SHARING CONNEXION

Consolidated Financial Statements
As of and for the Years Ended
June 30, 2021 and 2020

Sharing Connexion, Inc.

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Independent Auditor's Report

To the Board of Directors
Sharing Connexion, Inc.
Denver, Colorado

Opinion

We have audited the Consolidated financial statements of Sharing Connexion, Inc. and its affiliates (the Organization), which comprise the Consolidated Statements of Financial Position as of June 30, 2021 and 2020, and the related Consolidated Statement of Activities, Functional Expenses and Cash Flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion on Consolidated Financial Statements

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 *Auditor's 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 on the consolidated financial statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, 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 within one year after the date that the consolidated financial statements are issued or available to be issued.

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

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, LLP

May 3, 2022

Sharing Connexion, Inc.

Consolidated Statements of Financial Position

June 30,		2021		2020
Assets				
Current assets				
Cash and cash equivalents	$	**285,010**	$	290,775
Restricted cash		**-**		72,583
Accounts receivable		**-**		2,197
Contributions receivable		**23,500**		60,841
Notes receivable		**-**		1,850,000
Other assets		**-**		14,610
Deposits		**-**		23,893
Real estate held for sale		**44,193**		441,210
Total current assets		**352,703**		2,756,109
Long-term assets				
Property		**388,127**		675,767
Total assets	$	**740,830**	$	3,431,876
Liabilities and Net Assets				
Current liabilities				
Accounts payable	$	**100**	$	-
Deferred liabilities		**25,000**		327,190
Tenant security deposits		**1,500**		3,500
Rescue loan deposits		**21,000**		450,000
Impact loan deposits		**-**		72,583
Notes payable - long term debt		**-**		1,688,200
Notes payable - related parties		**8,768**		159,056
Total current liabilities		**56,368**		2,700,529
Total liabilities		**56,368**		2,700,529
Commitments and contingencies				
Net Assets				
Without donor restrictions		**644,462**		670,506
With donor restrictions		**40,000**		60,841
Total net assets		**684,462**		731,347
Total liabilities and net assets	$	**740,830**	$	3,431,876

See accompanying notes to the consolidated financial statements.

Sharing Connexion, Inc.

Consolidated Statements of Activities

For the Years Ended June 30,	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenues, gains, and other support						
Gain on sale of real estate	**$ 172,875**	**$ -**	**$ 172,875**	$ 386,038	$ -	$ 386,038
Program service revenue	**-**	**-**	**-**	180,079	-	180,079
Contributions	**19,278**	**40,000**	**59,278**	126,382	13,500	139,882
In-kind contribution of real estate	**30,000**	**-**	**30,000**	-	-	-
Interest on notes receivable	**79,625**	**-**	**79,625**	17,605	-	17,605
Rental income	**2,059**	**-**	**2,059**	34,680	-	34,680
PPP loan forgiveness	**13,200**	**-**	**13,200**	-	-	-
Other revenue	**73**	**-**	**73**	21,165	-	21,165
Net assets released from restriction	**60,841**	**(60,841)**	**-**	3,550	(3,550)	-
Total revenues	**377,951**	**(20,841)**	**357,110**	769,499	9,950	779,449
Expenses						
Program services	**324,461**	**-**	**324,461**	326,495	-	326,495
Management & administration	**51,855**	**-**	**51,855**	56,691	-	56,691
Fundraising & development	**27,679**	**-**	**27,679**	6,885	-	6,885
Total expenses	**403,995**	**-**	**403,995**	390,071	-	390,071
Change in net assets	**(26,044)**	**(20,841)**	**(46,885)**	379,428	9,950	389,378
Net assets, beginning of year	**670,506**	**60,841**	**731,347**	291,078	50,891	341,969
Net assets, end of year	**$ 644,462**	**$ 40,000**	**$ 684,462**	$ 670,506	$ 60,841	$ 731,347

See accompanying notes to the consolidated financial statements.

Sharing Connexion, Inc.

