

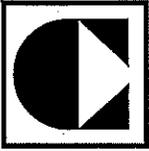
FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT

**COMMUNITY LODGINGS, INC.**

**June 30, 2025**  
**(with comparative totals for June 30, 2024)**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Community Lodgings, Inc.

We have audited the accompanying financial statements of Community Lodgings, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Lodgings, Inc. as of June 30, 2025, and the changes in its net assets and its functional expenses and cash flows for the year then ended in accordance with accounting standards generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Community Lodgings, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 the 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.

## **Auditor's Responsibilities 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 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 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 judgement and maintain professional skepticism through 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 Community Lodgings, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Lodgings, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

## Report on Summarized Comparative Information

We have previously audited Community Lodgings, Inc.'s June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it was derived.

Fairfax, Virginia  
December 10, 2025

*Douglas Corey & Associates, P.C.*

**Community Lodgings, Inc.**  
**Statements of Financial Position**  
**June 30, 2025 and 2024**

(See Independent Auditor's Report and notes to financial statements)

	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents		
Cash - operating	\$ 835,161	\$ 368,388
Cash - restricted	30	25,250
Cash - escrows	39,271	37,986
	874,462	431,624
Grants and pledges receivable	287,268	615,000
Other receivables	13,389	-
Prepaid expenses	11,952	-
Total Current Assets	1,187,071	1,046,624
Property and Equipment	4,967,492	4,967,492
Less accumulated depreciation and amortization	(3,751,732)	(3,666,531)
	1,215,760	1,300,961
Work in process	903,373	536,529
	2,119,133	1,837,490
<b>Other Assets</b>		
Reserve for property replacements	16,058	79,933
Escrow held through loan account	834	16,790
	16,892	96,723
	\$ 3,323,096	\$ 2,980,837
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 89,730	\$ 141,005
Prepaid rent	-	1,623
Current maturities of long-term debt	32,031	66,829
Security deposits	34,591	33,864
	156,352	243,321
Section 754 adjustment, CLI Multifamily LLC	345,298	345,298
Notes payable, net of current maturities	2,051,916	1,723,985
	2,397,214	2,069,283
<b>Net Assets</b>		
Without donor restrictions	356,023	4,047
With donor restrictions	413,507	664,186
	769,530	668,233
	\$ 3,323,096	\$ 2,980,837

**Community Lodgings, Inc.**  
**Statement of Activities**  
**For the year ended June 30, 2025**  
**Comparative Totals for 2024**

(See Independent Auditor's Report and notes to financial statements)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>	<u>2024 Total</u>
<b>Revenue and Other Support:</b>				
Special events	\$ 75,147	\$ -	\$ 75,147	\$ 73,539
Contributions/grants				
Governmental	-	178,250	178,250	78,450
Foundation	261,046	234,254	495,300	1,288,890
Corporate/other business	97,451	-	97,451	101,828
Individual	76,638	2,500	79,138	84,699
Earned income				
Program fees	25,986	-	25,986	31,292
Rent income	671,697	-	671,697	642,025
Rental related income	60,911	-	60,911	39,048
Other income	100,000	-	100,000	-
Interest	2,661	-	2,661	378
In-kind	201,448	-	201,448	110,748
Net assets released from restrictions:				
Satisfaction of program restrictions	665,683	(665,683)	-	-
	<u>2,238,668</u>	<u>(250,679)</u>	<u>1,987,989</u>	<u>2,450,897</u>
<b>Expenses:</b>				
Transitional Housing	237,114	-	237,114	187,265
Affordable Housing	666,611	-	666,611	648,768
Family Learning Center - Youth & Adult Education	669,260	-	669,260	496,846
Management and general	154,609	-	154,609	109,244
Fundraising	159,098	-	159,098	152,817
	<u>1,886,692</u>	<u>-</u>	<u>1,886,692</u>	<u>1,594,940</u>
Change in net assets	351,976	(250,679)	101,297	855,957
Net Assets, beginning of year	<u>4,047</u>	<u>664,186</u>	<u>668,233</u>	<u>(187,724)</u>
Net Assets, end of year	<u>\$ 356,023</u>	<u>\$ 413,507</u>	<u>\$ 769,530</u>	<u>\$ 668,233</u>

