



# 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, 2024 and 2023**

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## INDEPENDENT AUDITORS' REPORT

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

### **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, 2024 and 2023, 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, 2024 and 2023, 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 \$56,257,104 (27%) as of December 31, 2024, and total revenues of \$2,166,840 (8%) 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, 2023, we did not audit the financial statements of Swift Factory, LLC and Swift Factory Master Tenant LLC, which statements reflect total assets of \$56,545,432 (25%) and total revenues of \$2,149,900 (6%) for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Swift Factory, LLC and Swift Factory Master Tenant LLC, is based solely on the reports of the other auditors.

### **Basis for Opinion**

We conducted our 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.

## ***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 audits.
- 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 audits 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.

## ***2023 Consolidated Financial Statements Restatement***

As discussed in Note 19 to the consolidated financial statements, the 2023 consolidated financial statements have been restated to correct certain errors. Our opinion is not modified with respect to this matter.

## ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of individual analysis of the consolidated financial statements rather than to present the financial position and results of operations of individual entities. The supplementary information 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 and Swift Factory Master Tenant LLC as of and for the years ended December 31, 2024 and December 31, 2023, 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. In our opinion, the consolidating information as of and for the years ended December 31, 2024 and December 31, 2023, is fairly stated in all material respects when considered in relation to the consolidated financial statements as a whole.

*CBIZ CPAs P.C.*

New York, NY  
September 5, 2025

**COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES**  
**D/B/A COMMUNITY SOLUTIONS, INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2C, 3 and 17)	\$ 12,381,600	\$ 35,151,698
Contributions receivable, net (Notes 2D, 3, 5 and 17)	32,128,863	53,924,631
Rent receivable, net of allowance for uncollectible receivables of \$25,325 in 2024 (Note 3)	175,277	169,114
Other receivables, net of allowance for uncollectible receivables of \$82,350 and \$83,437 in 2024 and 2023, respectively (Note 3)	875,518	633,079
Restricted cash (Note 4)	418,442	506,099
Escrow reserves (Note 4)	393,345	368,544
Investments (Notes 2N, 2O and 8)	49,049,643	17,951,349
Prepaid expenses and other assets	505,496	378,130
Due from related parties (Note 16)	6,123,943	4,994,455
Loans receivable (Notes 2M and 7)	27,373,368	27,395,275
Investment in CS Large Cities Housing Fund LP (Note 1)	14,000,000	14,000,000
Investment in Justina 2929, 2951 and 3253, LLC (Note 1)	7,593,500	8,000,000
Deferred rent receivable	91,949	-
Deferred leasing costs, net (Note 15)	26,051	27,019
Right-of-use asset, net of accumulated amortization (Notes 2Q and 6)	4,666,904	4,800,312
Property and equipment, net (Notes 2F, 2G and 6)	53,141,314	53,938,349
<b>TOTAL ASSETS</b>	<b>\$ 208,945,213</b>	<b>\$ 222,238,054</b>
<b>LIABILITIES AND NET ASSETS/MEMBERS' EQUITY</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 3,033,196	\$ 2,990,914
Security deposits payable	307,970	309,649
Due to related parties (Note 1 and 16)	415,833	672,483
Deferred revenue (Notes 2H and 2K)	29,050	7,890
Deferred rent	54,225	-
Loans payable, net (Note 10)	73,811,399	71,773,594
<b>TOTAL LIABILITIES</b>	<b>77,651,673</b>	<b>75,754,530</b>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 14)		
<b>NET ASSETS/MEMBERS' EQUITY</b> (Note 2B)		
Without donor restrictions	67,377,212	62,195,255
Non-controlling members' interests in consolidated subsidiaries	673,276	1,149,312
Total without donor restrictions	68,050,488	63,344,567
With donor restrictions (Note 11)	63,243,052	83,138,957
<b>TOTAL NET ASSETS/MEMBERS' EQUITY</b>	<b>131,293,540</b>	<b>146,483,524</b>
<b>TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY</b>	<b>\$ 208,945,213</b>	<b>\$ 222,238,054</b>

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, 2024 AND 2023**

	For the Year Ended December 31, 2024			For the Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
Governmental grants (Note 2I)	\$ 42,639	\$ -	\$ 42,639	\$ -	\$ -	\$ -
Contributions (Notes 2D and 17)	832,099	8,884,764	9,716,863	669,529	11,002,617	11,672,146
Noncash contributions (Note 2J)	-	-	-	3,388,062	-	3,388,062
Consulting income	318,580	-	318,580	437,306	-	437,306
Development and management fees (Notes 2K and 16)	7,097,240	-	7,097,240	3,460,899	-	3,460,899
Rental income (Notes 2H and 15)	4,739,963	-	4,739,963	3,719,940	-	3,719,940
Insurance proceeds	17,802	-	17,802	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	1,430,497	-	1,430,497	634,841	-	634,841
Investment activity (Notes 2N)	3,155,069	-	3,155,069	2,124,674	-	2,124,674
Net assets released from donor restrictions (Note 11)	28,780,669	(28,780,669)	-	29,601,685	(29,601,685)	-
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>46,414,558</b>	<b>(19,895,905)</b>	<b>26,518,653</b>	<b>52,493,332</b>	<b>(18,599,068)</b>	<b>33,894,264</b>
<b>EXPENSES</b> (Note 2L)						
Program services:						
Built For Zero	23,153,737	-	23,153,737	23,587,622	-	23,587,622
Real estate projects	12,926,608	-	12,926,608	13,315,308	-	13,315,308
Other programs	8,709	-	8,709	5,582	-	5,582
Total program services	36,089,054	-	36,089,054	36,908,512	-	36,908,512
Supporting services:						
Management and general	4,600,334	-	4,600,334	3,982,762	-	3,982,762
Fundraising	612,749	-	612,749	722,583	-	722,583
Total supporting services	5,213,083	-	5,213,083	4,705,345	-	4,705,345
<b>TOTAL EXPENSES</b>	<b>41,302,137</b>	<b>-</b>	<b>41,302,137</b>	<b>41,613,857</b>	<b>-</b>	<b>41,613,857</b>
<b>NONOPERATING ACTIVITY</b>						
Share of loss on equity investments (Note 1)	(406,500)	-	(406,500)	-	-	-
<b>CHANGE IN NET ASSETS</b>	<b>4,705,921</b>	<b>(19,895,905)</b>	<b>(15,189,984)</b>	<b>10,879,475</b>	<b>(18,599,068)</b>	<b>(7,719,593)</b>
Non-controlling members' interests in consolidated subsidiaries - beginning of year	1,149,312	-	1,149,312	1,724,321	-	1,724,321
Non-controlling members' interests in net loss of consolidated subsidiaries (Note 2B)	(476,036)	-	(476,036)	(575,009)	-	(575,009)
Non-controlling members' interests in consolidated subsidiaries - end of year	673,276	-	673,276	1,149,312	-	1,149,312
Net assets/members' equity - beginning of year	63,344,567	83,138,957	146,483,524	52,465,092	101,738,025	154,203,117
Net assets/members' equity - end of year	\$ 68,050,488	\$ 63,243,052	\$ 131,293,540	\$ 63,344,567	\$ 83,138,957	\$ 146,483,524

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, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

