

SOME and Affiliates

**Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2015 And 2014

**SOME and Affiliates
Consolidated Financial Statements**

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Independent Auditor's Report

To the Board of Directors of SOME and Affiliates

We have audited the accompanying consolidated financial statements of SOME and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2015, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SOME and Affiliates' preparation and fair presentation of the consolidated financial statements 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 SOME and affiliates' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SOME and affiliates as of December 31, 2015, and the consolidated 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.

Emphasis of Matter

As described in Note 15, prior to issuing the accompanying consolidated financial statements, SOME and Affiliates identified a prior period error whereby certain affiliated limited liability companies that should have been included in SOME and Affiliates December 31, 2014 and prior consolidated financial statements in

accordance with generally accepted accounting principles were not included. SOME and Affiliates has corrected its accounting for this item and restated its consolidated net assets as of January 1, 2014. Our opinion is not modified with respect to this matter.

Report on the Compiled Financial Statements

Management is responsible for the accompanying financial statements of SOME and Affiliates, which comprise of the consolidated statement of financial position as of December 31, 2014, and the related consolidated statement of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standard for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements of SOME and Affiliates as of and for the year ended December 31, 2014.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information and supplemental schedules on pages 27 to 30 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities. 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 2015 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 2015 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The 2014 supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly do not express an opinion or provide any assurance on the supplementary information.



Bethesda, Maryland
June 27, 2016

SOME and Affiliates

Consolidated Statements of Financial Position December 31, 2015 and 2014

	2015			2014 (compiled)		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>Assets</u>						
Current assets						
Cash and cash equivalents, undesignated	\$ 4,856,623	\$ 4,637,901	\$ 9,494,524	\$ 3,605,903	\$ 10,569,560	\$ 14,175,463
Cash and cash equivalents designated to investment in property and equipment	1,000,000	-	1,000,000	1,000,000	-	1,000,000
Contributions receivable	-	800,000	800,000	-	900,000	900,000
Accounts receivable	551,089	-	551,089	104,742	-	104,742
Grants receivable	729,512	-	729,512	487,801	-	487,801
Pledges receivable	-	725,000	725,000	-	525,000	525,000
Prepaid expenses and deposits	337,658	-	337,658	46,961	-	46,961
Total current assets	7,474,882	6,162,901	13,637,783	5,245,407	11,994,560	17,239,967
Other assets						
Investments						
Mutual funds and equities	17,601,986	-	17,601,986	17,760,427	-	17,760,427
Replacement reserves	1,360,940	-	1,360,940	1,254,834	-	1,254,834
Pledges receivable - noncurrent	-	725,000	725,000	-	163,000	163,000
Security deposits	247,919	-	247,919	252,065	-	252,065
Other escrows	344,104	-	344,104	117,552	-	117,552
Development escrows	38,924,346	-	38,924,346	-	-	-
Restricted cash	4,566,869	-	4,566,869	2,973,548	-	2,973,548
Total other assets	63,046,164	725,000	63,771,164	22,358,426	163,000	22,521,426
Note receivable	14,739,128	-	14,739,128	-	-	-
Deferred fees, net of accumulated amortization	1,380,915	-	1,380,915	1,459,442	-	1,459,442
Property and equipment						
Land	11,266,945	-	11,266,945	6,237,445	-	6,237,445
Buildings and improvements	96,596,551	-	96,596,551	96,490,018	-	96,490,018
Furniture and fixtures	3,039,782	-	3,039,782	2,999,459	-	2,999,459
Vehicles	303,432	-	303,432	331,935	-	331,935
Leasehold improvements	66,417	-	66,417	66,417	-	66,417
Construction in process	16,446,598	-	16,446,598	14,853,594	-	14,853,594
Accumulated depreciation	(24,429,584)	-	(24,429,584)	(21,471,279)	-	(21,471,279)
Total property and equipment	103,290,141	-	103,290,141	99,507,589	-	99,507,589
Total assets	\$ 189,931,230	\$ 6,887,901	\$ 196,819,131	\$ 128,570,864	\$ 12,157,560	\$ 140,728,424

SOME and Affiliates

**Consolidated Statements of Financial Position
December 31, 2015 and 2014**

	2015			2014 (compiled)		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>Liabilities and Net Assets</u>						
Current liabilities						
Accounts payable	\$ 1,328,976	\$ -	\$ 1,328,976	\$ 1,231,172	\$ -	\$ 1,231,172
Accrued payroll and withholding	283,663	-	283,663	295,578	-	295,578
Accrued vacation	710,714	-	710,714	660,570	-	660,570
Accrued interest payable - current	201,894	-	201,894	185,078	-	185,078
Accrued asset management fee	3,825	-	3,825	3,713	-	3,713
Deferred revenue	146,312	-	146,312	298,511	-	298,511
Lines of credit - current	3,000,000	-	3,000,000	-	-	-
Notes payable - current maturities	5,735,744	-	5,735,744	225,349	-	225,349
Total current liabilities	11,411,128	-	11,411,128	2,899,971	-	2,899,971
Long-term liabilities						
Security deposit payable	246,751	-	246,751	275,991	-	275,991
Accrued interest payable	1,553,750	-	1,553,750	1,198,666	-	1,198,666
Accrued asset management fee	776	-	776	10,150	-	10,150
Due to seller of Fendall	204,439	-	204,439	204,439	-	204,439
Lines of credit	2,000,000	-	2,000,000	5,000,000	-	5,000,000
Notes payable, net of current maturities	90,992,303	-	90,992,303	53,271,486	-	53,271,486
Total long-term liabilities	94,998,019	-	94,998,019	59,960,732	-	59,960,732
Net assets						
Unrestricted - undesignated	2,136,933	-	2,136,933	7,530,452	-	7,530,452
Unrestricted - non-controlling	13,051,892	-	13,051,892	7,198,870	-	7,198,870
Unrestricted - board designated						
Expansion of Housing and other programs	12,348,839	-	12,348,839	23,127,695	-	23,127,695
Property and equipment	36,166,316	-	36,166,316	9,386,144	-	9,386,144
Other funds in escrow	3,018,103	-	3,018,103	-	-	-
Reserve for contingencies	11,000,000	-	11,000,000	11,000,000	-	11,000,000
Replacement and major repairs reserve	1,500,000	-	1,500,000	1,500,000	-	1,500,000
Pledge to support lines of credit	4,300,000	-	4,300,000	5,967,000	-	5,967,000
Total unrestricted - board designated	68,333,258	-	68,333,258	50,980,839	-	50,980,839
Temporarily restricted	-	6,887,901	6,887,901	-	12,157,560	12,157,560
Total net assets	83,522,083	6,887,901	90,409,984	65,710,161	12,157,560	77,867,721
Total liabilities and net assets	\$ 189,931,230	\$ 6,887,901	\$ 196,819,131	\$ 128,570,864	\$ 12,157,560	\$ 140,728,424

See Notes to Financial Statements.

SOME and Affiliates

Consolidated Statements of Activities Years Ended December 31, 2015 and 2014

	2015			2014 (compiled)		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Contributions	\$ 6,577,609	\$ 7,912,267	\$ 14,489,876	\$ 7,209,492	\$ 11,828,128	\$ 19,037,620
In-kind contributions	765,380	-	765,380	771,770	-	771,770
United Way allocation	17,202	800,000	817,202	-	900,000	900,000
Development fee income	862,690	-	862,690	360,366	-	360,366
Foundations	1,791,448	829,886	2,621,334	424,446	2,926,138	3,350,584
Grants	4,725,077	-	4,725,077	3,820,852	-	3,820,852
Rental income	7,646,896	-	7,646,896	6,333,546	-	6,333,546
Special events	1,421,374	-	1,421,374	937,508	-	937,508
Program service revenue	56,888	-	56,888	42,311	-	42,311
Insurance reimbursements	854,280	-	854,280	932,589	-	932,589
Legacies and bequests	740,795	-	740,795	299,902	-	299,902
Other	204,333	-	204,333	633,634	-	633,634
Satisfaction of restrictions	14,811,812	(14,811,812)	-	6,726,396	(6,726,396)	-
Total support and revenue	40,475,784	(5,269,659)	35,206,125	28,492,812	8,927,870	37,420,682
Expenses						
Emergency aid	2,153,043	-	2,153,043	2,189,089	-	2,189,089
Housing services	16,018,848	-	16,018,848	14,921,518	-	14,921,518
Health services	2,382,647	-	2,382,647	2,256,571	-	2,256,571
Elderly services	1,184,072	-	1,184,072	1,265,481	-	1,265,481
Addiction and mental health services	4,483,419	-	4,483,419	4,618,660	-	4,618,660
Center for employment training	1,973,602	-	1,973,602	2,004,911	-	2,004,911
Total program services	28,195,631	-	28,195,631	27,256,230	-	27,256,230
Supporting services						
Management and general	501,589	-	501,589	396,018	-	396,018
Fundraising	1,830,315	-	1,830,315	1,572,776	-	1,572,776
Total supporting services	2,331,904	-	2,331,904	1,968,794	-	1,968,794
Total expenses	30,527,535	-	30,527,535	29,225,024	-	29,225,024
Non-operating activities						
(Loss) gain on investments - net	(778,517)	-	(778,517)	156,843	-	156,843
(Loss) gain on disposition of fixed assets	(13,421)	-	(13,421)	2,200	-	2,200
Interest and dividends	413,406	-	413,406	284,665	-	284,665
Total non-operating activities	(378,532)	-	(378,532)	443,708	-	443,708
Change in net assets	9,569,717	(5,269,659)	4,300,058	(288,504)	8,927,870	8,639,366
Non-controlling interest income (loss)	(2,389,183)	-	(2,389,183)	(2,916,592)	-	(2,916,592)
Excess of revenue over expenses - attributable to SOME and Affiliates	\$ 11,958,900	\$ (5,269,659)	\$ 6,689,241	\$ 2,628,088	\$ 8,927,870	\$ 11,555,958

See Notes to Financial Statements.

