Metro Community Development, Inc.
and Subsidiaries

Consolidated Financial Statements

June 30, 2022
(With Summarized Comparative
Information for 2021)

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Independent Auditors' Report

Management and the Board of Directors
Metro Community Development, Inc.
Flint, Michigan

Opinion

We have audited the accompanying consolidated financial statements of Metro Community Development, Inc. and subsidiaries which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Metro Community Development, Inc. and subsidiaries as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Metro Community Development, Inc. and subsidiaries 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 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 Metro Community Development, Inc. and subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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, including omissions, 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Metro Community Development, Inc. and subsidiaries' 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 aggregated, that raise substantial doubt about Metro Community Development, Inc. and subsidiaries' 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 the Metro Community Development, Inc. subsidiaries 2021 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated September 28, 2021. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022 on our consideration of Metro Community Development, Inc. and subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metro Community Development, Inc. and subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro Community Development, Inc. and subsidiaries' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Lansing, Michigan
September 29, 2022

Metro Community Development, Inc. and Subsidiaries
Consolidated Statement of Financial Position
June 30, 2022
(With Summarized Comparative Information as of June 30, 2021)

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ **7,385,937**	$ 4,668,871
Investments	**1,587,224**	2,127,508
Prepaid expense and other assets	**1,938**	4,439
Accounts receivable	**516,852**	769,522
Interest receivable	**40,983**	-
Property held for sale	**147,367**	11,701
Loans receivable, current portion	**413,996**	465,206
Total current assets	**10,094,297**	8,047,247
Noncurrent assets		
Deposit - Federal Home Loan Bank	**500,000**	500,000
Funded reserves	**690,276**	779,351
Loans receivable, net of current portion and allowance	**4,311,423**	4,330,015
Property and equipment, net of accumulated depreciation	**2,137,312**	2,102,967
Land development sites	**27,643**	25,383
Total noncurrent assets	**7,666,654**	7,737,716
Total assets	$ **17,760,951**	$ 15,784,963

Metro Community Development, Inc. and Subsidiaries
Consolidated Statement of Financial Position
June 30, 2022
(With Summarized Comparative Information as of June 30, 2021)

	2022	2021
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 578,435	$ 289,292
Accrued liabilities	71,784	60,855
Refundable advance	125,000	-
Notes payable, current portion	205,202	174,602
Total current liabilities	980,421	524,749
Noncurrent liabilities		
Security deposits	10,512	1,155
Investment in partnership	34,317	-
Revolving loans	1,131,237	1,102,196
Notes payable, net of current portion	5,943,842	4,167,595
Total noncurrent liabilities	7,119,908	5,270,946
Total liabilities	8,100,329	5,795,695
Net assets		
Without donor restrictions		
Undesignated	7,334,281	6,964,074
Designated for loan programs	1,855,997	1,887,250
Non-controlling interest in consolidated subsidiary		
Limited partners' equity in limited partnership	-	497,600
Total without donor restrictions	9,190,278	9,348,924
With donor restrictions		
Purpose restrictions	470,344	640,344
Total with donor restrictions	470,344	640,344
Total net assets	9,660,622	9,989,268
Total liabilities and net assets	$ 17,760,951	$ 15,784,963

Metro Community Development, Inc. and Subsidiaries
Consolidated Statement of Activities
For the Year Ended June 30, 2022
(With Summarized Comparative Information for the year ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Totals 2022	Totals 2021
Support and revenues				
Local support	$ 344,951	$ -	**$ 344,951**	$ 882,788
Other grants	525,022	-	**525,022**	384,078
Federal grants	2,846,597	-	**2,846,597**	2,353,602
Contribution of limited partner interest	500,000	-	**500,000**	-
NeighborWorks America	164,500	100,000	**264,500**	378,650
Fees for services	20,717	-	**20,717**	84,557
Interest and other loan fees	448,172	-	**448,172**	374,006
Investment income (loss)	(277,593)	-	**(277,593)**	351,790
Rental income	257,844	-	**257,844**	246,253
COVID funding	-	-	**-**	512,487
Other income	38,185	-	**38,185**	43,253
Net assets released from restrictions	270,000	(270,000)	**-**	-
Total support and revenues	5,138,395	(170,000)	**4,968,395**	5,611,464
Expenses				
Program services	4,509,531	-	**4,509,531**	3,862,130
Supporting services				
Management and general	254,795	-	**254,795**	228,370
Fundraising	32,715	-	**32,715**	17,626
Total expenses	4,797,041	-	**4,797,041**	4,108,126
Change in net assets	$ 341,354	$ (170,000)	**$ 171,354**	$ 1,503,338

Metro Community Development, Inc. and Subsidiaries
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Summarized Comparative Information for the year ended June 30, 2021)

		Supporting Services		Totals	
	Program Services	Management and General	Fundraising	**2022**	2021
Expenses					
Salaries and wages	$ 929,590	$ 40,011	$ 26,172	**$ 995,773**	$ 802,887
Payroll taxes and fringe benefits	225,756	20,866	6,543	**253,165**	206,120
Professional fees	15,287	30,547	-	**45,834**	53,445
Provision for loan losses	124,200	-	-	**124,200**	(98,399)
Communications and marketing	94,469	4,608	-	**99,077**	70,915
Grant reimbursements - community projects	116,351	-	-	**116,351**	171,978
Consultants and contractual	289,969	-	-	**289,969**	521,965
Insurance	123,496	9,966	-	**133,462**	87,158
Memberships and subscriptions	15,041	4,235	-	**19,276**	12,705
Rent and leasing	68,473	-	-	**68,473**	160,951
Equipment purchase and maintenance	73,145	6,048	-	**79,193**	64,384
Supplies and materials	12,415	7,279	-	**19,694**	16,809
Travel	10,182	503	-	**10,685**	5,192
Telephone and utilities	90,610	4,105	-	**94,715**	95,993
Depreciation	-	73,882	-	**73,882**	42,795
Homeowner grant expenses	639,772	-	-	**639,772**	171,470
Subrecipient expenses - Continuum of Care Program	1,499,284	-	-	**1,499,284**	1,517,177
Other expenses	181,491	52,745	-	**234,236**	204,581
Total expenses	$ 4,509,531	$ 254,795	$ 32,715	**$ 4,797,041**	$ 4,108,126