	Program Services				Supporting Services				
	Built For Zero	Real Estate Projects	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2024 Total Expenses	2023 Total Expenses
Salaries	\$ 7,446,483	\$ -	\$ -	\$ 7,446,483	\$ 2,307,616	\$ 322,237	\$ 2,629,853	\$ 10,076,336	\$ 8,914,517
Payroll taxes and employee benefits (Note 13)	<u>1,865,736</u>	<u>-</u>	<u>-</u>	<u>1,865,736</u>	<u>578,179</u>	<u>80,737</u>	<u>658,916</u>	<u>2,524,652</u>	<u>2,115,112</u>
				-					
<b>Salaries and Related Costs</b>	9,312,219	-	-	9,312,219	2,885,795	402,974	3,288,769	12,600,988	11,029,629
Professional services (Note 2J)	5,067,877	6,843,351	8,709	11,919,937	955,048	81,568	1,036,616	12,956,553	12,403,458
Occupancy (Note 14A)	429,220	783,074	-	1,212,294	100,062	23,345	123,407	1,335,701	1,633,476
Travel and conference	840,057	1,085	-	841,142	30,962	48,525	79,487	920,629	1,160,123
Program expenses	1,322,803	3,604	-	1,326,407	-	-	-	1,326,407	1,727,935
Communication	202,673	29,699	-	232,372	36,147	10,773	46,920	279,292	250,896
Insurance	67,454	473,570	-	541,024	15,764	3,678	19,442	560,466	414,440
Office supplies and expenses	37,241	185,375	-	222,616	7,660	2,560	10,220	232,836	165,356
Printing and postage	6,741	1,578	-	8,319	419	5,384	5,803	14,122	6,005
Equipment purchases and rental	30,031	1,502	-	31,533	7,018	1,637	8,655	40,188	56,340
Real estate tax	-	322,169	-	322,169	-	-	-	322,169	219,850
Staff training and development	242,978	119	-	243,097	56,211	14,804	71,015	314,112	505,836
Depreciation and amortization (Note 6)	-	1,797,950	-	1,797,950	298,499	-	298,499	2,096,449	1,987,030
Interest (Note 10)	-	2,394,563	-	2,394,563	-	-	-	2,394,563	2,585,754
Subcontract expenses	5,578,927	25,000	-	5,603,927	-	-	-	5,603,927	6,794,577
Grant expense (Note 6)	-	-	-	-	-	-	-	-	358,510
Bad debts expense (Note 5)	-	-	-	-	134,194	-	134,194	134,194	145,078
Miscellaneous expenses	<u>15,516</u>	<u>63,969</u>	<u>-</u>	<u>79,485</u>	<u>72,555</u>	<u>17,501</u>	<u>90,056</u>	<u>169,541</u>	<u>169,564</u>
Total expenses - 2024	\$ <u>23,153,737</u>	\$ <u>12,926,608</u>	\$ <u>8,709</u>	\$ <u>36,089,054</u>	\$ <u>4,600,334</u>	\$ <u>612,749</u>	\$ <u>5,213,083</u>	\$ <u>41,302,137</u>	\$ <u>-</u>
Total expenses - 2023	\$ <u>23,587,622</u>	\$ <u>13,315,308</u>	\$ <u>5,582</u>	\$ <u>36,908,512</u>	\$ <u>3,982,762</u>	\$ <u>722,583</u>	\$ <u>4,705,345</u>	\$ <u>-</u>	\$ <u>41,613,857</u>

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**

	Program Services				Supporting Services			2023 Total Expenses
	Built For Zero	Real Estate Projects	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 6,765,561	\$ -	\$ -	\$ 6,765,561	\$ 1,748,206	\$ 400,750	\$ 2,148,956	\$ 8,914,517
Payroll taxes and employee benefits (Note 13)	<u>1,616,947</u>	<u>-</u>	<u>-</u>	<u>1,616,947</u>	<u>402,387</u>	<u>95,778</u>	<u>498,165</u>	<u>2,115,112</u>
<b>Salaries and Related Costs</b>	<b>8,382,508</b>	<b>-</b>	<b>-</b>	<b>8,382,508</b>	<b>2,150,593</b>	<b>496,528</b>	<b>2,647,121</b>	<b>11,029,629</b>
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
Occupancy (Note 14A)	364,755	1,130,593	-	1,495,348	116,366	21,762	138,128	1,633,476
Travel and conference	989,642	210	66	989,918	111,354	58,851	170,205	1,160,123
Program expenses	1,686,721	41,214	-	1,727,935	-	-	-	1,727,935
Communication	163,662	38,366	-	202,028	38,814	10,054	48,868	250,896
Insurance	56,740	335,245	-	391,985	18,917	3,538	22,455	414,440
Office supplies and expenses	43,759	105,659	-	149,418	13,427	2,511	15,938	165,356
Printing and postage	1,337	1,116	-	2,453	426	3,126	3,552	6,005
Equipment purchases and rental	40,365	-	-	40,365	13,458	2,517	15,975	56,340
Real estate tax	-	219,850	-	219,850	-	-	-	219,850
Staff training and development	362,369	56	-	362,425	120,814	22,597	143,411	505,836
Depreciation and amortization (Note 6)	-	1,974,633	-	1,974,633	12,397	-	12,397	1,987,030
Interest (Note 10)	-	2,585,754	-	2,585,754	-	-	-	2,585,754
Subcontract expenses	6,774,577	20,000	-	6,794,577	-	-	-	6,794,577
Grant expenses (Note 6)	-	358,510	-	358,510	-	-	-	358,510
Bad debts expense (Note 5)	-	-	-	-	145,078	-	145,078	145,078
Miscellaneous expenses	<u>9,058</u>	<u>74,233</u>	<u>-</u>	<u>83,291</u>	<u>82,558</u>	<u>3,715</u>	<u>86,273</u>	<u>169,564</u>
<b>Total expenses - 2023</b>	<b>\$ <u>23,587,622</u></b>	<b>\$ <u>13,315,308</u></b>	<b>\$ <u>5,582</u></b>	<b>\$ <u>36,908,512</u></b>	<b>\$ <u>3,982,762</u></b>	<b>\$ <u>722,583</u></b>	<b>\$ <u>4,705,345</u></b>	<b>\$ <u>41,613,857</u></b>

