses
Personnel services (Note 13)	$ 4,929,460	$ 544,428	$ 61,856	$ -	$ -	$ 5,535,744	$ 555,840	$ 643,459	$ 1,199,299	$ 6,735,043	$ 5,344,611
Professional services (Note 2I)	818,938	1,092,285	115,231	118,428	60,550	2,205,432	418,244	59,614	477,858	2,683,290	2,619,254
Occupancy (Note 14A)	88,789	16,832	13,563	6,950	-	126,134	67,399	4,538	71,937	198,071	210,722
Travel and conference	128,069	16,234	-	-	-	144,303	24,834	572	25,406	169,709	955,794
Supplies	202,323	24,058	39,646	25,242	-	291,269	-	-	-	291,269	832,646
Building management	-	-	28,531	-	-	28,531	-	-	-	28,531	69,286
Communication	81,895	14,422	5,176	-	-	101,493	7,881	8,146	16,027	117,520	100,916
Insurance	41,556	11,181	29,959	-	-	82,696	11,716	6,119	17,835	100,531	77,198
Office supplies and expenses	19,263	9,151	5,276	-	-	33,690	4,412	2,304	6,716	40,406	51,708
Printing and postage	1,850	290	213	-	-	2,353	304	2,836	3,140	5,493	12,912
Equipment purchases and rental	14,965	4,044	-	-	-	19,009	1,280	1,064	2,344	21,353	31,911
Real estate tax	-	-	7,730	-	-	7,730	-	-	-	7,730	1,339
Staff training and development	116,637	1,012	690	-	-	118,339	704	1,016	1,720	120,059	168,757
Advertising and marketing	21,392	5,104	713	-	-	27,209	5,349	2,793	8,142	35,351	79,205
Depreciation and amortization (Notes 6 and 15)	-	-	930,555	-	-	930,555	-	-	-	930,555	235,258
Interest (Notes 8 and 10)	-	-	715,268	-	-	715,268	-	-	-	715,268	814,251
Subcontract expenses	-	-	34,692	-	1,865,718	1,900,410	-	-	-	1,900,410	1,163,000
Bad debts expense	-	-	-	-	-	-	50,000	-	50,000	50,000	-
Miscellaneous expenses	-	453	9,292	-	-	9,745	3,093	397	3,490	13,235	537,013
Total expenses - 2020	$ 6,465,137	$ 1,739,494	$ 1,998,391	$ 150,620	$ 1,926,268	$ 12,279,910	$ 1,151,056	$ 732,858	$ 1,883,914	$ 14,163,824	
Total expenses - 2019	$ 6,584,456	$ 1,412,182	$ 1,599,479	$ 838,190	$ 1,159,500	$ 11,593,807	$ 988,560	$ 723,414	$ 1,711,974		$ 13,305,781

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

(As Restated)

	Program Services						Supporting Services			
	Built For Zero	Inspiring Places	Real Estate Projects	Fiscal Sponsorships	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2019 Total Expenses
Personnel services (Note 13)	$ 3,805,320	$ 445,591	$ 56,710	$ -	$ -	$ 4,307,621	$ 423,271	$ 613,719	$ 1,036,990	$ 5,344,611
Professional services (Note 2I)	884,074	791,788	190,113	299,876	-	2,165,851	394,941	58,462	453,403	2,619,254
Occupancy (Note 14A)	107,325	20,694	58,679	-	-	186,698	15,444	8,580	24,024	210,722
Travel and conference	732,527	98,804	96	6,035	-	837,462	113,065	5,267	118,332	955,794
Supplies	689,834	22,994	116,068	3,750	-	832,646	-	-	-	832,646
Building management	-	-	69,286	-	-	69,286	-	-	-	69,286
Communication	68,237	9,863	4,587	-	-	82,687	8,489	9,740	18,229	100,916
Insurance	38,058	8,354	12,737	-	-	59,149	11,603	6,446	18,049	77,198
Office supplies and expenses	24,538	3,100	9,726	11,618	-	48,982	1,698	1,028	2,726	51,708
Printing and postage	5,131	578	531	-	-	6,240	514	6,158	6,672	12,912
Equipment purchases and rental	22,547	1,472	132	1,681	-	25,832	1,455	4,624	6,079	31,911
Real estate tax	-	-	1,339	-	-	1,339	-	-	-	1,339
Staff training and development	160,805	1,782	125	23	-	162,735	1,950	4,072	6,022	168,757
Advertising and marketing	45,910	6,435	13,019	62	-	65,426	8,858	4,921	13,779	79,205
Depreciation and amortization (Notes 6 and 15)	-	-	234,488	-	-	234,488	770	-	770	235,258
Interest (Notes 8 and 10)	-	-	814,251	-	-	814,251	-	-	-	814,251
Subcontract expenses	-	-	-	3,500	1,159,500	1,163,000	-	-	-	1,163,000
Miscellaneous expenses	150	727	17,592	511,645	-	530,114	6,502	397	6,899	537,013
Total expenses	$ 6,584,456	$ 1,412,182	$ 1,599,479	$ 838,190	$ 1,159,500	$ 11,593,807	$ 988,560	$ 723,414	$ 1,711,974	$ 13,305,781