Metro Community Development, Inc. and Subsidiaries
Consolidated Statement of Changes in Net Assets
For the Year Ended June 30, 2022
(With Summarized Comparative Information for the year ended June 30, 2021)

	Without Donor Restrictions			
	Undesignated and designated for loan programs	Non-controlling interests	With Donor Restrictions	Total
Balance - July 1, 2020	$ 7,254,473	$ 510,985	$ 720,472	$ 8,485,930
Change in net assets	1,583,466	-	(80,128)	1,503,338
Attributable to non-controlling interest in limited partnership	13,385	(13,385)	-	-
Balance - June 30, 2021	8,851,324	497,600	640,344	9,989,268
Change in net assets	341,354	-	(170,000)	171,354
Attributable to non-controlling interest in limited partnership	14,353	(14,353)	-	-
Contribution of non-controlling interest in limited partnership	(16,753)	(483,247)	-	(500,000)
Balance - June 30, 2022	$ 9,190,278	$ -	$ 470,344	$ 9,660,622

Metro Community Development, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2022
(With Summarized Comparative Information for the year ended June 30, 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	$ **171,354**	$ 1,503,338
Items not requiring cash		
Depreciation	**73,882**	42,795
Provision for loan losses	**124,200**	(98,399)
Realized and unrealized (gains) losses on investments	**283,674**	(345,855)
Forgiveness of debt	**(20,000)**	-
Contribution of limited partnership interest	**(500,000)**	-
Investment in partnership	**34,317**	-
Change in operating assets and liabilities		
Prepaid expenses	**2,501**	(3,427)
Accounts receivable	**252,670**	(374,622)
Interest receivable	**(40,983)**	-
Property for sale	**(135,666)**	105,341
Collateral holdings	-	83,816
Loans receivable	**(54,398)**	(246,672)
Accounts payable	**289,143**	(18,710)
Accrued expenses	**10,929**	(17,707)
Refundable advance	**125,000**	(7,429)
Deferred revenue	-	(242,300)
Revolving loans	**29,041**	(39,304)
Security deposits	**9,357**	1,155
Net cash provided by operating activities	**655,021**	342,020
Cash flows from investing activities		
Fixed asset purchases	**(110,488)**	(1,041,938)
Purchase of investments	**(837,117)**	(4,941,990)
Proceeds from sale of investments	**1,113,729**	4,926,155
Net cash provided (used) by investing activities	**166,124**	(1,057,773)
Cash flows from financing activities		
Proceeds from State Bank note payable	-	1,056,000
Proceeds from notes payable	**2,125,000**	675,000
Principal payments on notes payable	**(318,154)**	(159,777)
Net cash provided by financing activities	**1,806,846**	1,571,223
Change in cash and cash equivalents	**2,627,991**	855,470
Cash, cash equivalents, and restricted cash - beginning of year	**5,448,222**	4,592,752
Cash, cash equivalents, and restricted cash - end of year	$ **8,076,213**	$ 5,448,222
Supplementary Cash Flow Information		
Cash paid for interest	$ **98,302**	$ 67,753

See Accompanying Notes to the Consolidated Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Metro Community Development, Inc. (MCD), a nonprofit organization, was established August 21, 1992, by public, private and neighborhood organizations for the purpose of enhancing and expanding housing and community development initiatives for underserved people and communities. The following outlines the major service programs:

- **Asset Development:** Empowers families and local businesses to acquire assets and to achieve long term financial success. Includes foreclosure prevention and home purchase counseling as well as lending activities.

- **Community Development:** Establishes community partnerships for the creation of stable and vibrant neighborhoods and communities. Includes the Building Neighborhood Capacity Program.

- **Housing Development:** Determine the potential for MCD to develop new housing stock in the service area. Continue to support housing alternatives with comprehensive options ranging from homelessness, prevention, stabilization, low income, and aging populations.

MCD established Metro Housing Partnership (MHP), a wholly owned subsidiary of the Organization whose purpose is to create quality affordable housing opportunities for low and moderate income families through single-family or multi-family developments and to strengthen and enhance communities. MHP was established in July 2014. As of June 30, 2022, MHP has full general partnership and limited partnership interest in Metawaneenee Hills Limited Partnership (MHLP).

MHLP is organized as a limited partnership to develop, own and operate a 24-unit affordable housing property in Flint, Michigan that has qualified for and was allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42. MHP as the full general and limited partner has complete administrative control of MHLP and is the guarantor of the project obligations. Profit and loss is allocated fully to MHP.

Collectively, MCD, MHP and MHLP shall be referred to as the "Organization".

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

<u>Net assets without donor restrictions</u> – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for loan programs.

<u>Net assets with donor restrictions</u> – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Principles of Consolidation
The consolidated financial statements include the financial statements of MCD, MHP and MHLP. MHLP is included in the consolidation in accordance with United States generally accepted accounting principles (US GAAP) which requires consolidation of all such entities which MCD has both control and economic interest. All significant intercompany accounts and transactions have been eliminated in these consolidated financial statements.

Basis of Accounting
The Organization prepares financial statements on the accrual basis of accounting.

Comparative Financial Information
The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the fiscal year ended June 30, 2021, from which the summarized information was derived.

Cash and Cash Equivalents
The Organization considers cash on hand and demand deposits in banks as cash and highly liquid debt instruments with an original maturity of three months or less to be cash equivalents for the purpose of the statement of cash flows.

The following table provides a reconciliation of cash and restricted cash reported that sum to the total in the statement of cash flows as of June 30:

	2022	2021
Cash and cash equivalents	$ 7,385,937	$ 4,668,871
Funded reserves	690,276	779,351
Total cash and restricted cash	$ 8,076,213	$ 5,448,222

Investments
Investments in marketable securities with readily determinable fair values are valued at their fair values in the statement of financial position. Investment securities are all valued using level one or two inputs which are based on unadjusted quoted market prices within the markets. Changes in unrealized gains and losses are included in the statement of activities as investment income. The Organization primarily uses quoted market prices to establish fair value and transactions are recorded on the trade date.

