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, 2023 and 2022

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, 2023 AND 2022

TABLE OF CONTENTS

CBIZ CPAs

INDEPENDENT AUDITORS' REPORT

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

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 statements of financial position as of December 31, 2023 and 2022, 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.

In our opinion, based on our audits and the reports of the other auditors, the accompanying consolidated financial statements 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, 2023 and 2022 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.

We did not audit the financial statements of Swift Factory, LLC and Swift Factory Master Tenant LLC., which statements reflect total assets of $56,515,727 (25%) as of December 31, 2023, and total revenues of $2,149,900 (4%) 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. For the year ended December 31, 2022, we did not audit the financial statements of Swift Factory, LLC, Swift Factory Master Tenant LLC and CS Large Cities Housing Fund, L.P., which statements reflect total assets of $113,251,421 (44%) and total revenues of $1,850,679 (5%) 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, Swift Factory Master Tenant LLC and CS Large Cities Housing Fund, L.P., is based solely on the reports of the other auditors.

Basis for Opinion

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

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, 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.

CBIZ CPAs P.C.
685 Third Avenue
New York, NY 10017

Phone: 212.503.8800
cbizcpas.com

1 In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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.

Supplemental 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 34 and 35) 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 GAAS. In our opinion, the consolidating information, which insofar as it relates to Swift Factory, LLC, Swift Factory Master Tenant LLC, for the year ended December 31, 2023 and Swift Factory, LLC, Swift Factory Master Tenant LLC and CS Large Cities Housing Fund, L.P., for the year ended December 31, 2022, is based on the reports of other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CBIZ CPAs P.C.[1]

New York, NY
October 9, 2024

1 In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents (Notes 2C, 3 and 19)	$ 35,151,698	$ 44,466,908
Contributions receivable, net (Notes 2D, 3, 5 and 19)	53,924,631	80,784,079
Rent receivable	169,114	81,101
Other receivables, net of allowance for uncollectible receivables of $83,437 and $101,281 in 2023 and 2022, respectively (Note 3)	633,079	1,070,147
Loans receivable (Notes 2M and 7)	27,395,275	26,562,275
Restricted cash (Note 4)	506,099	656,983
Escrow reserves (Note 4)	368,544	331,708
Investments (Notes 2N, 2O and 8)	17,951,349	10,183,089
Investments in real estate properties (Note 9)	-	40,730,075
Prepaid expenses and other assets	378,130	647,640
Due from Northeast Neighborhood Partners, Inc. (Note 18A)	1,640,142	1,555,211
Due from North Capitol Commons GP LLC (Note 18B)	11,315	11,065
Due from Brownsville Partnership, Inc. (Note 18C)	2,083,021	1,618,524
Investment in Vesta CO LLC, at cost (Note 1)	-	379,000
Due from Housing Fund Properties (Note 18D)	1,259,977	387,957
Investment in CS Large Cities Housing Fund LP (Notes 1 and 9)	14,000,000	-
Investment in Justina 2929, 2951 and 3253, LLC (Notes 1 and 9)	8,000,000	-
Deferred leasing costs, net (Note 17)	27,019	27,987
Right-of-use asset, net of accumulated amortization (Note 6)	4,800,312	4,933,721
Property and equipment, net (Notes 2F, 2G and 6)	53,938,349	45,281,057
TOTAL ASSETS	$ 222,238,054	$ 259,708,527
LIABILITIES AND NET ASSETS/MEMBERS' EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	$ 2,990,914	$ 2,818,779
Security deposits payable	309,649	227,809
Due to CS Large Cities Housing Fund LP (Note 1 and 18D)	408,614	-
Due to Brownsville Partnership, Inc. (Note 18C)	263,869	431,212
Deferred revenue (Notes 2H and 2K)	7,890	17,143
Notes payable (Note 11)	-	48,229,776
Loans payable, net (Note 12)	71,773,594	53,780,691
TOTAL LIABILITIES	75,754,530	105,505,410
COMMITMENTS AND CONTINGENCIES (Note 16)		
NET ASSETS/MEMBERS' EQUITY (Note 2B)		
Without donor restrictions	60,565,628	50,740,771
Non-controlling members' interests in consolidated subsidiaries	1,149,312	1,724,321
Total without donor restrictions	61,714,940	52,465,092
With donor restrictions (Note 13)	84,768,584	101,738,025
TOTAL NET ASSETS/MEMBERS' EQUITY	146,483,524	154,203,117
TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY	$ 222,238,054	$ 259,708,527

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, 2023 AND 2022

	For the Year Ended December 31, 2023			For the Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT						
Contributions (Notes 2D and 19)	$ 669,529	$ 11,002,617	$ 11,672,146	$ 1,632,742	$ 23,489,209	$ 25,121,951
Noncash contributions (Notes 2J and 20)	3,388,062	-	3,388,062	61,792		61,792
Consulting income	437,306	-	437,306	221,258	-	221,258
Development and management fees	3,460,899	-	3,460,899	843,814	-	843,814
Rental income (Notes 2H and 17)	3,674,862	-	3,674,862	2,890,498	-	2,890,498
Insurance proceeds	1,091,559	-	1,091,559	-	-	-
Loss on property damage (Note 6)	(537,045)	-	(537,045)	-	-	-
Gain on deconsolidation (Note 1)	8,295,145	-	8,295,145	-	-	-
Loss on capital investments	(393,263)	-	(393,263)	-	-	-
Other income and gains	634,841	-	634,841	627,591	-	627,591
Investment activity (Notes 2M, 7 and 8)	2,124,674	-	2,124,674	508,446	-	508,446
Net assets released from donor restrictions (Note 13)	27,972,058	(27,972,058)	-	32,654,806	(32,654,806)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	50,818,627	(16,969,441)	33,849,186	39,440,947	(9,165,597)	30,275,350
EXPENSES (Note 2L)						
Program services:						
Built For Zero	23,587,622	-	23,587,622	16,506,042	-	16,506,042
Real estate projects	13,315,308	-	13,315,308	11,968,778	-	11,968,778
Other programs	5,582	-	5,582	885,322	-	885,322
Total program services	36,908,512	-	36,908,512	29,360,142	-	29,360,142
Supporting services:						
Management and general	3,937,684	-	3,937,684	3,368,462	-	3,368,462
Fundraising	722,583	-	722,583	516,717	-	516,717
Total supporting services	4,660,267	-	4,660,267	3,885,179	-	3,885,179
TOTAL EXPENSES	41,568,779	-	41,568,779	33,245,321	-	33,245,321
CHANGE IN NET ASSETS	9,249,848	(16,969,441)	(7,719,593)	6,195,626	(9,165,597)	(2,969,971)
Non-controlling members' interests in consolidated subsidiaries - beginning of year	1,724,321	-	1,724,321	2,531,357	-	2,531,357
Non-controlling members' interests in net loss of consolidated subsidiaries (Note 2B)	(575,009)	-	(575,009)	(672,798)	-	(672,798)
Non-controlling members' capital (distributions) contributions (Note 14)	-	-	-	(134,238)	-	(134,238)
Non-controlling members' interests in consolidated subsidiaries - end of year	1,149,312	-	1,149,312	1,724,321	-	1,724,321
Net assets/members' equity - beginning of year	52,465,092	101,738,025	154,203,117	46,403,704	110,903,622	157,307,326
Net assets/members' equity - end of year	$ 61,714,940	$ 84,768,584	$ 146,483,524	$ 52,465,092	$ 101,738,025	$ 154,203,117