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, 2020 AND 2019

	2020	(As Restated) 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 22,574,204	$ 8,282,064
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	930,555	235,258
Increase (decrease) in discount to net present value on contributions receivable	(78,626)	63,211
Bad debts expense	50,000	-
Amortization of loan closing costs	62,104	49,747
Changes in operating assets and liabilities:		
Contributions receivable	(1,618,217)	(4,129,737)
Grants receivable	(972,074)	-
Other receivables	123,754	300,050
Prepaid expenses and other assets	(164,324)	(40,573)
Due to/from Northeast Neighborhood Partners, Inc.	(26,725)	(23,368)
Due to/from North Capitol Commons GP LLC	(1,850)	(1,915)
Due to/from Made in Brownsville	-	(3,816)
Due to/from Brownsville Partnership, Inc.	265,359	-
Deferred rent	(43,034)	-
Deferred leasing costs	-	(31,000)
Accounts payable and accrued expenses	1,141,146	(1,066,603)
Security deposits payable	4,696	-
Deferred revenue	(622,040)	671,900
Net Cash Provided by Operating Activities	21,624,928	4,305,218
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(14,820,457)	(10,593,641)
Paid-in capital contributed to Vesta CO LLC	-	(164,000)
Decrease in replacement reserve	74,580	-
Decrease in operating reserve	99,368	-
Net Cash Used in Investing Activities	(14,646,509)	(10,757,641)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	918,532	-
Proceeds from loans payable	4,723,428	3,102,119
Repayments on loans payable	(7,328,395)	(3,394,376)
Payments of loan issuance costs	(19,700)	(156,325)
Capital contributions from non-controlling members	1,437,753	-
Net Cash Used in Financing Activities	(268,382)	(448,582)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	6,710,037	(6,901,005)
Cash and cash equivalents and restricted cash - beginning of year	15,139,172	22,040,177
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 21,849,209	$ 15,139,172
Reconciliation to Consolidated Statements of Financial Position:		
Cash and cash equivalents	$ 21,326,990	$ 10,305,304
Restricted cash	522,219	4,833,868
	$ 21,849,209	$ 15,139,172
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest, including capitalized interest of $208,043 in 2020 and $194,677 in 2019	$ 816,618	$ 958,253
Noncash investing and financing transactions:		
Accounts payable and accrued expenses - construction in progress	$ 682,932	$ 1,400,312
Capitalized interest expense - loan closing costs	$ -	$ 50,117
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 16A), 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 16B 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.

- Vincent's Legacy, LLC ("Vincent's Legacy"), a New Mexico limited liability company, was formed on December 1, 2020 and organized with CSI as its sole member, to own, develop, lease, sell, finance, manage and operate the real property it owns, located on South St. Francis Drive, Santa Fe, New Mexico. Vincent's Legacy is a disregarded entity of CSI for federal and state income tax purposes, therefore the activities of Vincent's Legacy are included in the CSI column in the accompanying supplementary consolidating information.

- Vesta Atlanta LLC ("Vesta Atlanta"), a Georgia limited liability company, was formed on December 22, 2020 with CSI as its sole member, to acquire certain real property located in Fulton County, Georgia. See Note 19.

- Brownsville Partnership, Inc. ("BP"), a not-for-profit organization, was incorporated in December 2018 for the charitable purposes of increasing access to permanent and affordable housing in the Brownsville community located in Kings County, New York. On January 1, 2019, CSI entered into a sponsorship agreement with BP, whereby CSI received donations that are made in support of BP's projects. The parties intend that the sponsorship agreement provide CSI with variance powers necessary to enable BP to treat funds as CSI's assets while the Agreement is in effect. CSI retains the right, in its sole discretion, to disburse funds in support of a different charitable purpose or beneficiary for any reason, including, without limitation, if the purpose of BP's project becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the communities served by CSI. As a result of the sponsorship agreement, the accounts of BP were included as part of CSI in the 2019 consolidated financial statements.

