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, 2021 and 2020

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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, 2021 AND 2020

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Mayer Hoffman McCann CPAs
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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Community Solutions International, Inc. and Subsidiaries d/b/a Community Solutions, Inc. (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audit and the reports of the other auditors, the accompanying 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, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Swift Factory, LLC and Swift Factory Master Tenant LLC, which statements reflect total assets of $34,820,601 (17%) as of December 31, 2021, and total revenues of $1,823,452 (6%) for the year 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of and for the year ended December 31, 2020 were audited by another auditor whose report dated August 9, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and for 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.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information (shown on pages 28 and 29) 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 audit 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 GAAS. In our opinion, the consolidating information, which insofar as it relates to Swift Factory, LLC and Swift Factory Master Tenant LLC, is based on the report of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
September 23, 2022

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COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2C and 3)	$ 29,259,746	$ 21,326,990
Contributions receivable, net (Notes 2D, 3 and 5)	96,526,228	6,649,266
Grants receivable (Note 2H)	344,930	972,074
Rent receivable	5,030	-
Other receivables, net of allowance for uncollectible receivables of $8,235 and $20,331 in 2021 and 2020, respectively (Note 3)	1,938,527	827,701
Loans receivable (Notes 2L, 7, and 9)	26,562,275	26,562,275
Restricted cash (Note 4)	447,514	522,219
Escrow reserves (Note 4)	467,900	-
Prepaid expenses and other assets	97,085	255,159
Due from Northeast Neighborhood Partners, Inc. (Note 16A)	156,294	123,142
Due from North Capitol Commons GP LLC (Note 16B)	9,465	8,115
Due from Brownsville Partnership, Inc.	685,131	-
Due from RxHome	66,634	-
Investment in Vesta CO LLC, at cost (Note 1)	379,000	379,000
Deferred rent (Note 2G)	105,758	43,034
Deferred leasing costs, net (Note 15)	28,955	29,924
Property and equipment, net (Notes 2E, 2F, 6 and 10)	51,239,473	39,131,247
TOTAL ASSETS	$ 208,319,945	$ 96,830,146
LIABILITIES AND NET ASSETS/MEMBERS' EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	$ 2,370,247	$ 2,300,496
Security deposits payable	217,228	4,696
Due to Brownsville Partnership, Inc.	-	265,359
Deferred revenue (Notes 2G and 2J)	965,762	49,860
Note payable (Note 9)	-	918,532
Loans payable, net (Note 10)	47,459,382	38,481,894
TOTAL LIABILITIES	51,012,619	42,020,837
COMMITMENTS AND CONTINGENCIES (Note 14)		
NET ASSETS/MEMBERS' EQUITY (Note 2B)		
Without donor restrictions	43,872,347	39,970,612
Non-controlling members' interests in consolidated subsidiaries	2,531,357	1,826,891
Total without donor restrictions	46,403,704	41,797,503
With donor restrictions (Note 11)	110,903,622	13,011,806
TOTAL NET ASSETS/MEMBERS' EQUITY	157,307,326	54,809,309
TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY	$ 208,319,945	$ 96,830,146