Consolidated Statements of Functional Expenses

For the Year Ended June 30, 2021

	Program Services	Management Administrativ	Fundraising & Development	Total
Salaries and benefits	$ 39,452	$ 42,851	$ 3,587	$ 85,890
Professional service fees	5,144	4,927	24,092	34,163
Cost of real estate sold	1,190,500	-	-	1,190,500
Office expenses and supplies	-	223	-	223
Information Technology	546	798	-	1,344
Conferences, Conventions, Meetings	99	675	-	774
Interest	51,351	-	-	51,351
Depreciation	1,056	-	-	1,056
Amortization	12,523	-	-	12,523
Insurance	175	2,221	-	2,396
Project expenses	213,955	-	-	213,955
Dues and subscriptions	160	160	-	320
Total expenses	1,514,961	51,855	27,679	1,594,495
Less: expenses netted in revenue:				
Cost of real estate sold	1,190,500	-	-	1,190,500
Total functional expenses	$ 324,461	$ 51,855	$ 27,679	$ 403,995

For the Year Ended June 30, 2020

	Program Services	Management Administrativ	Fundraising & Development	Total
Salaries and benefits	$ 31,000	$ 37,830	$ 6,200	$ 75,030
Professional service fees	4,767	10,828	685	16,280
Cost of real estate sold	492,962	-	-	492,962
Office expenses and supplies	-	136	-	136
Information Technology	-	1,435	-	1,435
Conferences, Conventions, Meetings	-	682	-	682
Interest	33,462	-	-	33,462
Depreciation	18,261	-	-	18,261
Insurance	-	2,506	-	2,506
Project expenses	238,668	287	-	238,955
Dues and subscriptions	-	729	-	729
Other	337	2,258	-	2,595
Total expenses	819,457	56,691	6,885	883,033
Less: expenses netted in revenue:				
Cost of real estate sold	492,962	-	-	492,962
Total functional expenses	$ 326,495	$ 56,691	$ 6,885	$ 390,071

See accompanying notes to the consolidated financial statements.

Sharing Connexion, Inc.

Consolidated Statements of Cash Flows

For the Years Ended June 30,	2021	2020
Cash flows from operating activities		
Change in net assets	**$ (46,885)**	$ 389,378
Adjustments to reconcile change in net assets to net cash flows due to operating activities:		
Depreciation expense	**1,056**	18,261
Gain on sale of real estate and property	**(172,875)**	(386,038)
PPP Loan Forgiveness	**(13,200)**	-
Donated real estate	**(30,000)**	-
Changes in operating assets and liabilities:		
Accounts receivable	**2,197**	(1,297)
Contributions receivable	**37,341**	(9,950)
Other assets	**14,610**	(10,595)
Tenant deposits	**23,893**	127,263
Accounts payable	**100**	-
Deferred liabilities	**(302,190)**	(257,810)
Deposits	**(2,000)**	-
Rescue Loan Deposits	**(429,000)**	450,000
Impact Loan Deposits	**(72,583)**	72,583
Net cash flows due to operating activities	**(989,536)**	391,795
Cash flows (used in) from investing activities		
Change in restricted cash	**72,583**	(72,583)
Notes receivable	**1,850,000**	(1,750,000)
Purchase of real estate	**(477,543)**	(184,865)
Proceeds from sale of real estate and property	**1,364,019**	831,163
Net cash flows due to investing activities	**2,809,059**	(1,176,285)
Cash flows (used in) from financing activities		
Proceeds from notes payable	**-**	1,647,904
Principal payments on notes payable	**(1,825,288)**	(601,189)
Proceeds from PPP loan	**-**	13,200
Net cash flows from financing activities	**(1,825,288)**	1,059,915
Net change in cash and cash equivalents	**(5,765)**	275,425
Cash and cash equivalents, beginning of year	**290,775**	15,350
Cash and cash equivalents, end of year	**$ 285,010**	$ 290,775
Cash and cash equivalents	**$ 285,010**	$ 290,775
Restricted cash	**-**	72,583
Total cash and cash equivalents	**$ 285,010**	$ 363,358
Supplemental cash flow information		
Cash paid for interest	**$ 51,351**	$ 33,462

See accompanying notes to the consolidated financial statements.