  In February 2020, BP received its exemption from income tax under Section 501(c)(3) of the IRC effective December 14, 2018, resulting in the termination of the sponsorship agreement with CSI. Accordingly, the accounts of BP have been excluded from CSI and the consolidated financial statements for the year ended December 31, 2019 have been adjusted retroactively to reflect the change. Net assets as of January 1, 2019 was adjusted for $874,125. See Note 18.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020 and 2019, the Organization's net assets with donor restrictions did not include any amounts that must remain intact in perpetuity.

C. ***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 (see Note 17).

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.

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, 2020 and 2019.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. ***Rental Income***

Rental income is recognized on a straight-line basis over the terms of the leases. The difference between the straight-line rent and accrual based rent is recorded as deferred rent. 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 refundable advances.

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 $82,181 and $132,423 for the years ended December 31, 2020 and 2019, 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. ***Consulting Income and Management Fees***

Consulting income and management fees are recognized as the related performance obligations are satisfied, typically over-time. Performance obligations related to consulting income are considered one distinct obligation within the context of the contract. Management fees are recognized as the service is performed ratably over the life of the contract. The transaction price is the amount agreed upon in the related contracts.

K. ***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.

L. ***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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 status 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, 2020 and 2019.

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, 2020 and 2019, management believes that the Organization's loans receivable are fully collectible and as such, the allowance for loan loss is zero.

M. ***Loan Closing Costs***

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.

N. ***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 adopted by the Organization for the year ended December 31, 2020. 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. The adoption of ASU 2014-09 had no effect on net assets previously reported. The current year accounting policies for revenue recognition have been updated to conform to the standard.

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:

	2020	2019
Cash and cash equivalents	$ 21,326,990	$ 10,305,304
Contributions receivable, net	6,649,266	5,002,423
Grants receivable	972,074	-
Other receivables, net	827,701	951,455
Less: donor-restricted net assets not available for general expenditure	(13,011,806)	(8,784,571)
Total financial assets	$ 16,764,225	$ 7,474,611

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 $350,000 line of credit as further discussed in Note 8.

NOTE 4 – RESTRICTED CASH

Restricted cash consisted of the following as of December 31:

	2020	2019
CSI:		
BCLF Reserve	$ -	$ 138,950
CS Swift:		
BCLF Reserve	-	4,579
Swift Factory:		
Disbursement Account	19,374	4,101,025
MHIC Fee Reserve Account	322,845	379,314
NTCIC Fee Reserve Account	180,000	210,000
	$ 522,219	$ 4,833,868

BCLF Reserves:

Pursuant to the loan agreements (see Note 10) 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. As mentioned in Note 10, on December 23, 2020, CSI paid off the BCLF loan. Accordingly, the BCLF reserves were released.

NOTE 4 – RESTRICTED CASH (Continued)

Disbursement Account:

Pursuant to the QLICI Loan Agreement (see Note 10), 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, Swift Factory 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 Fee 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 Fee 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:

	2020	2019
Less than one year	$ 6,450,451	$ 3,458,784
One to five years	200,000	1,623,450
	6,650,451	5,082,234
Less: Discount to net present value	(1,185)	(79,811)
Total	$ 6,649,266	$ 5,002,423

Contributions receivable to be collected in more than one year were discounted using risk-adjusted discount rates ranging of 0.17% and ranging from 0.89% to 0.96% as of December 31, 2020 and 2019, 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, 2020 and 2019. 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.

During 2020, the Organization wrote off contributions receivable amounting to $50,000 due to a reduction in a grant amount, reported as bad debts expense in the December 31, 2020 consolidated statement of functional expenses.

NOTE 6 – PROPERTY AND EQUIPMENT, NET

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

	2020	2019	Estimated Useful Lives
Land	$ 371,800	$ 371,800	
Building and improvements	38,168,237	23,812,385	33.5-39 Years
Sitework	2,051,747	2,051,747	15 Years
Computer and equipment	121,897	14,800	3-5 Years
Contruction in progress	91,321	451,193	
	40,805,002	26,701,925	
Less: accumulated depreciation	(1,673,755)	(744,169)	
Property and equipment, net	$ 39,131,247	$ 25,957,756	

Depreciation expense was $929,586 and $235,151 for the years ended December 31, 2020 and 2019, respectively.

Construction in progress was reclassified into depreciable/amortizable categories or expense based on the nature of the costs. As of December 31, 2020, the total costs of $91,321 in construction in progress are related to the portion of the overall construction work for Livonia 4 Site C2 Project that will not be placed in service until 2024.