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, 2021 AND 2020

	For the Year Ended December 31, 2021			For the Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT						
Governmental grants (Notes 2H and 9)	$ -	$ -	$ -	$ 7,434,301	$ -	$ 7,434,301
Contributions (Notes 2D and 2I)	2,064,925	116,455,004	118,519,929	6,864,409	18,364,256	25,228,665
Consulting income	796,729	-	796,729	2,294,210	-	2,294,210
Development and management fees	423,738	-	423,738	392,204	-	392,204
Rental income (Notes 2G and 15)	2,283,243	-	2,283,243	167,779	-	167,779
Other income and gains (Notes 9 and 15)	1,091,024	-	1,091,024	918,068	-	918,068
Interest income (Notes 2L and 7)	287,545	-	287,545	302,801	-	302,801
Net assets released from donor restrictions (Note 11)	18,563,188	(18,563,188)	-	14,137,021	(14,137,021)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	25,510,392	97,891,816	123,402,208	32,510,793	4,227,235	36,738,028
EXPENSES (Note 2K)						
Program services:						
Built For Zero	9,569,757	-	9,569,757	6,465,137	-	6,465,137
Inspiring Places	2,235,608	-	2,235,608	1,739,494	-	1,739,494
Real estate projects	4,905,029	-	4,905,029	1,998,391	-	1,998,391
Fiscal sponsorships	885,795	-	885,795	150,620	-	150,620
Other programs	1,929,750	-	1,929,750	1,926,268	-	1,926,268
Total program services	19,525,939	-	19,525,939	12,279,910	-	12,279,910
Supporting services:						
Management and general	2,047,788	-	2,047,788	1,151,056	-	1,151,056
Fundraising	608,135	-	608,135	732,858	-	732,858
Total supporting services	2,655,923	-	2,655,923	1,883,914	-	1,883,914
TOTAL EXPENSES	22,181,862	-	22,181,862	14,163,824	-	14,163,824
CHANGE IN NET ASSETS	3,328,530	97,891,816	101,220,346	18,346,969	4,227,235	22,574,204
Non-controlling members' interests in consolidated subsidiaries - beginning of year	1,826,891	-	1,826,891	1,218,208	-	1,218,208
Non-controlling members' interests in net loss of consolidated subsidiaries (Note 2B)	(573,205)	-	(573,205)	(829,070)	-	(829,070)
Non-controlling members' capital contributions (Note 12)	1,277,671	-	1,277,671	1,437,753	-	1,437,753
Non-controlling members' interests in consolidated subsidiaries - end of year	2,531,357	-	2,531,357	1,826,891	-	1,826,891
Net assets/members' equity - beginning of year (Note 18)	41,797,503	13,011,806	54,809,309	22,012,781	8,784,571	30,797,352
Net assets/members' equity - end of year	$ 46,403,704	$ 110,903,622	$ 157,307,326	$ 41,797,503	$ 13,011,806	$ 54,809,309

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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	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**	**2021 Total Expenses**	**2020 Total Expenses**
Personnel services (Note 13)	$ 6,515,024	$ 865,400	$ 153,573	$ -	$ -	$ 7,533,997	$ 591,076	$ 503,960	$ 1,095,036	$ 8,629,033	$ 6,735,043
Professional services (Note 2I)	1,655,882	1,223,016	837,147	820,597	91,992	4,628,634	1,129,953	68,451	1,198,404	5,827,038	2,683,290
Occupancy (Note 14A)	56,119	1,224	900,215	6,800	-	964,358	1,853	489	2,342	966,700	198,071
Travel and conference	22,238	6,395	4,111	20,800	-	53,544	63,963	581	64,544	118,088	169,709
Supplies	792,827	58,604	10,856	37,598	-	899,885	-	-	-	899,885	291,269
Building management	-	-	14,524	-	-	14,524	-	-	-	14,524	28,531
Communication	94,006	20,424	68,510	-	-	182,940	20,561	8,109	28,670	211,610	117,520
Insurance	42,135	10,177	158,004	-	-	210,316	15,408	4,069	19,477	229,793	100,531
Office supplies and expenses	18,000	3,924	172,135	-	-	194,059	5,528	1,485	7,013	201,072	40,406
Printing and postage	3,000	696	460	-	-	4,156	1,053	705	1,758	5,914	5,493
Equipment purchases and rental	44,779	11,701	24,735	-	-	81,215	13,940	3,882	17,822	99,037	21,353
Real estate tax	-	-	93,461	-	-	93,461	-	-	-	93,461	7,730
Staff training and development	123,033	7,698	540	-	-	131,271	7,271	1,920	9,191	140,462	120,059
Advertising and marketing	113,803	25,718	17,803	-	-	157,324	37,800	9,984	47,784	205,108	35,351
Depreciation and amortization (Notes 6 and 15)	-	-	1,441,665	-	-	1,441,665	-	-	-	1,441,665	930,555
Interest (Notes 8 and 10)	-	-	957,905	-	-	957,905	-	-	-	957,905	715,268
Subcontract expenses	-	-	-	-	1,837,758	1,837,758	-	-	-	1,837,758	1,900,410
Bad debts expense	-	-	-	-	-	-	150,205	-	150,205	150,205	50,000
Miscellaneous expenses	88,911	631	49,385	-	-	138,927	9,177	4,500	13,677	152,604	13,235
Total expenses - 2021	$ 9,569,757	$ 2,235,608	$ 4,905,029	$ 885,795	$ 1,929,750	$ 19,525,939	$ 2,047,788	$ 608,135	$ 2,655,923	$ 22,181,862	
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