SOME and Affiliates

Consolidated Statement of Functional Expenses Year Ended December 31, 2015

	Program Services					Supporting Services			Total
	Emergency Aid	Housing Services	Health Services	Elderly Services	Addiction and Mental Health Services	Center for Employment Training	Management and General	Fundraising	
Salaries and wages	\$ 675,370	\$ 5,635,099	\$ 1,195,201	\$ 603,207	\$ 2,441,230	\$ 965,625	\$ 1,840,910	\$ 453,805	\$ 13,810,447
Employee benefits	163,617	1,342,759	266,801	161,716	587,536	268,653	436,444	123,941	3,351,467
Professional fees	21,651	422,670	51,059	13,546	59,024	36,092	172,610	495,241	1,271,893
Stipends	8,900	3,392	3,000	64,715	7,682	3,000	11,985	9,690	112,364
Contract services	-	24,467	184,760	-	169,900	2,886	3,172	21,151	406,336
Staff training	1,826	7,355	6,452	610	4,313	1,307	27,957	3,540	53,360
Meals and food	867,089	58,002	106	62,255	69,733	5,385	2,939	5,053	1,070,562
Repairs and maintenance	95,563	1,107,173	34,979	2,507	141,284	10,353	17,899	10,193	1,419,951
Supplies	52,525	126,328	185,236	20,051	67,593	68,030	96,585	78,962	695,310
Telephone	5,209	139,224	5,991	2,425	33,881	4,228	5,397	1,401	197,756
Postage	11	10,916	1,486	579	1,679	238	3,374	178,150	196,433
Printing and related costs	3,706	33,308	2,721	1,008	4,583	7,394	3,069	139,118	194,907
Transportation	11,186	51,267	3,461	7,865	19,925	15,089	4,665	4,465	117,923
Utilities	50,137	1,147,271	25,170	-	81,204	7,760	3,146	3,146	1,317,834
Grant expense	-	-	-	-	-	-	12,995	-	12,995
Real and personal property taxes	-	-	-	-	-	-	659	-	659
Rent	-	100,291	-	79,023	-	253,371	12,480	17,772	462,937
Permits	35	713	553	-	1,699	-	25,063	(1,371)	26,692
Lab tests	-	16,169	62,437	1,420	57	1,875	25	-	81,983
Client assistance and support	45	81,085	4,854	19,326	31,203	80,603	1,000	-	218,116
Fines and penalties	9	1,550	-	-	118	-	348	-	2,025
Investment fees and bank service charges	-	5,830	-	-	359	-	121,132	86,594	213,915
Interest expense	602	1,335,584	421	270	1,364	369	28,533	189	1,367,332
Dues and subscriptions	25	6,161	1,388	78	7,341	913	5,491	6,858	28,255
Insurance	20,534	308,003	41,255	12,930	101,250	24,527	37,466	8,735	554,700
Equipment and furniture	4,580	45,850	3,323	786	24,940	786	35,805	1,809	117,879
Advertising	25	4,603	3,558	60	9,168	1,415	10,744	25,601	55,174
List rental	-	6,940	-	-	-	-	-	54,525	61,465
Other	-	10,230	-	-	-	-	-	-	10,230
Total expenses before depreciation	1,982,645	12,032,240	2,084,212	1,054,377	3,867,066	1,759,899	2,921,893	1,728,568	27,430,900
Depreciation and amortization	27,509	2,794,383	45,565	2,074	99,859	9,405	112,105	5,735	3,096,635
Overhead allocation	142,889	1,192,225	252,870	127,621	516,494	204,298	(2,532,409)	96,012	-
Total expenses	\$ 2,153,043	\$ 16,018,848	\$ 2,382,647	\$ 1,184,072	\$ 4,483,419	\$ 1,973,602	\$ 501,589	\$ 1,830,315	\$ 30,527,535

SOME and Affiliates

Consolidated Statement of Functional Expenses Year Ended December 31, 2014 (Compiled)

	Program Services						Supporting Services		Total
	Emergency Aid	Housing Services	Health Services	Elderly Services	Addiction and Mental Health Services	Center for Employment Training	Management and General	Fundraising	
Salaries and wages	\$ 664,937	\$ 4,969,520	\$ 1,170,220	\$ 635,076	\$ 2,449,832	\$ 967,232	\$ 1,667,144	\$ 395,309	12,919,270
Employee benefits	185,957	1,273,933	238,726	167,764	691,434	256,693	415,978	115,383	3,345,868
Professional fees	21,440	455,978	58,278	11,605	78,792	57,189	95,086	344,630	1,122,998
Stipends	-	-	-	70,112	2,680	266	238	5,433	78,729
Contract services	1,086	79,949	142,630	172	169,766	9,589	23,766	20,209	447,167
Staff training	703	5,877	4,180	7,923	8,485	692	12,174	774	40,808
Meals and food	917,101	41,676	275	38,506	69,792	2,334	1,679	3,903	1,075,266
Repairs and maintenance	74,382	1,145,046	27,519	7,675	130,062	13,776	12,018	3,456	1,413,934
Supplies	39,819	93,623	149,911	14,397	44,727	60,633	21,988	87,177	512,275
Telephone	5,235	129,875	6,567	2,566	27,659	8,389	10,681	1,415	192,387
Postage	7	22,366	161	1,458	562	423	4,221	162,025	191,223
Printing and related costs	4,736	33,592	1,470	825	3,914	7,482	832	119,173	172,024
Transportation	15,139	64,718	2,286	8,896	26,438	14,605	3,143	6,819	142,044
Utilities	50,899	1,058,409	25,848	-	76,958	7,826	3,214	3,231	1,226,385
Real and personal property taxes	-	27,880	-	-	-	-	-	-	27,880
Rent	-	20,501	-	105,386	-	250,109	7,300	18,305	401,601
Permits	200	13,201	894	-	689	-	11,158	2,528	28,670
Lab tests	-	9,332	52,163	1,043	1,423	3,661	744	-	68,366
Client assistance and support	38	82,399	7,421	18,214	23,032	78,005	-	-	209,109
Fines and penalties	290	17,032	250	-	8	-	1,056	-	18,636
Investment fees and bank service charges	-	16,703	-	-	26	-	147,473	82,829	247,031
Interest expense	95	1,348,897	81	51	520	86	6,689	36	1,356,455
Dues and subscriptions	147	2,195	-	150	4,778	2,834	3,209	5,768	19,081
Insurance	18,700	262,300	29,883	11,560	93,589	22,335	71,794	8,211	518,372
Equipment and furniture	8,151	74,672	23,759	2,284	22,633	7,819	32,160	3,644	175,122
Advertising	2,072	4,006	1,968	-	6,543	1,781	15,839	24,641	56,850
List rental	-	-	-	-	-	-	-	53,164	53,164
Other	-	21,164	-	-	-	-	-	-	21,164
Total expenses before depreciation	2,011,134	11,274,844	1,944,490	1,105,663	3,934,342	1,773,759	2,569,584	1,468,063	26,081,879
Depreciation and amortization	45,656	2,658,262	79,337	33,508	197,072	38,780	64,440	26,090	3,143,145
Overhead allocation	132,299	988,412	232,744	126,310	487,246	192,372	(2,238,006)	78,623	-
Total expenses	\$ 2,189,089	\$ 14,921,518	\$ 2,256,571	\$ 1,265,481	\$ 4,618,660	\$ 2,004,911	\$ 396,018	\$ 1,572,776	\$ 29,225,024

See Notes to Financial Statements.

SOME and Affiliates

Consolidated Statement of Changes in Net Assets Year Ended December 31, 2015 and 2014

	Unrestricted		Temporarily Restricted	Total
	Controlling	Non-controlling		
Net Assets at January 1, 2014, as previously reported (compiled)	\$ 52,596,051	\$ -	\$ 3,229,690	\$ 55,825,741
Prior Period Adjustment (compiled):				
Consolidate affiliates	(910)	9,850,989	-	9,850,079
Eliminations	3,288,062	-	-	3,288,062
Net Assets at January 1, 2014, as restated (compiled)	55,883,203	9,850,989	3,229,690	68,963,882
Contributions from non-controlling members (compiled)	-	264,473	-	264,473
Excess (deficiency) of revenues over expenses (compiled)	2,628,088	(2,916,592)	8,927,870	8,639,366
Net Assets at December 31, 2014 (compiled)	58,511,291	7,198,870	12,157,560	77,867,721
Contributions from non-controlling members	-	8,242,205	-	8,242,205
Excess (deficiency) of revenues over expenses	11,958,900	(2,389,183)	(5,269,659)	4,300,058
Net Assets at December 31, 2015	<u>\$ 70,470,191</u>	<u>\$ 13,051,892</u>	<u>\$ 6,887,901</u>	<u>\$ 90,409,984</u>

See Notes to Financial Statements.