Swift Factory has entered into construction contracts with Capital Restoration Inc. (“Capital Restoration”), Consigli Construction Co., Inc. and Banton Construction Company (collectively, the “Contractors”) for the rehabilitation of the Property.

The total value of each of the construction contracts was as follows as of December 31, 2020:

	Original Contract Amount	Total Change Orders	Total Contract Amount
Capital Restoration	$ 725,940	$ 175,243	$ 901,183
Capital Restoration	260,000	13,008	273,008
Consigli Construction Co.	13,152,733	1,657,606	14,810,339
Banton Construction Company	4,725,070	427,392	5,152,462
	$ 18,863,743	$ 2,273,249	$ 21,136,992

NOTE 7 – LOANS RECEIVABLE

Loans receivable consisted of the following as of December 31:

	2020	2019
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 16B). 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, 2020 and 2019, 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 16B). 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
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
Total Loans Receivable	$ 26,562,275	$ 26,562,275

Interest income recognized on the loans receivable totaled $285,979 and $285,590 for the years ended December 31, 2020 and 2019, respectively.

NOTE 8 – LINE OF CREDIT

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, 2020 and 2019.

NOTE 9 – NOTE PAYABLE

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security 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 ("SBA") 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 twenty-four-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.

CSI received a PPP loan amounting to $918,532 on April 9, 2020. The loan has an interest rate of 1% after the deferment period of six months after the date of the note and will mature twenty-four months from the date of the note. If the loan is not forgiven, CSI will be responsible for the amounts not forgiven including interest payable.

NOTE 10 – LOANS PAYABLE, NET

Loans payable consisted of the following as of December 31:

	2020	2019
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.	$ 3,489,699	$ 3,597,907
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. The loan was repaid in full on August 27, 2020.	-	824,000
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. The loan was repaid in full on December 23, 2020.	-	6,396,187
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 (two 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	4,300,000

NOTE 10 – LOANS PAYABLE, NET (Continued)

	2020	2019
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.	$ 3,000,000	$ 2,960,572

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.

The QLICI loans consisted of the following:

	2020	2019
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 QLICI loans	24,005,000	24,005,000

NOTE 10 – LOANS PAYABLE, NET (Continued)

	2020	2019
On June 10, 2020, CSI entered into a loan agreement with the Corporation for Supportive Housing (CSH) to finance predevelopment expenses related to the new construction of an eighty-one (81) unit supportive housing project, designed to meet the housing and human needs associated with homeless young adults between 18 and 25 years old. CSI may draw down funds on this loan up to $1,000,000. The loan bears interest at 6.00%, and the maturity date of the loan is the earlier of closing of construction financing or June 1, 2023.	$ 184,000	$ -
On December 28, 2020, Vincent's Legacy entered into a loan agreement with Enchantment Provisions, LLC for the acquisition of the Santa Fe Suites Hotel building. The loan bears interest at 3.00%, and the maturity date of the loan is December 28, 2030. Commencing on April 1, 2021, Interest on the unpaid principal balance of this loan shall be paid in quarterly installments until the maturity date from Free Cash Flow. To the extent Free Cash Flow is insufficient, such unpaid interest shall be added to the principal balance of this loan. Beginning on December 1, 2027, a principal payment shall be paid in annual installments until the maturity date.	300,000	-
On December 28, 2020, Vincent's Legacy entered into a loan agreement with Santa Fe Community Foundation for the acquisition of the Santa Fe Suites Hotel building. The loan bears interest at 3.00%, and the maturity date of the loan is December 28, 2030. Commencing on April 1, 2021, Interest on the unpaid principal balance of this loan shall be paid in quarterly installments until the maturity date from Free Cash Flow. To the extent Free Cash Flow is insufficient, such unpaid interest shall be added to the principal balance of this loan. Beginning on December 1, 2027, a principal payment shall be paid in annual installments until the maturity date.	200,000	-
On December 28, 2020, Vincent's Legacy entered into a loan agreement with Jessica's Love Foundation for the acquisition of the Santa Fe Suites Hotel building. The loan bears interest at 3.00%, and the maturity date of the loan is December 28, 2030. Commencing on April 1, 2021, Interest on the unpaid principal balance of this loan shall be paid in quarterly installments until the maturity date from Free Cash Flow. To the extent Free Cash Flow is insufficient, such unpaid interest shall be added to the principal balance of this loan. Beginning on December 1, 2027, a principal payment shall be paid in annual installments until the maturity date.	100,000	-
On December 29, 2020, Vincent's Legacy entered into a loan agreement with S.F. Holdings, LLC for the acquisition of the Santa Fe Suites Hotel building. The maturity date of the loan is December 29, 2022. Prior to the maturity date, interest shall accrue on the principal balance at a fixed rate of interest 5.00% consisting of 4.00% interest payable monthly and 1.00% interest payable on the maturity date. The outstanding principal and any unpaid accrued interest shall be due and payable in full on maturity date.	3,900,000	-
Total loans payable	39,478,698	42,083,666
Less: unamortized loan costs	(996,804)	(1,039,209)
Loans payable, net	$ 38,481,894	$ 41,044,457