Community Lodgings, Inc.  
Statement of Functional Expenses  
For the year ended June 30, 2025  
Comparative Totals for 2024  
(See Independent Auditor's Report and notes to financial statements)

	Program Services					Supporting Services				
	Housing Program Transitional	Affordable	Family Learning Center - Youth Education	Total Program Services	Mangement and General	Fundraising	Total Supporting Services	2025 Total Expenses	2024 Total Expenses	
Payroll	\$ 90,282	\$ 260,391	\$ 311,324	\$ 661,997	\$ 56,724	\$ 70,079	\$ 126,803	\$ 788,800	\$ 714,650	
Professional fees/consultants	6,369	22,781	37,900	67,050	58,502	39,415	97,917	164,967	68,618	
Client support	14,016	-	115,834	129,850	-	-	-	129,850	48,822	
Utilities	9,054	93,086	10,636	112,776	52	92	144	112,920	100,981	
Property taxes	13,487	88,593	-	102,080	-	-	-	102,080	100,811	
Employee benefits	9,473	28,419	33,586	71,478	6,031	8,610	14,641	86,119	85,805	
Depreciation	14,548	36,103	29,613	80,264	4,937	-	4,937	85,201	91,111	
Maintenance/repair/turnover	10,615	41,085	1,246	52,946	2,531	-	2,531	55,477	60,416	
Payroll taxes	6,714	16,198	25,956	48,868	1,913	3,864	5,777	54,645	54,238	
Insurance	2,227	36,217	369	38,813	13,947	-	13,947	52,760	63,388	
Rent subsidy	52,038	-	-	52,038	-	-	-	52,038	37,660	
Office expenses/supplies	3,385	12,628	25,798	41,811	7,252	2,036	9,288	51,099	52,727	
Rent	-	-	48,310	48,310	-	-	-	48,310	48,310	
Fundraising - direct	-	-	-	-	-	32,197	32,197	32,197	6,765	
Software	2,516	6,919	10,063	19,498	-	1,468	1,468	20,966	15,398	
Interest	-	18,894	-	18,894	-	-	-	18,894	21,322	
Travel	897	2,152	3,619	6,668	1,444	583	2,027	8,695	10,295	
Equipment	496	1,197	5,472	7,165	165	289	454	7,619	4,429	
Educational and recreational activities	190	-	6,413	6,603	881	-	881	7,484	2,743	
Payroll fees	807	1,948	3,121	5,876	230	465	695	6,571	6,451	
	\$ 237,114	\$ 666,611	\$ 669,260	\$ 1,572,985	\$ 154,609	\$ 159,098	\$ 313,707	\$ 1,886,692	\$ 1,594,940	

**Community Lodgings, Inc.**  
**Statements of Cash Flows**  
**For the years ended June 30, 2025 and 2024**  
(See Independent Auditor's Report and notes to financial statements)

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Change in net assets	\$ 101,297	\$ 855,957
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	85,201	91,111
Changes in assets and liabilities:		
(Increase) decrease in grants and pledges receivable	327,732	(573,008)
(Increase) decrease in other receivables	(13,389)	-
(Increase) decrease in prepaid expenses	(11,952)	-
Increase (decrease) in accounts payable and accrued expenses	(51,275)	86,835
Increase (decrease) in prepaid rent	(1,623)	(887)
Increase (decrease) in security deposits	<u>727</u>	<u>2,884</u>
Net cash provided (used) by operating activities	436,718	462,892
Cash flows from investing activities:		
Expenditures for work in process	(366,844)	(86,030)
Cash flows from financing activities:		
Net distributions from (contributions to) reserves and escrows	79,831	(13,138)
Borrowing on long-term debt	358,797	-
Payment on long-term debt	<u>(65,664)</u>	<u>(60,165)</u>
Net cash provided (used) by financing activities	<u>372,964</u>	<u>(73,303)</u>
Net increase (decrease) in cash and cash equivalents	442,838	303,559
Cash, beginning of year	<u>431,624</u>	<u>128,065</u>
Cash, end of year	<u>\$ 874,462</u>	<u>\$ 431,624</u>
Cash paid during the year for:		
Income taxes	\$ <u>-</u>	\$ <u>-</u>
Interest expense	\$ <u>18,894</u>	\$ <u>21,322</u>
Summary of non-cash operating transactions:		
In-kind contributions of goods/supplies	\$ 89,343	\$ 35,622
In-kind contributions of professional fees	60,169	23,190
In-kind contribution of rent/utilities	51,936	51,936
Supplies/professional fees/rent	<u>(201,448)</u>	<u>(110,748)</u>
Net non-cash operating transactions	<u>\$ -</u>	<u>\$ -</u>