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, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Program Services				Supporting Services				
	Built For Zero	Real Estate Projects	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2023 Total Expenses	2022 Total Expenses
Salaries	$ 6,765,561	$ -	$ -	$ 6,765,561	$ 1,748,206	$ 400,750	$ 2,148,956	$ 8,914,517	$ 8,634,658
Payroll taxes and employee benefits (Note 15)	1,616,947	-	-	1,616,947	402,387	95,778	498,165	2,115,112	1,998,131
				-					
Salaries and Related Costs	8,382,508	-	-	8,382,508	2,150,593	496,528	2,647,121	11,029,629	10,632,789
Professional services (Note 2J)	4,712,129	6,429,869	5,516	11,147,514	1,158,560	97,384	1,255,944	12,403,458	9,186,462
Occupancy (Note 16A)	364,755	1,130,593	-	1,495,348	116,366	21,762	138,128	1,633,476	1,260,562
Travel and conference	989,642	210	66	989,918	111,354	58,851	170,205	1,160,123	775,062
Program expenses and supplies	1,686,721	41,214	-	1,727,935	-	-	-	1,727,935	1,171,952
Building management	-	-	-	-	-	-	-	-	13,316
Communication	163,662	38,366	-	202,028	38,814	10,054	48,868	250,896	237,782
Insurance	56,740	335,245	-	391,985	18,917	3,538	22,455	414,440	268,899
Office supplies and expenses	43,759	105,659	-	149,418	13,427	2,511	15,938	165,356	251,176
Printing and postage	1,337	1,116	-	2,453	426	3,126	3,552	6,005	6,674
Equipment purchases and rental	40,365	-	-	40,365	13,458	2,517	15,975	56,340	105,094
Real estate tax	-	219,850	-	219,850	-	-	-	219,850	234,859
Staff training and development	362,369	56	-	362,425	120,814	22,597	143,411	505,836	153,993
Advertising and marketing	-	12,542	-	12,542	-	-	-	12,542	49,859
Depreciation and amortization (Note 6)	-	1,974,633	-	1,974,633	12,397	-	12,397	1,987,030	1,618,591
Interest (Notes 10 and 12)	-	2,585,754	-	2,585,754	-	-	-	2,585,754	3,219,807
Subcontract expenses	6,774,577	20,000	-	6,794,577	-	-	-	6,794,577	3,333,375
Grant expense (Note 6)	-	358,510	-	358,510	-	-	-	358,510	-
Bad debts expense (Note 5)	-	-	-	-	100,000	-	100,000	100,000	460,774
Miscellaneous expenses	9,058	61,691	-	70,749	82,558	3,715	86,273	157,022	264,295
Total expenses - 2023	$ 23,587,622	$ 13,315,308	$ 5,582	$ 36,908,512	$ 3,937,684	$ 722,583	$ 4,660,267	$ 41,568,779	
Total expenses - 2022	$ 16,506,042	$ 11,968,778	$ 885,322	$ 29,360,142	$ 3,368,462	$ 516,717	$ 3,885,179		$ 33,245,321

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, 2022

	Program Services				Supporting Services			
	Built For Zero	Real Estate Projects	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2022 Total Expenses
Salaries	$ 6,635,757	$ 94,147	$ 328,387	$ 7,058,291	$ 1,266,430	$ 309,937	$ 1,576,367	$ 8,634,658
Payroll taxes and employee benefits (Note 15)	1,535,568	25,348	77,238	1,638,154	288,255	71,722	359,977	1,998,131
Salaries and Related Costs	8,171,325	119,495	405,625	8,696,445	1,554,685	381,659	1,936,344	10,632,789
Professional services (Note 2J)	2,794,319	5,232,716	122,564	8,149,599	943,889	92,974	1,036,863	9,186,462
Occupancy (Note 16A)	327,321	793,132	18,653	1,139,106	108,543	12,913	121,456	1,260,562
Travel and conference	532,937	15,551	27,595	576,083	191,292	7,687	198,979	775,062
Program expenses and supplies	1,107,645	36,876	27,431	1,171,952	-	-	-	1,171,952
Building management	-	13,316	-	13,316	-	-	-	13,316
Communication	136,458	56,676	7,720	200,854	30,882	6,046	36,928	237,782
Insurance	44,089	204,868	2,655	251,612	15,449	1,838	17,287	268,899
Office supplies and expenses	31,747	207,795	1,529	241,071	8,900	1,205	10,105	251,176
Printing and postage	4,654	433	192	5,279	1,113	282	1,395	6,674
Equipment purchases and rental	66,431	8,616	4,000	79,047	23,278	2,769	26,047	105,094
Real estate tax	-	234,859	-	234,859	-	-	-	234,859
Staff training and development	111,868	710	5,512	118,090	32,073	3,830	35,903	153,993
Advertising and marketing	11,609	32,686	1,011	45,306	4,069	484	4,553	49,859
Depreciation and amortization (Note 6)	-	1,618,591	-	1,618,591	-	-	-	1,618,591
Interest (Notes 10 and 12)	-	3,219,807	-	3,219,807	-	-	-	3,219,807
Subcontract expenses	3,139,176	-	194,199	3,333,375	-	-	-	3,333,375
Bad debts expense (Note 5)	2,450	21,714	-	24,164	436,610	-	436,610	460,774
Miscellaneous expenses	24,013	150,937	66,636	241,586	17,679	5,030	22,709	264,295
Total expenses - 2022	$ 16,506,042	$ 11,968,778	$ 885,322	$ 29,360,142	$ 3,368,462	$ 516,717	$ 3,885,179	$ 33,245,321

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, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (7,719,593)	$ (2,969,971)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,852,653	1,484,214
Amortization - right-of-use asset	133,409	133,409
Amortization of lease acquisition costs	968	968
Unrealized (gain) loss on investments	(1,399,122)	63,880
Realized loss on investments	-	14
Decrease in discount to net present value on contributions receivable	(1,204,684)	(516,427)
Bad debt expense	100,000	460,774
Amortization of loan closing costs	185,132	101,892
Loss on disposal of property and equipment	895,556	-
Noncash contribution of financial assets	(3,388,062)	-
Loss on capital investments - Vesta CO LLC	379,000	-
Changes in operating assets and liabilities:		
Contributions receivable	27,964,132	15,797,802
Grants receivable	-	344,930
Rent receivable	(88,013)	(76,071)
Other receivables	437,068	868,380
Prepaid expenses and other assets	269,510	(550,555)
Due to/from Northeast Neighborhood Partners, Inc.	(84,931)	(1,398,917)
Due to/from North Capitol Commons GP LLC	(250)	(1,600)
Due to CS Large Cities Housing Fund LP	408,614	-
Due from Housing Fund Properties	(872,020)	(387,957)
Due to/from Brownsville Partnership, Inc.	(631,840)	(502,181)
Due from RxHome	-	66,634
Deferred rent receivable	-	105,758
Accounts payable and accrued expenses	172,135	448,532
Security deposits payable	81,840	10,581
Deferred revenue	(9,253)	17,143
Net Cash Provided by Operating Activities	17,482,249	13,501,232
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,326,123	-
Purchases of property and equipment	(8,850,439)	(1,558,690)
Purchases of Investments	(8,695,261)	(10,246,983)
Disposition (purchases) of Investments - real estate properties	40,730,075	(40,730,075)
Purchase of investments in real estate	(22,000,000)	-
Net Cash Provided by (Used in) Investing Activities	3,510,498	(52,535,748)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans payable	24,647,810	-
Proceeds from notes payable	-	10,534,614
(Repayments) proceeds on notes payable	(48,229,776)	48,229,776
Repayments on loans payable	(6,586,098)	(4,211,001)
Payments of loan issuance costs	(253,941)	(104,196)
Distributions to non-controlling members	-	(134,238)
Net Cash (Used in) Provided by Financing Activities	(30,422,005)	54,314,955
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(9,429,258)	15,280,439
Cash and cash equivalents and restricted cash - beginning of year	45,455,599	30,175,160
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 36,026,341	$ 45,455,599
Reconciliation to Consolidated Statements of Financial Position:		
Cash and cash equivalents	$ 35,151,698	$ 44,466,908
Restricted cash	506,099	656,983
Escrow reserves	368,544	331,708
	$ 36,026,341	$ 45,455,599
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest, including capitalized interest	$ 2,387,677	$ 2,946,657
Noncash investing and financing transactions:		
Right-of-use assets, net	$ 4,800,312	$ (4,933,721)
Exchange of property and equipment for loans receivable	$ 833,000	$ -
Contributed property and equipment	$ 3,388,062	$ -
Transfer of capital to investment in real estate	$ 10,000,000	$ -