NOTE 10 – LOANS PAYABLE, NET (Continued)

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

2021	$	2,092,519
2022		2,150,070
2023		391,598
2024		243,491
2025		375,241
Thereafter		34,225,780
	$	39,478,699

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

		2020		2019
Loan closing costs, beginning of year	$	1,039,209	$	982,748
Additional costs incurred		19,699		156,325
Costs amortized into expense		(62,104)		(49,747)
Costs capitalized		-		(50,117)
Loan closing costs, end of year	$	996,804	$	1,039,209

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 years ended December 31, 2020 and 2019, NTCIC Fees in the amounts of $30,000 and $33,332, 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 years ended December 31, 2020 and 2019, BCC Fees in the amounts of $30,000 and $40,000, respectively, were incurred, paid, and capitalized to property and equipment in the accompanying consolidated statements of financial position.

NOTE 10 – LOANS PAYABLE, NET (Continued)

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 each of the years ended December 31, 2020 and 2019, MHIC Fees in the amount of $57,000, 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 11 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2020	2019
Purpose restrictions:		
Inspiring Places	$ 1,429,997	$ 1,159,918
Real estate projects	704,698	1,357,022
Fiscal sponsorships	245,261	74,162
Built for Zero	7,900,396	2,816,389
Time restrictions	2,731,454	3,377,080
Total net assets with donor restrictions	$ 13,011,806	$ 8,784,571

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:

	2020	2019
Purpose restrictions:		
Real estate projects	$ 2,975,360	$ -
Built for Zero	6,652,369	6,570,874
Inspiring Places	870,605	1,015,912
Fiscal sponsorships	143,717	838,190
Pass-through grants	1,926,268	959,500
Time restrictions	1,568,702	2,320,411
Total net assets released from donor restrictions	$ 14,137,021	$ 11,704,887

NOTE 12 – 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, 2020 and 2019, the investor member had made capital contributions totaling $2,683,556 and $1,245,803, respectively.

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, 2020 and 2019, 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"). As of December 31, 2020 and 2019, the Priority Return Payable amounted to $74,171 and $37,314, respectively.

NOTE 13 – 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 $97,079 and $89,551 for the years ended December 31, 2020 and 2019, respectively.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. *Lease Commitments*

The Organization leases equipment and office spaces under multiple operating leases that run through January 2021. 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 required fixed monthly payments of $7,150. The lease ended on August 31, 2020. Starting September 1, 2020, the Organization pays Bond Collective a month-to-month membership fee of $100 for a virtual office.

Future minimum lease payments were approximately $2,400 for the year ended December 31, 2021.

Rent expense for these leases amounted to $114,248 and $233,707 for the years ended December 31, 2020 and 2019, respectively.

B. *Uncertainty in Income Taxes*

The Organization believes it had no uncertain income tax positions as of December 31, 2020 and 2019 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.

NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

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 years ended December 31, 2020 and 2019, upon portions of the Property being placed in service, Swift Factory generated $747,452 and $3,850,373 of HTCs, respectively, 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. As of December 31, 2020, the State HTCs passed through to the Managing Member totaled $4,500,000.

D. 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.

NOTE 15 – 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 expiring in February 2025. The lease requires escalating monthly payments ranging from $8,079 to $10,541 over the term of the lease. In June 2020, Tenant 1 moved out and the lease was terminated. Rental income recognized on a straight-line basis over the respective lease term of the underlying agreement amounted to $14,997 and $111,142 for the years ended December 31, 2020 and 2019, 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 2021. 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 each of the years ended December 31, 2020 and 2019.

NOTE 15 – LEASE INCOME (Continued)

The Organization entered into an agreement as the lessor with a nonprofit organization ("Tenant 3") to lease space at their 519 Rockaway Avenue location for a term expiring in September 2025. The lease requires escalating monthly payments ranging from $6,233 to $7,015 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 $6,631 for the year ended December 31, 2020.

The Organization also entered into agreements as the lessor to sublease the space at the 10 & 60 Love Lane, Hartford, Connecticut location, which commenced in 2020 and expires in 2021. Total rental income recognized over the respective lease terms of those underlying agreements amounted to $21,326 for the year ended December 31, 2020.

