STOCKMAN KAST RYAN + COMPANY

SHARING CONNEXION, INC.
AND AFFILIATES

Consolidated Financial Statements

For the Years Ended June 30, 2023 and 2022

And

Independent Auditors' Report

SHARING CONNEXION, INC. AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Sharing Connexion, Inc. and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of Sharing Connexion, Inc. and Affiliates (the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Stockman Kast Ryan + Co, LLP

November 27, 2023

SHARING CONNEXION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 382,061	$ 274,918
Restricted cash		20,954
Interest receivable		30,521
Real estate held for sale		498,750
Other assets	7,410	948
Total current assets	389,471	826,091
NOTE RECEIVABLE		2,700,000
PROPERTY, NET	701,258	493,783
TOTAL ASSETS	$ 1,090,729	$ 4,019,874
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 15,389	$ 507
Interest payable	906	10,257
Rescue loan deposits	21,000	41,954
Contributions held for others		448,875
Tenant security deposits	1,500	1,500
Notes payable - related parties	96,099	29,989
Total current liabilities	134,894	533,082
Notes payable - related parties long term	100,000	
Notes payable - long term debt	257,082	2,841,604
Total liabilities	491,976	3,374,686
NET ASSETS		
Without donor restrictions	598,753	645,188
Total net assets	598,753	645,188
TOTAL LIABILITIES AND NET ASSETS	$ 1,090,729	$ 4,019,874

See notes to consolidated financial statements.

SHARING CONNEXION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions	$ 226,795		$ 226,795	$ 71,280		$ 71,280
Interest on notes receivable	166,796		166,796	62,691		62,691
In-kind contribution of real estate				49,875		49,875
Program service revenue	24,877		24,877	58,500		58,500
Other	132		132	2,262		2,262
Gain (loss) on sale of real estate	10,838		10,838	(327)		(327)
Net assets released from restriction				40,000	(40,000)	
Total revenues	429,438	$ —	429,438	284,281	(40,000)	244,281
EXPENSES						
Program services	266,114		266,114	155,912		155,912
Supporting services:						
General and administrative	153,059		153,059	109,065		109,065
Fundraising	56,700		56,700	18,578		18,578
Total expenses	475,873	—	475,873	283,555	—	283,555
CHANGE IN NET ASSETS	(46,435)		(46,435)	726	(40,000)	(39,274)
NET ASSETS, Beginning of year	645,188		645,188	644,462	40,000	684,462
NET ASSETS, End of year	$ 598,753	$ —	$ 598,753	$ 645,188	$ —	$ 645,188

See notes to consolidated financial statements.

SHARING CONNEXION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

For the Year Ended June 30, 2023		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Cost of real estate sold	$ 614,162			$ 614,162
Salaries and benefits	76,170	$ 64,666	$ 38,820	179,656
Interest	119,291			119,291
Professional service fees	26,098	62,402	14,380	102,880
Project expenses	15,857	4,200		20,057
Information technology	1,833	12,363		14,196
Amortization	14,092			14,092
Depreciation	8,981			8,981
Rent		6,208		6,208
Insurance	3,792	1,183		4,975
Dues and subscriptions		133	3,500	3,633
Office expenses and supplies		1,904		1,904
Total expenses	880,276	153,059	56,700	1,090,035
Less expenses netted in revenue:				
Cost of real estate sold	614,162			614,162
Total functional expenses	$ 266,114	$ 153,059	$ 56,700	$ 475,873

For the Year Ended June 30, 2022		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Salaries and benefits	$ 50,689	$ 48,865	$ 13,099	$ 112,653
Professional service fees	22,861	41,066	5,479	69,406
Interest	57,457			57,457
Cost of real estate sold	50,383			50,383
Information technology	7,871	9,846		17,717
Depreciation	8,981			8,981
Insurance	2,636	2,891		5,527
Project expenses	3,834	14		3,848
Rent		3,457		3,457
Conferences, conventions, meetings	1,583	1,583		3,166
Dues and subscriptions		795		795
Office expenses and supplies		548		548
Total expenses	206,295	109,065	18,578	333,938
Less expenses netted in revenue:				
Cost of real estate sold	50,383			50,383
Total functional expenses	$ 155,912	$ 109,065	$ 18,578	$ 283,555

See notes to consolidated financial statements.