SOME and Affiliates

Consolidated Statement of Cash Flows Years Ended December 31, 2015 and 2014

	2015	2014 (compiled)
Cash flows from operating activities		
Change in net assets	\$ 4,300,058	\$ 8,639,366
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	3,096,635	3,143,145
Loss (gain) on investments - net	778,517	(156,843)
Loss (gain) on sale of fixed assets	13,421	(2,200)
Donated securities	(245,799)	(155,905)
Changes in assets and liabilities		
Accounts receivable	(446,347)	(6,250)
Contributions receivable	100,000	-
Grants receivable	(241,711)	(120,409)
Pledges receivable	(762,000)	(688,000)
Prepaid expenses	(290,697)	6,269
Other escrows	(222,406)	70,143
Accounts payable	(768,562)	(995,500)
Accrued payroll and withholding	(11,915)	(295,940)
Accrued vacation	50,144	43,361
Deferred revenue	(152,199)	297,017
Security deposits payable	(29,240)	48,097
Accrued interest	371,900	362,796
Accrued asset management fees	(9,262)	5,199
Net cash provided by operating activities	5,530,537	10,194,346
Cash flows from investing activities		
Investment in property and equipment	(5,947,715)	(12,903,457)
Change in investment in capital campaign	-	(8,420,738)
Investment in replacement reserves	(106,106)	(158,263)
Contribution of assets restricted to investment in property and equipment	-	10,569,560
Proceeds from sales of marketable securities	67,701,591	1,682,678
Investment in marketable securities	(68,075,868)	(1,968,256)
Notes receivable	(14,739,128)	-
Change in development escrows	(38,924,346)	-
Change in restricted cash	(1,593,321)	(135,246)
Net cash used in investing activities	(61,684,893)	(11,333,722)

SOME and Affiliates

Consolidated Statement of Cash Flows Years Ended December 31, 2015 and 2014

	2015	2014 (compiled)
Cash flows from financing activities		
Proceeds from note payable	50,464,788	12,286,556
Principal payments on notes payable	(7,233,576)	(634,263)
Contributions from members	8,242,205	264,473
Financing fees paid	-	(582,486)
Net cash provided by financing activities	51,473,417	11,334,280
 Net change in cash and cash equivalents	(4,680,939)	10,194,904
 Cash and cash equivalents		
Beginning of year,		
Cash and cash equivalents, undesignated	14,175,463	4,980,559
Cash and cash equivalents designated for investment in property and equipment	1,000,000	-
Total beginning of year,	15,175,463	4,980,559
 End of year,		
Cash and cash equivalents, undesignated	9,494,524	14,175,463
Cash and cash equivalents designated for investment in property and equipment	1,000,000	1,000,000
Total end of year,	\$ 10,494,524	\$ 15,175,463
 Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	\$ 995,432	\$ 993,659

Non cash investing activities

During the year ended December 31, 2015 and 2014, SOME received \$245,799 and \$155,905 in donated securities, respectively.

At December 31, 2015 and 2014, SOME had accrued construction costs of \$866,366 and \$0, respectively.

See Notes to Financial Statements.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 1 - Organization

SOME, Inc. was incorporated in November 1970 under the District of Columbia Non-Profit Corporation Act. SOME, Inc.'s mission is to help the poor and homeless of the nation's capital by providing food, medical and dental care, job training, addictions treatment, mental health programs and affordable housing with supportive services for families and individuals. Principal support for SOME, Inc. is in the form of program service fees, grants, and contributions from individuals, government agencies, foundations and corporations.

The consolidated financial statements include the accounts of SOME, Inc. and the following separately incorporated affiliates ("Some and Affiliates").

Affordable Housing Opportunities, Inc. ("AHO")	BH, LLC ("BH")
Benning Residential, LLC ("BR")	Benning Programs, LLC ("BP")
Benning Healthcare, LLC ("BHC")	Supportive Housing Opportunities, LLC ("SHO")
Naylor Road, LLC ("NR")	Zagami House, LLC ("ZH")
Scattered Site II, LLC ("SSII")	

Affordable Housing Opportunities, Inc. ("AHO"), an affiliate of SOME, is a non-profit corporation organized under the laws of the District of Columbia for the purpose of developing and providing affordable housing. AHO is the sole member of eight limited liability companies ("LLCs"), ZH LLC, SHO LLC, NR LLC, SSII LLC, BH LLC, BR, LLC, Benning Healthcare, LLC, and Benning Programs, LLC. ZH LLC, SHO LLC, SSII LLC, BR, LLC and NR LLC are the managing members and own a 0.01% interest in Zagami House LLC, Supportive Housing Opportunities LLC, Scattered Site II LLC, Benning Residential, LLC, and Naylor Road LLC, respectively, each of whose sole purpose is to own and operate affordable housing. BH LLC is the sole owner of the Barnaby House project and, therefore, BH LLC is included in these consolidated financial statements. SOME is contracted by the LLCs to develop and manage their operations.

The not-for-profit affiliates are commonly controlled by a majority of the same board members of SOME, Inc.

The for-profit affiliates are controlled by AHO through its ownership of the managing members of the LLCs.

Note 2 - Summary of significant accounting policies

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

Principles of consolidation

The consolidated financial statements include the accounts of SOME and its affiliates. The boards of the directors of SOME, Inc. and AHO have common members. The LLC entities are included in the consolidation according to generally accepted accounting principles which require company accounts be consolidated for all LLCs which are deemed to be controlled by SOME, Inc. Significant inter-organization accounts and transactions have been eliminated.

Basis of accounting

SOME and Affiliates ("SOME") prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Economic concentrations

SOME operates multiple properties located in Washington, D.C. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Concentration of credit risk

SOME maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. SOME has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and cash equivalents

SOME considers money market funds and highly-liquid overnight investments with original maturities of three months or less to be cash equivalents.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for tenant security deposits, repairs or improvements to the buildings which extend their useful lives, local rent supplement program reserves and bond reserves.

Accounts receivables and bad debts

Pledges and accounts receivables are charged to bad debt expense when they are determined to be uncollectible based on a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from results that would have been obtained under the allowance method.

Pledges

Unconditional pledges to give are recognized as revenue in the period the pledges are received, and as assets, or decreases of liabilities or expenses depending on the form of the benefits received. Conditional pledges are recognized as revenue when the conditions on which they depend are substantially met. A conditional pledge is considered unconditional if the possibility that the condition will not be met is remote.

Pledges are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the promises. At December 31, 2015 and 2014, no allowance has been recorded. It is reasonably possible that management's estimate of the allowance will change. Pledges as of December 31, 2015 and 2014 are unconditional and considered fully collectible.

Property and equipment

Property and equipment are recorded at cost. Donated property is recorded at the estimated market value at the time of donation. Buildings are depreciated using the straight-line method over their estimated useful lives of 27.5 to 40 years. Other property and equipment purchases are capitalized and depreciated over their estimated useful lives ranging from 5 to 10 years. Leasehold improvements are amortized over the lesser of their estimated useful lives or the related lease terms. Land improvements

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

are depreciated over their estimated useful life of 15 years under the straight line method. Personal property is depreciated over its estimated useful life of 5 years under the straight-line method.

Deferred fees and amortization

Deferred fees include tax credit fees of \$235,647, which are amortized using the straight-line method over 15 years and financing costs of \$1,859,677, which are amortized over the terms of the permanent loans. Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing fees; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method. Amortization expense for the years ended December 31, 2015 and 2014 was \$78,527 and \$63,074, respectively. Accumulated amortization as of December 31, 2015 and 2014 was \$714,409 and \$635,882, respectively. Estimated amortization expense through 2020 is as follows:

December 31, 2016	\$	78,519
2017		78,512
2018		78,504
2019		78,496
2020		78,487

Impairment of long-lived assets

SOME reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There was no impairment losses recognized during 2015 or 2014.

Investments

SOME's investments in marketable equity securities are carried at fair value and are classified as non-current as it is not management's intent to dispose of these securities during the next year. Investments in mutual funds and bonds are carried at fair value and classified as non-current based upon management's intent or applicable maturity dates. Income is recognized from interest and dividends as earned. Unrealized gains or losses are included in accompanying consolidated statements of activities.

Revenue recognition

Contributions are recognized as revenue when an unconditional promise to give is received by SOME. All contributions, and other types of revenue with restrictions imposed by the donor, are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Development fee income is recognized as income is earned by SOME upon the achievement of specified criteria as defined by the related development services agreements. Development fee receivable and development fee income earned from affiliates and payable from operational cash flow of the respective entities is eliminated during consolidation.

Rental Revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Rental payments received in advance are deferred until earned. All leases between SOME and its

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

properties are operating leases. Subsidy income and other income, which includes fees for late payments and laundry facilities, are recorded when earned.

In-kind contributions

In-kind contributions of donated food and services have been reflected for those programs where recognition is allowed and the fair value can be reasonably estimated.

Grants and contracts

SOME has various grants and contracts from Federal and local governments and private foundations. For grants and cost reimbursable type contracts, revenue is recognized based on expenses incurred. For fixed price awards, revenue is determined based on the stated fixed rate for services provided. Grants receivable at year end represent uncollected revenue based on amounts earned.

Advertising

Advertising costs are expensed when incurred. For the years ended December 31, 2015 and 2014, SOME and affiliates incurred advertising costs of \$55,174 and \$56,850, respectively.