On May 4, 2018, Master Tenant entered into a commercial lease agreement with Crop One Holdings, Inc. ("Crop One") for a space at the building in 10 and 60 Love Lane, Hartford, Connecticut for a period of 124 months. During 2020, Crop One decided to terminate the lease. To avoid costs associated with the anticipated litigation over their respective rights and obligations under the lease, on December 18, 2020, Master Tenant and Crop One entered into a Settlement Agreement. In accordance with the Settlement Agreement, Master Tenant and Crop One have agreed to compromise and arrange for the release of claims in exchange for a specified consideration. CSI is willing to take over the lease on the condition that it receives the settlement payment from Crop One amounting to $825,000. Pursuant to the Settlement Agreement, effective upon the receipt of the full settlement amount by CSI, the lease is terminated. On December 28, 2020, CSI received the settlement amount of $825,000, which is included in other income in the 2020 consolidated statement of activities. On December 31, 2020, CSI entered into a lease agreement with Master Tenant for a term expiring on December 31, 2030.

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

2021	$	382,000
2022		144,000
2023		119,000
2024		82,000
2025		63,000
Thereafter		-
Total	$	790,000

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 years ended December 31, 2020, amortization expense was $969 and $107, respectively.

NOTE 16 – RELATED-PARTY TRANSACTIONS

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

During the years ended December 31, 2020 and 2019, 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 $123,142 and $96,417 as of December 31, 2020 and 2019, respectively. Lastly, the President of the Organization was the Secretary of the Board of Directors of NNPI as of December 31, 2020 and 2019.

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. ***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, 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 16 – RELATED-PARTY TRANSACTIONS (Continued)

On August 28, 2014, CSI entered into two loan agreements in the amounts 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, 2020 and 2019.

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, 2020 and 2019. As of December 31, 2020, and 2019, $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, 2020 and 2019.

As of December 31, 2020 and 2019, 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, 2019.

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, 2020 and 2019, CSI recognized $41,264 and $166,794, 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 $984,293 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 16 – 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.

Right of First Refusal

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 17 – CONCENTRATION OF CREDIT RISK

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to $250,000 per depositor. As of December 31, 2020 and 2019, there was approximately $18.0 million and $8.8 million, respectively, of cash held by one bank that exceeded FDIC limits.

NOTE 18 – CHANGE IN REPORTING ENTITY

As mentioned in Note 1, in February 2020, Brownsville Partnership, Inc. (“BP”) received its exemption from income tax under Section 501(c)(3) of the IRC effective December 14, 2018. Prior to obtaining its 501(c)(3) status, CSI was the fiscal sponsor for BP and BP’s accounts were consolidated with CSI. The change in BP’s status during 2020 resulted in a change in reporting entity, thus, the accounts of BP were no longer consolidated with CSI. Accordingly, the consolidated financial statements as of and for the year ended December 31, 2019 have been restated to reflect the change. The effects of the change are as follows:

	Before Restatement	Adjustment	Restated
Consolidated change in net assets	$ 7,914,455	$ 367,609	$ 8,282,064
Total net assets with donor restrictions	9,291,087	(506,516)	8,784,571
Total assets	75,044,661	(654,222)	74,390,439
Total liabilities	43,740,796	(147,709)	43,593,087

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through August 9, 2021, the date the consolidated financial statements were available to be issued.

On December 22, 2020, Vesta Atlanta LLC ("Vesta Atlanta"), a Georgia limited liability company and a wholly owned subsidiary of CSI, was formed to acquire certain real property located in Fulton County, Georgia. The property, consisting of land and all improvements and related amenities known as "Centra Villa Apartments, was purchased in February 2021, for a purchase price of $10,560,000. In connection with such acquisition, Vesta Atlanta obtained loans from Bellwether Enterprise Mortgage Investments, LLC ("BEMI") and Atlanta Affordable Housing Fund, LP ("AAHF") amounting to $7,624,000 and $1,766,862, respectively. The loan with BEMI has a term of 84 months and a fixed interest rate of 2.925%. The loan with AAHF will mature on August 24, 2028 and has an annual interest rate of 5.00%.

On April 7, 2021, CSI was awarded a $100 million grant by the MacArthur Foundation to accelerate an end to homelessness in 75 U.S. communities in five years.

On June 22, 2021, CSI was granted by SBA full forgiveness of the PPP loan amounting to $918,532.