SHARING CONNEXION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
OPERATING ACTIVITIES		
Change in net assets	$ (46,435)	$ (39,274)
Adjustments to reconcile change in net assets		
to net cash provided by (used in) operating activities:		
Depreciation expense	8,981	8,981
Loss (gain) on sale of real estate and property	(10,838)	327
Donated real estate		(49,875)
Amortization of loan fees	15,478	5,737
Changes in operating assets and liabilities:		
Accounts and contributions receivable		23,500
Interest receivable	30,521	(30,521)
Other assets	(6,462)	(948)
Accounts payable and accrued liabilities	16,641	10,664
Deferred liabilities		(25,000)
Rescue loan deposits	(20,954)	20,954
Net cash provided by (used in) operating activities	(13,068)	(75,455)
INVESTING ACTIVITIES		
Repayment (issuance) of notes receivable	2,700,000	(2,700,000)
Purchase of real estate	(270,026)	(114,581)
Proceeds from sale of real estate and property	114,283	43,810
Net cash provided by (used in) investing activities	2,544,257	(2,770,771)
FINANCING ACTIVITIES		
Repayment of notes payable	(2,500,000)	
Proceeds from notes payable		2,860,200
Proceeds from notes payable to related parties	55,000	21,221
Payment of loan fees		(24,333)
Net cash provided by (used in) financing activities	(2,445,000)	2,857,088
NET CHANGE IN CASH AND CASH EQUIVALENTS	86,189	10,862
CASH AND CASH EQUIVALENTS, Beginning of year	295,872	285,010
CASH AND CASH EQUIVALENTS, End of year	$ 382,061	$ 295,872

(Continued)

SHARING CONNEXION, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash and cash equivalents	382,061	274,918
Restricted cash		20,954
Total cash and cash equivalents	$ 382,061	$ 295,872
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$ 112,231	$ 47,200
Contributions held for others reduced through settlement of sale of real estate and property	$ 448,875	

See notes to consolidated financial statements. (Concluded)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization —Established in 2015 in Denver, Colorado, Sharing Connexion, Inc. and 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 organizations 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 four key programs: Real Estate Donations, Real Estate Impact, Real Estate Rescue and Real Estate Affordable Housing. Real Estate Donations and Real Estate Affordable Housing 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 and 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 up to 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.

Real Estate Affordable Housing

One of the Organization's goals is to assist in the creation of affordable housing by acquiring development land, either by acquisition or by governmental grant. If necessary, the Organization would oversee the entitlement and infrastructure improvement of a site – the Organization will not engage in vertical development. Once the land is entitled and the infrastructure is in-place, the Organization would lease the land to vertical developers at a nominal rate, with long-term affordability restrictions to ensure the resulting housing remains affordable for at least 99 years. This model would be administered by a community land trust, controlled by the Organization. The Organization would receive management fees to oversee ground lease administration.

Basis of Presentation — The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The financial statements include the consolidated accounts of Sharing Connexion, Inc. and its wholly owned subsidiaries. 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 statement of activities.

Use of Estimates — Preparation of the 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 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.

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 a note receivable agreement and a purchase agreement.

Notes Receivable — Notes receivable are reported at outstanding principal plus accrued interest. All notes were deemed collectible and therefore no allowance is recorded as of June 30, 2022. All notes receivable were paid in full as of June 30, 2023.

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.

One donor comprised 44% and two donors comprised 91% of total contribution revenue for the years ended June 30, 2023 and 2022, 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 of 39 years. Depreciation was $8,981 for both of the years ended June 30, 2023 and 2022.

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. 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, 2023 and 2022, the Organization believes indicators of impairment do not exist.

Revenue Recognition

Contracts with Customers

The Organization recognizes revenue under ASU 2014-09, Topic 606, Revenue from Contracts with Customers (Topic 606). 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 consists 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, which are described in Note 3.

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 assets 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 statement 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 statement of financial position. There were no refundable advances during the years ended June 30, 2023 and 2022.

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.

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 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 as of June 30, 2023 and 2022. 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 financial statements.

Subsequent Events — The Company has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditures within one year:

	2023	2022
Cash and cash equivalents	$ 382,061	$ 274,918
Restricted cash		20,954
Interest receivable		30,521
Total financial assets	382,061	326,393
Less amounts not available to be used for general expenditures within one year:		
Cash restricted for escrow	—	(20,954)
Total financial assets available for expenditure within one year	$ 382,061	$ 305,439

3. INVESTMENT IN REAL ESTATE AND PROPERTY

The Organization's real estate and property investments during the years ended June 30, 2023 and 2022 are provided below.