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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (15,189,984)	\$ (7,719,593)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,962,073	1,852,653
Amortization - right-of-use asset	133,408	133,409
Amortization of lease acquisition costs	968	968
Unrealized gain on investments	(1,160,984)	(1,399,122)
Decrease in discount to net present value on contributions receivable	(383,811)	(1,204,684)
Bad debt expense	134,194	145,078
Amortization of loan closing costs	159,063	185,132
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
Share of loss on equity investments	406,500	-
Changes in operating assets and liabilities:		
Contributions receivable	22,045,385	27,919,054
Rent receivable	(6,163)	(88,013)
Other receivables	(242,439)	437,068
Prepaid expenses and other assets	(127,366)	269,510
Due to/ from related parties	(1,386,138)	(1,180,427)
Deferred rent receivable	(91,949)	-
Accounts payable and accrued expenses	42,282	172,135
Security deposits payable	(1,679)	81,840
Deferred rent	54,225	-
Deferred revenue	21,160	(9,253)
<b>Net Cash Provided by Operating Activities</b>	<u>6,368,745</u>	<u>17,482,249</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	34,006,799	2,326,123
Purchases of property and equipment	(1,165,038)	(8,850,439)
Purchases of Investments	(63,944,109)	(8,695,261)
Repayments on loans receivable	21,907	-
Disposition of Investments - real estate properties	-	40,730,075
Purchase of investments in real estate	-	(22,000,000)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<u>(31,080,441)</u>	<u>3,510,498</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans payable	7,398,617	24,647,810
Repayments of notes payable	-	(48,229,776)
Repayments on loans payable	(5,327,829)	(6,586,098)
Payments of loan issuance costs	(192,046)	(253,941)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>1,878,742</u>	<u>(30,422,005)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>	<u>(22,832,954)</u>	<u>(9,429,258)</u>
Cash and cash equivalents and restricted cash - beginning of year	<u>36,026,341</u>	<u>45,455,599</u>
<b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	<u>\$ 13,193,387</u>	<u>\$ 36,026,341</u>
<b>Reconciliation to Consolidated Statements of Financial Position:</b>		
Cash and cash equivalents	\$ 12,381,600	\$ 35,151,698
Restricted cash	418,442	506,099
Escrow reserves	393,345	368,544
	<u>\$ 13,193,387</u>	<u>\$ 36,026,341</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest, including capitalized interest	<u>\$ 1,857,714</u>	<u>\$ 2,387,677</u>
<b>Noncash investing and financing transactions:</b>		
Right-of-use assets, net	<u>\$ 4,666,904</u>	<u>\$ 4,800,312</u>
Exchange of property and equipment for loans receivable	<u>\$ -</u>	<u>\$ 833,000</u>
Contributed property and equipment	<u>\$ -</u>	<u>\$ 3,388,062</u>
Transfer of capital to investment in real estate	<u>\$ -</u>	<u>\$ 10,000,000</u>

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

**COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES**  
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**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 of strengthening communities in an effort 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 non-controlling, 1% interest in Swift Factory Master Tenant LLC (“Master Tenant”), which holds a 10% interest in Swift Factory.
- 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, North Hartford Partnership Inc. and Affiliates (“NHP”). During 2015, the properties were transferred to Swift Factory, LLC by NHP (see Note 16A), and the rehabilitation of the Property commenced in 2018.

- Master Tenant, a Connecticut limited liability company, was formed on December 22, 2017. The primary purpose of Master Tenant is to lease the Property, and to maintain, operate and sell or otherwise dispose of its leasehold interest in the Property in accordance with Sections 47 and 50 of the IRC and Section 10-416c of the Connecticut General Statutes, respectively.
- CS North Capitol Commons LLC (“CSNCC”), with CSI as the sole member, holds a non-controlling, 51% interest in North Capitol Commons GP, LLC (“NCC GP”), which holds a .009% interest in North Capitol Commons LP (the “North Capitol Project”). CSNCC is a disregarded entity of CSI for federal and state income tax purposes, therefore the activities of CSNCC are included in the CSI column in the accompanying supplementary consolidating information. The consolidated financial statements reflect the activity of CSNCC; however, the North Capitol Project does not meet the requirements for consolidation. CSNCC’s interest in NCC GP is not material to the consolidated financial statements. See Note 16B for further discussion regarding the North Capitol Project.

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**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 was 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.
- 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.

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 the cost method of accounting for its investment in the partnership and the balance as of December 2023 approximates the balance in the Partnership’s books.

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**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)**

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, under the equity method, in the accompanying consolidated statements of financial position as of December 2024. Per the operating agreements, the Jacksonville properties do not meet the requirements for consolidation.

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 achieved 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. CS LC Fund Investment Vehicle LLC, a wholly owned subsidiary of CSI, continues to have an equity interest in the Partnership and accordingly, the Partnership was deconsolidated effective May 4, 2023. This resulted in CSI recognizing a gain on deconsolidation of \$8,295,145 for the year ended December 31, 2023.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Accounting, Use of Estimates and Principles of Consolidation***

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.

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

**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, 2024 and 2023, the Organization's net assets with donor restrictions did not include any amounts that must remain intact in perpetuity.

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**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 17).

**D. *Contributions***

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional contributions and promises to give, those with a measurable performance or other barrier and a right of return, are not recognized as support until the conditions on which they depend are substantially met.

**E. *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 2M). Accounts receivable are written off against the allowance for credit losses when all reasonable collection efforts have been exhausted. As of December 31, 2024 and 2023, there was an allowance for credit losses for rent receivables and other receivables recorded of \$107,675 and \$83,437, respectively. There were write offs in the amount of \$108,869 and \$17,844 for the years ended December 31, 2024 and 2023, respectively.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 83,437	\$ 101,281
Written off	(108,869)	(62,922)
Bad debt expense	133,107	45,078
Balance, end of year	<u>\$ 107,675</u>	<u>\$ 83,437</u>

**F. *Property and Equipment, Net***

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 computed 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, 2024 and 2023.

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**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. 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. There were no noncash contributions for the year ended December 31, 2024.

**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, 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.

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**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, 2024 and 2023.

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, 2024 and 2023, 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 8.

**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.

**Q. *Leases***

The organization determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of an to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

The Organization records a right-of-use asset at the commencement date based on the present value of lease payments. There are no future lease payments due on the Ground Lease.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The finance lease right-of-use asset does not include any lease incentives. The Ground Lease does not have options to extend or terminate the lease. The Ground Lease does not contain any material residual value guarantees or material restrictive covenants. The right-of-use asset is amortized straight-line over the estimated useful life of 39 years.

**R. *Reclassification***

Certain line items in the December 31, 2023 consolidated financial statements were reclassified to conform to the December 31, 2024 presentation. These changes had no impact on the change in net assets for the year ended December 31, 2023.

**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:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 12,381,600	\$ 35,151,698
Current portion of contributions receivable, net	19,003,126	26,598,268
Rent receivable, net	175,277	169,114
Other receivables, net	875,518	633,079
Investments	49,049,643	17,951,349
Less: donor-restricted net assets		
as to purpose	<u>(39,441,135)</u>	<u>(50,372,847)</u>
Total financial assets	<u>\$ 42,044,029</u>	<u>\$ 30,130,661</u>

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 9.

**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 Qualified Low-Income Community Investment ("QLICI") Loan Agreement (see Note 10), certain proceeds of the QLICI loans were required to be deposited into a disbursement account ("Disbursement Account") upon closing of the loans. Withdrawals from the Disbursement Account are subject to a disbursement agreement and are used to pay construction and other costs related to the rehabilitation of the Property. Such withdrawals are subject to the approval of the lenders.

The balance in the Disbursement Account was \$0 and \$8,507 as of December 31, 2024 and 2023, respectively.



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**NOTE 4 – RESTRICTED CASH AND ESCROW RESERVES (Continued)**

**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 \$26,757 and \$97,667 as of December 31, 2024 and 2023, 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 \$78,100 and \$86,400 as of December 31, 2024 and 2023, 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, 2024 and 2023 was \$300,172 and \$300,112, 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, 2024 and 2023, the balance of the Replacement Reserve account was \$13,413.

**Escrow Reserves:**

The Organization entered into a loan agreement in February 2021 (further described in Note 10), which requires monthly deposits for taxes and insurance, and monthly deposits to a replacement reserve account. The deposits are placed in an escrow account and are restricted for use by the lender. The balance in the escrow reserve account was \$393,345 and \$368,544 as of December 31, 2024 and 2023, respectively.

**NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET**

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

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 19,503,614	\$ 27,098,756
One to five years	<u>13,415,563</u>	<u>28,000,000</u>
	32,919,177	55,098,756
Less: Allowance for uncollectable accounts	(500,488)	(500,488)
Less: Discount to net present value	<u>(289,826)</u>	<u>(673,637)</u>
Total	<u>\$ 32,128,863</u>	<u>\$ 53,924,631</u>

Contributions receivable to be collected in more than one year were discounted using risk-adjusted discount rates ranging from 0.89% to 4.35% and from 0.89% to 1.37% as of December 31, 2024 and 2023, respectively.

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**NOTE 5 – CONTRIBUTIONS RECEIVABLE, NET (Continued)**

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 both December 31, 2024 and 2023. 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, the Organization wrote off contributions and other receivables of \$100,000, reported within bad debts expense in the consolidated statements of functional expenses.

**NOTE 6 – PROPERTY AND EQUIPMENT, NET AND LEASE**

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

	2024	2023	Estimated Useful Lives
Land	\$ 2,455,791	\$ 2,127,800	
Building and improvements	55,948,738	53,907,411	33.5-39 Years
Sitework	2,051,747	2,051,747	15 Years
Software	595,062	595,062	2 Years
Computer and equipment	130,787	125,329	3-5 Years
Construction in progress	-	1,209,738	
	61,182,125	60,017,087	
Less accumulated depreciation	(8,040,811)	(6,078,738)	
Property and equipment, net	<u>\$ 53,141,314</u>	<u>\$ 53,938,349</u>	

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.

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 \$1,962,073 and \$1,852,653 for the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the total costs of \$0 and \$1,209,738, respectively, in construction in progress are related to pre-development costs at Livonia 4 Site C2 Project and the 211 Glendale Project.

On December 21, 2024, CSI was reimbursed \$2,057,080 related to the pre-development costs of the Livonia 4 Site C2 project.

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.

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**NOTE 6 – PROPERTY AND EQUIPMENT, NET AND LEASE (Continued)**

In addition, CSI wrote off building improvement costs of \$700,948 and accumulated depreciation of \$163,903 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.

**Ground lease**

On December 27, 2017 and as amended on May 4, 2018, the Organization entered into a Ground Lease of the Property with North Hartford Partnership (“NHP”) for the purpose of leasing, renovating, and holding, maintaining, operating and assigning or subleasing its leasehold interest in the Property (“Ground Lease”).

The term of the Ground Lease is 98 years and the Company is required to pay \$98 as base rent and \$5,202,947 as additional base rent for the entire lease term. The Company shall pay the additional base rent in installments as NHP’s portion of the renovation work progresses. The Organization considers the land and improvements as a single unit and the lease is considered a capital lease under Financial Accounting Standards Board Accounting Standards Codification 842, Leases, (“FASB ASC 842”). As of December 31, 2024 and 2023, the additional base rent has been paid in full and capitalized to the Property and right-of-use asset. There is no additional rent due for Ground Lease. Pursuant to FASB ASC 842, the additional base rent is classified as a right-of-use asset on the accompanying balance sheets. As of December 31, 2024 and 2023, the accumulated amortization of the right-of-use asset was \$536,043 and \$402,635, respectively. Amortization expense for the years ended December 31, 2024 and 2023 recognized on the right-of-use asset was \$133,408 and \$133,409, respectively, and was included in amortization expense on the accompanying statements of operations.

**NOTE 7 – LOANS RECEIVABLE**

Loans receivable consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
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, 2024 and 2023, there was no formal repayment plan.	500,000	500,000
In August 2014, CSI entered into a loan agreement with North Capitol Commons LP, a related party, as a lender of \$150,000 (1st sponsor loan as discussed in Note 16B). The loan became receivable once the North Capitol Project was completed in 2017. The loan bears interest at the greater of the long-term Applicable Federal Rate, or 3.09% annually, and matures on August 28, 2064.	150,000	150,000

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**NOTE 7 – LOANS RECEIVABLE (Continued)**

	<u>2024</u>	<u>2023</u>
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 Detroit 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. During 2024, principal repayments totaling \$21,907 were made.	<u>811,093</u>	<u>833,000</u>
Total Loans Receivable	<u>\$ 27,373,368</u>	<u>\$ 27,395,275</u>

Interest income recognized on the loans receivable totaled \$309,945 and \$305,384 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 8 – INVESTMENTS**

Investments consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Cash and money market funds	\$ 20,301,330	\$ 1,123,177
Certificate of deposit	-	2,000,000
Treasury notes	2,128,442	-
Equities	-	16,040
Exchange traded funds	14,051,316	5,336,347
Mutual funds	12,568,555	9,475,785
	<u>\$ 49,049,643</u>	<u>\$ 17,951,349</u>

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

Investment income is included in the consolidated statements of activities and consists of the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Dividends and interest	\$ 2,039,767	\$ 762,311
Unrealized gain	1,160,984	1,399,122
Less: investment fees	<u>(45,682)</u>	<u>(36,759)</u>
	<u>\$ 3,155,069</u>	<u>\$ 2,124,674</u>

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**NOTE 8 – INVESTMENTS (Continued)**

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, treasury, exchange traded funds, 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.

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:

	<u>2024</u>	<u>2023</u>
<b>Investments, at Fair Value</b>		
Certificate of deposit	\$ -	\$ 2,000,000
Equities	-	16,040
Treasury notes	2,128,442	-
Exchange traded funds	14,051,316	5,336,347
Mutual funds	<u>12,568,555</u>	<u>9,475,785</u>
<b>Investments, at Fair Value</b>	<u>\$ 28,748,313</u>	<u>\$ 16,828,172</u>

**NOTE 9 – 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 from this line of credit that are outstanding as of December 31, 2024 and 2023.

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**NOTE 10 – LOANS PAYABLE, NET**

Loans payable, net, all of which were uncollateralized, consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
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.	\$ 2,962,458	\$ 3,096,656
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. Due to insufficient cash flows, no principal repayments were made as of December 31, 2024 and 2023.	4,300,000	4,300,000
On May 4, 2018, CS Swift entered into a loan agreement with North Hartford Partnership (Previously Northeast Neighborhood Partners, Inc.). 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	2,972,988
On May 4, 2018, Swift Factory entered into a loan agreement with (the "QLICI Loan Agreement") with NTCIC, BCC NMTC CDE XXX LLC ("BCC") and MHIC, (collectively, the "Lenders") for six loans totaling \$24,005,000 (collectively, the "QLICI Loans").		