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

	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	$ 21,171,654	$ 42,981	$ 4,582	$ 1,116	$ 106,657	$ -	$ 21,326,990
Contributions receivable, net	6,148,778	500,488	-	-	-	-	6,649,266
Grants receivable	972,074	-	-	-	-	-	972,074
Other receivables, net	2,770,676	194,299	85,726	345,000	225,892	(2,793,892)	827,701
Loans receivable	26,562,275	-	6,182,704	-	2,453,876	(8,636,580)	26,562,275
Restricted cash	-	-	-	522,219	-	-	522,219
Prepaid expenses and other assets	253,546	1,613	-	-	-	-	255,159
Due from Northeast Neighborhood Partners, Inc.	123,142	-	-	-	-	-	123,142
Due from North Capitol Commons GP LLC	8,115	-	-	-	-	-	8,115
Due from Community Solutions International, Inc.	-	-	39,420	-	-	(39,420)	-
Due from Community Solutions 519 Rockaway Avenue, Inc.	1,885,160	-	-	-	-	(1,885,160)	-
Due from CS Swift, LLC	-	-	-	4,135	-	(4,135)	-
Due from Swift Factory, LLC	6,904	-	-	-	-	(6,904)	-
Due from Swift Factory Master Tenant LLC	42,430	-	-	-	-	(42,430)	-
Investment in Swift Factory, LLC	-	-	2,387,284	-	265,254	(2,652,538)	-
Investment in Swift Factory Master Tenant LLC	-	-	33,293	-	-	(33,293)	-
Investment in Vesta CO LLC, at cost	379,000	-	-	-	-	-	379,000
Deferred rent	-	-	-	842,403	43,034	(842,403)	43,034
Deferred leasing costs, net	-	-	-	29,924	-	-	29,924
Property and equipment, net	7,156,809	5,214,559	-	28,675,623	-	(1,915,744)	39,131,247
TOTAL ASSETS	$ 67,480,563	$ 5,953,940	$ 8,733,009	$ 30,420,420	$ 3,094,713	$ (18,852,499)	$ 96,830,146
LIABILITIES AND NET ASSETS/MEMBERS' EQUITY							
LIABILITIES							
Accounts payable and accrued expenses	$ 2,333,949	$ 37,485	$ 99,845	$ 719,269	$ 345,000	$ (1,235,052)	$ 2,300,496
Security deposits payable	-	-	-	-	4,696	-	4,696
Due to Brownsville Partnership, Inc.	265,359	-	-	-	-	-	265,359
Due to Community Solutions International, Inc.	-	1,885,160	-	-	42,430	(1,927,590)	-
Due to CS Swift, LLC	39,420	-	-	-	-	(39,420)	-
Due to Swift Factory, LLC	-	-	4,135	-	-	(4,135)	-
Deferred revenue	1,007,732	-	-	-	-	(957,872)	49,860
Deferred rent	-	-	-	-	842,403	(842,403)	-
Developer fee payable	-	-	-	1,565,744	-	(1,565,744)	-
Note payable	918,532	-	-	-	-	-	918,532
Loans payable, net	14,335,605	-	7,300,000	25,482,869	-	(8,636,580)	38,481,894
TOTAL LIABILITIES	18,900,597	1,922,645	7,403,980	27,767,882	1,234,529	(15,208,796)	42,020,837
NET ASSETS/MEMBERS' EQUITY							
Without donor restrictions	35,568,160	4,031,295	1,329,029	2,652,538	33,293	(3,643,703)	39,970,612
Non-controlling members' interests in consolidated subsidiaries	-	-	-	-	1,826,891	-	1,826,891
Total without donor restrictions	35,568,160	4,031,295	1,329,029	2,652,538	1,860,184	(3,643,703)	41,797,503
With donor restrictions	13,011,806	-	-	-	-	-	13,011,806
TOTAL NET ASSETS/MEMBERS' EQUITY	48,579,966	4,031,295	1,329,029	2,652,538	1,860,184	(3,643,703)	54,809,309
TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY	$ 67,480,563	$ 5,953,940	$ 8,733,009	$ 30,420,420	$ 3,094,713	$ (18,852,499)	$ 96,830,146