Accounts Receivable
Accounts receivable consists primarily of amounts due from granting sources for the various programs operated by the Organization. Also included in receivables are tenant accounts receivable that are stated at net rent amounts. The Organization has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

Loans Receivable and Allowance for Loan Losses
Loans receivable are stated at unpaid principal balances, less an allowance for loan losses. The allowance for loan losses represents management's estimate of probable losses inherent in the loan portfolios as of the balance sheet date. The estimate of the allowance is based on a variety of factors, including past loan loss experience, adverse situations that have occurred but are not yet known that may affect the borrower's ability to repay, the estimated value of the underlying collateral, lender requirements, and general economic condition. The ultimate recovery of all loans is susceptible to future market factors beyond the Organization's control.

The Organization considers a loan impaired when based on current information or factors, it is probable that the Organization will not collect all principal and interest due according to the loan agreement. Management considered many factors in determining whether a loan is impaired, such as payment history, borrower financial condition, and value of collateral. The Organization reviews impairment on a loan-by-loan basis by either using the fair value of collateral or the present value of expected cash flows discounted at the loans effective interest rate or, as practical expedient, at the loan's observable market price or the fair value of collateral if the loan is dependent.

Interest income on loans receivable is accrued based on the loan balance and interest rate stated in the loan agreement, ranging from 0.0% to 9.0%. Once a loan receivable is determined to be uncollectable and written off, the Organization no longer recognizes interest income on the loan balance. Any payment received on loans previously written off are recorded as loan loss recoveries.

The Organization periodically, sells loans through either securitizations or individual loan sales. When this occurs, the sold loans are removed from the consolidated statement of operations and a net gain or loss is recognized at the time of sale.

Property and Equipment
Property and equipment is recorded at cost and items which substantially increase the useful lives of existing assets are capitalized at cost. Depreciation on the building, furniture and fixtures is computed using the straight-line method over the useful lives of the assets ranging from 7 - 40 years. Improvements over $ 5,000 are capitalized while expenditures for maintenance and repairs are charged to expenses when incurred.

Property Held for Sale
Property held for sale is recorded at market value for real estate foreclosed upon, and cost for improvements made for sale.

Land Development Sites
The Organization maintains land to be used for future development which is stated at the lower of cost or market. Carrying costs related to the land are expensed as incurred.

Investment in Partnership
The Organization has a minority general and limited partner interest in an affordable housing properties located in Flint Michigan named Carriage Town Limited Dividend Housing Association Limited Partnership (. The Organization accounts for this as an equity method investment, and because it is liable for obligations, it records its share of the real estate Partnership's losses.

Paycheck Protection Program (PPP) Loan
The Organization accounts for the PPP loan as a conditional contribution under FASB ASC 958-605 Not-for-Profit Entities: Revenue Recognition by analogizing FASB 958-605 Not-for-Profit Entities: Revenue Recognition as a conditional contribution. The conditions have been met for revenue recognition.

Net Asset Classification

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP) to report information regarding the Organization's financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net assets designated for loan programs represent amounts set aside by the Board to make loans to eligible businesses and individuals. The amount is based on the estimated collectable value of loans made with funds from the Community Development Financial Institutions CDFI program. The expected collections from those loans will be used to make new loans.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees are deferred to the applicable period in which the performance obligations are met related services are performed or expenditures are incurred, respectively. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. Loan origination and commitment fees, as well as certain direct origination costs, are recognized at the inception of the loan receivable. Any loan servicing fees are determined at the reporting date to be adequate compensation, and therefore are recognized when received and no servicing asset or liability is recorded. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Grant Revenue Recognition

The Organization enters into contracts with certain governmental and private agencies. Revenue under these contracts is recognized when earned. The activities of the Organization relating to certain contracts are subject to review or audit by the responsible governmental agency to determine compliance with award documents and may be subject to possible adjustment based on negotiations with the funding agencies. The Organization has not provided allowances in the financial statements for potential adjustments since such amounts, if any, are not expected to be significant.

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Rental Income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the MHLP and the tenants of the property are operating leases.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include salaries and benefits, depreciation and amortization, occupancy and information technology. Salaries, and benefits, are allocated based on time entry of employees, occupancy, depreciation, and information technology are allocated based on size and make up of programs.

Income Tax Status
Metro Community Development, Inc., and Metro Housing Partnership, nonprofit exempt organizations have both been granted tax-exempt status by the Internal revenue Service under Section 501(c)(3) of the Internal Revenue Code, and both file a Federal informational return. The income and losses of Metawaneenee Hills Limited Partnership are allocated to the partners and reported on their respective tax returns. The activities of Metawaneenee Hills Limited Partnership are within the tax exempt purpose of Metro Housing Partnership.

Concentration of Credit Risk
The Organization is required to disclose concentration of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Organization to concentration of credit risk consist principally of cash, cash equivalents and certificates of deposits. The Organization places its cash and cash equivalents with high quality financial institutions. At June 30, 2022, deposits with financial institutions amounted to $ 8,296,951, of this amount, $ 6,784,188 was uncollateralized and uninsured by FDIC depository insurance. The Organization's loan receivable portfolio is concentrated primarily within Genesee County.

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events
Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management has evaluated subsequent events through September 29, 2022 and concluded that no subsequent events have occurred that would require disclosure in the noted to the financial statements.

Reclassifications
Certain amounts on the statement of financial position (cash and cash equivalent and funded reserves) have been reclassified to conform to the current year presentation. Previously reported net assets and change in net assets have not been impacted as a result of these reclassifications.