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”) and related parties 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 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, LLC 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, LLC 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 16C), 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 18B 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. As of March 21, 2018, CSI became an ordinary member and owns 10% of Vesta CO LLC d/b/a Abrigo Apartments ("Vesta"). CS Abrigo was dissolved in January 2024.

  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. For the year ended December 2023, the Organization recorded a loss in Capital Investment for the entire amount due to the sale of the Abrigo Apartments.

- 12170 East 30th Avenue LLC (The "Abrigo Apartments"), a wholly owned entity of CSI, was formed in 2023 to acquire a real estate property in Colorado. The property reserves two-thirds of its 66 units for veterans exiting homelessness. Abrigo Apartments is a disregarded entity of CSI for federal and state income tax purposes.

- 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. Vesta Atlanta is a disregarded entity of CSI for federal and state income tax purposes, therefore the activities of Vesta Atlanta are included in the CSI column in the accompanying supplementary consolidated information.

- 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. Swift Incubator LLC is a disregarded entity of CSI for federal and state income tax purposes, therefore the activities of Swift Incubator are included in the CSI column in the accompanying supplementary consolidated information.

- CS Large Cities Housing Fund, L.P. ("CSLCHF") (the "Partnership") was formed as a Delaware Limited Partnership on December 14, 2021 and began operations on March 2, 2022. The stated investment objective of the Partnership is to acquire individual Class B/C multi-family real estate assets and hotels for the purpose of conversion into multi-family housing within designated large cities.

  During December 2023 and March 2022, the Organization contributed $4,000,000 and $10,000,000 in cash, respectively, to the Partnership as paid-in capital. The Organization follows equity method of accounting for its investment in the partnership and the balance as of December 2023 approximates the balance in the partnership's books.

  According to the operating agreements dated February 24, 2023, CSI contributed $8,000,000 as paid-in capital to the Jacksonville properties. This amount is reflected as investments in equity, at cost, in the accompanying consolidated statements of financial position as of December 2023. Per the operating agreements, the Jacksonville properties do not meet the requirements for consolidation.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

CS Veterans Housing GP, LLC is the general partner (the "General Partner") of the Partnership. The General Partner was incorporated in Delaware in December 2021 and is a wholly-owned subsidiary of CSI (the "Sponsor"), a non-profit organization working to end homelessness.

The Organization is a Class A member, and the Partnership is a Class B member of 2929 Justina Road Holding, LLC, 2951 Justina LLC, and 3253 Justina LLC (collectively the Jacksonville properties), located in Jacksonville, Florida.

During September 2022, the Partnership agreement was amended and restated whereby, the general partner can be removed for certain events and other than for cause. However, as of December 31, 2022, CSI owned entities had 100% equity in the Partnership and accordingly the Partnership was consolidated with CSI. As of May 4, 2023, the Partnership admitted additional limited partners whereby the limited partners achieving Super-Majority interest in the Partnership. Consequently, as of May 4, 2023, the Partnership is no longer required to consolidate its financial statements with those of the General Partner, CSI (See Note 9). CS LC Fund Investment Vehicle LLC, wholly owned subsidiary of CSI continues to have an equity interest in the Partnership and accordingly, the Partnership was deconsolidated effective May 4, 2023.

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, 2023 and 2022, the Organization's net assets with donor restrictions did not include any amounts that must remain intact in perpetuity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. ***Cash Equivalents***

The Organization considers all highly liquid investments with maturities of three months or less to be cash equivalents, except for cash and cash equivalents held as part of the Organization's investment portfolio. The Organization maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits (see Note 19).

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. ***Allowance for Credit Losses***

The Organization determines whether an allowance should be provided for rent, loans and other receivables. The Organization adopted measurement of credit losses on financial instruments in 2023 and the measurement is based on management's assessment of the aged basis of its accounts, current economic conditions, subsequent receipts and historical information (See Note 2Q). Accounts receivable are written off against the allowance for credit losses when all reasonable collection efforts have been exhausted. As of December 31, 2023 and 2022, there was an allowance for credit losses recorded of $83,437 and $101,281, respectively. There were write offs in the amount of $17,844 and $0 for the years ended December 31, 2023 and 2022, respectively.

Balance, beginning of year	$ 101,281
Written off	(17,844)
Bad debt expense	-
Balance, end of year	$ 83,437

F. ***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.

G. ***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, 2023 and 2022.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. *Rental Income*

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

I. *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.

J. *Noncash contributions*

The Organization recognizes donated goods and 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 $0 and $61,792 for the years ended December 31, 2023 and 2022, 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. In addition, for the year ended December 31, 2023, CSI received contributed software valued at $595,062 and donated property and equipment valued at $2,793,000. These amounts have been recognized as contributions without donor restrictions in the accompanying consolidated statements of activities and property and equipment in the consolidated statements of financial position. See also Note 6 and 20.

K. *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.

L. *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.

M. *Loans Receivable*

Loans receivable are stated at unpaid principal balances, less an allowance for credit losses (See Note 2E) 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 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, 2023 and 2022.

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, 2023 and 2022, management believes that the Organization’s loans receivable are fully collectible and as such, the allowance for credit loss is zero.

N. ***Investments*** - Investments are carried at fair value. Changes in the fair value of investments are recorded as unrealized gains or losses and are reflected in the consolidated statements of activities.

O. ***Fair Value Measurements*** - Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as reported in Note 9.

P. ***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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. ***Recent Accounting Pronouncements***

Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* was adopted for the year ended December 31, 2023. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology.

CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Financial assets held by the Organization that are subject to the guidance in ASU 2016-13 includes rent and other receivables. See Note 2E.

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:

	2023	2022
Cash and cash equivalents	$ 35,151,698	$ 44,466,908
Contributions receivable, net	53,924,631	80,784,079
Rent receivable	169,114	81,101
Other receivables, net	633,079	1,070,147
Investments	17,951,349	10,183,089
Less: donor-restricted net assets not available		
for general expenditure	(84,768,584)	(101,738,025)
Total financial assets	$ 23,061,287	$ 34,847,299

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 10.

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.

Disbursement Account:

Pursuant to the QLICI Loan Agreement (see Note 12), 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.

NOTE 4 – RESTRICTED CASH AND ESCROW RESERVES (Continued)

The balance in the Disbursement Account was $8,507 and $8,444 as of December 31, 2023 and 2022, 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 $97,667 and $208,679 as of December 31, 2023 and 2022, 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 $86,400 and $126,400 as of December 31, 2023 and 2022, respectively.