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

	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
Personnel services (Note 13)	$ 4,929,460	$ 544,428	$ 61,856	$ -	$ -	$ 5,535,744	$ 555,840	$ 643,459	$ 1,199,299	$ 6,735,043
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
Occupancy (Note 14A)	88,789	16,832	13,563	6,950	-	126,134	67,399	4,538	71,937	198,071
Travel and conference	128,069	16,234	-	-	-	144,303	24,834	572	25,406	169,709
Supplies	202,323	24,058	39,646	25,242	-	291,269	-	-	-	291,269
Building management	-	-	28,531	-	-	28,531	-	-	-	28,531
Communication	81,895	14,422	5,176	-	-	101,493	7,881	8,146	16,027	117,520
Insurance	41,556	11,181	29,959	-	-	82,696	11,716	6,119	17,835	100,531
Office supplies and expenses	19,263	9,151	5,276	-	-	33,690	4,412	2,304	6,716	40,406
Printing and postage	1,850	290	213	-	-	2,353	304	2,836	3,140	5,493
Equipment purchases and rental	14,965	4,044	-	-	-	19,009	1,280	1,064	2,344	21,353
Real estate tax	-	-	7,730	-	-	7,730	-	-	-	7,730
Staff training and development	116,637	1,012	690	-	-	118,339	704	1,016	1,720	120,059
Advertising and marketing	21,392	5,104	713	-	-	27,209	5,349	2,793	8,142	35,351
Depreciation and amortization (Notes 6 and 15)	-	-	930,555	-	-	930,555	-	-	-	930,555
Interest (Notes 8 and 10)	-	-	715,268	-	-	715,268	-	-	-	715,268
Subcontract expenses	-	-	34,692	-	1,865,718	1,900,410	-	-	-	1,900,410
Bad debts expense	-	-	-	-	-	-	50,000	-	50,000	50,000
Miscellaneous expenses	-	453	9,292	-	-	9,745	3,093	397	3,490	13,235
Total expenses	$ 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

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, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 101,220,346	$ 22,574,204
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,368,804	930,555
Forgiveness of note payable	(918,532)	-
Increase (decrease) in discount to net present value on contributions receivable	2,393,564	(78,626)
Bad debts expense	150,205	50,000
Amortization of loan closing costs	86,629	62,104
Changes in operating assets and liabilities:		
Contributions receivable	(92,420,731)	(1,618,217)
Grants receivable	627,144	(972,074)
Rent receivable	(5,030)	-
Other receivables	(1,110,826)	123,754
Prepaid expenses and other assets	158,074	(164,324)
Due to/from Northeast Neighborhood Partners, Inc.	(33,152)	(26,725)
Due to/from North Capitol Commons GP LLC	(1,350)	(1,850)
Due to/from Brownsville Partnership, Inc.	(950,490)	265,359
Due from RxHome	(66,634)	-
Deferred rent	(62,724)	(43,034)
Accounts payable and accrued expenses	(109,913)	1,141,146
Security deposits payable	212,532	4,696
Deferred revenue	915,902	(622,040)
Net Cash Provided by Operating Activities	11,453,818	21,624,928
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(13,296,397)	(14,820,457)
Decrease in replacement reserve	-	74,580
Decrease in operating reserve	-	99,368
Net Cash Used in Investing Activities	(13,296,397)	(14,646,509)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	-	918,532
Proceeds from loans payable	10,995,254	4,723,428
Repayments on loans payable	(1,883,470)	(7,328,395)
Payments of loan issuance costs	(220,925)	(19,700)
Capital contributions from non-controlling members	1,277,671	1,437,753
Net Cash Provided by (Used in) Financing Activities	10,168,530	(268,382)
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	8,325,951	6,710,037
Cash and cash equivalents and restricted cash - beginning of year	21,849,209	15,139,172
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 30,175,160	$ 21,849,209
Reconciliation to Consolidated Statements of Financial Position:		
Cash and cash equivalents	$ 29,259,746	$ 21,326,990
Restricted cash and escrow reserves	915,414	522,219
	$ 30,175,160	$ 21,849,209
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest, including capitalized interest of $0 in 2021 and $208,043 in 2020	$ 999,567	$ 816,618
Noncash investing and financing transactions:		
Accounts payable and accrued expenses - construction in progress	$ 179,664	$ 682,932
Forgiveness of note payable	$ 918,532	$ -

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 because 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.