SCI – 8908 SW 50 Ave LLC

During the year ended June 30, 2022, property including land and buildings with a value of $498,750 was donated to the Organization. The donor agreement specifies that the Organization is entitled to the greater of 10% of net sales proceeds or $10,000 while the remaining sales proceeds are to be remitted to The Xerces Society, Inc. (Xerces). This property was sold in January 2023 for a total of $625,000 with a gain of $10,838. This property was a project of the Real Estate Donation program. The Organization worked with nonprofit, Xerces, to facilitate this gift on their behalf. Xerces provides science-based research and conservation for invertebrate species.

Sharing Connextion – Hawaii LLC

During the year ended June 30, 2022, this entity (SC – H) was formed to acquire land on which workforce housing would be developed. During Fall, 2022, it became apparent that the incumbent Maui Mayor would not be re-elected and SC-H paused the project until the new Mayor was elected and his newly appointed department managers adjusted to their new roles. Workforce housing was a key issue for the Mayor's election platform.

During the year ended June 30, 2023, SC- H was contractually engaged to identify a parcel to accommodate greenhouse solar to address food scarcity on the island. SC – H has identified a parcel and is under letter of intent to acquire the parcel. SC – H would be responsible for obtaining permits for the construction of the facility.

As of June 30, 2023, land planning costs for both projects totaled $331,093 and have been capitalized related to the land expected to be donated to the Organization as well as the sourcing, diligence and acquisition costs for the greenhouse solar project. The land planning costs are included in property in the consolidated statements of financial position. The workforce housing property is a project of the Real Estate Affordable Housing program and protects land in Maui County from being used for purposes other than workforce housing. This land could facilitate approximately 800 affordable housing units. The greenhouse solar project is part of the Organization's food security program in Hawaii and would provide approximately 200 acres of food production that are otherwise not produced on the island and at a rate three times as efficient as traditional horticulture; as well as providing approximately 300 living wage jobs.

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. During the year ended June 30, 2022, the property was sold, and sales proceeds were approximately $44,000. 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.

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"). Caring and Sharing has been provided with stabilized, below-market rent to continue the operations of their food bank and social services. During the year ended June 30, 2022, Caring and Sharing entered into a purchase option agreement to secure their future ability to purchase this facility and shield it from market appreciation. The option agreement provides for a purchase price of approximately $395,000 which escalates 2% per year and expires on June 1, 2024.

4. NOTES RECEIVABLE

On February 11, 2022, the Organization entered into a promissory note ("38th and Holly Promissory Note") with 38th and Holly LLC, whereby, the Organization provided $2,700,000. Amounts provided under the 38th and Holly Promissory Note bore interest at 5.95% per year. Repayments were fixed monthly payments of $8,854 and the principal plus unpaid accrued interest was due at maturity on August 11, 2023. The 38th and Holly Promissory Note was secured by a deed of trust. As of June 30, 2022, the 38th and Holly Promissory Note had a principal balance of $2,700,000 and accrued interest of $30,521. During the year ended June 30, 2023, the 38th and Holly Promissory Note was repaid.

5. NOTES PAYABLE

Note Payable – 38th and Holly

On February 11, 2022, the Organization entered into a financing agreement for $2,500,000 with an interest rate of 4.25%. Interest payments are due monthly commencing on March 5, 2022 and principal plus any accrued and unpaid interest is due at maturity on August 5, 2023. The note is secured by a deed of trust on the property purchased with the note and is guaranteed by the CEO of the Organization. During the year ended June 30, 2023, the note was repaid.

Note Payable – SCI 1550 Elmira

On September 30, 2021, the Organization entered into a financing agreement for $260,200 with an interest rate of 4.18%. Interest payments are due monthly commencing on October 22, 2021 and principal plus any accrued and unpaid interest is due at maturity on September 22, 2025. The note is secured by a deed of trust on the property purchased with the note and is guaranteed by the CEO of the Organization. As of June 30, 2023 and 2022, the note has a principal balance of $260,200. The carrying value of the note is reduced by unamortized loan fees of $3,118 and $4,504 as of June 30, 2023 and 2022, respectively.

Notes Payable to Related Parties

The Organization entered into a note payable with a related party during the year ended June 30, 2022 for $100,000 bearing interest at 2.5% and due at the earlier of the disposition of the 38th and Holly property or December 31, 2023.The note was amended after year-end and is now due December 31, 2024. The balance due as of June 30, 2023 was $100,000.

The Organization entered into a note payable with a related party during the year ended June 30, 2022 for $25,000. During the year ended June 30, 2023, the organization increased the amount of the note by $30,000. The note is non-interest bearing and has no stated repayment terms. The balance due as of June 30, 2023 was $55,000.

The Organization entered into a note payable with a related party during the year ended June 30, 2023 for $25,000. The note is non-interest bearing and has no stated repayment terms. The balance due as of June 30, 2023 was $25,000.