Escrow Reserves:

The Organization entered into a loan agreement in February 2021 (further described in Note 12), 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 was $368,544 and $331,708 as of December 31, 2023 and 2022, respectively.

Operating reserve account:

Pursuant to the Operating Agreement, Swift Factory Master was required to fund $300,000 to an operating reserve from (the "Operating Reserve") from proceeds of the Investor Member contributions. The Operating Reserve is restricted to fund Operating Expenses to the extent of an Operating Deficit and Permitted Project Tenant Expenses, as defined in the Account Pledge and Control Agreement dated May 4, 2018. The balance of the Operating Reserve account as of December 31, 2023 and 2022 was $300,112 and $300,047, respectively.

Replacement reserve account:

Pursuant to the Operating Agreement, Swift Factory Master is required to fund a replacement reserve beginning upon placement in service of the Property in the amount of 7% of gross revenue of the Property (the "Replacement Reserve"). The Replacement Reserve shall be used exclusively for replacement expenditures for the Property approved by the Investor Member. At both December 31, 2023 and 2022, the balance of the Replacement Reserve account was $13,413.

NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET

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

	2023	2022
Less than one year	$ 26,598,268	$ 30,662,401
One to five years	28,000,000	52,000,000
	54,598,268	82,662,401
Less: Discount to net present value	(673,637)	(1,878,322)
Total	$ 53,924,631	$ 80,784,079

NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET (Continued)

Contributions receivable to be collected in more than one year were discounted using risk-adjusted discount rates ranging from 0.89% to 1.37% and from 0.17% to 1.37% as of December 31, 2023 and 2022, 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 of $500,488 was necessary as of December 31, 2023 and 2022. 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 2023 and 2022, the Organization wrote off contributions and other receivables of $100,000 and $460,774, 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:

	2023	2022	Estimated Useful Lives
Land	$ 2,127,800	$ 2,127,800	
Building and improvements	53,907,411	43,386,651	33.5-39 Years
Sitework	2,051,747	2,051,747	15 Years
Software	595,062	-	2 Years
Computer and equipment	125,329	168,341	3-5 Years
Construction in progress	1,209,738	1,936,505	
	60,017,087	49,671,044	
Less accumulated depreciation	(6,078,738)	(4,389,987)	
Property and equipment, net	$ 53,938,349	$ 45,281,057	

Pursuant to a bargain sale agreement dated July 27, 2023, the Organization acquired a real estate property in Colorado with a fair market value of $10,170,000 for $7,377,000, the Abrigo Apartment, resulting in an in-kind donation of $2,793,000 (See note 20).

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 $1,852,653 and $1,484,214 for the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the total costs of $1,209,738 and $1,936,505, respectively, in construction in progress are related to pre-development costs at Livonia 4 Site C2 Project and the 211 Glendale Project.

NOTE 6 – PROPERTY AND EQUIPMENT, NET (Continued)

CSI previously funded the 211 Glendale Project predominantly from the proceeds of certain grant income and included the costs as part of construction in progress. In 2023, as part of a Memorandum of Understanding ("MOU"), CSI transferred the project to Detroit Rescue Mission Ministries resulting in a loan receivable of $833,000 (See Note 7) and a grant expense of $358,510.

In addition, CSI wrote off building improvement costs of $700,948 and accumulated depreciation of $163,902 as a result of flood damages. Proceeds received from insurance relating to this damage totaled $1,091,559 for the year ended December 31, 2023.

Pursuant to FASB ASC 842, $5,202,947 from building improvements from Swift Factory is classified as right-of-use assets on the consolidated statements of financial position. As of December 31, 2023 and 2022, the accumulated amortization of the right-of-use asset was $402,635 and $269,226, respectively. Amortization expense recognized on the right-of-use assets were $133,409 for each of the years ended December 31, 2023 and 2022.

NOTE 7 – LOANS RECEIVABLE

Loans receivable consisted of the following as of December 31:

	2023	2022
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 18B). 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.	$ 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, 2023 and 2022, 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 18B). 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.	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.	16,792,275	16,792,275
On April 1, 2023, CSI entered into a loan agreement with Detriot Rescue Mission Ministries, as a lender of $833,000. The principal balance of the loan shall accrue interest 3.00% per annum. Commencing April 1, 2023, monthly installments of principal and interest shall be due to fully amortize the loan through maturity on April 1, 2033.	833,000	-
Total Loans Receivable	$ 27,395,275	$ 26,562,275

NOTE 7 – LOANS RECEIVABLE (Continued)

Interest income recognized on the loans receivable totaled $305,384 and $284,689 for the years ended December 31, 2023 and 2022, respectively.

NOTE 8 – INVESTMENTS

Investments consist of the following as of December 31:

	2023	2022
Cash and money market funds	$ 1,123,177	$ 7,646
Certificate of deposit	2,000,000	-
Equities	16,040	1,778
Mutual funds	14,812,132	10,173,665
	$ 17,951,349	$ 10,183,089

Investments are subject to market volatility that could substantially change their fair values in the near term.

Investment income (loss) is included in the consolidated statements of activities and consists of the following for the year ended December 31:

	2023	2022
Dividends and interest	$ 762,311	$ 575,399
Realized gain	-	14
Unrealized gain (loss)	1,399,122	(63,880)
Less: investment fees	(36,759)	(3,087)
	$ 2,124,674	$ 508,446

U.S. GAAP establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). In determining fair value, CSI utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. These inputs also form the basis of the fair value hierarchy which is used to categorize a fair value measurement into one of three levels as follows:

- Level 1 - Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2 - Valuations based on observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets for identical assets or liabilities; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3 - Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

Investments in certificate of deposit, equities and mutual funds are valued using market prices in active markets or have publicly available net asset values at closing (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

NOTE 8 – INVESTMENTS (Continued)

Financial assets carried at fair value consisted of the following and were all classified as Level 1 investments in the fair value hierarchy as of December 31:

	2023	2022
Investments, at Fair Value		
Certificate of deposit	$ 2,000,000	$ -
Equities	16,040	1,778
Mutual funds	14,812,132	10,173,665
Investments, at Fair Value	$ 16,828,172	$ 10,175,443

NOTE 9 – INVESTMENTS IN REAL ESTATE PROPERTIES

CSLCHF complies with the authoritative guidance, of ASC 820 – *Fair Value Measurement*, which defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurement. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., the exit price).

This guidance establishes a fair value hierarchy which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment, and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily-available actively quoted prices or for which fair value can be measured from actively-quoted price in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

CSLCHF is exposed to the effects of market fluctuations in the price of real estate properties, particularly multi-family real estate assets. Market prices are primarily determined by supply and demand in the market place and can fluctuate considerably. The value of the interest held by CSLCHF may also decline in response to certain events, including conditions affecting the general economy, overall market changes, local, regional, or global political, social, or economic instability, and currency and interest rate price fluctuations.

Summarized information reflecting CSLCHF’s investments as of December 31, 2022, is detailed below.

	Level 1	Level 2	Level 3	Total
Investment in Real Estate Properties	$ -	$ -	$ 40,730,075	$ 40,730,075

During the year ended December 31, 2022, CSLCHF did not have any transfers into or out of Level 3 of the fair value hierarchy. CSLCHF had purchases of real estate investments totaling $43,828,907 for the year ended December 31, 2022. This includes $3,098,832 developer’s fee to CS Veterans Housing GP, LLC, which is eliminated on the consolidated financial statements and the net investment in real estate properties is $40,730,075 as of December 31, 2023.

