

SOME and Affiliates

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

December 31, 2023 and 2022

SOME and Affiliates

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Independent Auditor's Report

To the Board of Directors
SOME and Affiliates

Opinion

We have audited the consolidated financial statements of SOME and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SOME and Affiliates as of December 31, 2023 and 2022, and the consolidated changes in its net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 the 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 SOME and Affiliates' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net assets, and cash flows of the individual companies 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 audits 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 GAAS. In our opinion, the Consolidating Schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Bethesda, Maryland
September 23, 2024

SOME and Affiliates

Consolidated Statements of Financial Position December 31, 2023 and 2022

	2023			2022		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
<u>Assets</u>						
Current assets						
Cash and cash equivalents, undesignated	\$ 3,161,420	\$ 1,807,783	\$ 4,969,203	\$ 2,178,199	\$ 4,519,477	\$ 6,697,676
Cash and cash equivalents designated to investment in property and equipment	-	-	-	1,000,000	-	1,000,000
United Way contributions receivable	-	352,000	352,000	-	352,000	352,000
Accounts receivable, net	4,066,332	-	4,066,332	4,250,301	-	4,250,301
Developer fee receivable - current	-	-	-	2,299,369	-	2,299,369
Grants receivable	1,060,490	-	1,060,490	855,412	-	855,412
Pledges receivable, net	-	1,220,602	1,220,602	-	1,107,213	1,107,213
Prepaid expenses and deposits	330,964	-	330,964	168,251	-	168,251
Total current assets	8,619,206	3,380,385	11,999,591	10,751,532	5,978,690	16,730,222
Other assets						
Developer fee receivable - noncurrent	-	-	-	3,763,148	-	3,763,148
Investments	31,328,526	-	31,328,526	28,588,414	-	28,588,414
Pledges receivable - noncurrent, net	-	4,528,310	4,528,310	-	3,180,000	3,180,000
Security deposits	456,504	-	456,504	400,411	-	400,411
Escrows and reserves	7,109,467	-	7,109,467	7,323,798	-	7,323,798
Development escrows	3,304,355	-	3,304,355	10,914,008	-	10,914,008
Restricted cash	1,250,230	-	1,250,230	936,244	-	936,244
Deferred rent asset	2,030,434	-	2,030,434	1,744,306	-	1,744,306
Total other assets	45,479,516	4,528,310	50,007,826	53,670,329	3,180,000	56,850,329
Deferred fees, net of accumulated amortization	511,573	-	511,573	391,476	-	391,476
Property and equipment						
Land	32,876,788	-	32,876,788	27,635,112	-	27,635,112
Land improvements	9,128,344	-	9,128,344	6,714,090	-	6,714,090
Buildings and improvements	283,061,506	-	283,061,506	226,634,533	-	226,634,533
Furniture and fixtures	9,768,031	-	9,768,031	6,772,000	-	6,772,000
Vehicles	562,861	-	562,861	502,812	-	502,812
Operating lease right-of-use assets	204,234	-	204,234	422,561	-	422,561
Finance lease right-of-use assets	285,295	-	285,295	513,523	-	513,523
Construction in process	15,851,295	6,949,222	22,800,517	47,346,890	-	47,346,890
Accumulated depreciation	(63,846,508)	-	(63,846,508)	(56,408,868)	-	(56,408,868)
Total property and equipment	287,891,846	6,949,222	294,841,068	260,132,653	-	260,132,653
Total assets	\$ 342,502,141	\$ 14,857,917	\$ 357,360,058	\$ 324,945,990	\$ 9,158,690	\$ 334,104,680