- 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, CO LLC at cost 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. 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.

- Swift Incubator LLC ("Swift Incubator"),a New York limited liability company, was formed on November 16, 2021 with CSI as its sole member. The Swift Food Business Incubator is a 4,500 square foot facility that consists of ten health department certified food production spaces available for rent. The Swift Share Office Space has 10,000 square feet that offers affordable shared office and community space for local entrepreneurs and like-minded organizations.

- 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. 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. 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.

- On December 14, 2021, CSI sponsored the formation of CS Large Cities Housing Fund, L.P. with CS Veterans Housing GP, LLC as the general partner, and CS LC Fund Investment Vehicle, LLC as the limited partner. The general and limited partner are solely owned by CSI. There were no transactions during 2021 to report in the consolidated financial statements.

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, 2021 and 2020, 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021 and 2020.

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. *Government Grants and Contracts*

Government 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, such as legal or other consultative services, totaling $646,731 and $82,181 for the years ended December 31, 2021 and 2020, respectively, have been recognized as contributions without donor restrictions in the accompanying consolidated statements of activities and professional services expense 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. The terms of payments are specific to each contract.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2021 and 2020.

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, 2021 and 2020, management believes that the Organization’s loans receivable are fully collectible and as such, the allowance for loan loss is zero.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

	2021	2020
Cash and cash equivalents	$ 29,259,548	$ 21,326,990
Contributions receivable, net	96,526,228	6,649,266
Grants receivable	344,930	972,074
Rent receivable	5,030	-
Other receivables, net	1,938,527	827,701
Less: donor-restricted net assets not available for general expenditure	(108,343,622)	(13,011,806)
Total financial assets	$ 19,730,641	$ 16,764,225

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 AND ESCROW RESERVES

The Organization is required to maintain certain accounts which are restricted as to their use by certain loan agreements. A description of restricted cash and escrow reserves is shown below.

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 AND ESCROW RESERVES (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. The balance in the Disbursement Account was $8,427 and $19,374 as of December 31 2021, and 2020, respectively.

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. The balance in the MHIC Fee Reserve Account was $265,665 and $322,845 as of December 31 2021, and 2020, respectively.

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. The balance in the NTCIC Fee Reserve Account was $160,000 and $180,000 as of December 31 2021, and 2020, respectively.

Escrow Reserves:

The Organization entered into a loan agreement in February 2021 (further described in Note 10), which requires monthly deposits for taxes and insurance, and monthly deposits to a replacement reserve account. The deposits are placed in an escrow account and are restricted for use by the lender. The balance in the escrow reserve account as of December 31, 2021, are $467,900.

NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET

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

	2021	2020
Less than one year	$ 31,378,162	$ 6,450,451
One to five years	67,542,815	200,000
	98,920,977	6,650,451
Less: Discount to net present value	(2,394,749)	(1,185)
Total	$ 96,526,228	$ 6,649,266

Contributions receivable to be collected in more than one year were discounted using risk-adjusted discount rates ranging from 0.17% to 0.89% and 0.17% as of December 31, 2021 and 2020, 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, 2021 and 2020. 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 2021 and 2020, the Organization wrote off contributions and other receivables of $150,205 and $50,000, respectively, reported within bad debts expense in the consolidated statements of functional expenses.

NOTE 6 – PROPERTY AND EQUIPMENT, NET

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

	2021	2020	Estimated Useful Lives
Land	$ 2,127,800	$ 371,800	
Building and improvements	49,188,240	38,168,237	33.5-39 Years
Sitework	2,051,747	2,051,747	15 Years
Computer and equipment	125,328	121,897	3-5 Years
Contruction in progress	787,948	91,321	
	54,281,063	40,805,002	
Less: accumulated depreciation	(3,041,590)	(1,673,755)	
Property and equipment, net	$ 51,239,473	$ 39,131,247	

In December 2020, the Organization purchased property in Santa Fe, NM. A portion of the funding for this purchase requires that 40 units on the property be restricted for use to provide supportive housing for individuals or families experiencing homelessness. The Santa Fe property restriction expires on December 30, 2030.