1. Organization and Summary of Accounting Policies

Organization

Established in 2015 in Denver, Colorado, Sharing Connexion Inc. and its affiliates (the "Organization") began with the idea to use the expertise and resources of key real estate industry leaders to solve the pressing real estate needs of nonprofit organization and affordable housing providers. The Organization's mission is to provide affordable housing organizations and nonprofit organizations with real estate expertise, funding, and preservation. The vision is that real estate philanthropy will empower nonprofit organizations and expand affordable housing options. The Organization activates its mission through three key programs: Real Estate Donations, Real Estate Impact, and Real Estate Rescue. Real Estate Donations serve nonprofits nationwide; however, the Real Estate Impact and Rescue programs are Colorado-specific.

Real Estate Donations

The Organization teams up with nonprofit organizations to make donations of real estate less complicated. With the Organization's expertise and partnership, they mitigate the nonprofit organization's risk, maximize the value of the property, and arrange the sale, thus growing the nonprofit organizations funds and capacity to serve their mission. The Organization ensures that nonprofits can accept gifts of real property and aims to make this an easy, simple process, equipping the nonprofit with the confidence of expertise and assistance from a fellow missional partner, the Organization.

Real Estate Impact

The Organization uses their fund to make key real estate impact loans for buying, building, and renovating affordable housing projects and nonprofit organizations program spaces. The loans offer low-interest solutions for mission-based real estate transactions serving in-need populations. The Real Estate Impact program has three 'gap financing' tools: pre-development loans, acquisition loans, and bridge loans. This program has selected focus areas to measure and evaluate a high missional impact for both key affordable housing needs and nonprofit programs.

Real Estate Rescue

The Organization aims to preserve and protect affordable housing & nonprofit organization real estate from displacement through short-term acquisition solutions. The Organization acts as a partner to quickly save facilities, either securing housing affordability or empowering a nonprofit organization into ownership. In markets that are quickly appreciating, the Organization can 'rescue' property to save it for missional use. In the case of a nonprofit at threat of displacement, the Organization purchases the property, stabilizes the nonprofit's rent, and enters into a purchase option agreement with the nonprofit, shielding them from significant market appreciation for three years. In the case of affordable housing, the Organization can save and hold naturally occurring affordable housing and affordable housing that may be distressed or going to market as affordability restrictions end. The Organization will partner with affordable housing developers and property managers to ensure the property remains affordable. The Organization eventually exits the project after selecting the affordable housing partner who is now financially positioned to maintain the affordability of the property.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The consolidated financial statements include the consolidated accounts of Sharing Connexion Inc. and its wholly owned or majority owned subsidiaries in which Sharing Connexion Inc. has control in accordance with GAAP. The subsidiaries are created as individual LLC’s to own the underlying real estate assets. All intercompany accounts and transactions have been eliminated in consolidation.

The Organization reports information on the accrual basis, in accordance with generally accepted accounting principles (“GAAP”), regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net Assets with Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Actual results could differ from those estimates, and such differences could be material.

COVID-19

On January 30, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 Outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreaks continues to evolve as the date of this report. While the Organization’s tenants have been deemed “essential businesses” by the states they operate in and remained open, the long-term impact, if any, is not currently determinable as of the date of these consolidated financial statements.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act". The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, and provisions for loans issued under the paycheck protection program (PPP). See Note 5, *Notes Payable*, for disclosure of the PPP loan.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Restricted Cash

Restricted cash consists of cash reserves held in escrow as required under certain purchase agreements. The restricted cash held in escrow as of June 30, 2020 was released from restriction during the year ended June 30, 2021, when the related asset was sold.

Contributions Receivable

Contributions receivable represent unconditional promises to give. Contributions receivable that are expected to be collected within one year are recorded at their net realizable value. All amounts were due within one year, so there was no adjustment to the value of contributions receivable. Management periodically reviews accounts to determine uncollectible amounts. Balances deemed uncollectible are written off in the period they are determined to be uncollectible. Management believes all amounts are collectible, and therefore there is no allowance as of June 30, 2021 and 2020.

Notes Receivable

Notes receivable are reported at outstanding principal plus accrued interest. All notes were deemed collectible therefore there was no adjustment for uncollectible amounts.

Concentration and Credit Risks

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. The Organization had no amounts on deposit in excess of federally insured limits at June 30, 2021 and 2020.

As of June 30, 2021, there were three donors that individually represented more than 10% of contributions receivable, for a total of 96% of the total contribution receivable balance. As of June 30, 2020, there were two donors that individually represented more than 10% of contributions receivable, for a total of 90% of the total contribution receivable balance.