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note A - Nature of Organization**

Community Lodgings, Inc. (CLI) is a non-profit corporation established in 1987 to preserve affordable housing, provide transitional housing for the homeless and help families become self sufficient through counseling and supportive services programs.

CLI is based in Alexandria, Virginia and maintains several programs to achieve its goals. CLI's programs are as follows:

The *Housing Program* consists of transitional and affordable housing units provided to homeless and low-income families. The housing program includes 45 apartments to provide below market rental rates to residents in the City of Alexandria. During the years ended June 30, 2025 and 2024, 5 apartments were designated for housing homeless families coming from homeless shelters in Alexandria. These families pay 30% of their income for a program fee to CLI. This is the transitional program and is a two-year program designed to provide education, counseling, job placement, financial and budget mentoring to stabilize the families so they will be able to move into their own housing when they leave the program.

The *Family Learning Center – Youth Education Program* provides educational programs for youth living in the neighborhood and in the transitional housing apartments. The youth education program is highly academic, mirroring the curriculums being presented in the local schools. It is designed to create the atmosphere of success for these low income, minority and homeless children and to prevent them from becoming homeless in the future. CLI runs three learning centers in the community.

**Note B - Summary of Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Method of Accounting

CLI's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

2. Financial Statement Presentation

Under U.S. generally accepted accounting principles, CLI is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions represent resources that are not subject to donor-imposed restrictions and are available for operations at management's discretion.

Net Assets With Donor Restrictions represent resources restricted by the donor as to purpose or by the passage of time.

3. Revenue

CLI receives grants and gifts from various sources, including governmental agencies, foundations, charitable organizations, and individuals. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restrictions.

CLI receives rent from their residents and program fees from their transitional housing clients. Residents enter into leases that are generally for periods of one year.

4. Recognition of Contributions with Donor Restrictions

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction expires, at which time it is reclassified to net assets without donor restrictions.

5. Grants and Pledges Receivable

Grants and pledges receivable consists of amounts due from pledges during the years ended June 30, 2025 and June 30, 2024. The amounts are collectible within one year. CLI considers the amounts fully collectible and, therefore, has not recorded an allowance for credit losses.

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

6. Buildings, Building Improvements, and Property

Buildings, building improvements and property are recorded at cost at the date of acquisition. Donations of property and equipment are recorded as support at their estimated fair value at the date of the gift. The assets are depreciated on a straight-line basis over their estimated useful lives, which range from 5 to 27 ½ years.

7. Income Taxes

Income taxes are not provided for in the financial statements since the CLI is exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code and similar state provisions.

CLI follows the guidance of Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for CLI for the years ended June 30, 2025 and 2024.

CLI's tax returns are subject to possible examination by taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

8. Functional Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of CLI.

9. Cash and cash equivalents

For purposes of the statement of cash flows, the CLI considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note B - Summary of Accounting Policies, continued**

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note C – Date of Management's Review**

In preparing the financial statements, the CLI has evaluated events and transactions for potential recognition or disclosure through December 10, 2025, the date that the financial statements were available to be issued.

**Note D—Liquidity and Availability of Financial Assets**

CLI maintains a liquid cash balance in a checking account in an amount necessary to meet its anticipated operating expenditures for the first month of the next fiscal year.