The Organization entered into an agreement with Partners for HOME (a nonprofit Organization) that provided $2.6 million in grant funding to renovate 66 units for specific use in their Atlanta project. The grant funds required the Organization to record a restrictive covenant that requires the 66 units to be used primarily for tenants, identified by the Atlanta Homeless Continuum of Care, experiencing, or potentially experiencing homelessness. The restrictive covenant remains in effect until 2051, or 30 years.

Depreciation expense was $1,367,835 and $929,586 for the years ended December 31, 2021 and 2020, respectively.

Construction in progress was reclassified into depreciable/amortizable categories or expense based on the nature of the costs. As of December 31, 2021, the total costs of $787,948 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 2025 and the 211 Glendale Project that the Organization expects to be placed in service in 2022.

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, 2021:

	Original Contract Amount	Total Change Orders	Total Contract Amount
Capital Restoration	$ 985,940	$ 188,251	$ 1,174,191
Consigli Construction Co.	13,152,733	1,657,606	14,810,339
Banton Construction Company	4,725,070	477,877	5,202,947
	$ 18,863,743	$ 2,323,734	$ 21,187,477

NOTE 7 – LOANS RECEIVABLE

Loans receivable consisted of the following as of December 31:

	2021	2020
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, 2021 and 2020, 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 $284,689 and $285,979 for the years ended December 31, 2021 and 2020, respectively.

NOTE 8 – LINE OF CREDIT

On May 4, 2018, CSI entered into a revolving line of credit agreement with Boston Community Loan Fund ("BCLF") for up to $350,000. The line of credit bears interest at 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, 2021 and 2020.

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 applied for this loan through an SBA authorized lender and received $918,532 on April 9, 2020. The loan had an interest rate of 1% after the deferment period of six months after the date of the note and matures twenty-four months from the date of the note. Management of the Organization has opted to account for the proceeds of the loan under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 470, "*Debt*", until the loan is, in part or wholly forgiven, and CSI has been legally released. Accordingly, the loan was recorded as a note payable as of December 31, 2020. On June 22, 2021, the loan was fully forgiven, and CSI was legally released from its obligations. As a result, CSI recorded the forgiveness of the loan amounting to $918,532 in other income and gains in the December 31, 2021 consolidated statement of activities.

NOTE 10 – LOANS PAYABLE, NET

Loans payable consisted of the following as of December 31:

	2021	2020
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.	$ 3,346,507	$ 3,489,698
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)

	2021	2020
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	$ 3,000,000

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:

	2021	2020
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)

	2021	2020
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.	$ 200,000	$ 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	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	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	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	3,900,000

NOTE 10 – LOANS PAYABLE, NET (Continued)

	2021	2020
On February 24, 2021, Vesta Atlanta entered into a loan agreement with Atlanta Affordable Housing Fund, LP amounting to $1,766,862 to finance the acquisition and construction of Central Villa Apartments located in Atlanta, Georgia. The maturity date of the loan is August 24, 2028 and has an annual interest of 5.00%.	1,745,230	-
On February 24, 2021, Vesta Atlanta entered into a loan and security agreement with Bellwether Enterprise Mortgage Investments, LLC amounting to $7,624,000 to finance the acquisition and construction of Central Villa Apartments located in Atlanta, Georgia. The loan has a term of 84 months and a fixed interest rate of 2.925%.	7,493,746	-
Total loans payable	48,590,483	39,478,698
Less: unamortized loan costs	(1,131,101)	(996,804)
Loans payable, net	$ 47,459,382	$ 38,481,894

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

2022	$	2,364,869
2023		603,038
2024		444,814
2025		583,845
2026		3,341,292
Thereafter		41,252,625
	$	48,590,483

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

		2021		2020
Loan closing costs, beginning of year	$	996,804	$	1,039,209
Additional costs incurred		220,926		19,699
Costs amortized into expense		(86,629)		(62,104)
Loan closing costs, end of year	$	1,131,101	$	996,804

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, 2021 and 2020, NTCIC Fees in the amounts of $20,000 and $30,000, 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 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, 2021 and 2020, BCC Fees in the amounts 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 each of the years ended December 31, 2021 and 2020, 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:

	2021	2020
Purpose restrictions:		
Built for Zero	$ 42,056,828	$ 7,900,396
Inspiring Places	2,935,891	1,429,997
Real estate projects	3,876,198	704,698
Fiscal sponsorships	-	245,261
Time restrictions	62,034,705	2,731,454
Total net assets with donor restrictions	$ 110,903,622	$ 13,011,806

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:

	2021	2020
Purpose restrictions:		
Built for Zero	$ 12,245,668	$ 6,652,369
Inspiring Places	2,140,542	870,605
Real estate projects	105,000	2,975,360
Fiscal sponsorships	819,161	143,717
Pass-through grants	-	1,926,268
Time restrictions	3,252,817	1,568,702
Total net assets released from donor restrictions	$ 18,563,188	$ 14,137,021

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, 2021 and 2020, the investor member had made capital contributions totaling $3,961,227 and $2,683,556, 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, 2021 and 2020, 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, 2021 and 2020, the Priority Return Payable amounted to $134,238 and $79,327, 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 $229,509 and $97,079 for the years ended December 31, 2021 and 2020, respectively.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. ***Lease Commitments***

The Organization leased 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 through October 2021, the Organization paid Bond Collective a month-to-month membership fee of $100 for a virtual office.

Starting October 15, 2021, the Organization entered into a new lease agreement with Bond Collective for the lease of office space. The total remaining lease payments through October 31, 2022 is $30,388.

Rent expense for these leases amounted to $8,575 and $114,248 for the years ended December 31, 2021 and 2020, respectively.

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

The Organization believes it had no uncertain income tax positions as of December 31, 2021 and 2020 in accordance with FASB ASC 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, 2021 and 2020, upon portions of the Property being placed in service, Swift Factory generated $4,597,825 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. ***COVID-19***

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 $14,997 for the year ended December 31, 2020.

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, 2021 and 2020.

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 $79,574 and $6,631 for the years ended December 31, 2021 and 2020, respectively.

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 as follows:

2022	$	353,241
2023		202,379
2024		118,512
2025		82,338
2026		63,133
Total	$	819,603

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 each of the years ended December 31, 2021 and 2020, amortization expense was $969.

NOTE 16 – RELATED-PARTY TRANSACTIONS

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

During the years ended December 31, 2021 and 2020, 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 $156,294 and $123,142 as of December 31, 2021 and 2020, respectively. Lastly, the President of the Organization was the Secretary of the Board of Directors of NNPI as of December 31, 2021 and 2020.

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
-

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, 2021 and 2020.

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, 2021 and 2020.

As of December 31, 2021 and 2020, 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.

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, 2021 and 2020, CSI recognized $0 and $41,264, 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.

NOTE 16 – RELATED-PARTY TRANSACTIONS (Continued)

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.

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 – CONCENTRATIONS

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, per insured financial institution. As of December 31, 2021, there was approximately $27.3 million of cash held by four banks that exceeded FDIC limits. As of December 31, 2020, there was approximately $18.0 million of cash held by one bank that exceeded FDIC limits.

The Organization’s contributions receivable consists of approximately one contributor who comprises approximately 93% of the balance as of December 31, 2021. The same contributor also totaled approximately 84% of contribution revenue for the year ended December 31, 2021.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through September 23, 2022, the date the consolidated financial statements were available to be issued.

On January 20, 2022, CSI entered into a loan agreement with a lender for a loan in the amount $1,400,000, with interest accruing at 2%. The maturity date of the loan is December 31, 2031. The proceeds of the loan are required to be used for the creation of the North Hartford Community Land Trust (“NHCLT”), a 100-unit scatter site affordable housing development in the North Harford Promise Zone. Also, NHCLT changed its name to North Harford Housing Trust in 2022.

On March 24, 2022, CS Large Cities Housing Fund L.P., entered into a revolving secured convertible promissory note dated March 8, 2022 with a lender in the amount of $50 million. The original maturity was the earlier of June 30, 2022, and five business days after the date of the closing of third-party equity investments in the Housing Fund of at least $50 million. The note was extended for one year to the maturity date of June 30, 2023 Loans that are repaid may be reborrowed. The proceeds of the loan were used to purchase 7 properties in 2022.