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**NOTE 10 – LOANS PAYABLE, NET (Continued)**

	2024	2023
A one-time principal payment of \$30,000 shall be due and payable to MHIC on Note B-3 on May 4, 2025. Pursuant to the respective QLICI Loan Agreement, interest only payments began on June 30, 2018, principal payments commence on June 15, 2028. Both are due on the 15th day of each March, June, September and December in amounts sufficient to fully amortize the outstanding balance over the remaining term. 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:

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

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. The loan was paid in full in October 2024.	\$ -	\$ 300,000
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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. The loan was paid in full in October 2024.	-	200,000
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**NOTE 10 – LOANS PAYABLE, NET (Continued)**

	<u>2024</u>	<u>2023</u>
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. The loan was paid in full in October 2024.	\$ -	\$ 100,000
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 on August 24, 2028 and the loan has an annual interest of 5.00%.	1,662,180	1,691,926
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 term of the loan is 84 months and it has a fixed interest rate of 2.925%.	6,994,248	7,164,865
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. The balance was paid in full in November 2024.	-	4,393,269
On November 13, 2024, Vincent's Legacy entered into a loan agreement with Bellweather Enterprise Real Estate Capital, LLC. The maturity date of the loan is December 1, 2034. The principal balance of the loan shall accrue interest at a fixed rate of 6.35%, principal and interest are payable monthly.	4,892,000	-
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



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**NOTE 10 – LOANS PAYABLE, NET (Continued)**

	<u>2024</u>	<u>2023</u>
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 principal 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 has been paid in full. The outstanding principal amount of this Bonds shall be due and payable on November 22, 2034.	\$ 10,000,000	\$ 10,000,000
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. During 2024, the Organization drew down \$1,506,615 to fund capital expenses and accrued interest.	3,357,722	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 on November 30, 2027 and has an annual interest rate of 6.75%. On April 3, 2024, Enterprise Community Loan Fund granted a reduction in the interest rate to 0%, retroactively effective, as of January 1, 2024.	250,000	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 on November 30, 2027 and has an annual interest rate of 3.92%.	6,250,000	6,250,000

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**NOTE 10 – LOANS PAYABLE, NET (Continued)**

	<u>2024</u>	<u>2023</u>
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 on September 7, 2035 and has an annual interest rate of 2.00%.	\$ 5,000,000	\$ 5,000,000
On November 21, 2024, CSI entered into a loan agreement with The Community Foundation for Northeast Florida, Inc. The maturity date of the loan is December 21, 2034. The principal balance of the loan shall accrue interest at a rate of 2%, principal and interest are payable monthly. Any accrued interest or other amount that remains unpaid will accrue interest at a rate of 3%.	<u>1,000,000</u>	<u>-</u>
Total loans payable	75,046,596	72,975,808
Less: unamortized loan costs	<u>(1,235,197)</u>	<u>(1,202,214)</u>
Loans payable, net	<u>\$ 73,811,399</u>	<u>\$ 71,773,594</u>

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

2025	\$ 3,820,959
2026	3,120,715
2027	6,620,429
2028	2,282,243
2029	942,982
Thereafter	<u>58,259,268</u>
	<u>\$ 75,046,596</u>

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

	<u>2024</u>	<u>2023</u>
Loan closing costs, beginning of year	\$ 1,202,214	\$ 1,133,405
Additional costs incurred	192,046	253,941
Costs amortized into expense	<u>(159,063)</u>	<u>(185,132)</u>
Loan closing costs, end of year	<u>\$ 1,235,197</u>	<u>\$ 1,202,214</u>

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, 2024 and 2023, NTCIC Fees in the amounts of \$28,300 and \$20,000, respectively, were incurred and paid.

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**NOTE 10 – LOANS PAYABLE, NET (Continued)**

Pursuant to the QLICI Loan Agreement, Swift Factory is required to pay BCC an asset management fee of \$30,000 per calendar year, commencing in 2018 and continuing through 2025, after which it shall be reduced to an amount equal to \$30,000 multiplied by the Reimbursement Percentage (as defined in the QLICI Loan Agreement), and an audit and tax preparation fee (collectively, the “BCC Fees”) of \$10,000 per calendar year, commencing in 2019 and continuing through 2024. Swift Factory is required to pay an audit and tax preparation fee of \$20,000 in 2025. For each of the years ended December 31, 2024 and 2023, BCC Fees in the amounts of \$40,000 were incurred and paid.

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, 2024 and 2023, MHIC Fees in the amount of \$71,600 and \$112,565, respectively, were incurred and paid.

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

**NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2024</u>	<u>2023</u>
Purpose restrictions:		
Built for Zero	\$ 16,451,130	\$ 22,664,061
Real estate projects	3,394,743	2,990,074
Community Investment	19,595,262	24,718,712
Time restrictions	<u>23,801,917</u>	<u>32,766,110</u>
Total net assets with donor restrictions	<u>\$ 63,243,052</u>	<u>\$ 83,138,957</u>

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:

	<u>2024</u>	<u>2023</u>
Purpose restrictions:		
Built for Zero	\$ 13,751,584	\$ 13,085,388
Real estate projects	140,331	662,071
Community Investment	5,528,450	6,408,184
Time restrictions	<u>9,360,304</u>	<u>9,446,042</u>
Total net assets released from donor restrictions	<u>\$ 28,780,669</u>	<u>\$ 29,601,685</u>

**NOTE 12 – MEMBERS’ CAPITAL AND DISTRIBUTIONS**

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. As of December 31, 2024 and 2023, the calculated cumulative Special Tax Distributions amounted to approximately \$460,000 and \$330,000, respectively. Pursuant to the Operating Agreement, the investor member shall receive a cumulative, annual distribution of net cash flows in an amount equal to 2% of its paid-in capital contributions, payable in arrears on or before each January 31 for the previous year. As of December 31, 2024 and 2023, the Priority Return Payable amounted to \$237,675 and \$158,449, respectively.

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**NOTE 13 – EMPLOYEE BENEFIT PLAN**

The Organization maintains a defined contribution retirement plan that is available to all full-time employees who have attained age 21. The plan provides for voluntary employee contributions, and the Organization may elect to match 100% of employee contributions up to 5% of their gross salary after a minimum of one year of service. The Organization's contributions to the plan totaled \$430,831 and \$334,005 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

**A. *Uncertainty in Income Taxes***

The Organization believes it had no uncertain income tax positions as of December 31, 2024 and 2023, in accordance with FASB ASC Topic 740 "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**B. *Rehabilitation Tax Credits***

Swift Factory is expected to generate HTC's under IRC Section 47. Pursuant to the Master Lease, Master Tenant is eligible to claim HTC's generated from the Property. HTC's 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 HTC's, 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 HTC's 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 HTC's than the expected amount. During the years ended December 31, 2024 and 2023, upon portions of the Property being placed in service, Swift Factory generated \$4,597,825 of HTC's, 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 HTC's. State HTC's 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 HTC's, Swift Factory must comply with various State of Connecticut requirements. State HTC's shall be allocated 100% to CS Swift as the Managing Member. Because State HTC's are subject to complying with certain requirements, there can be no assurance that the aggregate amount of State HTC's will be realized and failure to meet all such requirements may result in generating a lesser amount of State HTC's than the expected amount. As of both December 31, 2024 and 2023, the State HTC's passed through to the Managing Member totaled \$4,500,000.

**NOTE 15 – LEASE INCOME**

In 2024 and 2023, the Organization recognized rental income of \$4,739,963 and \$3,719,940, 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 Starting in 2024, they have been paying on a month to month basis. The 2023 lease required a monthly payment of \$8,079. In 2024, the monthly payments were \$8,049. Rental income was \$96,590 and \$96,950 for the years ended December 31, 2024 and 2023, respectively.

The Organization entered into an agreement as the lessor with a nonprofit organization ("Tenant 2") to lease space at their 519 Rockaway Avenue location for a term expiring in December 2025. The lease requires escalating monthly payments ranging from \$6,233 to \$7,015 over the term of the lease.