CLI's financial assets available for general expenditures through June 30, 2026 are as follows:

Financial assets:	
Total cash	\$874,462
Less those unavailable for general expenditures within one year:	
Cash in escrow and restricted cash	(39,301)
Net assets with donor restrictions net of grants and pledges receivable	<u>(126,239)</u>
Cash available for general expenditures	<u>\$708,922</u>

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note E – Fixed Assets**

Building, building improvements, and property:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Apartment dwellings	\$1,355,233	\$1,355,233
Apartment improvements	2,582,923	2,582,923
Family Learning Center expansion	440,035	440,035
Family Learning Center equipment	13,901	13,901
Equipment, furniture and software	150,105	150,105
Vans	88,985	88,985
Land	<u>336,310</u>	<u>336,310</u>
	4,967,492	4,967,492
Accumulated depreciation	<u>(3,751,732)</u>	<u>(3,666,531)</u>
Net Book Value	<u>\$1,215,760</u>	<u>\$1,300,961</u>

Depreciation expense for the years ended June 30, 2025 and 2024 totaled \$85,201 and \$91,111, respectively.

**Note F – Section 754 Adjustment, CLI Multifamily, LLC**

The Section 754 adjustment is a basis adjustment to the Elbert Avenue property that aligns the tax basis of property with its fair market value. The basis adjustment was made by filing a tax election and applies to the year the election was filed and all subsequent years until revoked.

**Note G – In-kind Contributions**

CLI received gifts in kind of goods and services and rent valued at \$201,448 for the year ended June 30, 2025. CLI received gifts in kind of goods and services and rent valued at \$110,748 for the year ended June 30, 2024. The value of the goods and services have been recorded as in-kind contributions and expensed based on the contribution to the program supported.

Unpaid volunteers contribute their time to forward the Organization's program services. Those donated services do not meet the criteria for recognition as donated services under generally accepted accounting principles, and not value has been included in these financial statements.

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note H – Long-term Debt**

CLI financed the acquisition and rehabilitation of its properties as follows:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<p>City of Alexandria – Note is dated June 2009. Note accrues interest at 2% and is due upon disposition of 3912 Elbert Avenue. The note is secured by a promissory note to the City from CLI and is for improvements at 3912 Elbert Avenue.</p>	\$ 24,191	\$ 23,717
<p>City of Alexandria – Note is dated August 2012. Note bears interest at 2% and is due upon disposition of 612 Notabene Drive. The note is secured by a deed of trust on 612 Notabene Drive.</p>	\$ 365,351	\$ 358,207
<p>City of Alexandria – Note is dated April 2015. The loan is for predevelopment and development costs to facilitate the renovation of 607 Notabene Drive. The loan bears no interest. The note is secured by a deed of trust on 607 Notabene Drive.</p>	\$ 300,000	\$ 300,000
<p>City of Alexandria – Note dated September 21, 2022 for \$400,000. Note bears interest at 0% and is payable over 40 years. Note payments commence on November 1, 2025. There is no penalty if the note is not repaid in 40-years. The note is for the rehabilitation of 3912 Elbert Avenue and is secured by residual receipts of the property.</p>	\$ 400,000	\$ 280,000

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note H – Long-term Debt, continued**

<p>Virginia Housing Partnership – Note dated August 22, 2018. Note bears interest at 1.95% and is payable in monthly installments of \$2,949.97 through September 2043. The note is secured by a deed of trust on 607 Notabene Drive.</p>	\$ 543,226	\$ 567,773
<p>Virginia Housing Partnership – Note dated October 28, 2021 for \$220,000. Note bears interest at 0% and is payable in full upon obtaining a construction loan for rehabilitation on the Elbert Avenue property. The due date is November 1, 2025 or earlier.</p>	\$220,000	\$220,000
<p>Locus Impact Fund – Note dated June 18, 2025 for up to \$2,350,000. The note is payable in full on June 18, 2027. The note bears a blended interest rate of 7.29%, which is a combination of the rate on Capital Magnet Funds and the Locus Bank 2-year borrowing index. The note is to provide rehabilitation funding for the Elbert Avenue project and is expected to be refinanced at maturity.</p>	\$231,179	\$ -
<p>Virginia Housing Partnership – Original note was amended in March 2004. Note bears interest at 3% and is payable in monthly installments of \$3,794.44 through May 2025. The note is secured by a deed of trust on 3912 Elbert Avenue.</p>	\$ -	\$ 41,117
	\$2,083,947	\$1,790,814
<p>Less: Current maturities</p>	(32,031)	(66,829)
<p>Long-term debt</p>	<u>\$2,051,916</u>	<u>\$ 1,723,985</u>

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note H – Long-term Debt, continued**

Aggregate maturities of long-term debt subsequent to June 30, 2025, are as follows:

2026	\$32,031
2027	263,700
2028	33,024
2029	33,537
2030	34,059
Thereafter	<u>1,687,596</u>
	<u>\$ 2,083,947</u>

Interest expense on the above loans totaled \$18,189 and \$20,767 for the years ended June 30, 2025 and 2024, respectively.