Interest expense

Interest expense incurred to acquire properties is capitalized and recognized over the life of the related property. For the years ended December 31, 2015 and 2014, SOME capitalized interest in the amounts of \$411,729 and \$54,418 respectively. Interest expense for loans that bear interest at below market interest rates is imputed at 5%. The difference between the imputed interest expense and the interest expense is considered a conditional contribution due to the fact that the rates increase significantly in the event of default. Management evaluated the calculation of imputed interest on loans that bear below market interest rates and deemed that the overall imputed interest expense is immaterial for financial reporting purposes.

Income taxes

SOME, Inc. and its nonprofit affiliate, AHO, have applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax exempt entity pursuant to Section 501(c)(3) of the internal Revenue Code and did not have any unrelated business income for the years ended December 31, 2015 and 2014. Due to its tax exempt status, SOME, Inc. and AHO are not subject to income taxes. SOME, Inc. and AHO are required to file and do file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and SOME, Inc. and AHO have no other tax positions which must be considered for disclosure. Income tax returns filed by SOME, Inc. and AHO are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2012 remain open.

Barnaby House is a single member limited liability company. Therefore, this entity is treated as a disregarded entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income and deductions are passed through to and are reported by AHO on its income tax return. Accordingly, these consolidated financial statements do not reflect provisions or benefits for income taxes for this entity. Since this entity is not required to file income tax returns, it has no filings which are open to examination by the Internal Revenue Service.

All other affiliated entities have elected to be treated as pass through entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of table income, deductions and tax credits are passed through to and are reported by the owners on their respective tax returns. The affiliated entities' federal tax status as pass-through entities are based on their legal status as limited liability companies. Accordingly, these affiliated entities are not required to take any tax positions in

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

order to qualify as pass-through entities. These affiliated entities are required to file and do file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for federal income taxes for these affiliated entities. However, these entities are located in the District of Columbia and the District of Columbia does not recognize flow through entities, and therefore, income in the District of Columbia is subject to tax. Accordingly, these statements include a provision for District of Columbia income taxes in the amount of \$250 for both the years ended December 31, 2015 and 2014. These affiliated entities have no other tax positions which must be considered for disclosure. Income tax returns filed by these affiliated entities are subject to examination by the Internal Revenue Service for the period of three years

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are allocated to program and supporting services based on systematic methods. Additionally, overhead costs are allocated to the various functions based on the relative percentage of salaries and wages of each function to the total.

Non-controlling interest in limited liability companies

This amount represent the aggregate balance of the Limited Liability Companies' equity interest in the non-wholly owned Limited Liability Companies that are included in the consolidated financial as of years ended December 31, 2015 and 2014.

Fair value

The carrying amounts of the Organization's cash and cash equivalents, receivables, payables and accrued expenses approximate fair value due to the short-term nature of these instruments. The fair value of the Organization's long-term notes receivable, due from affiliates and notes payable is assessed by management based on analysis of underlying investments and historical trends.

Note 3 - Restricted Cash

Borrower equity funds and debt service reserves

Pursuant to the operating agreements, as defined, of BR, SHO and SSII, SOME maintains borrower equity funds and debt service reserves for payment of debt service. At December 31, 2015 and 2014, the balance in the debt service reserves was \$1,104,486 and \$1,136,688, respectively.

Replacement reserves

Pursuant to the operating agreements, as defined, of BR, SHO, NR, ZH, and SSII, SOME maintains replacement reserve deposits to fund capital improvements and repairs. At December 31, 2015 and 2014, the balance in the replacement reserve accounts was \$559,440 and \$315,597, respectively.

Operating reserves

Pursuant to the operating agreements, as defined, of BR, SHO, NR, and SSII, SOME maintains operating reserve deposits to fund operating deficits. At December 31, 2015 and 2014, the balance in the operating reserves accounts was \$1,820,569 and \$1,146,080, respectively.

Revenue deficit reserve

Pursuant to the operating agreement, as defined, SSII is required to deposit no less than \$164,454 into a revenue deficit reserve account at the time of the payment of the fourth installment of the Investor Member's capital contributions. As of December 31, 2015 and 2014, the fourth installment of the Investor Member's capital contributions has not been received.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Working capital reserve

Pursuant to the operating agreement, as defined, BR is required to deposit no less than \$332,000 into a working capital reserve account to fund construction costs of the project. At December 31, 2015 and 2014, the balance of the working capital reserve was \$332,000 and \$0, respectively, Local Rent Supplement Program ("LRSP") Reserve Pursuant to an agreement between SHO and the Federal Home Loan Mortgage Corporation, dated August 1, 2010, the Company has committed to establish a LRSP reserve to pay operating expenses in the event of the occurrence of an operating deficit caused by the termination or reduction of rental subsidies provided by the District of Columbia Housing Authority. The \$1,500,000 reserve will be established with four annual payments of \$375,000 beginning in June 2014. Under certain conditions, this reserve can be returned to the Company in ten annual payments beginning in June 2024. At December 31, 2015 and 2014, the balance in the LRSP reserve was \$750,374 and \$375,183, respectively.

Note 4 - Development escrows

Development escrows include cash restricted for the construction of BR, BHC, and BP. At December 31, 2015 and 2014, development escrows had a balance of \$38,924,346 and \$0, respectively.

Note 5 - Pledges and contributions

Pledges and contributions as of December 31, 2015 and 2014 are unconditional.

Pledges and contributions are considered fully collectible and are due as follow as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Pledges and contributions due in less than one year	\$ 1,525,000	\$ 1,425,000
Pledges and contributions to give due in one to three years	<u>725,000</u>	<u>163,000</u>
Total pledges and contributions	<u>\$ 2,250,000</u>	<u>\$ 1,588,000</u>

Note 6 - Financial statement presentation

SOME conforms with U.S. generally accepted accounting principles governing not-for-profit entities. Those principles require that contributions be recorded as restricted or unrestricted support depending on the existence and/or nature of any donor imposed restrictions. They further establish standards for external financial reporting by not-for-profit organizations and require that resources be classified for accounting and reporting purposes into three net asset categories - unrestricted, temporarily restricted and permanently restricted - according to externally (donor) imposed restrictions. SOME has no permanently restricted net assets. A description of these net asset categories follows:

Unrestricted net assets - includes revenue and expenses associated with the principal mission of SOME. Unrestricted net assets include net assets that have been internally designated by the Board of Directors for specific purposes. See note 9 for net asset designation.

Temporarily restricted net assets - generally includes contributions for which donor- imposed direct restrictions have not been met or donor restricted contributions that have not been received.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

At December 31, 2015 and 2014, temporarily restricted net assets consisted of the following:

	2015	2014
Capital campaign	\$ 2,860,444	\$ 9,481,996
Housing initiative	782,828	1,087,564
Employment training	304,129	-
Major improvements	690,500	-
Time restricted	2,250,000	1,588,000
	\$ 6,887,901	\$ 12,157,560

As of December 31, 2015 and 2014, cash and cash equivalents reported as temporarily restricted net assets consisted of the following:

	2015	2014
Cash	\$ 4,637,901	\$ 10,369,559
Brokered CD	-	200,001
	\$ 4,637,901	\$ 10,569,560

Note 7 - Investments

The following represents investments (including amounts reported as replacement reserves) held as of December 31, 2015 and 2014:

	2015	2014
Money market funds	\$ 926,038	\$ 326,808
Mutual funds	1,933,687	18,512,970
Fixed income	6,488,073	-
Equities	9,567,658	9,088
Other	47,470	166,395
	\$ 18,962,926	\$ 19,015,261

Investment income (loss) for the years ended December 31, 2015 and 2014 is as follows:

Interest and dividends	\$ 411,972	\$ 283,240
(Loss)/gain on investments, net	(778,517)	156,843
	\$ (366,545)	\$ 440,083

The three levels of the fair value hierarchy under U.S. generally accepted accounting principles and the applicability to SOME's portfolio investments are described below:

Level 1 - quoted prices in active markets for identical investments.

Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Level 3 - significant unobservable inputs (including SOME's own assumption in determining the fair value of investments).

The following table sets forth by level, within the fair value hierarchy SOME's assets (investments and replacement reserves) reported at fair value as of December 31, 2015 and 2014.

Description	Total Investments at 12/31/2015	Market Prices for Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 926,038	\$ 926,038	\$ -	\$ -
Mutual funds				
Other	1,933,687	1,933,687	-	-
Fixed income				
Investment grade	4,151,919	4,151,919	-	-
Other	2,336,154	2,336,154	-	-
Equities				
U. S. equities	5,264,554	5,264,554	-	-
Global equities	899,309	899,309	-	-
Non-U.S. equities	3,403,795	3,403,795	-	-
Other	47,470	47,470	-	-
	<u>\$ 18,962,926</u>	<u>\$ 18,962,926</u>	<u>\$ -</u>	<u>\$ -</u>

Description	Total Investments at 12/31/2014	Quoted Market Prices for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 326,808	\$ 326,808	\$ -	\$ -
Mutual funds				
Multi-asset	7,405,134	-	7,405,134	-
Global equity	4,573,451	4,573,451	-	-
Small-cap equity	403,864	403,864	-	-
Large-cap equity	2,432,087	2,432,087	-	-
Fixed income	2,732,813	2,732,813	-	-
Other	965,621	965,621	-	-
Other	166,395	166,395	-	-
Equities	9,088	9,088	-	-
	<u>\$ 19,015,261</u>	<u>\$ 11,610,127</u>	<u>\$ 7,405,134</u>	<u>\$ -</u>

Multi-Asset Mutual Fund

SOME invested in a multi-asset fund of funds, comprised of global equities, high yield bonds, commodities, REITs, inflation-linked bonds, and cash equivalents. The investments held in the multi asset class fund were based on quoted prices for similar assets; therefore SOME reports these investments as Level 2. This fund was redeemable at net asset value or its equivalent as of December

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

31, 2014. During 2015, the fund was redeemed. Additionally, there were no unfunded commitments on withdrawal restrictions.