Upcoming Accounting Pronouncements
In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The update provides financial statement users with more decision-useful information about expected credit losses on financial instruments and other commitments to extend credit held by the Organization. Implementation of this standard has been delayed, and will be adopted by the Organization for the year ended June 30, 2024. Management is evaluating the impact of the guidance on the Organization's financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The update increases the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing essential information about leasing transactions. Implementation of this standard has been delayed, and will be adopted by the Organization for the year ended June 30, 2023. Management is evaluating the impact of the guidance on the Organization's financial statements.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2022	2021
Cash and cash equivalents	$ 7,385,937	$ 4,668,871
Accounts receivable	516,852	769,522
Interest receivable	40,983	-
Loans receivable, short term	413,996	465,206
Financial assets at year end	8,357,768	5,903,599
Less those unavailable for general expenditure within one year:		
Restricted by donor with time or purpose restrictions	(470,344)	(640,344)
Board designated without donor restricted net assets	(1,855,997)	(1,887,250)
Financial assets available to meet cash needs for general expenditures within one year	$ 6,031,427	$ 3,376,005

The Organization has cash and cash equivalents classified used to cover expense payments as they become due. In addition, the Organization focuses on fundraising and grant development efforts to ensure adequate contributions are being received to cover the programs operated. Lastly, the Organization has investment funds to provide secure funding for the mission and certain funded reserves available to fund loan losses. These funds are not expected to be used for current expenses and would only be used at the Organization's discretion.

Note 3 - Funded Reserves

Funded reserves primarily consist of cash required by lenders and regulators to be set aside as a loan loss reserve to cover future loan losses related to the loan portfolio. Additionally, MHLP is required to set aside amounts in a replacement reserve account to be available for the replacement of property and project expenditures. Funded reserves are as follows at June 30:

Purpose	Source	2022	2021
Loan Loss Reserve	Small Business Administration	$ 195,532	$ 241,541
Loan Loss Reserve	Department of Treasury - CDFI	220,597	220,554
Loan Loss Reserve	Huntington Bank	108,679	194,551
Loan Loss Reserve	Genesee County	47,029	32,904
Loan Loss Reserve	Community Advantage	20,374	15,970
Loan Loss Reserve	City of Flint	33,360	16,367
Loan Loss Reserve	MEDC	40,075	40,034
Replacement Reserve	Metawaneenee Hills	24,630	17,430
Total funded reserves		$ 690,276	$ 779,351

SBA Community Advantage Loan Loss Reserve

As of June 30, 2022 and 2021, the Organization was in compliance with Small Business Administration Community Advantage loan loss reserve requirements for the Community Advantage Pilot Program.

Note 4 - Deposit

The Organization has $ 500,000 on deposit with the Federal Home Loan Bank of Indianapolis. These funds are used as collateral for the Homeownership Initiative Program. At June 30, 2022 , the collateral has yet to be drawn upon.

Note 5 - Conditional Promises to Give

During the fiscal year, the Organization received conditional promises to give related to local, state and federal grants. Payment of the grants is contingent upon spending the funds for the designated allowable purpose and various compliance requirements in accordance with 2 CFR 200. The conditional contributions consisted of the following as of June 30, 2022:

Condition / Grant Purpose	Total Contract / Grant Amount	Spent to Date	Conditional Contribution
FSS Counseling	$ 57,000	$ 56,350	$ 650
Housing Counseling	25,500	7,849	17,651
Tenant Based Rental Assistance	73,340	49,981	23,359
CDFI Rapid Response	1,050,000	400,000	650,000
HUD Continuum of Care	1,661,782	1,024,496	637,286
	$ 2,867,622	$ 1,538,676	$ 1,328,946

Note 6 - Investments

Investments are recorded at fair value. A summary of cost, fair value, and unrealized gain or loss on investment at June 30, 2022 is as follows:

June 30, 2022	Cost	Fair Value	Unrealized Gain (Loss)
Equity securities			
Stocks, and ETFs	$ 1,721,544	$ 1,523,502	$ (198,042)
Money market	46,048	46,048	-
Other	17,674	17,674	-
	$ 1,785,266	$ 1,587,224	$ (198,042)

A summary of cost, fair value, and unrealized gain or loss on investment at June 30, 2021 is as follows:

June 30, 2021	Cost	Fair Value	Unrealized Gain (Loss)
Equity securities			
Stocks, and ETFs	$ 1,950,764	$ 2,066,024	$ 115,260
Money market and other	44,610	44,610	-
Other	16,874	16,874	-
	$ 2,012,248	$ 2,127,508	$ 115,260

The following schedule reconciles investment income as reported in the statement of activities with investment earnings:

	2022	2021
Interest and dividend income	$ 16,895	$ 19,401
Realized gains on investments	29,628	26,083
Unrealized gains (losses) on investments	(313,302)	319,772
Total investment income	(266,779)	365,256
Investment fees and expenses	(10,814)	(13,466)
Net investment income	$ (277,593)	$ 351,790

Note 7 - Fair Value Measurements

US GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

In general, fair value determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows as of June 30, 2022:

	Balance at June 30, 2022	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)
Equity securities				
Stocks, and ETFs	$ 1,523,502	$ 1,523,502	$ -	$ -
Money market	46,048	46,048	-	-
Other	17,674	-	-	17,674
	$ 1,587,224	$ 1,569,550	$ -	$ 17,674

Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows as of June 30, 2021:

	Balance at June 30, 2021	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Unobservable inputs (Level 3)
Equity securities				
Stocks, and ETFs	$ 2,066,024	$ 2,066,024	$ -	$ -
Money market and other	44,610	44,610	-	-
Other	16,874	-	-	16,874
	$ 2,127,508	$ 2,110,634	$ -	$ 16,874

Disclosures concerning a contribution measured at fair value on a nonrecurring basis due to the donation of the non-controlling interest in MHLP are categorized as level 3. The value of the contribution is based on the land, land improvements, buildings, and furniture and fixtures of a 24-unit affordable housing project. The Organization determined the fair value using both a market approach and income approach by taking into consideration factors such as discounted future cash flows, assessed values of the units and comparable market data. The values determined for property and equipment are based on available information at the time. The valuation of property and equipment can be subject to rapid change due to business and market conditions and the valuation is therefore inherently uncertain. Because of this inherent uncertainty, the estimated fair values of the property and equipment may differ significantly from the values that would have been used had a ready market for the investments existed.