SOME and Affiliates

Consolidated Statements of Financial Position December 31, 2023 and 2022

	2023			2022		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
<u>Liabilities and Net Assets</u>						
Current liabilities						
Accounts payable and accrued expenses	\$ 5,329,809	\$ -	\$ 5,329,809	\$ 6,952,390	\$ -	\$ 6,952,390
Accrued payroll and withholding	1,992,638	-	1,992,638	1,144,768	-	1,144,768
Accrued vacation	909,145	-	909,145	764,463	-	764,463
Accrued interest payable - current	591,051	-	591,051	384,426	-	384,426
Current portion of operating lease liabilities	181,340	-	181,340	193,352	-	193,352
Current portion of finance lease liabilities	147,488	-	147,488	144,008	-	144,008
Deferred revenue - current	300,635	-	300,635	264,762	-	264,762
Lines of credit - current	9,500,000	-	9,500,000	5,000,000	-	5,000,000
Notes payable - current maturities	20,457,944	-	20,457,944	12,161,927	-	12,161,927
Total current liabilities	39,410,050	-	39,410,050	27,010,096	-	27,010,096
Long-term liabilities						
Security deposit payable	419,037	-	419,037	349,280	-	349,280
Accrued interest payable	6,453,778	-	6,453,778	5,680,225	-	5,680,225
Operating lease liabilities, net of current portion	-	-	-	181,340	-	181,340
Finance lease liabilities, net of current portion	37,426	-	37,426	184,914	-	184,914
Accrued asset management fee	55,183	-	55,183	28,347	-	28,347
Lines of credit	2,430,197	-	2,430,197	3,000,000	-	3,000,000
Notes payable, net	168,631,904	-	168,631,904	155,406,171	-	155,406,171
Total long-term liabilities	178,027,525	-	178,027,525	164,830,277	-	164,830,277
Commitments and contingencies	-	-	-	-	-	-
Net assets						
Net assets without donor restrictions						
Undesignated	1,967,119	-	1,967,119	5,562,951	-	5,562,951
Noncontrolling	4,809,586	-	4,809,586	18,959,001	-	18,959,001
Board-designated	118,287,861	-	118,287,861	108,583,665	-	108,583,665
Total net assets without donor restrictions	125,064,566	-	125,064,566	133,105,617	-	133,105,617
Net assets with donor restriction	-	14,857,917	14,857,917	-	9,158,690	9,158,690
Total net assets	125,064,566	14,857,917	139,922,483	133,105,617	9,158,690	142,264,307
Total liabilities and net assets	\$ 342,502,141	\$ 14,857,917	\$ 357,360,058	\$ 324,945,990	\$ 9,158,690	\$ 334,104,680

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Consolidated Statements of Activities Years Ended December 31, 2023 and 2022

	2023			2022		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Support and revenue						
Contributions	\$ 15,078,643	\$ 17,938,888	\$ 33,017,531	\$ 14,765,982	\$ 8,058,831	\$ 22,824,813
Legacies and bequests	2,958,981	-	2,958,981	2,281,092	-	2,281,092
Special events	55,978	-	55,978	54,856	-	54,856
In-kind contributions	547,113	-	547,113	528,567	-	528,567
Grants	3,666,202	-	3,666,202	3,114,514	-	3,114,514
Foundations	1,302,918	967,713	2,270,631	1,867,797	793,555	2,661,352
Rental income	11,908,262	-	11,908,262	11,344,196	-	11,344,196
Development fee income	1,641,883	-	1,641,883	2,382,966	-	2,382,966
Insurance reimbursements	6,139,557	-	6,139,557	5,130,414	-	5,130,414
Program service revenue	6,477	-	6,477	3,539	-	3,539
Other	1,576,320	-	1,576,320	9,829,085	-	9,829,085
Satisfaction of restrictions	13,207,374	(13,207,374)	-	11,288,756	(11,288,756)	-
Total support and revenue	<u>58,089,708</u>	<u>5,699,227</u>	<u>63,788,935</u>	<u>62,591,764</u>	<u>(2,436,370)</u>	<u>60,155,394</u>
Expenses						
Emergency aid	2,813,077	-	2,813,077	2,084,140	-	2,084,140
Housing services	42,123,994	-	42,123,994	37,754,517	-	37,754,517
Health services	3,304,387	-	3,304,387	2,736,203	-	2,736,203
Senior services	2,217,610	-	2,217,610	1,827,204	-	1,827,204
Mental health services	10,185,410	-	10,185,410	8,188,309	-	8,188,309
Education	2,399,317	-	2,399,317	1,983,467	-	1,983,467
Total program services	<u>63,043,795</u>	<u>-</u>	<u>63,043,795</u>	<u>54,573,840</u>	<u>-</u>	<u>54,573,840</u>
Supporting services						
Management and general	4,351,158	-	4,351,158	2,872,763	-	2,872,763
Fundraising	4,249,887	-	4,249,887	3,901,764	-	3,901,764
Total supporting services	<u>8,601,045</u>	<u>-</u>	<u>8,601,045</u>	<u>6,774,527</u>	<u>-</u>	<u>6,774,527</u>
Total expenses	<u>71,644,840</u>	<u>-</u>	<u>71,644,840</u>	<u>61,348,367</u>	<u>-</u>	<u>61,348,367</u>
Excess (deficiency) of revenue over expenses before nonoperating activities	<u>(13,555,132)</u>	<u>5,699,227</u>	<u>(7,855,905)</u>	<u>1,243,397</u>	<u>(2,436,370)</u>	<u>(1,192,973)</u>
Nonoperating activities						
Gain (loss) on investments - net	3,971,693	-	3,971,693	(6,019,664)	-	(6,019,664)
Insurance proceeds	219,000	-	219,000	-	-	-
Gain on sale of fixed assets	782	-	782	155,497	-	155,497
Interest and dividends, net	986,502	-	986,502	734,166	-	734,166
Total nonoperating activities	<u>5,177,977</u>	<u>-</u>	<u>5,177,977</u>	<u>(5,130,001)</u>	<u>-</u>	<u>(5,130,001)</u>
Excess (deficiency) of revenue over expenses	<u>(8,377,155)</u>	<u>5,699,227</u>	<u>(2,677,928)</u>	<u>(3,886,604)</u>	<u>(2,436,370)</u>	<u>(6,322,974)</u>
Noncontrolling interest loss	<u>(8,448,127)</u>	<u>-</u>	<u>(8,448,127)</u>	<u>(9,478,193)</u>	<u>-</u>	<u>(9,478,193)</u>
Excess (deficiency) of revenue over expenses - attributable to SOME and Affiliates	<u>\$ 70,972</u>	<u>\$ 5,699,227</u>	<u>\$ 5,770,199</u>	<u>\$ 5,591,589</u>	<u>\$ (2,436,370)</u>	<u>\$ 3,155,219</u>