Note 8 - Line-of-credit

SOME has a line-of-credit agreement with a commercial bank providing for borrowings of up to \$3,000,000. The line-of-credit is utilized to support working capital needs and acquisition of real estate and bears interest at LIBOR +1.0% (1.42% at December 31, 2015). The line-of-credit matures on April 30, 2016. On March 10, 2016, the line-of-credit was extended to July 29, 2016. The line-of-credit is secured by one of SOME's investment accounts. Borrowings under the line require monthly payments of all accrued unpaid interest. As of December 31, 2015 and 2014, SOME had borrowed \$3,000,000 of the line-of-credit.

SOME has a second line-of-credit agreement with a commercial bank providing for borrowings of up to \$2,000,000. The line-of-credit is utilized to support working capital needs and acquisition of real estate and bears interest at LIBOR +1.4% (1.82% at December 31, 2015). The line-of-credit matures September 6, 2016. The line-of-credit is secured by one of SOME's investment accounts. Borrowings under the line require monthly payments of all accrued unpaid interest. On July 31, 2015, the line-of-credit was increased to \$4,500,000 and the maturity date was extended to July 30, 2017. At both December 31, 2015 and 2014 the outstanding balance was \$2,000,000.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 9 - Notes payable

Notes payable at December 31, 2015 and 2014 consisted of:

Name of Creditor	Secured by	Maturity Date	Interest Rate	Balance as of 12/31/2015	Balance as of 12/31/2014	Other	Name of Debtor
City First Bank of DC	1433-35 Spring Road NW, Washington, DC	October 2016	4.50%	\$ 5,355,000	\$ 5,355,000		SOME, Inc.
Local Initiatives Support Corporation (LISC)	1433 & 1435 Spring Road NW, Washington, DC	2016	Non-interest bearing	100,000	-	Recoverable grant	SOME, Inc.
Association of Sulpicians	Unsecured	August 2016	2.00%	50,000	50,000		SOME, Inc.
Cornerstone, Inc.	1511 & 1513 N Capitol St., Washington, DC	June 2018	1.00%	18,884	25,623		SOME, Inc.
California First National Bank	Telephone system and related equipment	December 2018	4.65%	113,232	148,654		SOME, Inc.
PNC Bank	132 Amherst Street, VA	August 2022	6.93%	373,325	384,761		SOME, Inc.
DC Department of Housing and Community Development	2800-2806 N St SE and 1225 29th St SE, Washington, DC	July 2034	5.00%	1,035,463	1,069,128		SOME, Inc.
DC Department of Housing and Community Development	1511-1513 N Capitol St, Washington, DC	April 2048	Non-interest bearing	771,104	771,104	Principal due at maturity in 2048	SOME, Inc.
Private party	Unsecured	July 2024	3.00%	1,000,000	1,000,000	Principal and interest due at maturity; loan forgiven upon lender's death	SOME, Inc.
Enterprise Community Loan Fund, Inc.	2125 18th Street SE, Washington, DC	August 2023	6.00%	225,000	225,000	Principal and interest will be forgiven at maturity if loan conditions are met	Affordable Housing Opportunities, Inc.
DC Department of Housing and Community Development	1876 4th St NE, Washington, DC	November 2038	3.00%	1,660,091	1,709,738		Affordable Housing Opportunities, Inc.
DC Department of Housing and Community Development	2125 18 Street SE, Washington, DC	March 2046	Non-interest bearing	1,042,833	1,058,835	March 2046 - Balloon of \$280,516	Affordable Housing Opportunities, Inc.
DC Department of Housing and Community Development	2335 Altamont Pl SE, Washington, DC	March 2053	1%	1,468,761	1,468,761		Affordable Housing Opportunities, Inc.
District of Columbia Housing Finance Agency	4414-4430 Benning Road NE, Washington, DC	November 2018	1.42%	8,300,000	-		Benning Residential, LLC
Northmarq Finance, LLC	4414-4430 Benning Road NE, Washington, DC	February 2058	4.35%	1,135,230	-	Maximum amount allowed to be drawn is \$8,300,000.	Benning Residential, LLC
District of Columbia Housing Finance Agency (Citibank as Funding Lender)	4120 45th Street NE and 4401 Blaine Street NE, Washington, DC	October 2019	1.17%	4,079,224	-	Maximum amount allowed to be drawn is \$17,700,000; Interest based on 1-month LIBOR Rate.	Benning Residential, LLC
DC Department of Housing and Community Development	4414-4430 Benning Road NE, Washington, DC	480 months after stabilization	Non-interest bearing	1,832,526	-	Maximum amount allowed to be drawn is \$17,947,789.	Benning Residential, LLC
New Markets Support Company, LLC - Healthy Futures Financing Fund, LLC	4414-4430 Benning Road NE, Washington, DC	April 2037	3.55%	13,514,375	-		Benning Healthcare, LLC
City First Capital 37, LLC	4414-4430 Benning Road NE, Washington, DC	October 2045	1.09%	9,800,000	-		Benning Programs, LLC
Community Urban Revitalization Enterprises VII, LLC	4414-4430 Benning Road NE, Washington, DC	October 2045	1.09%	10,976,520	-		Benning Programs, LLC
DC Department of Housing and Community Development	1701 19th Street SE, Washington, DC	April 2048	1.00%	994,597	996,640		Zagami House, LLC

SOME and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2015 and 2014**

Name of Creditor	Secured by	Maturity Date	Interest Rate	Balance as of 12/31/2015	Balance as of 12/31/2014	Other	Name of Debtor
Builders Fund, LLC	2025 Fendall Heights SE, Washington, DC	November 2053	2.70%	2,000,000	2,000,000	Payable solely out of available cash flow.	Scattered Site II, LLC
DC Department of Housing and Community Development	523-525 Mellon Street SE & 216 New York Avenue NW & 1151 New Jersey Avenue NW, Washington, DC	40th anniversary after Placed in Service date	1.80%	2,792,117	2,065,204	Payable solely out of available cash flow; Maximum amount allowed to be drawn is \$4,780,000.	Scattered Site II, LLC
DC Department of Housing and Community Development	216 New York Avenue NW & 1151 New Jersey Avenue NW, Washington, DC	40th anniversary after Placed in Service date	2.50%	900,000	900,000	Payable solely out of available cash flow.	Scattered Site II, LLC
District of Columbia Housing Finance Agency (Citibank as Funding Lender)	523-525 Mellon Street SE & 216 New York Avenue NW & 1151 New Jersey Avenue NW, Washington, DC	Earlier of 18 years following Conversion Date or April 2033	2.16%	7,726,765	14,735,387	Maximum amount to be drawn is \$14,912,000.	Scattered Site II, LLC
DC Department of Housing and Community Development	1667 Good Hope Road SE & 730-736 Chesapeake Street SE & 2810-2872 Texas Avenue SE & 3828-3830 S Capitol Street SE & 350-360 50th Street SE, Washington, DC	January 2050	2.00%	11,503,000	11,503,000	Payable solely out of available cash flow	Supportive Housing Opportunities, LLC
District of Columbia Housing Finance Agency	1667 Good Hope Road SE & 730-736 Chesapeake Street SE & 2810-2872 Texas Avenue SE & 3828-3830 S Capitol Street SE & 350-360 50th Street SE, Washington, DC	January 2044	4.09%	7,960,000	8,030,000	Maximum amount to be drawn is \$18,300,000; Consist of Series 2009 and Series 2010 Bond Mortgage Loan, where Series 2010 was repaid in 2013.	Supportive Housing Opportunities, LLC
				96,728,047	53,496,835		
Less: Current maturities				(5,735,744)	(225,349)		
Total long-term notes payable				<u>\$ 90,992,303</u>	<u>\$ 53,271,486</u>		

The aggregate amount of principal payments required on notes payable at December 31, 2015 are as follows:

December 31, 2016	\$	5,735,744
2017		238,926
2018		8,540,119
2019		4,281,585
2020		207,224
Thereafter		<u>77,724,449</u>
Total	\$	<u>96,728,047</u>

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 10 - Designations

The board of directors of SOME has designated unrestricted net assets for the following purposes as of December 31, 2015 and 2014:

	2015	2014
Expansion of housing and other programs	\$ 12,348,839	\$ 23,127,695
Property and equipment	36,166,316	9,386,144
Other funds in escrow	3,018,103	-
Reserve for contingencies	11,000,000	11,000,000
Replacement and major repairs reserve	1,500,000	1,500,000
Pledge to support lines of credit	4,300,000	5,967,000
	<u>\$ 68,333,258</u>	<u>\$ 50,980,839</u>

Note 11 - Commitments and contingencies

Grant funds received by SOME are subject to audit by the various funding agencies. The management of SOME believes that adjustments, if any, as a result of such audits will not have a material effect upon SOME's level of support from grants. No provision has been made in the accompanying consolidated financial statements for any liability that may result.