Note 8 - Loans Receivable

The Organization has developed a loan program to support the growth of businesses in the Organization's operating area as a means to assist in sustaining and creating new jobs in the community. Customers are most often local businesses who want to expand their markets and increase their profitability. The Organization's loan portfolio is comprised of loans that are secured by real estate, commercial property and equipment. The collateral is concentrated primarily within Genesee County. Loans receivable at June 30, 2022 and 2021 consist of the following:

	2022	2021
Micro Loans and Enterprise Loans -		
Community Development Financial Institution	$ 1,135,400	$ 1,166,696
Micro Loans - Small Business Administration	660,639	715,443
Micro Loans - Community Advantage	45,973	68,017
Affordable Mortgage Loans	1,045,118	1,061,015
Small Business Loans	2,035,308	1,916,454
Land contract	11,996	31,798
Fresh Start Loans	8,366	24,346
Senior Tax and Home Retention Loans	475	2,375
Less: allowance for loan losses	(217,856)	(190,923)
Total loans receivable, net	$ 4,725,419	$ 4,795,221

Details of the various loan programs are as follows:

- **Micro loan fund:** to provide loans in the range of $ 5,000 - $ 50,000 towards purchase or improvement of property, leasehold improvements, equipment, vehicles, hardware and software and other effective financial needs that contribute to the sustainability and growth of an existing business. Interest rates range between 4% - 7% based on type of funds available. Loan terms are for five years. The micro loan fund has been established with the assistance of C.S. Mott Foundation, the U.S. Department of Treasury's Community Development Financial Institutions (CDFI) Program and the U.S. Small Business Administration.

- **Enterprise loan fund:** to provides loan in the range of $ 50,001 to $ 200,000 towards business growth that can be used as leverage for financing with lenders. The loan fund can be secondary loan. Interest rates range between 5% - 7% based on type of funds available. Loan terms vary from 5 to 10 years depending on the type of loan funds. Enterprise loans are funded through the CDFI program.

- **Affordable mortgage loans:** the Organization participates in an affordable mortgage program to maintain community stability and stimulate neighborhood revitalization. The Affordable Mortgage Program is established to provide mortgages to residents in City of Flint and Genesee County that cannot obtain financing through conventional sources or other financing from financial institutions. The program creates opportunity for first time homebuyers and former homeowners. Loan amounts generally range from $ 15,000 to $ 75,000 and loan terms vary from 5 to 30 years. Interest rates range between 0.4% - 4%. Funding for the affordable mortgage loan fund is established in partnership with Genesee County Metropolitan Planning Commission and the City of Flint. As a corresponding liability for these loans has been established as a revolving loan payable, an allowance for loan losses is not calculated on the affordable mortgage loans as the Organization does not absorb the risk of loss.

- **Small Business loan fund:** to provide loans to micro and small business in the range of $ 5,000 to $ 250,000 towards business growth in the Flint and Saginaw areas. Interest rates range from 5% - 7.75% based on type of funds available. Loan terms vary from 5 to 15 years depending on the type of loan funds. Small business loan fund loans are made with proceeds drawn from the Huntington Bank note.

- **Fresh Start loans:** to provide loans geared toward improving credit, to purchase a vehicle used to get to and from work, or to consolidate credit card debt. Loans vary between $ 2,000 and $ 5,000 and credit scores will not be used in determining loan approval. Borrowers may have no more than two outstanding loans at one time. Loans to be paid off within three years.

- **Senior tax loan and home retention loans:** the Organization established senior tax loan and home retention loan programs. The senior tax loan program provides loans to seniors to assist in paying delinquent property taxes to prevent foreclosure. The senior home retention program is available to seniors who have been approved for a Home Equity Conversion Mortgage (commonly known as a Reverse Mortgage). The benefits of these loans include reduced mortgage payments because of lower interest rates and allowing the seniors to live in their homes for an extended period of time. Loan amounts range from $ 1,000 to $ 7,500 and are generally for a period of 5 years. Interest rates are 4%. Funding for the senior tax loans and home retention loans has been established with assistance from the C.S. Mott Foundation.

- **Land contract:** the Organization established a land contract when closing on held collateral holdings. This is a 4.0% loan made on the balance of $ 40,000.

The following presents the aging of loan balances by portfolio segment at June 30, 2022:

Loan Program	91+ Days Past Due	31 - 90 Days Past Due	Current	Total
Community Development Financial Institution	$ -	$ -	$ 1,135,400	$ 1,135,400
Micro Loans - Small Business Administration	9,155	-	651,484	660,639
Micro Loans - Community Advantage	-	-	45,973	45,973
Affordable Mortgage Loans	199,244	127,282	718,592	1,045,118
Small Business Loans	15,000	47,552	1,972,756	2,035,308
Land contract	-	-	11,996	11,996
Fresh Start Loans	-	557	7,809	8,366
Senior Tax and Home Retention Loans	-	-	475	475
	$ 223,399	$ 175,391	$ 4,544,485	4,943,275
Allowance for Loan Loss				(217,856)
Totals				$ 4,725,419

The Organization accepts credit risks beyond the tolerance of regulated lenders and identifies the risk of each loan and mitigation of those risks on a case-by-case basis. Loans are evaluated by the Organization using a risk rating scale of low (highest credit quality, borrower is stable and reliable) to doubtful (weak borrower, facing significant challenges).

The following presents the credit quality of the loans receivable as of June 30, 2022:

Loan Program	Risk Rating Low	Risk Rating Medium	Risk Rating None	Risk Rating Satisfactory	Risk Rating Doubtful	Total
Community Development Financial Institution	$ 1,111,183	$ 14,040	$ -	$ -	$ 10,177	$ 1,135,400
Micro Loans - Small Business Administration	645,503	-	-	15,136	-	660,639
Micro Loans - Community Advantage	45,973	-	-	-	-	45,973
Affordable Mortgage Loans	-	-	1,045,118	-	-	1,045,118
Small Business Loans	1,720,487	28,096	-	286,725	-	2,035,308
Land contract	-	-	11,996	-	-	11,996
Fresh Start Loans	-	-	8,366	-	-	8,366
Senior Tax and Home Retention Loans	-	-	475	-	-	475
	$ 3,523,146	$ 42,136	$ 1,065,955	$ 301,861	$ 10,177	4,943,275
Allowance for Loan Loss						(217,856)
Totals						$ 4,725,419

For the year ended June 30, 2022, there were four loans charged off totaling $97,267. There were no loans that were classified as non-performing, although two loans were considered doubtful based on payment history.

For the year ended June 30, 2021, there were two loans charged off totaling $ 3,999. There were no loans that were classified as non-performing, although four loans were considered doubtful based on payment history.