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**NOTE 15 – LEASE INCOME (Continued)**

Rental income recognized on a straight-line basis over the respective lease term of the underlying agreement amounted to \$81,725 and \$81,536 for the years ended December 31, 2024 and 2023, respectively.

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 June 2026. The lease requires escalating monthly payments ranging from \$5,336 to \$9,196 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 \$98,759 and \$99,591 for the years ended December 31, 2024 and 2023, respectively.

Future annual lease income of the Organization in each of the subsequent years ending December 31 is as follows:

2025	\$ 650,555
2026	456,573
2027	441,650
2028	457,904
2029	<u>727,779</u>
Total	<u>\$ 2,734,461</u>

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, 2024 and 2023, amortization expense was \$968.

**NOTE 16 – RELATED-PARTY TRANSACTIONS**

Due from and due to related parties consisted of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Due from Related Parties:		
North Hartford Partnership (A)	\$ 1,886,033	\$ 1,651,457
Brownsville Partnership, Inc. (C)	2,605,638	2,083,021
CS Large Cities Housing Fund, L.P. and Housing Fund Properties (D)	<u>1,620,957</u>	<u>1,259,977</u>
Total due from related parties	<u>\$ 6,123,943</u>	<u>\$ 4,994,455</u>
Due to Related Parties:		
Brownsville Partnership, Inc. (C)	\$ 415,833	\$ 263,869
CS Large Cities Housing Fund, L.P. and Housing Fund Properties (D)	<u>-</u>	<u>408,614</u>
Total due to related parties	<u>\$ 415,833</u>	<u>\$ 672,483</u>

**COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES**  
**D/B/A COMMUNITY SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 16 – RELATED-PARTY TRANSACTIONS (Continued)**

**A. *North Hartford Partnership (Previously Northeast Neighborhood Partners, Inc.)***

During the years ended December 31, 2024 and 2023, CSI paid expenses for NHP. Amounts due to CSI from NHP related to these transactions were \$585,540 and \$197,639 as of December 31, 2024 and 2023, respectively.

NHP 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, 2024 and 2023, CSI incurred management revenue amounting to \$89,632 and \$39,356, respectively. The total amounts outstanding from NHP as of December 31, 2024 and 2023 were \$128,988 and \$39,356, respectively.

In addition, the President of the Organization was the Secretary of the Board of Directors of NHP as of December 31, 2024 and 2023.

As explained in Note 10, in January 2022, Trinity Health Corporation and CSI entered into a loan agreement for \$1,400,000. 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, 2024 and 2023. The full principal balance is due on the maturity date of December 31, 2031. Interest expense on the loan payable amounted to \$25,667 and \$14,967, respectively, for the years ended December 31, 2024 and 2023. There were interest payments of \$35,569 and \$28,000 made during the years ended December 31, 2024 and 2023, respectively. The full principal balance is due on the maturity date of December 31, 2031.

Swift Factory Master Tenant, LLC transferred \$50,000 to NHP for funds required to pay NHP's expenses. The \$50,000 was repaid from NHP to Master Tenant on March 3, 2023.

Swift Incubator entered into a management services agreement with NHP on January 1, 2023. For the years ended December 31, 2024 and 2023, Swift Incubator incurred management fee revenue amounting to \$294,281 and \$16,274, respectively. The balance outstanding as of December 31, 2024 and 2023 was \$228,495 and \$0, respectively.

**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, 2024 and 2023.

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, 2024 and 2023.

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**NOTE 16 – RELATED-PARTY TRANSACTIONS (Continued)**

As of December 31, 2024 and 2023, CSI had transferred funding in the amount of \$9,770,000 to the Project in accordance with the private and public donor stipulations. Contributions with donor restrictions received for the Project were released upon the Project being placed in service.

CSI, along with an unrelated entity, are co-developers of the Project. As such, CSI is entitled to a developer fee of \$1,290,000, payable in four installments as follows: \$276,235 was paid at initial closing, \$300,000 was paid upon receipt of a grant from the Federal Home Loan Bank of Pittsburgh under the Affordable Housing Program, \$386,234 will be paid upon satisfaction of the conditions to the payment of the Limited Partner of its Third Capital Contribution, \$15,361 will be paid upon satisfaction of the conditions to the payment of the Limited Partner of its Fourth Capital Contribution, and the last payment of \$312,170 will be paid upon satisfaction of the conditions to the payment of the Limited Partner of its Fifth Capital Contribution, of which \$237,531 is anticipated to be deferred and payable out of net cash flow pursuant to the partnership agreement.

During the years ended December 31, 2024 and 2023, 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, 2024 and 2023 were \$247,990 and \$260,872, respectively. As of December 31, 2024 and 2023, CS Rockaway owed BP a total of \$415,833 and \$263,869, 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, 2024 and 2023 were \$96,017 and \$99,132, respectively.

**COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES**  
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**NOTE 16 – RELATED-PARTY TRANSACTIONS (Continued)**

As of December 31, 2024 and 2023, BP owed CSI a total of \$2,605,638 and \$2,083,021 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.

Pursuant to the guaranty agreements dated December 19, 2024 (the "Guaranties"), entered into between the Organization, BP and JP Morgan Chase Bank, N.A. (the "Lender"), the Organization has agreed to guarantee the indebtedness of BP Livonia Limited Partnership related to the financing of a new affordable housing construction project consisting of 82 residential units located in Brooklyn, New York (the "Project").

The Project is expected to have a total cost of approximately \$53,353,000, and will be funded by the issuance of loans, equity investments, and local government funding. The Project is expected to be completed in 2027. The construction loan from the Lender has available funds in the principal amount of \$16,820,000. As of December 31, 2024, borrowings under the loan are \$0.

Under the terms, the Organization has guaranteed the full and prompt payment when due, and the performance of all obligations and loan covenants of BP Livonia Limited Partnership.

In addition, the Organization has guaranteed all costs necessary to complete the construction of the Project. The Organization has not accrued any liability related to the Guaranty as of December 31, 2024.

**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, 2024 and 2023, the earned management fees balance was \$2,014,014 and \$1,157,389, respectively. As of December 31, 2024 and 2023, the unpaid management fee balance was \$1,620,957 and \$1,259,977, 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 2024 and 2023, the General Partner earned \$4,069,992 and \$4,331,214 in acquisition fees, respectively.

For the years ended December 31, 2024 and 2023, \$0 and \$408,814 respectively, is due to CSLCHF.



**COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES**  
**D/B/A COMMUNITY SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 17 – CONCENTRATIONS**

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Cash accounts are insured up to \$250,000 per depositor, per insured financial institution. As of December 31, 2024 and 2023, the Organization held cash at three banks that exceeded the FDIC limits by approximately \$10.3 million and \$34.0 million, respectively.

Cash and money market funds in the investments balance that potentially subject the Organization to a concentration of credit risk include balances held with brokerage firms that exceed the Securities Investor Protection Corporation (“SIPC”) insurance limits. SIPC coverage protects customers up to \$500,000 for securities and cash held by the firm, with a limit of \$250,000 for uninvested cash. As of December 31, 2024 and 2023, the Organization held cash and money market funds at two highly reputable financial institutions duly approved by the Board of Directors that exceeded the SIPC limits by \$19,165,975 and \$562,832, respectively.