The Project's low-income housing credits are contingent on its ability to maintain compliance with applicable sections of Section 42 of the Internal Revenue Code. Failure to maintain compliance with tenant income eligibility and rent limits or to correct instances of noncompliance within a reasonable time period could result in recapture of previously claimed tax credits plus interest. In addition, any such noncompliance, if it were to occur, likely would result in an adjustment to the contributed capital of the investor limited partner.

Note 12 - Retirement plans

SOME has established a defined contribution, 401(k) plan. Participation in this plan is optional for all employees. SOME will match employee contributions, with a maximum of 10% for all employees who have completed one year of service. During the years ended December 31, 2015 and 2014, SOME contributed \$626,346 and \$562,344, respectively to the plan.

In addition, SOME pays the premium for split-dollar whole life insurance policies for a key employee. Under the terms of the policies, the cumulative annual premiums paid by SOME will be repaid from any death benefits. As of December 31, 2015 and 2014, SOME has paid cumulative premiums totaling \$527,755 and \$521,182, respectively.

Note 13 - Uninsured cash

SOME maintains its cash in bank deposit accounts which at times may exceed federally insured limits in the United States. The Federal Deposit Insurance Corporation ("FDIC") insures balances up to \$250,000 held at a financial institution. SOME has not experienced any losses, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2015 and 2014

Note 14 - Related party transaction

Asset management fee

SOME and affiliates incur asset management fees through NR and SSII.

Pursuant to the Operating Agreement of NR, the Investor Member earns an annual asset management fee of \$3,500, beginning in 2012, which increases by 3% annually. The asset management fee is payable from available cash flow. During the years ended December 31, 2015 and 2014, asset management fees of \$3,825 and \$3,173, respectively, were incurred. As of December 31, 2015 and 2014, \$3,825 and \$3,713, respectively, were payable.

The Investor Member receives an original annual asset management fee of \$5,000 which increases annually by 3% pursuant to the Operating Agreement of SSII. For the years ended December 31, 2015 and 2014, management fees of \$5,304 and \$5,150, respectively, were incurred. As of December 31, 2015 and 2014, asset management fees of \$776 and \$10,150, respectively, were payable.

Note 15 - Note receivable

SOME has a note receivable with Twain Investment Fund 88, LLC in the original amount of \$14,739,128. The funds were advanced in relation to BP's New Market Tax Credits ("NMTC"). The note bears interest at 1% and matures on October 30, 2045. Interest only payments are due quarterly beginning in October of 2015. Beginning in 2022, principal and interest payments of \$244,344 will be due quarterly. At December 31, 2015, the note receivable balance was \$14,739,128.

Note 16 - Correction of error and restatement

Prior to issuing the accompanying consolidated financial statements, the Organization identified a prior period error whereby certain affiliated limited liability companies ("LLC's") that should have been included in SOME and Affiliates December 31, 2014 and prior consolidated financial statements in accordance with Accounting Standards Codification ("ASC") Topic 810, Consolidations were not included. AHO, a consolidated affiliate of SOME, is the Managing Member of these LLC's and based on the guidelines in ACS 810-20, controls these entities and therefore should have consolidated these entities. Accordingly, in accordance with ASC Topic 250, Accounting Changes and Error Corrections, SOME and Affiliates has restated certain prior period amounts in the consolidated financial statements as of and for the year ended December 31, 2014 to include the consolidated results of the LLC's, and the noncontrolling interests of the other members in the LLC's. The correction of this error resulted in an increase in consolidated assets of \$49,927,519, liabilities of \$36,789,378, and net assets of \$13,138,141 as of January 1, 2014, the beginning of the earliest period presented. In addition, due to the consolidation of the LLC's the 2014 change in net assets decreased \$2,393,503.

Note 17 - Construction contract

On October 30, 2015, BR entered into a construction contract with Bozzuto Contractors, Inc. an unrelated third party, guaranteed by the contractor not to exceed \$32,746,847, subject to additions or deduction by change orders. As of December 31, 2015, \$754,651 of costs has been incurred, of which \$367,790 remains payable, including \$51,371 of retainage, and is included in accounts payable.

On October 30, 2015, AHO, BHC, and BP entered into a construction contract with Bozzuto Contractors, Inc. an unrelated third party, guaranteed by the contractor not to exceed \$28,186,153, subject to additions or deduction by change orders. As of December 31, 2015, \$1,454,669 of costs has been incurred, of which \$449,498 remains payable, including \$72,330 of retainage, and is included in accounts payable.

SOME and Affiliates

**Notes to Consolidated Financial Statements
December 31, 2015 and 2014**

Note 18 - Construction in progress

Construction in progress consisted of the following as of December 31, 2015 and 2014:

<u>Project Name</u>	<u>2015</u>	<u>2014</u>
Altamont	\$ 2,057,416	\$ 1,984,489
Benning Project	8,879,682	7,594,997
Walter Reed	35,710	34,710
Spring Road	<u>5,473,790</u>	<u>5,238,398</u>
Total	<u>\$ 16,446,598</u>	<u>\$ 14,852,594</u>

Note 19 - Subsequent events

Events that occur after the consolidated statements of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of the subsequent events that provide evidence about conditions at the consolidated statements of financial position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about the conditions that existed after the consolidated statements of financial position date, require disclosure in the accompanying notes. Management evaluated the activity of SOME through June 27, 2016, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

SOME and Affiliates
Consolidating Schedules of Financial Position
December 31, 2015