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Consolidated Statement of Functional Expenses Year Ended December 31, 2023

	Program Services						Supporting Services		Total
	Emergency Aid	Housing Services	Health Services	Senior Services	Mental Health Services	Education	Management and General	Fundraising	
Salaries and wages	\$ 1,290,839	\$ 11,545,454	\$ 1,570,536	\$ 1,093,275	\$ 5,460,856	\$ 1,277,219	\$ 1,534,005	\$ 1,426,612	\$ 25,198,796
Employee benefits	166,320	2,028,225	335,708	167,973	931,346	199,073	844,871	300,141	4,973,657
Overhead	695,680	6,258,659	846,419	589,206	2,943,054	688,340	140,275	768,853	12,930,486
Professional fees	-	441,227	99,328	12	73,698	8,416	-	650,814	1,273,495
Stipends	-	791	-	20,407	35,516	226	11,986	11,800	80,726
Contract services	899	54,873	22,147	196	4,846	28,816	51,466	-	163,243
Staff training	149	53,391	14,149	1,687	23,381	74,042	119,853	3,236	289,888
Meals and food	485,530	90,606	560	51,055	98,069	722	57,038	77,651	861,231
Repairs and maintenance	14,192	4,217,265	249,609	3,100	267,702	2,724	200,506	28,105	4,983,203
Supplies	146,257	495,826	93,062	65,004	34,272	56,697	23,839	199,753	1,114,710
Telephone	-	83,239	119	-	5,204	-	686	440	89,688
Postage	-	1,109	-	-	199	18	8,101	78,345	87,772
Printing and related costs	1,357	1,580	5	-	513	5	7,425	198,465	209,350
Transportation	2,952	32,369	9,415	30,030	51,241	1,594	156,462	10,169	294,232
Utilities	-	2,779,485	-	-	14,411	-	21,593	4,897	2,820,386
Real estate taxes	-	43,350	-	-	-	-	31,862	-	75,212
Rent	-	31,798	-	51,818	70,730	-	1,205	99,206	254,757
Permits	-	473,778	2,782	-	5,662	-	7,249	143	489,614
Lab tests	-	119,416	44,239	5,173	53,424	3,120	-	-	225,372
Client assistance and support	7,117	142,942	7,288	124,846	54,990	49,581	15,694	-	402,458
Fines and penalties	-	3,175	3,131	-	467	-	24	-	6,797
Credit card and bank service charges	-	181,171	-	-	-	-	154,126	316,157	651,454
Interest expense	-	4,206,647	-	-	-	-	4,657	-	4,211,304
Dues and subscriptions	839	22,244	4,201	1,570	21,771	5,277	89,462	15,798	161,162
Insurance	-	678,792	-	-	894	-	57,063	4,737	741,486
Equipment and furniture	946	235,475	510	11,438	32,584	-	1,137	4,400	286,490
Advertising	-	-	1,179	820	580	3,447	-	26,135	32,161
Asset management/investor service fees	-	42,086	-	-	-	-	-	-	42,086
Bad debt expense	-	849,666	-	-	-	-	-	-	849,666
Total expenses before depreciation	2,813,077	35,114,639	3,304,387	2,217,610	10,185,410	2,399,317	3,540,582	4,225,857	63,800,879
Depreciation and amortization	-	7,009,355	-	-	-	-	810,576	24,030	7,843,961
Total expenses	\$ 2,813,077	\$ 42,123,994	\$ 3,304,387	\$ 2,217,610	\$ 10,185,410	\$ 2,399,317	\$ 4,351,158	\$ 4,249,887	\$ 71,644,840