The following table summarizes the valuation techniques and significant unobservable inputs used for CSLCHF investments that are categorized in Level 3 of the fair value hierarchy as of December 31, 2022.

	Fair Value	Valuation Technique	Unobservable Inputs	Range of Inputs
Investment in Real Estate Properties	$ 43,828,907	Market Approach – Cost	Recent Acquisition	100% of Cost

As of May 4, 2023, the Organization is no longer required to consolidate the financial statements of CSLCHF (See Note 1)

NOTE 10 – 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, 2023 and 2022.

NOTE 11 – NOTES PAYABLE

In March 2022, CSLCHF entered into a revolving secured convertible promissory note with total available borrowings up to $50 million, bearing interest from the date of a borrowing at a rate of 7% per annum. The note had a maturity date of June 30, 2022, but was extended through June 30, 2023. The amount was secured by the underlying assets acquired using the proceeds from such note. The note holder had the right, but not the obligation, to convert all or a portion of the then outstanding obligations into an equity interest in the Partnership. As of December 31, 2022, there was $48,229,776 outstanding under this credit facility, which is presented as "Notes Payable" on the consolidated statements of financial position. Interest expense for the years ended December 31, 2023 and 2022 totaled $929,012 and $2,029,776, respectively. The secured convertible note includes affirmative covenants, the Partnership was in compliance with all state covenants as of December 31, 2022. The note was paid in full in May 2023.

NOTE 12 – LOANS PAYABLE, NET

Loans payable consisted of the following as of December 31:

	2023	2022
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.	$ 3,096,656	$ 3,224,686
On May 4, 2018, CS Swift entered into a loan agreement with Capital Region Development Authority. CS Swift may draw down funds on this loan up to $4,300,000. The loan bears interest at 1.00% during the construction phase (2 years) and interest at 3.00% during the permanent phase (20 years). Conditions to conversion to Permanent Phase include completion of construction and issuance of certificates of occupancy and issuance of lien waivers. Payment of principal and interest will be annual and paid within 120 days of the calendar year following construction completion and will equal 70% of net cash flows. In the event of insufficient cash flows to pay all or any part of required interest payments, such amount will accrue and be due and payable, to the extent of available net cash flows on the next scheduled annual payment. All outstanding principal and interest will be due in full 20 years from the date of the conversion of the loan to the Permanent Phase.	4,300,000	4,300,000

NOTE 12 – LOANS PAYABLE, NET (Continued)

	2023	2022
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, August 2020, 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 shall be due and payable in full on maturity date without notice or demand.	$ 2,972,988	$ 3,000,000

On May 4, 2018, Swift Factory entered into a loan agreement with (the "QLCI 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 1, 2028. A one-time principal payment of $30,000 shall bue 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 date 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:

	2023	2022
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 12 – LOANS PAYABLE, NET (Continued)

	2023	2022
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. The balance was paid in full in April 2023.	$ -	$ 200,000
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 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.	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

NOTE 12 – LOANS PAYABLE, NET (Continued)

	2023	2022
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%	$ 1,691,926	$ 1,718,055
On February 24, 2021, Vesta Atlanta entered into a loan 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 maturity date of 84 months and a fixed interest rate of 2.925%	7,164,865	7,331,741
On September 20, 2022, Vincent's Legacy entered into a loan agreement with Enterprise Community Loan Fund, Inc. The maturity date of the loan is September 20, 2024. Prior to the maturity date, interest shall accrue on the principal balance at a fixed rate of interest 6.00% payable monthly. The outstanding principal and any unpaid accrued interest shall be due and payable in full on the maturity date.	4,393,269	4,134,614
On January 20, 2022, CSI entered into a loan agreement with Trinity Health Corporation. The principal balance of the loan shall accrue interest of 2.00% per annum. Interest shall be payable in arrears on the last day of the calendar quarter beginning on January 1, 2022 and continuing on the last day of each calendar quarter through maturity on December 31, 2031.	1,400,000	1,400,000
On November 22, 2022, CSI entered into a bond purchase agreement with The Northern Trust Company, authorizing the issuance of (1) the "First Bond" with principal amount of $5,000,000 and (2) "Subsequent Bond" to be issued at such date(s) to be mutually agreed by the Bond Holder and the Issuer, with all of the bonds to total the aggregate principal amount of $10,000,000. The Subsequent Bond was issued on February 1, 2023. The bonds shall bear simple interest from the date of issuance, on the unpaid pricipal amount, at a rate of 2.00% per annum. Interest accruing on the outstanding principal amount shall be due and payable semi-annually, commencing on the last day of June or December following the Issuance Date in each year until all accrued interest have been paid in full. The outstanding principal amount of this Bonds shall be due and payable on November 22, 2034.	10,000,000	5,000,000

NOTE 12 – LOANS PAYABLE, NET (Continued)

	2023	2022
During 2023, 12170 East 30th Avenue LLC, executed an unsecured promissory note with CSL CHF for a maximum amount of $11,000,000, bearing interest at a rate of 9% per annum, compounded annually. In November 2023, the Organization repaid $6,296,708. The note is set to mature July 27, 2025. The proceeds of the note were used to purchase the Abrigo Apartments, in Colorado for $7,313,185, to fund working capital expenses and a developer fee for $441,144 and 393,483, respectively.	$ 1,851,104	-
On November 28, 2023, 12170 East 30th Avenue LLC, entered into a loan agreement with Enterprise Community Loan Fund, Inc. amounting to $250,000 to finance the acquisition of Abrigo Apartments located in Denver, Colorado. Interest accruing on the outstanding principal amount shall be due and payable quarterly, commencing on the 1st of January following the closing date, until maturity. The maturity date of the loan is November 30, 2027 and has an annual interest rate of 6.75%.	250,000	-
On November 28, 2023, 12170 East 30th Avenue LLC, entered into a loan agreement with Enterprise Community Loan Fund, Inc. amounting to $6,250,000 to finance the acquisition of Abrigo Apartments located in Denver, Colorado. Interest accruing on the outstanding principal amount shall be due and payable quarterly, commencing on the 1st of January following the closing date, until maturity. The maturity date of the loan is November 30, 2027 and has an annual interest rate of 3.92%	6,250,000	-
On September 7, 2023, CSI entered into a loan agreement with Wells Fargo Bank, N.A., amounting to $5,000,000 to support the financing of a real estate initiative to end homelessness. The maturity date of the loan is September 7, 2035 and has an annual interest rate of 2.00%	5,000,000	-
Total loans payable	72,975,808	54,914,096
Less: unamortized loan costs	(1,202,214)	(1,133,405)
Loans payable, net	$ 71,773,594	$ 53,780,691

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

2024	$ 4,810,504
2025	2,314,213
2026	3,120,578
2027	6,958,128
2028	8,881,533
Thereafter	46,890,852
	$ 72,975,808

NOTE 12 – LOANS PAYABLE, NET (Continued)

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

	2023	2022
Loan closing costs, beginning of year	$ 1,133,405	$ 1,131,101
Additional costs incurred	253,941	104,196
Costs amortized into expense	(185,132)	(101,892)
Loan closing costs, end of year	$ 1,202,214	$ 1,133,405

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, 2023 and 2022, NTCIC Fees in the amounts of $20,000 and $33,600, 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 each of the years ended December 31, 2023 and 2022, BCC Fees in the amounts of $40,000 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 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, 2023 and 2022, MHIC Fees in the amount of $57,500, 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 13 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Purpose restrictions:		
Built for Zero	$ 32,992,074	$ 36,658,383
Real estate projects	2,990,074	3,145,295
Community Investment	25,688,526	31,896,710
Time restrictions	23,097,910	30,037,637
Total net assets with donor restrictions	$ 84,768,584	$ 101,738,025

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

	2023	2022
Purpose restrictions:		
Built for Zero	$ 15,639,014	$ 11,357,385
Real estate projects	662,071	2,159,249
Community Investment	6,408,184	11,479,870
Time restrictions	5,262,789	7,658,302
Total net assets released from donor restrictions	$ 27,972,058	$ 32,654,806

NOTE 14 – 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 both December 31, 2023 and 2022, the investor member had made capital contributions totaling $3,961,227.