	SOME, Inc.	Affordable	BH, LLC	Benning Residential, LLC	Benning Programs, LLC	Benning Healthcare, LLC	Supportive Housing Opportunities, LLC	Naylor Road, LLC	Zagami House, LLC	Scattered Site II, LLC	Eliminations	Total
		Housing Opportunities, Inc.										
Assets												
Current assets												
Cash and equivalents, undesignated	\$ 8,527,823	\$ 129,420	\$ 13,866	\$ 110,498	\$ 50,390	\$ 39,683	\$ 84,266	\$ 62,566	\$ 14,791	\$ 461,221	\$ -	\$ 9,494,524
Cash and equivalents designated to investment in property and equipment	1,000,000	-	-	-	-	-	-	-	-	-	-	1,000,000
Contributions receivable	800,000	-	-	-	-	-	-	-	-	-	-	800,000
Accounts receivable	2,063,897	25,235	4,669	9,657	-	-	724	23,756	17,239	9,822	(1,603,910)	551,089
Grants receivable	729,512	-	-	-	-	-	-	-	-	-	-	729,512
Pledges receivable	725,000	-	-	-	-	-	-	-	-	-	-	725,000
Prepaid expenses and deposits	308,243	5,436	-	-	23,979	-	-	-	-	-	-	337,658
	<u>14,154,475</u>	<u>160,091</u>	<u>18,535</u>	<u>120,155</u>	<u>74,369</u>	<u>39,683</u>	<u>84,990</u>	<u>86,322</u>	<u>32,030</u>	<u>471,043</u>	<u>(1,603,910)</u>	<u>13,637,783</u>
Other assets												
Investments												
Investments in affiliates	2,030,697	1,664,636	-	-	-	-	-	-	-	-	(3,695,333)	-
Mutual funds and bonds	17,601,986	-	-	-	-	-	-	-	-	-	-	17,601,986
Replacement reserves	1,360,940	-	-	-	-	-	-	-	-	-	-	1,360,940
Pledges receivable - non-current	725,000	-	-	-	-	-	-	-	-	-	-	725,000
Security deposits	35,499	41,267	-	-	-	-	90,762	24,949	8,424	47,018	-	247,919
Other escrows	277,686	-	7,064	-	-	-	59,354	-	-	-	-	344,104
Development escrows	-	-	-	8,784,815	18,733,954	11,405,577	-	-	-	-	-	38,924,346
Restricted cash	-	-	-	581,000	-	-	2,847,371	183,096	32,248	923,154	-	4,566,869
	<u>22,031,808</u>	<u>1,705,903</u>	<u>7,064</u>	<u>9,365,815</u>	<u>18,733,954</u>	<u>11,405,577</u>	<u>2,997,487</u>	<u>208,045</u>	<u>40,672</u>	<u>970,172</u>	<u>(3,695,333)</u>	<u>63,771,164</u>
Notes receivable, net	30,623,990	-	-	-	-	-	-	-	-	-	(15,884,862)	14,739,128
Deferred fees, net of accumulated amortization	-	-	-	-	-	-	590,616	36,926	14,767	738,606	-	1,380,915
Property and equipment												
Land	2,030,589	554,283	434,587	2,815,392	1,206,719	955,314	1,989,045	424,458	153,537	703,021	-	11,266,945
Buildings and improvements	22,349,885	6,993,485	1,828,945	-	-	-	33,197,061	10,124,044	3,547,472	24,472,230	(5,916,571)	96,596,551
Furniture and fixtures	1,582,637	311,562	-	-	-	-	836,380	171,494	9,180	128,529	-	3,039,782
Vehicles	303,432	-	-	-	-	-	-	-	-	-	-	303,432
Leasehold improvements	66,417	-	-	-	-	-	-	-	-	-	-	66,417
Construction in process	5,509,500	2,103,537	-	5,098,332	2,302,743	1,432,486	-	-	-	-	-	16,446,598
Accumulated depreciation	(11,790,652)	(3,544,477)	(249,269)	-	-	-	(5,813,158)	(1,097,288)	(1,046,817)	(1,215,116)	327,193	(24,429,584)
Total property and equipment	<u>20,051,808</u>	<u>6,418,390</u>	<u>2,014,263</u>	<u>7,913,724</u>	<u>3,509,462</u>	<u>2,387,800</u>	<u>30,209,328</u>	<u>9,622,708</u>	<u>2,663,372</u>	<u>24,088,664</u>	<u>(5,589,378)</u>	<u>103,290,141</u>
Total assets	<u>\$ 86,862,081</u>	<u>\$ 8,284,384</u>	<u>\$ 2,039,862</u>	<u>\$ 17,399,694</u>	<u>\$ 22,317,785</u>	<u>\$ 13,833,060</u>	<u>\$ 33,882,421</u>	<u>\$ 9,954,001</u>	<u>\$ 2,750,841</u>	<u>\$ 26,268,485</u>	<u>\$ (26,773,483)</u>	<u>\$ 196,819,131</u>
Liabilities and Net Assets												
Current liabilities												
Accounts payable	\$ 354,610	\$ 12,945	\$ 8,054	\$ 369,726	\$ 240,312	\$ 278,382	\$ 15,258	\$ 8,677	\$ 11,015	\$ 31,997	\$ (2,000)	\$ 1,328,976
Accrued payroll and withholding	283,663	-	-	-	-	-	-	-	-	-	-	283,663
Accrued vacation	710,714	-	-	-	-	-	-	-	-	-	-	710,714
Accrued interest payable - related party	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest payable - 3rd party	18,878	-	-	-	-	-	167,815	-	829	14,372	-	201,894
Due to affiliates	-	121,462	27,253	144,828	51,133	40,303	776,269	34,899	-	73,376	(1,269,523)	-
Accrued asset management fee	-	-	-	-	-	-	-	3,825	-	-	-	3,825
Deferred revenue	141,724	-	-	-	-	-	-	1,148	3,440	-	-	146,312
Lines of credit - current	3,000,000	-	-	-	-	-	-	-	-	-	-	3,000,000
Notes payable - current maturities	5,596,524	67,157	-	-	-	-	70,000	-	2,063	-	-	5,735,744
Total current liabilities	<u>10,106,113</u>	<u>201,564</u>	<u>35,307</u>	<u>514,554</u>	<u>291,445</u>	<u>318,685</u>	<u>1,029,342</u>	<u>48,549</u>	<u>17,347</u>	<u>119,745</u>	<u>(1,271,523)</u>	<u>11,411,128</u>
Long-term liabilities												
Security deposit payable	49,281	38,847	-	-	-	-	87,837	22,051	5,592	43,143	-	246,751
Accrued interest payable - related party	-	-	-	-	-	-	1,329,872	480,943	32,902	-	(1,843,717)	-
Accrued interest payable - 3rd party	-	-	-	-	-	-	1,236,571	-	-	317,179	-	1,553,750
Developer fee payable	-	-	-	332,231	-	-	1,573,609	991,100	-	3,019,631	(5,916,571)	-
Accrued asset management fee	-	-	-	-	-	-	-	-	776	-	-	776
Due to affiliates	-	-	-	-	-	-	-	-	332,387	-	(332,387)	-
Due to seller of Fendall	-	-	-	-	-	-	-	-	-	204,439	-	204,439
Lines of credit	2,000,000	-	-	-	-	-	-	-	-	-	-	2,000,000
Notes payable, net of current maturities	3,220,484	4,329,528	-	15,346,980	20,776,520	13,514,375	19,393,000	-	992,534	13,418,882	-	90,992,303
Notes payable - SOME	-	200,000	277,980	944,664	1,249,820	-	10,647,666	2,000,000	221,465	2,500,000	(18,041,595)	-
Total long-term liabilities	<u>5,269,765</u>	<u>4,568,375</u>	<u>277,980</u>	<u>16,623,875</u>	<u>22,026,340</u>	<u>13,514,375</u>	<u>34,268,555</u>	<u>3,494,094</u>	<u>1,585,656</u>	<u>19,503,274</u>	<u>(26,134,270)</u>	<u>94,998,019</u>
Net assets	<u>71,486,203</u>	<u>3,514,445</u>	<u>1,726,575</u>	<u>261,265</u>	<u>-</u>	<u>-</u>	<u>(1,415,476)</u>	<u>6,411,358</u>	<u>1,147,838</u>	<u>6,645,466</u>	<u>632,310</u>	<u>90,409,984</u>
Total liabilities and net assets	<u>\$ 86,862,081</u>	<u>\$ 8,284,384</u>	<u>\$ 2,039,862</u>	<u>\$ 17,399,694</u>	<u>\$ 22,317,785</u>	<u>\$ 13,833,060</u>	<u>\$ 33,882,421</u>	<u>\$ 9,954,001</u>	<u>\$ 2,750,841</u>	<u>\$ 26,268,485</u>	<u>\$ (26,773,483)</u>	<u>\$ 196,819,131</u>

SOME and Affiliates
Consolidating Schedules of Financial Position
December 31, 2014 (Compiled)

Assets	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Supportive Housing Opportunities, LLC	Naylor Road, LLC	Zagami House, LLC	Scattered Site II, LLC	Eliminations	Total
Current assets									
Cash and equivalents, undesignated	\$ 13,816,650	\$ 69,537	\$ 7,658	\$ 60,675	\$ 56,244	\$ 11,129	\$ 153,570	\$ -	\$ 14,175,463
Cash and equivalents designated to investment in property and equipment	1,000,000	-	-	-	-	-	-	-	1,000,000
Contributions receivable	900,000	-	-	-	-	-	-	-	900,000
Accounts receivable	924,043	68,394	-	5,900	1,600	7,542	15,780	(918,517)	104,742
Grants receivable	487,801	-	-	-	-	-	-	-	487,801
Pledges receivable	525,000	-	-	-	-	-	-	-	525,000
Prepaid expenses and deposits	41,525	5,436	-	-	-	-	-	-	46,961
	<u>17,695,019</u>	<u>143,367</u>	<u>7,658</u>	<u>66,575</u>	<u>57,844</u>	<u>18,671</u>	<u>169,350</u>	<u>(918,517)</u>	<u>17,239,967</u>
Other assets									
Investments									
Investments in affiliates	2,030,697	1,664,636	-	-	-	-	-	(3,695,333)	-
Mutual funds and bonds	17,760,427	-	-	-	-	-	-	-	17,760,427
Replacement reserves	1,254,834	-	-	-	-	-	-	-	1,254,834
Pledges receivable - non-current	163,000	-	-	-	-	-	-	-	163,000
Security deposits	37,496	41,525	-	93,578	25,315	7,464	46,687	-	252,065
Other escrows	49,333	-	5,856	62,363	-	-	-	-	117,552
Restricted cash	-	-	-	2,382,626	170,091	27,771	393,060	-	2,973,548
	<u>21,295,787</u>	<u>1,706,161</u>	<u>5,856</u>	<u>2,538,567</u>	<u>195,406</u>	<u>35,235</u>	<u>439,747</u>	<u>(3,695,333)</u>	<u>22,521,426</u>
Notes receivable, net	<u>13,752,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,752,083)</u>	<u>-</u>
Deferred fees, net of accumulated amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>615,650</u>	<u>40,137</u>	<u>16,050</u>	<u>787,605</u>	<u>-</u>	<u>1,459,442</u>
Property and equipment									
Land	2,030,589	502,208	434,587	1,989,045	424,458	153,537	703,021	-	6,237,445
Buildings and improvements	22,300,053	6,993,485	1,828,945	33,136,873	10,124,044	3,547,472	24,412,680	(5,853,534)	96,490,018
Furniture and fixtures	1,571,471	296,750	-	836,380	171,494	9,180	114,184	-	2,999,459
Vehicles	331,935	-	-	-	-	-	-	-	331,935
Leasehold improvements	66,417	-	-	-	-	-	-	-	66,417
Construction in process	12,869,105	1,984,489	-	-	-	-	-	-	14,853,594
Accumulated depreciation	(11,143,269)	(3,358,049)	(202,373)	(4,719,239)	(783,777)	(915,747)	(579,905)	231,080	(21,471,279)
Total property and equipment	<u>28,026,301</u>	<u>6,418,883</u>	<u>2,061,159</u>	<u>31,243,059</u>	<u>9,936,219</u>	<u>2,794,442</u>	<u>24,649,980</u>	<u>(5,622,454)</u>	<u>99,507,589</u>
Total assets	<u>\$ 80,769,190</u>	<u>\$ 8,268,411</u>	<u>\$ 2,074,673</u>	<u>\$ 34,463,851</u>	<u>\$ 10,229,606</u>	<u>\$ 2,864,398</u>	<u>\$ 26,046,682</u>	<u>\$ (23,988,387)</u>	<u>\$ 140,728,424</u>
Liabilities and Net Assets									
Current liabilities									
Accounts payable	\$ 451,097	\$ 3,461	\$ 3,781	\$ 6,732	\$ 382	\$ 175	\$ 765,544	\$ -	\$ 1,231,172
Accrued payroll and withholding	295,578	-	-	-	-	-	-	-	295,578
Accrued vacation	660,570	-	-	-	-	-	-	-	660,570
Accrued interest payable - 3rd party	15,000	-	-	169,247	-	831	-	-	185,078
Due to affiliates	-	-	-	498,097	45,191	-	78,679	(621,967)	-
Accrued asset management fee	-	-	-	-	3,713	-	-	-	3,713
Deferred revenue	262,500	-	-	-	-	-	36,011	-	298,511
Notes payable - current maturities	87,659	65,647	-	70,000	-	2,043	-	-	225,349
Total current liabilities	<u>1,772,404</u>	<u>69,108</u>	<u>3,781</u>	<u>744,076</u>	<u>49,286</u>	<u>3,049</u>	<u>880,234</u>	<u>(621,967)</u>	<u>2,899,971</u>
Long-term liabilities									
Security deposit payable	80,448	37,093	4,219	86,239	18,631	5,388	43,973	-	275,991
Accrued interest payable - related party	-	-	-	1,024,284	370,943	28,402	-	(1,423,629)	-
Accrued interest payable - 3rd party	-	-	-	1,006,511	-	-	192,155	-	1,198,666
Developer fee payable	-	-	-	1,773,609	1,041,100	-	3,038,825	(5,853,534)	-
Accrued asset management fee	-	-	-	-	-	-	10,150	-	10,150
Due to affiliates	-	-	-	-	37,500	259,050	-	(296,550)	-
Due to seller of Fendall	-	-	-	-	-	-	204,439	-	204,439
Lines of credit	5,000,000	-	-	-	-	-	-	-	5,000,000
Notes payable, net of current maturities	8,716,612	4,396,686	-	19,463,000	-	994,597	19,700,591	-	53,271,486
Notes payable - SOME	-	200,000	277,980	10,647,666	2,000,000	221,465	2,561,705	(15,908,816)	-
Total long-term liabilities	<u>13,797,060</u>	<u>4,633,779</u>	<u>282,199</u>	<u>34,001,309</u>	<u>3,468,174</u>	<u>1,508,902</u>	<u>25,751,838</u>	<u>(23,482,529)</u>	<u>59,960,732</u>
Net assets	<u>65,199,726</u>	<u>3,565,524</u>	<u>1,788,693</u>	<u>(281,534)</u>	<u>6,712,146</u>	<u>1,352,447</u>	<u>(585,390)</u>	<u>116,109</u>	<u>77,867,721</u>
Total liabilities and net assets	<u>\$ 80,769,190</u>	<u>\$ 8,268,411</u>	<u>\$ 2,074,673</u>	<u>\$ 34,463,851</u>	<u>\$ 10,229,606</u>	<u>\$ 2,864,398</u>	<u>\$ 26,046,682</u>	<u>\$ (23,988,387)</u>	<u>\$ 140,728,424</u>