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Consolidated Statement of Functional Expenses Year Ended December 31, 2022

	Program Services						Supporting Services		Total
	Emergency Aid	Housing Services	Health Services	Senior Services	Mental Health Services	Education	Management and General	Fundraising	
Salaries and wages	\$ 1,085,270	\$ 9,746,941	\$ 1,312,169	\$ 988,604	\$ 4,475,008	\$ 1,110,848	\$ 1,043,581	\$ 1,388,839	\$ 21,151,260
Employee benefits	242,286	2,315,006	294,233	188,345	1,116,976	230,144	166,036	276,976	4,830,002
Overhead	483,597	4,318,499	584,703	440,522	1,994,066	494,994	-	618,867	8,935,248
Professional fees	-	600,326	2,500	-	44,864	14,600	25,707	306,605	994,602
Stipends	-	1,648	-	-	8,121	-	26	-	9,795
Staff training	61	25,809	7,207	1,200	17,248	16,224	24,456	2,670	94,875
Meals and food	215,809	54,194	-	25,238	86,281	-	100,922	243,069	725,513
Repairs and maintenance	18,987	4,857,668	332,184	4,260	249,569	33,908	70,486	71,233	5,638,295
Supplies	23,198	428,417	133,079	32,835	27,791	32,639	192,037	119,991	989,987
Telephone	-	80,869	-	-	4,445	-	17,809	-	103,123
Postage	-	1,117	-	-	425	-	677	69,574	71,793
Printing and related costs	1,559	1,566	-	-	-	-	4,885	159,474	167,484
Transportation	3,782	33,205	2,095	2,719	20,234	1,395	6,970	4,307	74,707
Utilities	-	2,613,325	-	-	14,788	-	141,030	-	2,769,143
Real estate taxes	-	518,463	-	-	-	-	-	-	518,463
Rent	650	71,272	-	2,992	12,155	-	34,397	160,004	281,470
Permits	-	321,053	1,928	245	3,128	3,000	804	11,005	341,163
Lab tests	-	226,428	44,155	1,946	3,319	263	8,440	-	284,551
Client assistance and support	3,328	370,151	5,979	111,103	67,454	8,309	-	-	566,324
Fines and penalties	-	52,674	2,585	-	720	-	9,117	1,149	66,245
Credit card and bank service charges	-	28,675	-	-	-	-	159	337,343	366,177
Interest expense	-	3,209,964	-	-	-	-	83,278	-	3,293,242
Dues and subscriptions	878	13,317	2,300	765	6,678	1,350	3,099	16,962	45,349
Insurance	420	461,546	709	-	189	-	73,498	127	536,489
Equipment and furniture	682	96,297	1,387	26,430	9,797	-	40,946	2,586	178,125
Advertising	-	1,031	-	-	-	35,793	654	110,983	148,461
Asset management/ investor service fees	-	59,043	-	-	-	-	-	-	59,043
Bad debt expense	-	331,107	-	-	-	-	-	-	331,107
Total expenses before depreciation	2,080,507	30,839,611	2,727,213	1,827,204	8,163,256	1,983,467	2,049,012	3,901,764	53,572,034
Depreciation and amortization	3,633	6,914,906	8,990	-	25,053	-	823,751	-	7,776,333
Total expenses	\$ 2,084,140	\$ 37,754,517	\$ 2,736,203	\$ 1,827,204	\$ 8,188,309	\$ 1,983,467	\$ 2,872,763	\$ 3,901,764	\$ 61,348,367

See Notes to Consolidated Financial Statements.