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

	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	$ 28,308,769	$ 42,987	$ 2,898	$ 478,270	$ 426,822	$ -	$ 29,259,746
Contributions receivable, net	96,175,945	350,283	-	-	-	-	96,526,228
Grants receivable	344,930	-	-	-	-	-	344,930
Rent receivable	-	-	-	-	5,030	-	5,030
Other receivables, net	3,522,417	4,223	147,553	-	-	(1,735,666)	1,938,527
Loans receivable	26,562,275	-	5,053,960	-	3,418,125	(8,472,085)	26,562,275
Restricted cash	-	-	-	434,092	13,422	-	447,514
Escrow reserves	467,900	-	-	-	-	-	467,900
Prepaid expenses and other assets	96,829	256	-	-	-	-	97,085
Due from Northeast Neighborhood Partners, Inc.	156,294	-	-	-	-	-	156,294
Due from North Capitol Commons GP LLC	9,465	-	-	-	-	-	9,465
Due from Community Solutions 519 Rockaway Avenue, Inc.	2,033,385	-	-	-	-	(2,033,385)	-
Due from Brownsville Partnership, Inc.	685,131	-	-	-	-	-	685,131
Due from Vincent's Legacy LLC	56,170	-	-	-	-	(56,170)	-
Due from Swift Incubator	-	-	-	-	42,206	(42,206)	-
Due from RxHome	66,634	-	-	-	-	-	66,634
Due from Vesta Atlanta LLC	1,238	-	-	-	-	(1,238)	-
Investment in Swift Factory, LLC	-	-	3,357,483	-	244,084	(3,601,567)	-
Investment in Swift Factory Master Tenant LLC	-	-	27,502	-	-	(27,502)	-
Investment in Vesta CO LLC, at cost	379,000	-	-	-	-	-	379,000
Deferred rent	-	-	-	1,655,579	27,887	(1,577,708)	105,758
Deferred leasing costs, net	-	-	-	28,955	-	-	28,955
Property and equipment, net	19,202,928	5,489,417	-	28,046,129	-	(1,499,001)	51,239,473
TOTAL ASSETS	$ 178,069,310	$ 5,887,166	$ 8,589,396	$ 30,643,025	$ 4,177,576	$ (19,046,528)	$ 208,319,945
LIABILITIES AND NET ASSETS/MEMBERS' EQUITY							
LIABILITIES							
Accounts payable and accrued expenses	$ 2,853,523	$ -	$ 187,843	$ 94,626	$ 12,050	$ (777,795)	$ 2,370,247
Security deposits payable	158,469	52,563	-	-	6,196	-	217,228
Due to Community Solutions International, Inc.	57,407	2,033,385	-	-	22,762	(2,113,554)	-
Due to Swift Factory Master Tenant LLC	19,444	-	-	-	-	(19,444)	-
Deferred revenue	965,762	-	-	-	-	-	965,762
Deferred rent	-	-	-	-	1,577,708	(1,577,708)	-
Developer fee payable	-	-	-	957,872	-	(957,872)	-
Loans payable, net	22,642,506	-	7,300,000	25,988,961	-	(8,472,085)	47,459,382
TOTAL LIABILITIES	26,697,111	2,085,948	7,487,843	27,041,459	1,618,716	(13,918,458)	51,012,619
NET ASSETS/MEMBERS' EQUITY							
Without donor restrictions	40,468,577	3,801,218	1,101,553	3,601,566	27,503	(5,128,070)	43,872,347
Non-controlling members' interests in consolidated subsidiaries	-	-	-	-	2,531,357	-	2,531,357
Total without donor restrictions	40,468,577	3,801,218	1,101,553	3,601,566	2,558,860	(5,128,070)	46,403,704
With donor restrictions	110,903,622	-	-	-	-	-	110,903,622
TOTAL NET ASSETS/MEMBERS' EQUITY	151,372,199	3,801,218	1,101,553	3,601,566	2,558,860	(5,128,070)	157,307,326
TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY	$ 178,069,310	$ 5,887,166	$ 8,589,396	$ 30,643,025	$ 4,177,576	$ (19,046,528)	$ 208,319,945