Three donors comprised 44% and three donors comprised 34% of total contribution revenue for the years ended June 30, 2021, and 2020, respectively.

Real Estate and Property

Acquisition of Real Estate and Property

Real Estate and Property, including land, building and improvements are stated at cost, less accumulated depreciation.

Donated Real Estate and Property

Real Estate and property that is donated, including land, building and improvements are stated at estimated the fair value of land and/or building, which is estimated by reviewing comparable sales within the same submarket and/or region.

Depreciation of Property

The Organization calculates depreciation on a straight-line basis over the estimated useful lives of the property. The Organization depreciates their buildings and improvements over its estimated remaining useful life, not to exceed 30 years. The Organization depreciates building improvements over the estimated useful lives. Depreciation was $1,056 and $18,261 for the years ended June 30, 2021 and 2020, respectively.

Review of Carrying Value of Property for Impairment

The Organization follows the provision of the Financial Accounting Standard Board ("FASB") Accounting Standards Codification ("ASC") 360, *Impairment of Long-Lived Assets*. Management reviews long-lived assets, including real estate, for impairment when conditions exist that may indicate that the carrying amount of a long-lived asset may not be recoverable. Recoverability of the asset is measured by comparison of its carrying amount to undiscounted future net cash flows the asset is expected to generate. Specifically, management projects undiscounted cash flows expected over the period to be benefited. If such assets are considered to be impaired, the impairment recognized is measured as the amount by which the carrying amount of the asset exceeds its fair market value. Estimates of expected future cash flows represent management's best estimate based on currently available information and reasonable and supportable assumptions. Any impairment recognized is permanent and may not be restored. As of June 30, 2021 and 2020, the Organization believes indicators of impairment do not exist.

Revenue Recognition

Contracts with Customers

Effective July 1, 2020, the Organization adopted ASU 2014-09, Topic 606, *Revenue from Contracts with Customers*, using the modified retrospective method. This standard applies to all contracts with customers, except for contracts that are within the scope of other standards, such as contributions, leases, insurance, collaborative arrangements and financial instruments. Under Topic 606, an entity recognizes revenue when it transfers control of the promised goods or services to its customer, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. If control transfers to the customer over time, an entity selects a method to measure progress that is consistent with the objective of depicting its performance.

Program service revenue consist of the fees paid to the Organization through lending activities and allocations from preparing the real estate for sale, selling the real estate, and other related management costs. The program service revenue is earned when the Organization sells the property and has completed their services.

Rental Revenue

Rental revenue is scoped out of Topic 606, and is earned monthly based on the terms of the lease. The lease terms are payments of $2,890 per month in advance beginning on June 29, 2019. The lease ends on June 29, 2021. There was no deferred revenue as a result of the rental income as of June 30, 2021 or 2020, and the lease ended during the year ended June 30, 2021.

Contribution Revenue

Contributions and grants are scoped out of Topic 606 and are recorded as revenue when an unconditional promise to give has been made. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods, or are restricted by the donor for specific purposes, are reported as net asset with donor restrictions. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified through releases in the Consolidated Statements of Activities and changes in net assets.

Contributions which contain donor-imposed conditions are not included as support until the conditions are substantially met, or the likelihood of not meeting the conditions is remote. Cash received in advance of meeting the conditions are reported as refundable advances on the Consolidated Statements of Financial Position. There were no refundable advances at years ended June 30, 2021 and 2020, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities. The details of functional expenses by natural classification are presented in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The consolidated financial statements report certain categories that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salary and related expenses are allocated based on estimate time. Business expenses are allocated based on the best estimate of the usage. Project expenses are charged to the specific project and are not allocated.

Loan Deposits

Rescue and Impact loan deposits are those deposits made to the Organization. The amount represents the funds that are on deposit with the Organization that are due back to the customer upon completion of the transaction.

Income Taxes and Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). Accordingly, no provision for income taxes is made for federal, state, or local taxes. In addition, the Internal Revenue Service ("IRS") has determined that the Organization is not a private foundation within the meaning of Section 509(a) of the IRC.