SOME and Affiliates

**Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2023 and 2022**

	Without donor restriction			With donor restriction	Total
	Controlling	Noncontrolling	Total		
Net assets at January 1, 2022	\$ 108,555,027	\$ 21,158,976	\$ 129,714,003	\$ 11,595,060	\$ 141,309,063
Contributions	-	1,240,826	1,240,826	-	1,240,826
Transfer of equity	-	6,037,392	6,037,392	-	6,037,392
Excess (deficiency) of revenue over expenses	<u>5,591,589</u>	<u>(9,478,193)</u>	<u>(3,886,604)</u>	<u>(2,436,370)</u>	<u>(6,322,974)</u>
Net assets at December 31, 2022	114,146,616	18,959,001	133,105,617	9,158,690	142,264,307
Contributions	-	336,104	336,104	-	336,104
Transfer of equity	6,037,392	(6,037,392)	-	-	-
Excess (deficiency) of revenue over expenses	<u>70,972</u>	<u>(8,448,127)</u>	<u>(8,377,155)</u>	<u>5,699,227</u>	<u>(2,677,928)</u>
Net assets at December 31, 2023	<u><u>\$ 120,254,980</u></u>	<u><u>\$ 4,809,586</u></u>	<u><u>\$ 125,064,566</u></u>	<u><u>\$ 14,857,917</u></u>	<u><u>\$ 139,922,483</u></u>

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ (2,677,928)	\$ (6,322,974)
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by (used in) operating		
Depreciation and amortization of tax credit fees	7,843,961	7,776,333
Amortization of right-of-use assets	446,555	331,917
Amortization of debt issuance costs	153,527	209,674
Write-off of debt issuance costs	-	513,565
(Gain) loss on investments - net	(3,971,693)	6,019,664
Forgiveness of debt	(1,000,000)	(2,931,716)
Donated securities	(555,337)	(319,050)
Gain on sale of fixed assets	(782)	(155,497)
Changes in assets and liabilities		
Accounts receivable	183,969	(1,559,409)
Grants receivable	(205,078)	(442,120)
Pledges receivable	(1,461,699)	(4,287,213)
Prepaid expenses	(162,713)	(52,127)
Other escrows	214,331	(411,994)
Deferred rent asset	(286,128)	(320,407)
Operating lease liability	(193,352)	(208,614)
Accounts payable	187,854	719,137
Accrued payroll and withholding	847,870	(215,470)
Accrued vacation	144,682	(585,471)
Deferred revenue	35,873	(475,595)
Security deposits payable	69,757	(37,612)
Accrued interest	1,044,038	582,556
Accrued asset management fees	26,836	11,002
Net cash provided by (used in) operating activities	684,543	(2,161,421)
Cash flows from investing activities		
Investment in property and equipment	(38,767,114)	(60,769,459)
Proceeds from sales of marketable securities	12,325,565	759,587
Investment in marketable securities	(10,538,647)	(1,467,910)
Change in development escrows	7,609,653	(4,756,376)
Change in tax credit fees	(162,910)	(105,191)
Net cash used in investing activities	(29,533,453)	(66,339,349)
Cash flows from financing activities		
Proceeds from note payable	30,459,658	66,940,490
Principal payments on notes payable	(6,400,832)	(10,312,658)
Contributions from noncontrolling members	336,104	1,240,826
Financing lease liability	(144,008)	(355,772)
Proceeds from line of credit	3,930,197	1,500,000
Debt issuance costs	(1,690,603)	(491,177)
Net cash provided by financing activities	26,490,516	58,521,709

SOME and Affiliates

Consolidated Statements of Cash Flows Years Ended December 31, 2023 and 2022

	2023	2022
Net change in cash and restricted cash	(2,358,394)	(9,979,061)
Beginning of year		
Cash and cash equivalents, undesignated	8,034,331	18,013,392
Cash and cash equivalents designated for investment in property and equipment	1,000,000	1,000,000
Total beginning of year	9,034,331	19,013,392
End of year		
Cash and restricted cash, undesignated	6,675,937	8,034,331
Cash and restricted cash designated for investment in property and equipment	-	1,000,000
Total end of year	\$ 6,675,937	\$ 9,034,331
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	\$ 3,719,981	\$ 2,864,166

Noncash investing activities

During the years ended December 31, 2023 and 2022, SOME received \$555,337 and \$319,050 in donated securities, respectively.

At December 31, 2023 and 2022, SOME had accrued construction costs of \$3,331,124 and \$5,141,559, respectively.

At December 31, 2023 and 2022, SOME had accrued interest of \$295,183 and \$359,043, respectively, that was capitalized.

During the years ended December 31, 2023 and 2022, SOME disposed of fixed assets resulting in a gain on sale of \$782 and \$155,497, respectively.

During the years ended December 31, 2023 and 2022, SOME recognized \$1,000,000 and \$2,931,716, respectively, of loan forgiveness, which is included in other income.

During the year ended December 31, 2022, SOME recorded a right-of-use asset and liability in the amount of \$1,018,000 related to the adoption of Topic 842.

During the year ended December 31, 2022, \$6,037,392 of equity was transferred to SOME with the acquisition of Twain Investment Fund 88, LLC.

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

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", "SOME", or the "Organization").