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, 2021
(With Comparative Totals for 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 2021	Consolidated Totals 2020
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:								
REVENUES, GAINS, AND OTHER SUPPORT								
Governmental grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,434,301
Contributions	2,064,925	-	-	-	-	-	2,064,925	6,864,409
Consulting income	796,729	-	-	-	-	-	796,729	2,294,210
Development and management fees	964,867	-	-	-	-	(541,129)	423,738	392,204
Rental income	2,001,868	281,140	-	1,096,064	653,183	(1,749,012)	2,283,243	167,779
Other income and gains	1,065,360	4,494	-	-	-	21,170	1,091,024	918,068
Interest income	287,201	-	61,828	340	73,865	(135,689)	287,545	302,801
Equity in net income (loss) from Swift Factory, LLC	-	-	(187,948)	-	-	187,948	-	-
Equity in net income (loss) from Swift Factory Master Tenant LLC	-	-	(8,374)	-	-	8,374	-	-
Net assets released from donor restrictions	18,563,188	-	-	-	-	-	18,563,188	14,137,021
TOTAL REVENUES, GAINS AND OTHER SUPPORT - WITHOUT DONOR RESTRICTIONS	25,744,138	285,634	(134,494)	1,096,404	727,048	(2,208,338)	25,510,392	32,510,793
EXPENSES								
Program services								
Built for Zero	9,569,757	-	-	-	-	-	9,569,757	6,465,137
Inspiring Places	2,235,608	-	-	-	-	-	2,235,608	1,739,494
Real estate projects	3,717,093	365,506	92,982	1,308,106	1,306,043	(1,884,701)	4,905,029	1,998,391
Fiscal sponsorship	885,795	-	-	-	-	-	885,795	150,620
Other programs	1,929,750	-	-	-	-	-	1,929,750	1,926,268
Total program services	18,338,003	365,506	92,982	1,308,106	1,306,043	(1,884,701)	19,525,939	12,279,910
Supporting services								
Management and general	1,897,583	150,205	-	-	-	-	2,047,788	1,151,056
Fundraising	608,135	-	-	-	-	-	608,135	732,858
Total supporting services	2,505,718	150,205	-	-	-	-	2,655,923	1,883,914
TOTAL EXPENSES	20,843,721	515,711	92,982	1,308,106	1,306,043	(1,884,701)	22,181,862	14,163,824
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	4,900,417	(230,077)	(227,476)	(211,702)	(578,995)	(323,637)	3,328,530	18,346,969
Non-controlling members' interests in net income of consolidated subsidiaries	-	-	-	-	573,205	-	573,205	829,070
Capital contributions	-	-	-	1,160,730	-	(1,160,730)	-	-
Net assets without donor restrictions, beginning 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
Net assets without donor restrictions, end of year	40,468,577	3,801,218	1,101,553	3,601,566	27,503	(5,128,070)	43,872,347	39,970,612
CHANGE IN NON-CONTROLLING MEMBERS' INTERESTS IN CONSOLIDATED SUBSIDIARIES								
Non-controlling members' interests in consolidated subsidiaries - beginning of year	-	-	-	-	1,826,891	-	1,826,891	1,218,208
Non-controlling members' interests in net loss of consolidated subsidiaries	-	-	-	-	(573,205)	-	(573,205)	(829,070)
Non-controlling members' capital contributions	-	-	-	-	1,277,671	-	1,277,671	1,437,753
Non-controlling members' interests in consolidated subsidiaries - end of year	-	-	-	-	2,531,357	-	2,531,357	1,826,891
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:								
REVENUES, GAINS, AND OTHER SUPPORT								
Contributions	116,455,004	-	-	-	-	-	116,455,004	18,364,256
Net assets released from donor restrictions	(18,563,188)	-	-	-	-	-	(18,563,188)	(14,137,021)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	97,891,816	-	-	-	-	-	97,891,816	4,227,235
Net assets with donor restrictions, beginning of year	13,011,806	-	-	-	-	-	13,011,806	8,784,571
Net assets with donor restrictions, end of year	110,903,622	-	-	-	-	-	110,903,622	13,011,806
Net assets/members' equity, beginning 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
CHANGE IN NET ASSETS/MEMBERS' EQUITY	102,792,233	(230,077)	(227,476)	949,028	698,676	(1,484,367)	102,498,017	24,011,957
Net assets/members' equity, end of year	$ 151,372,199	$ 3,801,218	$ 1,101,553	$ 3,601,566	$ 2,558,860	$ (5,128,070)	$ 157,307,326	$ 54,809,309

See independent auditors' report.