The Organization’s contributions receivable consists of one contributor who comprises approximately 67% and 78% of the balance as of December 31, 2024 and 2023, respectively. For the years ended December 31, 2024 and 2023, approximately 49% and 50% of contributions revenue is comprised of one donor, respectively.

As of December 31, 2024 and 2023, the Organization’s loans receivable consists of two borrowers totaling \$26,562,275 which is approximately 97% of the total loans receivable balance.

**NOTE 18 – PRIOR PERIOD ADJUSTMENTS**

Based on the detailed review of the Organization’s grant agreements and further clarification with Management, the Organization made two (2) restatements that affected the results for the year ended December 31, 2023:

- A. The Organization determined that one of the multi-year pledges for general operating support was classified incorrectly with a portion as Net Assets with Donor Restrictions as to purpose instead of entirely as Net Assets with Donor Restrictions as to time.
- B. Based on the above, given that it should only be presented as Net Assets with Donor Restrictions as to time, the Organization determined that a portion of this should be released to Net Assets without Donor Restrictions due to the passage of time during 2023 (see Note 2B on the Net Assets With Donor Restrictions Accounting Policy).

The effects of these misstatements as of and for the year ended December 31, 2023, are as follows:

Consolidated Statement of Financial Position as of December 31, 2023:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As restated</u>
NET ASSETS/MEMBERS' EQUITY:			
Total without donor restrictions	\$ 61,714,940	\$ 1,629,627	\$ 63,344,567
Total with donor restrictions	<u>84,768,584</u>	<u>(1,629,627)</u>	<u>83,138,957</u>
Total Net Assets	<u>\$ 146,483,524</u>	<u>\$ -</u>	<u>\$ 146,483,524</u>

**COMMUNITY SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES**  
**D/B/A COMMUNITY SOLUTIONS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 18 – PRIOR PERIOD ADJUSTMENTS (Continued)**

Consolidated Statement of Activities for the year ended December 31, 2023:

	With Donor Restrictions			Without Donor Restrictions		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated
Net assets released from restrictions	<u>\$ (27,972,058)</u>	<u>\$ (1,629,627)</u>	<u>\$ (29,601,685)</u>	<u>\$ 27,972,058</u>	<u>\$ 1,629,627</u>	<u>\$ 29,601,685</u>
Total revenues, gains and other support	<u>\$ (16,969,441)</u>	<u>\$ (1,629,627)</u>	<u>\$ (18,599,068)</u>	<u>\$ 50,818,627</u>	<u>\$ 1,629,627</u>	<u>\$ 52,448,254</u>
Change in net assets	<u>\$ (16,969,441)</u>	<u>\$ (1,629,627)</u>	<u>\$ (18,599,068)</u>	<u>\$ 9,249,848</u>	<u>\$ 1,629,627</u>	<u>\$ 10,879,475</u>

Note there were no changes in the totals reported in the consolidated financial statement line items listed above.

**NOTE 19 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through September 5, 2025, 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, 2024**

	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	12170 East 30th Ave LLC	Eliminations	Consolidated Totals
<b>ASSETS</b>									
Cash and cash equivalents	\$ 10,197,865	\$ 127,021	\$ 42,463	\$ 282,130	\$ 134,180	\$ 612,657	\$ 985,284	\$ -	\$ 12,381,600
Contributions receivable, net	32,128,863	-	-	-	-	-	-	-	32,128,863
Rent receivable, net	104,175	6,479	-	-	205,840	-	29,354	(170,571)	175,277
Other receivables, net	1,626,509	630,241	72,200	-	205,772	-	7,429	(1,666,633)	875,518
Restricted cash	-	-	-	104,857	313,585	-	-	-	418,442
Escrow reserves	393,345	-	-	-	-	-	-	-	393,345
Investments	49,049,643	-	-	-	-	-	-	-	49,049,643
Prepaid expenses and other assets	437,075	1,096	-	-	43,540	-	23,785	-	505,496
Due from related parties	7,130,277	-	-	-	170,850	1,620,957	-	(2,798,141)	6,123,943
Loans receivable	27,523,367	-	5,203,960	-	3,418,125	-	-	(8,772,084)	27,373,368
Investment in Swift Factory, LLC	-	-	2,814,667	-	183,771	-	-	(2,998,438)	-
Investment in Swift Factory Master Tenant LLC	-	-	9,998	-	-	-	-	(9,998)	-
Investment in CS Large Cities Housing Fund LP	14,000,000	-	-	-	-	-	-	-	14,000,000
Investment in Justina 2929, 2951 and 3253 LLC	7,593,500	-	-	-	-	-	-	-	7,593,500
Deferred rent receivable	-	-	-	4,175,648	287,895	-	-	(4,371,594)	91,949
Deferred leasing costs, net	-	-	-	26,051	-	-	-	-	26,051
Operating lease right-of-use asset	-	-	-	4,666,904	21,131,113	-	-	(21,131,113)	4,666,904
Property and equipment, net	18,774,027	5,353,623	-	20,846,689	60,154	-	10,957,177	(2,850,356)	53,141,314
<b>TOTAL ASSETS</b>	<b>\$ 168,958,646</b>	<b>\$ 6,118,460</b>	<b>\$ 8,143,288</b>	<b>\$ 30,102,279</b>	<b>\$ 26,154,825</b>	<b>\$ 2,233,614</b>	<b>\$ 12,003,029</b>	<b>\$ (44,768,928)</b>	<b>\$ 208,945,213</b>
<b>LIABILITIES AND NET ASSETS/MEMBERS' EQUITY</b>									
<b>LIABILITIES</b>									
Accounts payable and accrued expenses	\$ 2,840,998	\$ 29,036	\$ 596,095	\$ 46,480	\$ 93,213	\$ 4,313	\$ 331,274	\$ (908,213)	\$ 3,033,196
Operating lease liability	-	-	-	-	25,306,761	-	-	(25,306,761)	-
Security deposits payable	188,992	52,563	-	-	6,196	-	60,219	-	307,970
Due to related parties	271,875	2,977,578	24,025	20,649	65,380	25,038	-	(2,968,712)	415,833
Deferred revenue	794,340	-	-	-	-	-	-	(765,290)	29,050
Deferred rent	242,247	-	-	-	-	-	7,924	(195,946)	54,225
Developer fee payable	-	-	-	758,419	-	-	-	(758,419)	-
Loans payable, net	39,194,687	-	7,422,988	26,278,293	-	-	9,687,515	(8,772,084)	73,811,399
<b>TOTAL LIABILITIES</b>	<b>43,533,139</b>	<b>3,059,177</b>	<b>8,043,108</b>	<b>27,103,841</b>	<b>25,471,550</b>	<b>29,351</b>	<b>10,086,932</b>	<b>(39,675,425)</b>	<b>77,651,673</b>
<b>NET ASSETS/MEMBERS' EQUITY</b>									
Without donor restrictions	62,182,455	3,059,283	100,180	2,998,438	9,999	2,204,263	1,916,097	(5,093,503)	67,377,212
Non-controlling members' interests in consolidated subsidiaries	-	-	-	-	673,276	-	-	-	673,276
Total without donor restrictions	62,182,455	3,059,283	100,180	2,998,438	683,275	2,204,263	1,916,097	(5,093,503)	68,050,488
With donor restrictions	63,243,052	-	-	-	-	-	-	-	63,243,052
<b>TOTAL NET ASSETS/MEMBERS' EQUITY</b>	<b>125,425,507</b>	<b>3,059,283</b>	<b>100,180</b>	<b>2,998,438</b>	<b>683,275</b>	<b>2,204,263</b>	<b>1,916,097</b>	<b>(5,093,503)</b>	<b>131,293,540</b>
<b>TOTAL LIABILITIES AND NET ASSETS/MEMBERS' EQUITY</b>	<b>\$ 168,958,646</b>	<b>\$ 6,118,460</b>	<b>\$ 8,143,288</b>	<b>\$ 30,102,279</b>	<b>\$ 26,154,825</b>	<b>\$ 2,233,614</b>	<b>\$ 12,003,029</b>	<b>\$ (44,768,928)</b>	<b>\$ 208,945,213</b>