Original maturities of loans receivable over the next five years are expected to be as follows:

June 30,		
2023	$	413,996
2024		380,042
2025		376,812
2026		310,745
2027		137,011
Thereafter		3,324,669
	$	4,943,275

Interest earned on loans receivable for the years ended June 30, 2022 and 2021 amounted to $ 259,338 and $ 225,732, respectively.

Note 9 - Allowance for Loan Losses

The Organization's allowance for loan losses for loans receivable and deferred loans receivable are as follows at June 30:

		2022		2021
Balance, beginning	$	190,923	$	302,137
Change in provision for loan losses		(70,334)		(115,213)
Charge-offs		97,267		3,999
Balance, ending	$	217,856	$	190,923

An allowance for loan losses has not been established for the affordable mortgage loans since the Organization does not absorb the risk of loss on the loans and a corresponding liability for these loans has been established as a revolving loan payable.

Note 10 - Property and Equipment

The cost of property and equipment is summarized as follows at June 30:

	Metro Community Development, Inc.	Metro Housing Partnership	Metawaneenee Hills Limited Partnership	2022	2021
Land	$ 27,720	$ -	$ 11,089	$ 38,809	$ 38,809
Land improvements	16,380	-	28,327	44,707	44,707
Buildings and improvements	1,517,997	-	451,601	1,969,598	1,861,372
Furniture and fixtures	225,632	-	8,983	234,615	234,615
Computer equipment	25,450	-	-	25,450	25,450
Total property and equipment	1,813,179	-	500,000	2,313,179	2,204,953
Less accumulated depreciation	(98,923)	-	(76,944)	(175,867)	(101,986)
Net property and equipment	$ 1,714,256	$ -	$ 423,056	$ 2,137,312	$ 2,102,967

Note 11 - Revolving Loans

Revolving loans represent amounts to be repaid to grantors for the outstanding balance on loans made with funds for the affordable mortgage loan program. In accordance with an agreement entered into between the Organization and Genesee County in May, 2021, the principal and interest collected on the affordable mortgage loans will be held onto by Metro Community Development, Inc., and once the amount collected exceeds $ 200,000, the Organization will withdraw $ 100,000 and establish a loan-loss reserve account. At the time the loan-loss reserve account is established, the County and Organization will meet to determine the use of the funds. If either party terminates the agreement, the funds will be returned to the County.

The Organization entered into a revolving loan agreement with the City of Flint. The principal and interest collected on the affordable mortgage loans will be held onto by Metro Community Development, Inc., and used to establish a Housing Loan Fund program whereby the funds collected will be reinvested and used for new homebuyer initiatives managed by the Organization.

The balance of the revolving loans amounted to $ 1,131,237 and $ 1,102,196 at June 30, 2022 and 2021, respectively. The entire balance has been reported as noncurrent as it is not the intention of either Organization to terminate the agreements in the near term. The Organization does not pay interest on the outstanding revolving loan balances.

Note 12 - Notes Payable

The Organization has various notes payable where the proceeds have been used to make loans under the Organization's various lending programs as follows for the years ended June 30:

	2022	2021
SBA loan (loan no. 6130755010), dated July 12, 2013 in the amount of $ 250,000 is payable over ten years at a stated interest rate of .875%. Interest for the first twelve months accrued at 0% and can remain at that amount based on annual portfolio reviews performed by the SBA. No payments of principal or interest are required for the first twelve months from the date of the note. After that period, amounts borrowed under the SBA note are to be amortized over a ten year period. Current monthly payments on the note, including interest at 0% amount to $ 2,837 per month.	$ 36,877	$ 70,917
SBA loan (loan no. 7397295007), dated July 18, 2015 in the amount of $ 200,000 is payable over ten years at a stated interest rate of 1.50%. However, interest for the first twelve months accrued at 0% and can remain at that amount based on annual portfolio reviews performed by the SBA. No payments of principal or interest are required for the first twelve months from the date of the note. After that period, amounts borrowed under the SBA note are to be amortized over a ten year period. Current monthly payments on the note, including interest at .25% amount to $ 2,218 per month.	-	93,647
SBA loan (loan no. 8723675004), dated November 28, 2016 in the amount of $ 300,000 is payable over ten years at a stated interest rate of 1.125%. However, interest for the first twelve months accrued at 0% and can remain at that amount based on annual portfolio reviews performed by the SBA. No payments of principal or interest are required for the first twelve months from the date of the note. After that period, amounts borrowed under the SBA note are to be amortized over a ten year period. Current monthly payments on the note, including interest at 0%, amount to $ 3,093 per month.	163,903	201,013
SBA loan (loan no. 2857517003), dated October 28, 2018 in the amount of $ 400,000 is payable over ten years at a stated interest rate of 2%. However, interest for the first twelve months accrued at 0.75% and can remain at that amount based on annual portfolio reviews performed by the SBA. No payments of principal or interest are required for the first twelve months from the date of the note. After that period, amounts borrowed under the SBA note are to be amortized over a ten year period. Monthly payments on the note, including interest, will amount to $ 4,261 per month.	305,682	351,363

SBA loan (loan no. 4287757001), dated April 14, 2020 in the amount of $ 800,000 is payable over ten years at a stated interest rate of 1.375%. However, interest for the first twelve months accrued at 0% and can remain at that amount based on annual portfolio reviews performed by the SBA. No payments of principal or interest are required for the first twelve months from the date of the note. After that period, amounts borrowed under the SBA note are to be amortized over a ten year period.	758,999	269,958
Note payable to Michigan Economic Development Corporation, dated July 14, 2020 in an amount not to exceed $ 2,000,000. Interest accrues on the unpaid balance of the principal at 1% and is payable monthly. Commencing August 1, 2025 and on the first day of each calendar month thereafter, through the maturity date on August 1, 2030, equal payments of principal and interest will be made on the outstanding balance of the note.	1,999,286	400,000
Note payable to Huntington Bank, dated November 4, 2016 in an amount not to exceed $ 2,000,000. Interest accrues on the unpaid balance of the principal at 2% and is payable quarterly. Commencing November 1, 2021 and on the first day of each calendar month thereafter, through the maturity date on November 4, 2026, equal payments of principal and interest will be made on the outstanding balance of the note.	1,896,625	1,917,375
Note payable to The State Bank, dated July 29, 2020 in an amount not to exceed $ 1,056,000. Interest accrues on the unpaid balance of the principal at 4.85% and is payable monthly. Commencing February 28, 2021 and on the last day of each calendar month thereafter, through the maturity date on January 31, 2031, equal payments of principal and interest will be made on the outstanding balance of the note.	987,672	1,017,924
Metawaneennee Hills Limited Partnership has an unsecured note payable to its limited partner, National Equity Fund, in the amount of $ 20,000, bearing interest of 1.62% per annum. Payments of interest and principal are to be made from surplus cash of the partnership.	-	20,000
Total	6,149,044	4,342,197
Less current portion	(205,202)	(174,602)
Long-term portion	$ 5,943,842	$ 4,167,595