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, 2023 and 2022, 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"), payable in arrears on or before each January 31 for the previous year. For the years ended December 31, 2023 and 2022, the Priority Return paid to the Investor Member was $0 and $134,328 respectively. As of December 31, 2023 and 2022, the Priority Return Payable amounted to $158,449 and $79,225, respectively.

NOTE 15 – 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 5% of their gross salary after a minimum of one year of service. The Organization's contributions to the plan totaled $334,005 and $384,559 for the years ended December 31, 2023 and 2022, respectively.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. ***Lease Commitments***

The Organization entered into a lease agreement with Bond Collective for the lease of the office space starting December 1, 2022 with total remaining lease payments through November 30, 2023 of $48,556. On January 1, 2024, the Organization entered into a new lease agreement with Bond Collective for the lease of the office space. The total remaining lease payments through December 31, 2024 are $38,610.

Rent expense for these leases amounted to $55,349 and $54,241 for the years ended December 31, 2023 and 2022, respectively.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (Continued)

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

The Organization believes it had no uncertain income tax positions as of December 31, 2023 and 2022, in accordance with FASB ASC Topic 740 "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

C. ***Rehabilitation Tax Credits***

Swift Factory is expected to generate HTCs under IRC Section 47. Pursuant to the Master Lease, Master Tenant is eligible to claim HTCs generated from the Property. HTCs are available for use ratably over five years from the date the rehabilitation is placed in service and are equal to 20% of the qualified rehabilitation expenditures with respect to any certified historic structure. In order to qualify for HTCs, Swift Factory must comply with various federal requirements. The requirements include, but are not limited to, the Property being listed as a certified historic structure in the National Register of Historic Places or located in a registered historic district and certified by the Secretary of the Interior as being of historic significance to the district, and the rehabilitation being performed in a manner consistent with standards established by the Secretary of the Interior. Because HTCs are subject to complying with certain requirements, there can be no assurance that the aggregate amount of rehabilitation credits will be realized and failure to meet all such requirements may result in generating a lesser amount of HTCs than the expected amount. During the years ended December 31, 2023 and 2022, 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 both December 31, 2023 and 2022, the State HTCs passed through to the Managing Member totaled $4,500,000.

NOTE 17 – LEASE INCOME

In 2023 and 2022, the Organization recognized rental income for $3,674,862 and $2,890,498, respectively, from its wholly-owned real estate properties. (See note 1)

The Organization entered into an agreement as the lessor with a nonprofit organization ("Tenant 1") to lease space at their 519 Rockaway Avenue location for an initial one-year term that expired December 31, 2021. The lease was subsequently renewed on two one-year terms expiring on December 31, 2022 and 2023, respectively. 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, 2023 and 2022, respectively.

NOTE 17 – 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 $6,419 to $8,406 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 $81,536 and $77,226 for the years ended December 31, 2023 and 2022, respectively.

The Organization entered into an agreement as the lessor with a nonprofit organization ("Tenant 4") to lease space at their 519 Rockaway Avenue location for a term expiring in June 2026. The lease requires escalating monthly payments ranging from $8,783 to $9,318 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 $99,591 and $106,981 for the years ended December 31, 2023 and 2022, 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 subsequent years ending December 31 is as follows:

2024	$ 385,174
2025	312,538
2026	206,637
2027	155,660
Total	$ 1,060,009

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 each of years ended December 31, 2023 and 2022, amortization expense was $968.

NOTE 18 – RELATED-PARTY TRANSACTIONS

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

During the years ended December 31, 2023 and 2022, CSI paid expenses for NNPI. Amounts due to CSI from NNPI related to these transactions were $197,639 and $80,735 as of December 31, 2023 and 2022, respectively.

NNPI entered into a management agreement with CSI on January 1, 2022, for CSI to provide administrative services which include, but not limited to, accounting and financial operations, administrative and program support, oversee capital improvement and grant administration, and general management. For the years ended December 31, 2023 and 2022, CSI incurred management revenue amounting to $39,356 and $24,476, respectively. The total amounts outstanding from NNPI as of December 31, 2023 and 2022 were $39,356 and $24,476, respectively.

NOTE 18 – RELATED-PARTY TRANSACTIONS (Continued)

In addition, the President of the Organization was the Secretary of the Board of Directors of NNPI as of December 31, 2023 and 2022.

As explained in Note 12, in January 2022, Trinity Health Corporation and CSI entered into a loan agreement which provided for a $1,400,000 loan to CSI. The loan bears interest at 2.00% per annum and interest shall be payable on the last day of the calendar quarter beginning on January 1, 2022 and continuing on the last day of each calendar quarter through the maturity date of December 31, 2031. The purpose of the loan was for CSI to pass through the loan to the NHCLT, a 100-unit scattered site affordable housing development in North Hartford Promise Zone. The loan proceeds shall only be used for supporting NHCLT. The amount due to CSI from this pass-through loan was $1,400,000 as of December 31, 2023 and 2022. The full principal balance is due on the maturity date of December 31, 2031.

On December 9, 2022, Swift Factory Master Tenant, LLC transferred $50,000 to NNPI for funds required to pay NNPI's expenses. The $50,000 was repaid from NNPI to SFMT on March 3, 2023.

Swift Incubator entered into a management services agreement with NNPI on January 1, 2023. For the year ended December 31, 2023, Swift Incubator incurred management fee revenue amounting to $16,274. The balance outstanding as of December 31, 2023 was $3,147.

B. ***North Capitol Project***

The North Capitol Project (the "Project") is a Washington, D.C., residential project consisting of a 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. The Project was completed and placed in service during the year ended December 31, 2017.

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, 2023 and 2022.

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, 2023 and 2022.

As of December 31, 2023 and 2022, 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.

NOTE 18 – RELATED-PARTY TRANSACTIONS (Continued)

During the years ended December 31, 2023 and 2022, no balance of such developer fees was recognized. 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.

Grant of Option

North Capitol Commons LP granted 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.

C. ***Brownsville Partnership, Inc.***

Brownsville Partnership, Inc. ("BP") has a management service agreement with CS Rockaway for BP to provide management services to CS Rockaway and a lease agreement with CS Rockaway (landlord). The management services fees for the years ended December 31, 2023 and 2022 were $260,872 and $215,916, respectively. As of December 31, 2023 and 2022, CS Rockaway owed BP a total of $263,869 and $99,587, respectively.

BP also has a management service agreement with CSI, for CSI to provide management services. The management services fees for the years ended December 31, 2023 and 2022 were $99,132 and $64,080, respectively.

As of December 31, 2023 and 2022, BP owed CSI a total of $2,083,021 and $1,618,524 respectively, mainly representing payments made directly by CSI to BP's vendors, with the expectation to collect developer fees for projects managed by BP that began in fiscal year 2022 or earlier, which are more than sufficient to fully extinguish the receivables. CSI will forgive the balance if the developer fees are not collected.