Affordable Housing Opportunities, Inc. ("AHO"), an affiliate of SOME, was incorporated in the District of Columbia on January 19, 2005 as a nonprofit charitable organization and was organized for the purpose of developing and providing affordable housing.

The following real estate entity is a limited liability company, which is wholly-owned by AHO, which operates an affordable multifamily housing community:

- BH, LLC ("BH")
- 2607 Connecticut Ave LLC ("Connecticut")

The following list of tax credit entities is comprised of limited liability companies ("LLCs") that rehabilitate and operate affordable housing communities. SOME, AHO and certain affiliated entities act in the capacity of managing member and/or developers for these tax credit entities:

- Benning Residential, LLC ("Residential")
- Benning Programs, LLC ("Programs")
- Benning Healthcare, LLC ("Healthcare")
- Supportive Housing Opportunities, LLC ("Supportive")
- Naylor Road, LLC ("Naylor")
- Zagami House, LLC ("Zagami")
- Scattered Site II, LLC ("Scattered Site")
- Altamont Place, LLC ("Altamont")
- Spring Road, LLC ("Spring")
- Scattered Site III LLC ("SS III")
- 1515 North Capitol LLC ("NCap")

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

The following list of for-profit entities, which are wholly-owned by SOME or AHO, act in the capacity of managing members for affiliated tax credit entities:

- ZH LLC
- SHO LLC
- NR LLC
- SSII LLC
- BH LLC
- BR, LLC
- AP, LLC
- SR, LLC
- SSIII, LLC
- 1515 NCap, LLC

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

The for-profit affiliates are controlled by SOME or 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 consolidated financial statements follows:

Principles of consolidation

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

Program services

Emergency and Social Services - SOME provides comprehensive emergency services including meals, groceries, material goods, clothing, showers and hygiene kits to meet the daily needs of those individuals experiencing homelessness. Our Central Kitchen program provides hot meals for SOME residents and clients in our treatment programs.

Housing Services - SOME rehabilitates and operates affordable housing communities within the District of Columbia.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

Health Services - SOME provides comprehensive, integrated medical, dental and behavioral health care for clients experiencing homelessness. With specialty focus in Chronic Care Management, optometry, podiatry and oral surgery SOME's Clinic is able to provide both preventative and crisis care for clients. SOME's clinics also provide case management services to support clients in overcoming access to care.

Senior Services - SOME's Senior Center serves extremely low-income senior citizens with case management, counseling, hot meals, transportation and recreation services. Additionally, homebound seniors are provided direct case management visits and the affordable housing program for seniors provides housing and case management services. SOME has an emergency housing and support program for abused and neglected senior citizens, which is the only program for such citizens in the District of Columbia. The SOME Summer Camp for Seniors is a week-long camp for clients at a retreat house in West Virginia.

Mental Health Services - SOME provides outpatient, trauma informed, mental health services to clients struggling with symptoms of mental health. In addition to outpatient services SOME provides transitional housing options to clients living with mental health along with crisis stabilization and day treatment programs.

SOME's continuum of Substance Use Disorder Services is an abstinence-based treatment program that relies on modern and innovative approaches to care. SOME offers a safe shelter to assist clients in adjusting to the early stages of recovery, a residential treatment program located in West Virginia and a transitional housing program. Along with each stage of treatment SOME provides psychoeducation, treatment, ongoing recovery support services and medication assisted treatment to help clients in their recovery process.

Education - SOME's Center for Employment Training prepares men and women with the hard and soft skills needed to secure jobs in medical administration, building maintenance and business and customer relations. SOME placed students from our intensive six-month accredited job training program in various positions across the city.

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.

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 revenue 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.

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.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

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

Accounts receivable is stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are generally written off through a charge to the valuation allowance and a credit to trade accounts receivable. As of December 31, 2023 and 2022, the balance of the allowance for doubtful accounts was \$109,342 and \$4,432, respectively.

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.

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, 2023 and 2022, no allowance has been recorded. It is reasonably possible that management's estimate of the allowance will change. Pledges as of December 31, 2023 and 2022 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 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. Expenditures greater than \$10,000 that extend the useful life of the asset are capitalized. Construction in progress is not depreciated until placed in service.

Capitalization of costs

Certain carrying costs such as property insurance and other related costs specific to the rental property is capitalized during the period in which activities necessary to get the property ready for its intended use are in progress.