With the exception of the MHLP note which is unsecured, the notes are secured by a security interest in all loans made with funding from the respective notes as well as an interest in the loan loss reserve account maintained by the Organization.

The Organization has a covenant to maintain a funded loan loss reserve of at least 15% for SBA loans which was met as of June 30, 2022.

Principal repayments of the notes payable over the next five years are expected as follows:

June 30,		
2023	$	205,202
2024		177,067
2025		177,655
2026		181,069
2027		162,953
Thereafter		5,245,098
	$	6,149,044

In addition to the above notes, the Organization entered into a promissory note agreement with Bank of America in an amount not to exceed $ 500,000. The proceeds of the line will be used to fund loans the Organization makes to microenterprise and small business borrowers. The note bears interest at 3.00% per annum and is payable at the end of each calendar quarter. The note has an original 8 year term, maturing in 2025, with a 24 month draw period, and principal payments beginning in year 5. As of June 30, 2022, the Organization had not initiated any draws on the note and the balance was $ 0.

Note 13 - Non-Controlling Interest in Limited Partnership

This amount represents the aggregate balance of Limited Partner equity interest in Metawaneenee Hills Limited Partnership that are included in the consolidated financial statements. During the year ended June 30, 2022, the non-controlling interest was contributed to the Organization.

The following table presents changes in ownership interest in the subsidiary including changes in the non-controlling interest:

	Total	Controlling interest	Non-controlling interest
Balance, July 1, 2020	$ 525,602	$ 14,617	$ 510,985
Excess of revenues over expenses (from continuing operations)	(13,386)	(1)	(13,385)
Balance, June 30, 2021	512,216	14,616	497,600
Excess of revenues over expenses (from continuing operations)	(28,712)	(14,359)	(14,353)
Contribution of non-controllling interest in limited partnership	-	483,247	(483,247)
Balance, June 30, 2022	$ 483,504	$ 483,504	$ -

Note 14 - Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following at June 30:

	2022	2021
Purpose		
NeighborWorks America	$ 100,000	$ 75,000
Consumers Energy Foundation	-	175,000
Wells Fargo	370,344	390,344
	$ 470,344	$ 640,344

Note 15 - Net Assets Released from Restrictions

During the year, net assets were released from restrictions as either the purpose or timing restriction was met as follows:

	2022	2021
Satisfaction of purpose restrictions		
Community Development Financial Institution	$ -	$ 481,436
Wells Fargo	20,000	-
Consumers Energy Foundation	175,000	29,036
Satisfaction of time and purpose restrictions		
NeighborWorks America	75,000	35,000
	$ 270,000	$ 545,472

Note 16 - Revenue from Contracts with Customers

The following summarizes revenue by type for the year ended June 30, 2022 and 2021:

	2022	2021
Contract revenue recognized at a point in time		
Fees for services	$ 20,717	$ 84,557
Contributions and other revenue		
Local Support	344,951	882,788
Other Grants	525,022	384,078
Federal Grants	2,846,597	2,353,602
Contribution of limited partner interest	500,000	-
NeighborWorks America	264,500	378,650
Interest and other loan fees	448,172	374,006
Investment Income (loss)	(277,593)	351,790
Rental income	257,844	246,253
Other income	38,185	43,253
COVID funding	-	512,487
Total revenue	$ 4,968,395	$ 5,611,464

Revenue earned at a point in time consists of various loan counseling and client fees. Generally, these fees are paid when incurred. The fees are incurred as counseling services are performed and therefore the performance obligation is typically satisfied immediately. There is no variable consideration for the fees paid. The transaction price is calculated using established rates.

At June 30, 2022 and 2021, there were no contract assets or liabilities.

There were no changes in judgments related to revenue recognition for the years ended June 30, 2022 and 2021.

Note 17 - Grant Revenue

Grant revenue recognized consist of the following for the year ended June 30, 2022 and 2021:

	2022	2021
Other grants:		
Neighborhood Impact Program	$ 525,022	$ 384,078
Federal grants:		
Department of Housing and Urban Development (HUD) - Continuum of Care (CoC) grant	$ 1,980,325	$ 1,919,316
MSHDA - Neighborhood Enhancement Program		
MSHDA - FSS Counseling	56,350	51,086
HUD - Housing counseling	7,849	34,267
Department of Treasury - Community Development Financial Institution	400,000	-
Genesee County - Tenant Based Rental Assistance	49,981	151,671
US Small Business Administration - Technical Assistance	352,092	197,262
	$ 2,846,597	$ 2,353,602

Note 18 - Local Support

Local support revenue consist of the following for the year ended June 30, 2022 and 2021:

	2022	2021
Charles Stewart Mott Foundation	$ 100,000	$ 192,500
Ruth Mott Foundation	160,000	-
Wells Fargo	-	500,000
United Way of Genesee County	15,000	65,000
Community Foundation	28,259	72,617
Genesee County	21,162	7,736
Huntington National Bank	20,000	25,000
TCF Bank	-	10,000
Other local contributions	530	9,935
	$ 344,951	$ 882,788

Note 19 - Retirement Plan

The Organization offers a retirement plan to its salaried employees in the form of a SIMPLE IRA. Employees elect annually to deposit a portion of their salaries into the plan, and the Organization matches up to 3% of the base salary. Retirement plan expense was $ 8,786 and $ 13,237 for the fiscal years ended June 30, 2022 and 2021.