**Note I – Line of Credit**

On August 19, 2024, CLI obtained a line of credit with Locus Bank in the amount of \$100,000. As of June 30, 2025, there was no outstanding balance on the line of credit. The interest rate is variable based on the Wall Street Journal Prime Rate plus 1%. There is a 7% floor. Interest paid on the line of credit totaled \$805 for the year ended June 30, 2025.

On May 6, 2022, CLI obtained a line of credit agreement with Virginia Community Capital (which became Locus Bank in September 2023). The maximum amount available under the agreement is \$65,000. As of June 30, 2024, there was no outstanding balance on the line of credit. The interest rate is variable based on the Wall Street Journal Money Rate, which was 8.25% on the date the line of credit was obtained. Interest paid on the line of credit totaled \$556 for the year ended June 30, 2024. The line of credit matured on July 6, 2024.

**Note J – Retirement Plan**

CLI maintains a defined contribution plan covering substantially all full-time employees. Participants are fully vested after one year of service. Under the plan, CLI may, at its discretion, make matching contributions as a percentage of employee contributions. Matching contributions for the years ended June 30, 2025 and June 30, 2024 totaled \$14,888 and \$10,627, respectively.

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note K – Net Assets**

Net assets with donor restrictions are available for the following purposes:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Donation for asset purchase	\$ 28,439	\$ 28,439
Community grants	5,000	5,000
Weekender program	3,300	15,747
Capital purchases	89,500	-
Grants and pledges receivable	<u>287,268</u>	<u>615,000</u>
	<u>\$413,507</u>	<u>\$664,186</u>

**Note L – Major Donors**

During the year ended June 30, 2025, CLI received approximately 36% of support from rental revenue and 10% of support from non-cash donations.

During the year ended June 30, 2024, CLI received approximately 28% of support from rental revenue and 41% of support from one donor.

**Note M – Program Fees**

Transitional housing clients pay CLI a program fee in lieu of rent. Program fees paid to CLI in lieu of rent for the years ended June 30, 2025 and 2024 totaled \$25,986 and \$31,292, respectively.

**Note N – Rental Income/Leases**

Gross potential rent for the year ended June 30, 2025 totaled \$723,735. Rental income of \$671,697 excludes rent subsidies paid by CLI for transitional clients. CLI subsidizes a portion of the rent for transitional clients. The subsidy paid by CLI for the year ended June 30, 2025 totaled \$52,037.

Gross potential rent for the year ended June 30, 2024 totaled \$679,685. Rental income of \$642,025 excludes rent subsidies paid by CLI for transitional clients. CLI subsidizes a portion of the rent for transitional clients. The subsidy paid by CLI for the year ended June 30, 2024 totaled \$37,660.

CLI maintains leases for its affordable rental units. All leases are for one year and renewable upon expiration.

**Community Lodgings, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**  
(See Independent Auditor's Report)

**Note O – Other income**

Other income of \$100,000 is for services provided by CLI as a managing general partner in the acquisition of a multi-family housing project in North Carolina and assist with rehabilitation of the project in an effort to preserve safe, affordable housing.

**Note P – Concentration of Credit Risk**

At various times during the years ended June 30, 2025 and 2024, CLI had more funds on deposit at one financial institution than the \$250,000 insured by the Federal Deposit Insurance Corporation.

**Note Q – Reclassifications**

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

**Note R – Elbert Avenue Rehabilitation**

CLI is in the early stages of rehabilitating their Elbert Avenue property. They have been awarded predevelopment loans totaling \$2,970,000. As of the date of these financial statements, \$851,179 has been drawn to support predevelopment activities, with an additional \$2,118,821 available for future draws. Upon completion of the predevelopment phase and commencement of construction, these loans will be consolidated with construction financing secured for that phase of the project..

As of June 30, 2025, CLI has spent \$903,373 on the rehabilitation.