See Independent Auditor's Report.

SOME and Affiliates
Consolidating Schedules of Activities
Year Ending December 31, 2015

	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Benning Residential, LLC	Benning Programs, LLC	Benning Healthcare, LLC	Supportive Housing Opportunities, LLC	Naylor Road, LLC	Zagami House, LLC	Scattered Site II, LLC	Eliminations	Total
Support and revenue												
Contributions	\$ 14,489,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,489,876
In-kind contributions	765,380	-	-	-	-	-	-	-	-	-	-	765,380
United Way allocation	817,202	-	-	-	-	-	-	-	-	-	-	817,202
Management fee income	2,211,549	-	-	-	-	-	-	-	-	-	(2,211,549)	-
Development fee income	862,690	-	-	-	-	-	-	-	-	-	-	862,690
Foundations	2,621,334	-	-	-	-	-	-	-	-	-	-	2,621,334
Grants	4,725,077	-	-	-	-	-	-	-	-	-	-	4,725,077
Rental income	2,061,132	1,067,726	172,041	-	-	-	2,516,833	325,311	172,735	1,331,118	-	7,646,896
Operating subsidy from SOME, Inc.	-	-	-	-	-	-	-	210,006	-	-	(210,006)	-
Special events	1,421,374	-	-	-	-	-	-	-	-	-	-	1,421,374
Program service revenue	56,888	-	-	-	-	-	-	-	-	-	-	56,888
Insurance reimbursements	854,280	-	-	-	-	-	-	-	-	-	-	854,280
Legacies and bequests	740,795	-	-	-	-	-	-	-	-	-	-	740,795
Other	142,202	106,885	1,100	-	-	-	8,057	8,782	2,651	19,881	(85,225)	204,333
Total support and revenue	31,769,779	1,174,611	173,141	-	-	-	2,524,890	544,099	175,386	1,350,999	(2,506,780)	35,206,125
Expenses												
Program services												
Emergency aid	2,153,043	-	-	-	-	-	-	-	-	-	-	2,153,043
Housing services	10,594,649	1,225,690	235,259	-	-	-	3,859,573	845,014	380,049	1,901,595	(3,022,981)	16,018,848
Health services	2,382,647	-	-	-	-	-	-	-	-	-	-	2,382,647
Elderly services	1,184,072	-	-	-	-	-	-	-	-	-	-	1,184,072
Addiction and mental health services	4,483,419	-	-	-	-	-	-	-	-	-	-	4,483,419
Center for employment training	1,973,602	-	-	-	-	-	-	-	-	-	-	1,973,602
Total program services	22,771,432	1,225,690	235,259	-	-	-	3,859,573	845,014	380,049	1,901,595	(3,022,981)	28,195,631
Supporting services												
Management and general	501,589	-	-	-	-	-	-	-	-	-	-	501,589
Fundraising	1,830,315	-	-	-	-	-	-	-	-	-	-	1,830,315
Total supporting services	2,331,904	-	-	-	-	-	-	-	-	-	-	2,331,904
Total expenses	25,103,336	1,225,690	235,259	-	-	-	3,859,573	845,014	380,049	1,901,595	(3,022,981)	30,527,535
Non-operating activities												
(loss) gain on investments - net	(778,517)	-	-	-	-	-	-	-	-	-	-	(778,517)
(loss) gain on disposition of fixed assets	(13,421)	-	-	-	-	-	-	-	-	-	-	(13,421)
Interest and dividends	411,972	-	-	-	-	-	741	127	54	512	-	413,406
Total non-operating activities	(379,966)	-	-	-	-	-	741	127	54	512	-	(378,532)
Equity in income (loss) of affiliates	-	-	-	-	-	-	-	-	-	-	-	-
Change in net assets	\$ 6,286,477	\$ (51,079)	\$ (62,118)	\$ -	\$ -	\$ -	\$ (1,333,942)	\$ (300,788)	\$ (204,609)	\$ (550,084)	\$ 516,201	\$ 4,300,058

SOME and Affiliates
Consolidating Schedules of Activities
Year Ending December 31, 2014 (Compiled)

	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Supportive Housing Opportunities, LLC	Naylor Road, LLC	Zagami House, LLC	Scattered Site II, LLC	Eliminations	Total
Support and revenue									
Contributions	\$ 19,037,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,037,620
In-kind contributions	771,770	-	-	-	-	-	-	-	771,770
United Way allocation	900,000	-	-	-	-	-	-	-	900,000
Management fee income	2,190,647	-	-	-	-	-	-	(2,190,647)	-
Development fee income	360,366	-	-	-	-	-	-	-	360,366
Foundations	3,350,584	-	-	-	-	-	-	-	3,350,584
Grants	3,820,852	-	-	-	-	-	-	-	3,820,852
Rental income	1,453,974	2,751,317	328,464	2,483,453	322,036	191,629	739,310	(1,936,637)	6,333,546
Operating subsidy from SOME, Inc.	-	-	-	-	212,491	-	-	(212,491)	-
Special events	937,508	-	-	-	-	-	-	-	937,508
Program service revenue	42,311	-	-	-	-	-	-	-	42,311
Insurance reimbursements	932,589	-	-	-	-	-	-	-	932,589
Legacies and bequests	299,902	-	-	-	-	-	-	-	299,902
Other	541,805	-	7	8,235	14,276	1,178	68,133	-	633,634
Total support and revenue	34,639,928	2,751,317	328,471	2,491,688	548,803	192,807	807,443	(4,339,775)	37,420,682
Expenses									
Program services									
Emergency aid	2,189,089	-	-	-	-	-	-	-	2,189,089
Housing services	11,404,720	1,216,554	204,414	4,245,251	891,734	399,750	1,422,250	(4,863,155)	14,921,518
Health services	2,256,571	-	-	-	-	-	-	-	2,256,571
Elderly services	1,265,481	-	-	-	-	-	-	-	1,265,481
Addiction and mental health services	4,618,660	-	-	-	-	-	-	-	4,618,660
Center for employment training	2,004,911	-	-	-	-	-	-	-	2,004,911
Total program services	23,739,432	1,216,554	204,414	4,245,251	891,734	399,750	1,422,250	(4,863,155)	27,256,230
Supporting services									
Management and general	396,018	-	-	-	-	-	-	-	396,018
Fundraising	1,572,776	-	-	-	-	-	-	-	1,572,776
Total supporting services	1,968,794	-	-	-	-	-	-	-	1,968,794
Total expenses	25,708,226	1,216,554	204,414	4,245,251	891,734	399,750	1,422,250	(4,863,155)	29,225,024
Non-operating activities									
(loss) gain on investments - net	156,843	-	-	-	-	-	-	-	156,843
(loss) gain on disposition of fixed assets	2,200	-	-	-	-	-	-	-	2,200
Interest and dividends	283,240	64	-	875	277	49	160	-	284,665
Total non-operating activities	442,283	64	-	875	277	49	160	-	443,708
Equity in income (loss) of affiliates			-	-	-	-	-	-	-
Change in net assets	\$ 9,373,985	\$ 1,534,827	\$ 124,057	\$ (1,752,688)	\$ (342,654)	\$ (206,894)	\$ (614,647)	\$ 523,380	\$ 8,639,366

See Independent Auditor's Report.