Note 20 - Commitments and Contingencies

Grants require the fulfillment of certain conditions as set forth in the governing instrument. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Board deems the contingency to be remote, since by accepting the grants and their terms; it has accommodated the objectives of the Organization to the provisions of the grant.

MHP as the general partner of MHLP has guaranteed the obligations of the partnership and may be required to repay creditors of MHLP under normal partnership requirements.

MHP has a general and limited partner interest in Carriage Town Limited Dividend Housing Association Limited Partnership and has guaranteed the obligations of the partnership and may be required to repay creditors of Carriage Town Limited Dividend Housing Association Limited Partnership under normal partnership requirements.

Note 21 - Current Vulnerability Due to Funding Source Concentrations

The Organization received 45% and 36% of its support from the U.S. Department of Housing and Urban Development (HUD) for the years ended June 30, 2022 and 2021 , respectively. It is possible that HUD grant programs could cease. The Organization does not expect that support from HUD will be lost in the near term.

The Organization operates in the real estate rental market a heavily regulated environment. The operations in this market are subject to the administrative directives, rules and regulations of federal regulatory agencies, including, but not limited to, the Internal Revenue Code. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by the Internal Revenue Service. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Note 22 - Operating Leases

The Organization leases a portion of the building it owns and occupies to various tenants under various lease agreements through 2034.

The following is a summary of the future annual rental revenue for the tenants which currently have non-cancellable lease agreements for the fiscal years ended June 30:

2023	$	98,524
2024		68,964
2025		29,294
2026		5,100
2027		5,100
Thereafter		44,850
	$	251,832

Supplementary Information

Metro Community Development, Inc. and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2022

	Metro Community Development	Metro Housing Partnership	Metawaneenee Hills Limited Partnership	Eliminating Entries	Total
Assets					
Current assets					
Cash and cash equivalents	$ 7,147,756	$ 158,036	$ 80,145	$ -	$ 7,385,937
Investments	1,587,224	-	-	-	1,587,224
Prepaid expense and other assets	1,938	-	-	-	1,938
Accounts receivable	510,605	-	6,247	-	516,852
Interest receivable	40,983	-	-	-	40,983
Intercompany receivables	106,539	-	-	(106,539)	-
Property held for sale	-	147,367			147,367
Loans receivable, current portion	413,996	-	-	-	413,996
Total current assets	9,809,041	305,403	86,392	(106,539)	10,094,297
Noncurrent assets					
Deposit - Federal Home Loan Bank	500,000	-	-	-	500,000
Funded reserves	665,646	-	24,630	-	690,276
Loans receivable, net of current portion and allowance	4,311,423	-	-	-	4,311,423
Property and equipment, net of accumulated depreciation	1,714,256	-	423,056	-	2,137,312
Land development sites	27,643	-	-	-	27,643
Investment in limited partnership	-	483,504	-	(483,504)	-
Total noncurrent assets	7,218,968	483,504	447,686	(483,504)	7,666,654
Total assets	$ 17,028,009	$ 788,907	$ 534,078	$ (590,043)	$ 17,760,951

Metro Community Development, Inc. and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2022

	Metro Community Development	Metro Housing Partnership	Metawaneenee Hills Limited Partnership	Eliminating Entries	Total
Liabilities and net assets					
Current liabilities					
Accounts payable	$ 527,861	$ -	$ 50,574	$ -	$ 578,435
Intercompany payables	-	106,539	-	(106,539)	-
Accrued liabilities	71,784	-	-	-	71,784
Refundable advance	125,000	-	-	-	125,000
Notes payable, current portion	205,202	-	-	-	205,202
Total current liabilities	929,847	106,539	50,574	(106,539)	980,421
Noncurrent liabilities					
Security deposits	10,512	-	-	-	10,512
Investment in partnership	-	34,317	-	-	34,317
Revolving loans	1,131,237	-	-	-	1,131,237
Notes payable, net of current portion	5,943,842	-	-	-	5,943,842
Total noncurrent liabilities	7,085,591	34,317	-	-	7,119,908
Total liabilities	8,015,438	140,856	50,574	(106,539)	8,100,329
Net assets					
Without donor restrictions					
Undesignated	6,686,230	648,051	483,504	(483,504)	7,334,281
Designated for loan programs	1,855,997	-	-	-	1,855,997
Non-controlling interest in consolidated subsidiary					
Limited partners' equity in limited partnership	-	-	-	-	-
Total without donor restrictions	8,542,227	648,051	483,504	(483,504)	9,190,278
With donor restrictions					
Purpose restrictions	470,344	-	-	-	470,344
Total net assets	9,012,571	648,051	483,504	(483,504)	9,660,622
Total liabilities and net assets	$ 17,028,009	$ 788,907	$ 534,078	$ (590,043)	$ 17,760,951

Metro Community Development, Inc. and Subsidiaries
Consolidating Statement of Activities
For the Year Ended June 30, 2022

	Metro Community Development	Metro Housing Partnership	Metawaneenee Hills Limited Partnership	Eliminating Entries	Total
Support and revenues					
Local support	$ 344,951	$ -	$ -	$ -	$ 344,951
Other grants	504,017	-	-	-	504,017
Federal grants	2,867,602	-	-	-	2,867,602
Contribution of limited partner interest	-	500,000	-	-	500,000
NeighborWorks America grant	264,500	-	-	-	264,500
Fees for services	20,717	-	-	-	20,717
Interest and other loan fees	448,172	-	-	-	448,172
Investment income	(243,282)	(34,311)	-	-	(277,593)
Rental income	104,180	-	153,664	-	257,844
Other income	3,817	-	34,368	-	38,185
Total support and revenues	$ 4,314,674	$ 465,689	$ 188,032	$ -	$ 4,968,395
Expenses					
Program Services	$ 4,300,107	$ 6,674	$ 202,750	$ -	$ 4,509,531
Supporting services					
Management and general	240,805	-	13,990	-	254,795
Fundraising	32,715	-	-	-	32,715
Total expenses	$ 4,573,627	$ 6,674	$ 216,740	$ -	$ 4,797,041