The Organization applies a more-likely-than-not measurement methodology to reflect the consolidated financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. Management has determined no uncertain tax positions have been taken, and therefore, no amount has been recognized at years ended June 30, 2021, and 2020. If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expense. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. The Organization is no longer subject to tax examination by tax authorities for years before 2019.

New Accounting Pronouncements Issued but Not Yet Adopted

In February 2016, FASB issued ASU 2016-02, *Leases* ("Topic 842"). This ASU requires that a lease liability and related right-of-use asset representing the lessee's right to use or control the asset be recorded on the Consolidated Statements of Financial Position upon the commencement of all leases except for short-term leases. The effect of leases in the Consolidated Statements of Activities and changes in net assets and the Consolidated Statements of Cash Flows will be substantially unchanged from the existing lease accounting guidance as the Organization has no material operating leases. The guidance is effective for the Organization for fiscal years beginning after December 15, 2021, with early adoption permitted. The Organization is currently evaluating the impact of the new guidance on its consolidated financial statements and has elected not to adopt this ASU early in these consolidated financial statements.

2. Liquidity and Availability of Resources

The following represents the Organization's financial assets as of June 30, 2021 and 2020, reduced by amounts not available for general expenditures within one year:

June 30,	2021	2020
Financial assets at year end:		
Cash and cash equivalents	**$ 285,010**	$ 290,775
Restricted cash	**-**	72,583
Accounts receivable	**-**	2,197
Contributions receivable	**23,500**	60,841
Notes receivable	**-**	1,850,000
Total financial assets	**308,510**	2,276,396
Less amounts not available to be used for general expenditures:		
Net assets restricted by donors	**(40,000)**	(60,841)
Cash restricted for escrow	**-**	(72,583)
Total financial assets available for expenditure	**$ 268,510**	$ 2,142,972

3. Investment in Real Estate and Property

The Organization's real estate and property investments during the years ended June 30, 2021 and 2020 are provided below.

SCI-157 LLC

During the year ended June 30, 2017, property including land and buildings was purchased by the Organization for approximately $708,000. This property was leased until it was sold during the year ended June 30, 2021 and is included in property in the Consolidated Statements of Financial Position. During the year ended June 30, 2021, the property was sold for $724,000 for a gain of approximately $45,000. This property was a project of the Real Estate Rescue program. It protected the continuous use of a safe house and transitional housing shelter for young women exiting sex trafficking. Upon its purchase, the nonprofit had more financial stability and support and could continue operating the property and their mission on their own.

3803 Dollar Lake Drive LLC

During the year ended June 30, 2018, property including land and buildings was donated to the Organization. This was valued at $650,000. Improvements of approximately $250,000 were made to the land and building. During the year ended June 30, 2020, part of the property was sold for $879,000 for a gain of approximately $386,000. During the year ended June 30, 2021, the remaining property was sold for $565,000 for a gain of approximately $127,000. This property was a project of the Real Estate Donation program. The Organization worked with nonprofit, Children's Hospital Colorado Foundation (CHCF), to facilitate this gift on their behalf. CHCF advances the mission of Children's Hospital, providing support to children and families, initiating research and innovation, and working toward health equity.

61 NY Land

During the year ended June 30, 2021, property of land was donated to the Organization. This was valued at approximately $44,000. This property was sold subsequent to year end. See Note 7, *Subsequent Events*. This property was a project of the Real Estate Donation program. The Organization worked with New York nonprofit, Chai Lifeline, to facilitate this gift on their behalf. Chai Lifeline provides assistance to children and families with cancer and other chronic illnesses.

SCI-1550 Elmira, LLC

During the year ended June 30, 2021, property including land and building was purchased by the Organization for approximately $390,000. This property is a project of the Real Estate Rescue program. The Organization preserved the facility and continued operations of nonprofit, Caring and Sharing Community Resource and Transformation Center ("Caring and Sharing"). At time of this Fiscal Year end, Caring and Sharing has been provided with stabilized, below-market rent to continue the operations of their food bank and social services. In subsequent events, Caring and Sharing entered into a purchase option agreement to secure their future ability to purchase this facility and shield it from market appreciation.

SCI-119 Maury LLC

During the year ended June 30, 2021, property including land and buildings was donated to the Organization. This was valued at approximately $74,000. During the year ended June 30, 2021, the property was sold for $75,000 for a gain of approximately $1,000. This property was a project of the Real Estate Donation program. The Organization worked with New York nonprofit, Chai Lifeline, to facilitate this gift on their behalf. Chai Lifeline provides assistance to children and families with cancer and other chronic illnesses.