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, 2024 (With Comparative Totals for 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	12170 East 30th Ave LLC	Eliminations	Consolidated Totals 2024	Consolidated Totals 2023
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>										
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>										
Governmental grants	\$ 42,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,639	\$ -
Contributions	832,099	-	-	-	-	-	-	-	832,099	669,529
Noncash contributions	-	-	-	-	-	-	-	-	-	3,388,062
Consulting income	318,580	-	-	-	-	-	-	-	318,580	437,306
Development and management fees	1,038,676	-	-	-	-	6,174,006	-	(115,442)	7,097,240	3,460,899
Rental income	3,149,715	277,074	-	1,096,064	989,532	-	1,078,080	(1,850,502)	4,739,963	3,719,940
Insurance proceeds	-	17,802	-	-	-	-	-	-	17,802	1,091,559
Loss on property damage	-	-	-	-	-	-	-	-	-	(537,045)
Gain on deconsolidation	-	-	-	-	-	-	-	-	-	8,295,145
Loss on capital investments	-	-	-	-	-	-	-	-	-	(393,263)
Other income and gains (loss)	1,639,827	7,814	50,540	695	102,946	-	(217,900)	(153,425)	1,430,497	642,071
Investment activity	3,155,069	-	-	-	-	-	-	-	3,155,069	2,117,444
Equity in net loss from Swift Factory, LLC	-	-	(201,572)	-	(22,397)	-	-	223,969	-	-
Equity in net loss from Swift Factory Master Tenant LLC	-	-	(4,808)	-	-	-	-	4,808	-	-
Net assets released from donor restrictions	28,780,669	-	-	-	-	-	-	-	28,780,669	29,601,685
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT - WITHOUT DONOR RESTRICTIONS</b>	<b>38,957,274</b>	<b>302,690</b>	<b>(155,840)</b>	<b>1,096,759</b>	<b>1,070,081</b>	<b>6,174,006</b>	<b>860,180</b>	<b>(1,890,592)</b>	<b>46,414,558</b>	<b>52,493,332</b>
<b>EXPENSES</b>										
Program services										
Built for Zero	23,153,737	-	-	-	-	-	-	-	23,153,737	23,587,622
Real estate projects	5,088,923	596,977	467,954	1,320,730	1,550,925	4,795,573	1,231,765	(2,126,239)	12,926,608	13,315,308
Other programs	8,709	-	-	-	-	-	-	-	8,709	5,582
<b>Total program services</b>	<b>28,251,369</b>	<b>596,977</b>	<b>467,954</b>	<b>1,320,730</b>	<b>1,550,925</b>	<b>4,795,573</b>	<b>1,231,765</b>	<b>(2,126,239)</b>	<b>36,089,054</b>	<b>36,908,512</b>
Supporting services										
Management and general	4,600,334	-	-	-	-	-	-	-	4,600,334	3,982,762
Fundraising	612,749	-	-	-	-	-	-	-	612,749	722,583
<b>Total supporting services</b>	<b>5,213,083</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,213,083</b>	<b>4,705,345</b>
<b>TOTAL EXPENSES</b>	<b>33,464,452</b>	<b>596,977</b>	<b>467,954</b>	<b>1,320,730</b>	<b>1,550,925</b>	<b>4,795,573</b>	<b>1,231,765</b>	<b>(2,126,239)</b>	<b>41,302,137</b>	<b>41,613,857</b>
<b>NONOPERATING ACTIVITY:</b>										
Share of loss on equity investments	(406,500)	-	-	-	-	-	-	-	(406,500)	-
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>5,086,322</b>	<b>(294,287)</b>	<b>(623,794)</b>	<b>(223,971)</b>	<b>(480,844)</b>	<b>1,378,433</b>	<b>(371,585)</b>	<b>235,647</b>	<b>4,705,921</b>	<b>10,879,475</b>
Non-controlling members' interests in net income of consolidated subsidiaries	-	-	-	-	476,036	-	-	-	476,036	575,009
Net assets without donor restrictions, beginning of year	57,096,133	3,353,570	723,974	3,222,409	14,807	825,830	2,287,682	(5,329,150)	62,195,255	50,740,771
Net assets without donor restrictions, end of year	62,182,455	3,059,283	100,180	2,998,438	9,999	2,204,263	1,916,097	(5,093,503)	67,377,212	62,195,255
<b>CHANGE IN NON-CONTROLLING MEMBERS' INTERESTS IN CONSOLIDATED SUBSIDIARIES:</b>										
Non-controlling members' interests in consolidated subsidiaries - beginning of year	-	-	-	-	1,149,312	-	-	-	1,149,312	1,724,321
Non-controlling members' interests in net loss of consolidated subsidiaries	-	-	-	-	(476,036)	-	-	-	(476,036)	(575,009)
Non-controlling members' interests in consolidated subsidiaries - end of year	-	-	-	-	673,276	-	-	-	673,276	1,149,312
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS: REVENUES, GAINS, AND OTHER SUPPORT</b>										
Contributions	8,884,764	-	-	-	-	-	-	-	8,884,764	11,002,617
Net assets released from donor restrictions	(28,780,669)	-	-	-	-	-	-	-	(28,780,669)	(29,601,685)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<b>(19,895,905)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,895,905)</b>	<b>(18,599,068)</b>
Net assets with donor restrictions, beginning of year	83,138,957	-	-	-	-	-	-	-	83,138,957	101,738,025
Less: Net assets of previously consolidated entity	-	-	-	-	-	-	-	-	-	-
Net assets with donor restrictions, beginning of year (as restated)	83,138,957	-	-	-	-	-	-	-	83,138,957	101,738,025
Net assets with donor restrictions, end of year	63,243,052	-	-	-	-	-	-	-	63,243,052	83,138,957
Net assets/members' equity, beginning of year	140,235,090	3,353,570	723,974	3,222,409	1,164,119	825,830	-	(5,329,150)	146,483,524	154,203,117
<b>CHANGE IN NET ASSETS/MEMBERS' EQUITY</b>	<b>(14,809,583)</b>	<b>(294,287)</b>	<b>(623,794)</b>	<b>(223,971)</b>	<b>(480,844)</b>	<b>1,378,433</b>	<b>1,916,097</b>	<b>235,647</b>	<b>(15,189,984)</b>	<b>(7,719,593)</b>
Net assets/members' equity, end of year	\$ 125,425,507	\$ 3,059,283	\$ 100,180	\$ 2,998,438	\$ 683,275	\$ 2,204,263	\$ 1,916,097	\$ (5,093,503)	\$ 131,293,540	\$ 146,483,524

See independent auditors' report.