CSI was selected by New York City Department of Housing Preservation and Development ("HPD) in November 2018 for the disposition of a city-owned site in Brooklyn, New York, and the development of an affordable rental building on the designated site. On December 31, 2023, CSI assigned all its rights, title and interest, including all future fees and payments to BP.

NOTE 18 – RELATED-PARTY TRANSACTIONS (Continued)

D. ***CS Large Cities Housing Fund, L.P. and Housing Fund Properties***

CS Veterans Housing GP, LLC (the "General Partner") receives quarterly management fees in an amount equal to 1.0% of the aggregate gross asset value of an investment. These asset management fees are handled at the property level, with the individual properties incurring and paying these expenses and not CS Large Cities Housing Fund, L.P. During the years ended December 31, 2023 and 2022, the earned management fees balance was $1,157,389 and $387,957, respectively. As of December 31, 2023 and 2022, the unpaid management fee balance was $1,259,977 and $387,957, respectively.

In connection with the initial acquisition of each real estate investment property, an acquisition fee will be paid to the General Partner, which shall not exceed 4.0% of the gross contract price for the acquisition, development, tenant improvements, and other capital expenditures relating to a real estate investment property. During the years ended in 2023 and 2022, the General Partner earned $4,331,214 and $3,098,832 in acquisition fees, respectively.

For the years ended December 31, 2023 and 2022, $408,814 and $801,168 respectively, is due to CSLCHF.

NOTE 19 – 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, 2023 and 2022, the Organization held cash at three banks that exceeded the FDIC limits by approximately $34.0 million and $31.9 million, respectively.

The Organization's contributions receivable consists of one contributor who comprises approximately 78% and 82% of the balance as of December 31, 2023 and 2022. For the years ended December 31, 2023 and 2022, approximately 50% and 82% of contributions revenue is comprised of one donor, respectively.

NOTE 20 – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets consisted of the following for the year ended December 31, 2023:

Nonfinancial Asset	2023	Used in Programs/Activities	Donor-imposed Restriction	Valuation Technique and Inputs
Donated software	$ 595,062	Management and General	No donor restrictions	The Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States
Donated building and improvement costs	$ 2,793,000	Real Estate Projects	No donor restrictions	Fair value based on difference between appraisal price and purchase price during Abrigo apartment purchasing transaction

NOTE 20 – CONTRIBUTED NONFINANCIAL ASSETS (Continued)

Contributed nonfinancial assets consisted of the following for the year ended December 31, 2022:

Nonfinancial Asset	2022	Used in Programs/Activities	Donor-imposed Restriction	Valuation Technique and Inputs
Donated professional services – legal and consultative services	$ 61,792	Management and General	No donor restrictions	Contributed services from attorneys are valued at the estimated fair value based on current rates for similar legal and consultative services.

NOTE 21 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through October 9, 2024, the date the consolidated financial statements were available to be issued.

COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
D/B/A COMMUNITY SOLUTIONS, INC.
SUPPLEMENTARY INFORMATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

	Community Solutions International, Inc.	Community Solutions 519 Rockaway Avenue, Inc.	CS Swift, LLC	Swift Factory, LLC	Swift Factory Master Tenant LLC	CS Veterans Housing GP, LLC	CS Large Cities Housing Fund LP	12170 East 30th Ave LLC	Eliminations	Consolidated Totals
ASSETS										
Cash and cash equivalents	$ 34,248,065	$ 42,994	$ 42,488	$ 283,059	$ 138,633	$ -	$ -	$ 396,459	$ -	$ 35,151,698
Contributions receivable, net	53,924,631	-	-	-	-	-	-	-	-	53,924,631
Rent receivable	69,649	-	-	-	60,446	-	-	39,019	-	169,114
Other receivables, net	1,384,003	637,637	21,660	-	102,886	-	-	-	(1,513,107)	633,079
Loans receivable	27,545,274	-	5,203,960	-	3,418,125	-	-	-	(8,772,084)	27,395,275
Restricted cash	-	-	-	192,574	313,525	-	-	-	-	506,099
Escrow reserves	368,544	-	-	-	-	-	-	-	-	368,544
Investments	17,951,349	-	-	-	-	-	-	-	-	17,951,349
Prepaid expenses and other assets	223,663	523	-	20,000	291,097	-	-	24,610	(181,763)	378,130
Due from Northeast Neighborhood Partners, Inc.	1,640,142	-	-	-	-	-	-	-	-	1,640,142
Due from North Capitol Commons GP LLC	11,315	-	-	-	-	-	-	-	-	11,315
Due from Community Solutions International, Inc.	-	-	-	-	27,715	-	-	-	(27,715)	-
Due from Community Solutions 519 Rockaway Avenue, Inc.	2,574,865	-	-	-	-	-	-	-	(2,574,865)	-
Due from CS Swift, LLC	-	-	-	-	3,400	-	-	-	(3,400)	-
Due from Brownsville Partnership, Inc.	2,083,021	-	-	-	-	-	-	-	-	2,083,021
Due from CS Veterans Housing GP LLC	9,520	-	-	-	-	-	-	-	(9,520)	-
Due from Housing Fund Properties	-	-	-	-	-	1,259,977	-	-	-	1,259,977
Investment in Swift Factory, LLC	-	-	3,016,239	-	206,168	-	-	-	(3,222,407)	-
Investment in Swift Factory Master Tenant LLC	-	-	14,806	-	-	-	-	-	(14,806)	-
Investment in CS Large Cities Housing Fund LP (Note 1)	14,000,000	-	-	-	-	-	-	-	-	14,000,000
Investment in 2929, 2951 and 3253 Justina LLC (Note 1)	8,000,000	-	-	-	-	-	-	-	-	8,000,000
Deferred rent receivable	-	-	-	3,350,194	-	-	-	-	(3,350,194)	-
Deferred leasing costs, net	-	-	-	27,019	-	-	-	-	-	27,019
Operating lease right-of-use asset	-	-	-	4,800,312	21,724,006	-	-	-	(21,724,006)	4,800,312
Property and equipment, net	19,162,272	5,566,998	-	21,556,569	-	-	-	10,502,966	(2,850,456)	53,938,349
TOTAL ASSETS	$ 183,196,313	$ 6,248,152	$ 8,299,153	$ 30,229,727	$ 26,286,001	$ 1,259,977	$ -	$ 10,963,054	$ (44,244,323)	$ 222,238,054
LIABILITIES AND NET ASSETS/MEMBERS' EQUITY										
LIABILITIES										
Accounts payable and accrued expenses	$ 3,024,984	$ 3,285	$ 148,791	$ 17,050	$ 41,488	16,013	$ -	$ 425,392	$ (686,089)	$ 2,990,914
Operating lease liability	-	-	-	-	25,074,198	-	-	-	(25,074,198)	-
Security deposits payable	188,390	52,563	-	-	6,196	-	-	62,500	-	309,649
Due to Brownsville Partnership, Inc.	-	263,869	-	-	-		-	-		263,869
Due to Community Solutions International, Inc.	-	2,574,865	-	-		9,520	-	-	(2,584,385)	-
Due to Swift Factory, LLC	-	-	-	-	-		-	-	-	-
Due to Swift Factory Master Tenant LLC	27,715	-	3,400	-	-		-	-	(31,115)	-
Due to CS Large Cities Housing Fund LP	-	-	-	-	-	408,614	-	-	-	408,614
Deferred revenue	766,309	-	-	-	-	-	-	-	(758,419)	7,890
Deferred rent	234,423	-	-	-	-		-	16,040	(250,463)	-
Developer fee payable	-	-	-	758,419	-	-	-	-	(758,419)	-
Loans payable, net	38,719,402	-	7,422,988	26,231,849	-	-	-	8,171,440	(8,772,085)	71,773,594
TOTAL LIABILITIES	42,961,223	2,894,582	7,575,179	27,007,318	25,121,882	434,147	-	8,675,372	(38,915,173)	75,754,530
NET ASSETS/MEMBERS' EQUITY (DEFICIT)										
Without donor restrictions	55,466,506	3,353,570	723,974	3,222,409	14,807	825,830	-	2,287,682	(5,329,150)	60,565,628
Non-controlling members' interests in consolidated subsidiaries	-	-	-	-	1,149,312	-	-	-	-	1,149,312
Total without donor restrictions	55,466,506	3,353,570	723,974	3,222,409	1,164,119	825,830	-	2,287,682	(5,329,150)	61,714,940
With donor restrictions	84,768,584	-	-	-	-	-	-	-	-	84,768,584
TOTAL NET ASSETS/MEMBERS' EQUITY (DEFICIT)	140,235,090	3,353,570	723,974	3,222,409	1,164,119	825,830	-	2,287,682	(5,329,150)	146,483,524
TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY (DEFICIT)	$ 183,196,313	$ 6,248,152	$ 8,299,153	$ 30,229,727	$ 26,286,001	$ 1,259,977	$ -	$ 10,963,054	$ (44,244,323)	$ 222,238,054