4. Notes Receivable

On June 5, 2016, the Organization entered into a promissory note ("Belay Promissory Note") with Belay Enterprises, whereby, the Organization provided $100,000. Amounts provided under the Belay Promissory Note bear interest at 5% per year. Repayments are fixed monthly payments for 5 years. The Belay Promissory Note was repaid in full on April 20, 2021. The balance of the Promissory Note as of June 30, 2021 and 2020 was $0 and $100,000, respectively.

On May 6,2020, the Organization entered into a promissory note ("Spring Creek Promissory Note") with Spring Creek Apartments LLC, whereby, the Organization provided $1,750,000. Amounts provided under the Spring Creek Promissory Note bear interest at 6% per year. Repayments are fixed monthly payments for 1 year. The Spring Creek Promissory Note was repaid in full on February 8, 2021. The balance of the Promissory Note as of June 30, 2021 and 2020 was $0 and $1,750,000, respectively.

5. Notes Payable

Mortgage – Spring Creek Apartments

On May 6, 2020, the Organization entered into a financing agreement for $1,650,000 with an interest rate of 4.25%. Principal and interest payments were due monthly commencing on June 1, 2020 and matures on July 1, 2021. The balance on the note was paid in full by June 30, 2021.

Mortgage – SCI 157

On June 28, 2018, the Organization entered into a financing agreement for $475,000 with an interest rate of 4.75%. Principal and interest payments were due monthly commencing on July 1, 2018 and matures on July 1, 2021. The balance on the note was paid in full by June 30, 2021.

Paycheck Protection Program

On March 27, 2021, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "Act") was enacted. The CARES Act is an emergency economic stimulus package in response to the Coronavirus outbreak, which among other things contains numerous income tax provisions. It also appropriated funds for the SBA Paycheck Protection Program ("PPP") loans that are forgivable in certain situations to promote continued employment.

On April 28, 2020, the Organization obtained a PPP loan in the amount of $13,200. The forgiveness of the loan is dependent on the Organization's meeting the eligibility requirements as well as adherence to the forgiveness criteria. The Organization believed that it met the eligibility requirements to apply for forgiveness of this debt under the loan program and submitted a loan forgiveness application. The Organization received notice of forgiveness of the full PPP loan balance of $13,200, plus any accrued interest, from the SBA on May 25, 2021.

Notes Payable from Related Parties

There are three notes payable from related parties. These consist of a note of approximately $3,000 entered into during the year ended June 30, 2018, which was paid off during the year ended June 30, 2021. A note payable was entered into during the year ended June 30, 2020 for approximately $60,000 and the balance due as of June 30, 2021 and 2020 was approximately $9,000 and $60,000, respectively. Another note payable was entered into during the year ended June 30, 2020 for $100,000 and was paid in full during the year ended June 30, 2021. The balance as of June 30, 2020 was $100,000.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions are comprised of the following restrictions:

June 30,	**2021**	2020
Time	**$ 12,500**	$ 60,841
Programs	**27,500**	-
Total net assets with donor restrictions	**$ 40,000**	$ 60,841

During the years ended June 30, 2021 and 2020, net assets were released from restriction of $60,841 and $3,550 due to the passage of time. No restricted net assets were released for use in programs.

7. Subsequent Events

The Organization's management has evaluated events subsequent to and occurring after June 30, 2021 and through May 3, 2022, which is the date the financial statements were available to be issued.

On September 30, 2021, the Organization entered into a note payable for $260,200 with an interest rate of 4.180% with a bank. The note matures on September 22, 2025.

On November 12, 2021, the Organization sold the 61 NY Land property for approximately $50,000.

On February 11, 2022, the Organization entered into a loan agreement with 38th & Holly, LLC for $2,700,000 at an interest rate of 5.95%. Payments of principal are paid monthly out of an interest reserve account, which will be refilled every six months. The accrued interest is due at repayment. The note matures on August 11, 2023.

On February 11, 2022, the Organization entered into a note payable for $2,500,000 with an interest rate of 4.25% with a bank. The note matures on August 5, 2023.