Debt issuance costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Deferred fees and amortization

During 2023 and 2022, deferred fees include tax credit fees of \$815,417 and \$652,507, respectively, which are amortized using the straight-line method over 15 years. Amortization expense for the years ended December 31, 2023 and 2022 was \$42,813 and \$43,589, respectively. Accumulated

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

amortization as of December 31, 2023 and 2022 was \$303,844 and \$261,031, respectively. Estimated amortization expense for each of the years is \$53,606 through the year ended December 31, 2026, \$46,990 for the year ended December 31, 2027 and \$44,973 for the year ended December 31, 2028.

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 2023 or 2022.

Investments

SOME's investments in marketable equity securities are carried at fair value and are classified as noncurrent 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 current and noncurrent 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

In accordance with accounting principles generally accepted in the United States of America, revenue is recognized when earned and expenses when obligations are incurred. In addition, unconditional contributions received are recorded as with or without donor restriction support depending on the existence and or nature of any donor restrictions. Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction.

Most development fees earned are paid from projects' equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period beginning when a project is assured of being constructed, as evidenced by the admission of an equity partner, then based on the external construction costs incurred as a percentage of the total external construction costs expected and concluding with the application for final allocation of tax credits. Any portion of the development fee not expected to be paid using contributions from the equity investor, such as cash flow from operations, represents variable consideration.

SOME estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total development fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in ASC Topic 606, *Revenue from Contracts with Customers*, on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside SOME's influence, including insufficient equity and debt proceeds at the completion of the construction of a project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

- SOME's experience with similar types of agreements.
- Whether the SOME expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on SOME's estimate of the variable consideration using available information at the reporting date. Development fee receivable, development fee income and deferred development fee earned from subsidiaries and payable from operational cash flow of the respective projects are eliminated in 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 tenants 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.

SOME utilizes the services of outside volunteers. However, the fair value of these services is not recognized in the accompanying consolidated financial statements, since they do not meet the criteria of being a specialized service that would typically need to be purchased and do not enhance or create an assets.

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, 2023 and 2022, SOME and affiliates incurred advertising costs of \$17,958 and \$151,313, 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, 2023 and 2022, SOME capitalized interest in the amounts of \$2,522,706 and \$337,720, 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, 2023 and 2022. Due to its tax exempt status, SOME, Inc. and AHO are not subject to

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

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 2020 remain open.

Barnaby House, Programs, Healthcare and Connecticut are single member limited liability companies. Therefore, these entities are treated as disregarded entities for income tax purposes and, as such, are not subject to income taxes. Rather, all items of taxable income and deductions are passed through to and are reported by SOME and AHO on its income tax returns. Accordingly, these consolidated financial statements do not reflect provisions or benefits for income taxes for these entities. Since these entities are not required to file income tax returns, they have 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 taxable 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 is based on their legal status as limited liability companies. Accordingly, these affiliated entities are not required to take any tax positions in 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, 2023 and 2022. 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. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2020 remain open.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of functional expenses. Directly identifiable expenses are charged to program and supporting services. Indirect expenses are charged to program and supporting services, management and general and fundraising based on time spent on various programs.

Noncontrolling interest in limited liability companies

This amount represents the aggregate balance of the investor members' equity interest in the non wholly-owned limited liability companies that are included in the consolidated financial statements as of the years ended December 31, 2023 and 2022.

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.

Transfer of equity

Transfers of equity include changes in ownership which occurred during the year.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

Leases

The Organization adopted Topic 842 on January 1, 2022. The Organization has elected and applies the practical expedient to combine nonlease components with their related lease components and account for them as a single combined lease component. The Organization includes its right-of-use assets for operating and finance leases within property, plant and equipment and the corresponding lease liabilities within lease liabilities in its consolidated balance sheets. See Note 21 regarding the Organization's right-of-use assets and its lease liabilities.

New accounting pronouncements

During the year ended December 31, 2023, the Association adopted FASB ASU No. 2016-13 Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. Adopting the new standard did not have a material effect on the presentation of the financial statements.

Note 3 - Escrows, reserves and restricted cash

Borrower equity funds and debt service reserves

Pursuant to the operating agreements, as defined, of Residential, Supportive, Spring Road and Scattered Site, SOME maintains borrower equity funds and debt service reserves for payment of debt service. At December 31, 2023 and 2022, the balance in the debt service reserves was \$1,213,981 and \$1,261,693, respectively.

Replacement reserves

Pursuant to the operating agreements, as defined, of Residential, Supportive, Naylor, Zagami, Altamont, Spring, and Scattered Site, SOME maintains replacement reserve deposits to fund capital improvements and repairs. At December 31, 2023 and 2022, the balance in the replacement reserve accounts was \$2,114,844 and \$1,914,313, respectively.