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, 2023
(With Comparative Totals for 2022)

	Community Solutions International, Inc.	Community Solutions 519 Rockaway Avenue, Inc.	CS Swift, LLC	Swift Factory, LLC	Swift Factory Master Tenant LLC	CS Veterans Housing GP, LLC	CS Large Cities Housing Fund LP	12170 East 30th Ave LLC	Eliminations	Consolidated Totals 2023	Consolidated Totals 2022
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:											
REVENUES, GAINS, AND OTHER SUPPORT											
Contributions	$ 669,529	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 669,529	$ 1,632,742
Noncash contributions	595,062	-	-	-	-	-	-	2,793,000	-	3,388,062	61,792
Consulting income	437,306	-	-	-	-	-	-	-	-	437,306	221,258
Development and management fees	408,357	-	-	-	-	5,488,573	-	-	(2,436,031)	3,460,899	843,814
Rental income	2,748,969	277,717	-	1,096,064	847,812	-	-	456,027	(1,751,727)	3,674,862	2,890,498
Insurance proceeds	-	1,091,559	-	-	-	-	-		-	1,091,559	-
Gain(loss) on property damage	-	(537,045)	-	-	-	-	-		-	(537,045)	-
Gain(loss) on deconsolidation	-	-	-	-	-	-	(6,654,932)		14,950,077	8,295,145	-
Gain(loss) on capital investments	(393,263)	-	-	-	-	-	-		-	(393,263)	-
Other income and gains	568,329	4,749	-	116,679	-	-	-	(54,916)	-	634,841	627,591
Investment activity	2,117,444	3	50,540	1,617	102,951	5,413	-	192	(153,486)	2,124,674	508,446
Equity in net income (loss) from Swift Factory, LLC	-	-	(135,873)	-	(15,223)	-	-	-	151,096	-	-
Equity in net income (loss) from Swift Factory Master Tenant LLC	-	-	(5,808)	-	-	-	-	-	5,808	-	-
Net assets released from donor restrictions	27,972,058	-	-	-	-	-	-	-	-	27,972,058	32,654,806
TOTAL REVENUES, GAINS AND OTHER SUPPORT - WITHOUT DONOR RESTRICTIONS	35,123,791	836,983	(91,141)	1,214,360	935,540	5,493,986	(6,654,932)	3,194,303	10,765,737	50,818,627	39,440,947
EXPENSES											
Program services											
Built for Zero	23,587,622	-	-	-	-	-	-	-	-	23,587,622	16,506,042
Real estate projects	5,255,598	758,950	30,887	1,366,585	1,516,357	4,537,760	1,040,196	906,621	(2,097,646)	13,315,308	11,968,778
Other programs	5,582	-	-	-	-	-	-	-	-	5,582	885,322
Total program services	28,848,802	758,950	30,887	1,366,585	1,516,357	4,537,760	1,040,196	906,621	(2,097,646)	36,908,512	29,360,142
Supporting services											
Management and general	3,937,684		-	-	-	-	-	-	-	3,937,684	3,368,462
Fundraising	722,583	-	-	-	-	-	-	-	-	722,583	516,717
Total supporting services	4,660,267	-	-	-	-	-	-	-	-	4,660,267	3,885,179
TOTAL EXPENSES	33,509,069	758,950	30,887	1,366,585	1,516,357	4,537,760	1,040,196	906,621	(2,097,646)	41,568,779	33,245,321
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,614,722	78,033	(122,028)	(152,225)	(580,817)	956,226	(7,695,128)	2,287,682	12,863,383	9,249,848	6,195,626
Non-controlling members' interests in net income of consolidated subsidiaries	-	-	-	-	575,009	-	-	-	-	575,009	672,798
Net assets without donor restrictions, beginning of year	53,851,784	3,275,537	846,002	3,374,634	20,615	(130,396)	7,695,128	-	(18,192,533)	50,740,771	43,872,347
Net assets without donor restrictions, end of year	55,466,506	3,353,570	723,974	3,222,409	14,807	825,830	-	2,287,682	(5,329,150)	60,565,628	50,740,771
CHANGE IN NON-CONTROLLING MEMBERS' INTERESTS IN CONSOLIDATED SUBSIDIARIES											
Non-controlling members' interests in consolidated subsidiaries - beginning of year	-	-	-	-	1,724,321	-	-	-	-	1,724,321	2,531,357
Non-controlling members' interests in net loss of consolidated subsidiaries	-	-	-	-	(575,009)	-	-	-	-	(575,009)	(672,798)
Non-controlling members' capital contributions/distributions	-	-	-	-	-	-	-	-	-	-	(134,238)
Non-controlling members' interests in consolidated subsidiaries - end of year	-	-	-	-	1,149,312	-	-	-	-	1,149,312	1,724,321
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:											
REVENUES, GAINS, AND OTHER SUPPORT											
Contributions	11,002,617	-	-	-	-	-	-	-	-	11,002,617	23,489,209
Net assets released from donor restrictions	(27,972,058)	-	-	-	-	-	-	-	-	(27,972,058)	(32,654,806)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(16,969,441)	-	-	-	-	-	-	-	-	(16,969,441)	(9,165,597)
Net assets with donor restrictions, beginning of year	101,738,025	-	-	-	-	-	-	-	-	101,738,025	110,903,622
Net assets with donor restrictions, end of year	84,768,584	-	-	-	-	-	-	-	-	84,768,584	101,738,025
Net assets/members' equity (deficit), beginning of year	155,589,809	3,275,537	846,002	3,374,634	1,744,936	(130,396)	7,695,128	-	(18,192,533)	154,203,117	157,307,326
CHANGE IN NET ASSETS/MEMBERS' EQUITY	(15,354,719)	78,033	(122,028)	(152,225)	(580,817)	956,226	(7,695,128)	2,287,682	12,863,383	(7,719,593)	(3,104,209)
Net assets/members' equity (deficit), end of year	$ 140,235,090	$ 3,353,570	$ 723,974	$ 3,222,409	$ 1,164,119	$ 825,830	$ -	$ 2,287,682	$ (5,329,150)	$ 146,483,524	$ 154,203,117

See independent auditors' report.