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, 2020
(With Comparative Totals for 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 2020	(As Restated) Consolidated Totals 2019
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:								
REVENUES, GAINS, AND OTHER SUPPORT								
Governmental grants	$ 7,434,301	$ -	$ -	$ -	$ -	$ -	$ 7,434,301	$ 25,000
Contributions	6,864,409	-	-	-	-	-	6,864,409	1,394,890
Consulting income	2,294,210	-	-	-	-	-	2,294,210	1,506,141
Development and management fees	1,401,476	-	-	-	-	(1,009,272)	392,204	572,043
Rental income	25,702	177,288	-	1,096,064	166,620	(1,297,895)	167,779	208,093
Other income and gains	860,627	7,441	-	-	85,476	(35,476)	918,068	42,272
Interest income	295,018	-	61,830	7,780	48,617	(110,444)	302,801	399,098
Equity in net income (loss) from Swift Factory, LLC	-	-	319,289	-	-	(319,289)	-	-
Equity in net income (loss) from Swift Factory Master Tenant LLC	-	-	(8,374)	-	-	8,374	-	-
Net assets released from donor restrictions	13,825,048	311,973	-	-	-	-	14,137,021	11,704,887
TOTAL REVENUES, GAINS AND OTHER SUPPORT - WITHOUT DONOR RESTRICTIONS	33,000,791	496,702	372,745	1,103,844	300,713	(2,764,002)	32,510,793	15,852,424
EXPENSES								
Program services								
Built for Zero	6,465,137	-	-	-	-	-	6,465,137	6,584,456
Inspiring Places	1,739,494	-	-	-	-	-	1,739,494	1,412,182
Real estate projects	1,461,484	371,670	87,740	749,079	1,138,157	(1,809,739)	1,998,391	1,599,479
Fiscal sponsorship	150,620	-	-	-	-	-	150,620	838,190
Other programs	1,926,268	-	-	-	-	-	1,926,268	1,159,500
Total program services	11,743,003	371,670	87,740	749,079	1,138,157	(1,809,739)	12,279,910	11,593,807
Supporting services								
Management and general	1,151,056	-	-	-	-	-	1,151,056	988,560
Fundraising	732,858	-	-	-	-	-	732,858	723,414
Total supporting services	1,883,914	-	-	-	-	-	1,883,914	1,711,974
TOTAL EXPENSES	13,626,917	371,670	87,740	749,079	1,138,157	(1,809,739)	14,163,824	13,305,781
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	19,373,874	125,032	285,005	354,765	(837,444)	(954,263)	18,346,969	2,546,643
Non-controlling members' interests in net income of consolidated subsidiaries	-	-	-	-	829,070	-	829,070	48,727
Capital contributions	-	-	-	-	-	-	-	-
Net assets without donor restrictions, beginning of year	16,194,286	3,906,263	1,044,024	2,297,773	41,667	(2,689,440)	20,794,573	18,199,203
Net assets without donor restrictions, end of year	35,568,160	4,031,295	1,329,029	2,652,538	33,293	(3,643,703)	39,970,612	20,794,573
CHANGE IN NON-CONTROLLING MEMBERS' INTERESTS IN CONSOLIDATED SUBSIDIARIES								
Non-controlling members' interests in consolidated subsidiaries - beginning of year	-	-	-	-	1,218,208	-	1,218,208	1,266,935
Non-controlling members' interests in net loss of consolidated subsidiaries	-	-	-	-	(829,070)	-	(829,070)	(48,727)
Non-controlling members' capital contributions	-	-	-	-	1,437,753	-	1,437,753	-
Non-controlling members' interests in consolidated subsidiaries - end of year	-	-	-	-	1,826,891	-	1,826,891	1,218,208
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:								
REVENUES, GAINS, AND OTHER SUPPORT								
Contributions	18,364,256	-	-	-	-	-	18,364,256	17,440,308
Net assets released from donor restrictions	(13,825,048)	(311,973)	-	-	-	-	(14,137,021)	(11,704,887)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	4,539,208	(311,973)	-	-	-	-	4,227,235	5,735,421
Net assets with donor restrictions, beginning of year (as previously reported)	8,472,598	311,973	-	-	-	-	8,784,571	3,923,275
Less: Net assets of previously consolidated entity	-	-	-	-	-	-	-	(874,125)
Net assets with donor restrictions, beginning of year (as restated)	8,472,598	311,973	-	-	-	-	8,784,571	3,049,150
Net assets with donor restrictions, end of year	13,011,806	-	-	-	-	-	13,011,806	8,784,571
Net assets/members' equity, beginning of year	24,666,884	4,218,236	1,044,024	2,297,773	1,259,875	(2,689,440)	30,797,352	22,515,288
CHANGE IN NET ASSETS/MEMBERS' EQUITY	23,913,082	(186,941)	285,005	354,765	600,309	(954,263)	24,011,957	8,282,064
Net assets/members' equity, end of year	$ 48,579,966	$ 4,031,295	$ 1,329,029	$ 2,652,538	$ 1,860,184	$ (3,643,703)	$ 54,809,309	$ 30,797,352

See independent auditors' report.