Operating reserves

Pursuant to the operating agreements, as defined, of Residential, Supportive, Naylor, Altamont and Scattered Site, SOME maintains operating reserve deposits to fund operating deficits. On December 31, 2023 and 2022, the balance in the operating reserves accounts was \$1,826,485 and \$1,823,766, respectively.

Revenue deficit reserve

Pursuant to the operating agreement, as defined, Scattered Site 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, 2023, and 2022, the balance in the revenue deficit reserve was \$165,442 and \$165,425, respectively.

Working capital reserve

Pursuant to the operating agreement, as defined, Residential is required to deposit no less than \$332,000 into a working capital reserve account to fund construction costs of the project. As of December 31, 2019, the reserve requirement has been met, and the reserve no longer needs to be funded. At December 31, 2023 and 2022, the balance of the working capital reserve was \$102,365 and \$102,365, respectively.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

Local Rent Supplement Program ("LRSP") reserve

Pursuant to an agreement between Supportive and the Federal Home Loan Mortgage Corporation, dated August 1, 2010, SOME 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 SOME in 10 annual payments beginning in June 2024. At December 31, 2023 and 2022, the balance in the LRSP reserve was \$1,505,450 and \$1,504,478, respectively.

Other reserves

The Organization maintains other reserve accounts including insurance and tax reserves. As of December 2023, and 2022, the other reserves balance was \$1,431,130 and \$1,488,002, respectively.

Note 4 - Development escrows

Development escrows include cash restricted for the construction of Residential, Healthcare, and Programs. At December 31, 2023 and 2022, development escrows had a balance of \$3,304,355 and \$10,914,008, respectively.

Note 5 - Pledges and United Way contributions receivable

Pledges and the United Way contributions receivable as of December 31, 2023 and 2022 are unconditional.

Pledges and the United Way contributions receivable are considered fully collectible and are due as follows as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Pledges and United Way contributions due in less than one year	\$ 1,572,602	\$ 1,459,213
Pledges and United Way contributions due in one to three years	<u>4,528,310</u>	<u>3,180,000</u>
Total pledges and United Way contributions	<u>\$ 6,100,912</u>	<u>\$ 4,639,213</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 with donor restriction or without donor restriction 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 two net asset categories - net assets without restriction and net assets with restriction - according to externally (donor) imposed restrictions. A description of the net assets without donor restriction and net assets with donor restriction categories are as follows:

Net assets without restriction - includes revenue and expenses associated with the principal mission of SOME. Net assets without restriction include net assets that have been internally designated by the Board of Directors for specific purposes. See Note 10 for net asset designation.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

Net assets with restriction - generally includes contributions for which donor-imposed direct restrictions have not been met or donor contributions that have not been received.

At December 31, 2023 and 2022, net assets with restriction consisted of the following:

	2023	2022
Capital campaign	\$ 13,162,368	\$ 8,379,276
Major improvements	1,343,549	427,414
Time restricted	352,000	352,000
	\$ 14,857,917	\$ 9,158,690

Note 7 - Investments

The following represents investments held as of December 31, 2023 and 2022:

	2023	2022
Fixed income	\$ 8,543,266	\$ 7,591,316
Equities	22,688,276	20,839,370
Money market funds	96,984	157,728
	\$ 31,328,526	\$ 28,588,414

Investment income (loss) for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Interest and dividends	\$ 1,048,151	\$ 793,251
Gain (loss) on investments, net	3,971,693	(6,019,664)
Investment fees	(61,649)	(59,085)
	\$ 4,958,195	\$ (5,285,498)

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 fees, credit risk, etc.).

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

Pursuant to the operating agreement, as defined, of Zagami, SOME maintains operating reserve deposits to fund operating deficits. At December 31, 2023 and 2022, the balance in the operating reserve account was \$486,384 and \$462,129, respectively, and is included in investments on the accompanying consolidated statements of financial position.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

Pursuant, to the operating agreement, as defined, of Altamont, SOME maintains sinking fund reserve deposits to fund operating deficits. At December 31, 2023 and 2022, the balance of the sinking fund was \$1,404,662 and \$1,196,434, which is included in investments in the accompanying consolidated statements of financial position.

The following table sets forth by level, within the fair value hierarchy SOME's investments reported at fair value as of December 31, 2023:

Description	Total investments at 12/31/2023	Market prices for assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fixed income	\$ 8,543,266	\$ 8,543,266	\$ -	\$ -
Money market funds	96,984	96,984	-	-
Equities				
U.S. equities	13,611,082	13,611,082	-	-
Global equities	9,077,194	9,077,194	-	-
	<u>\$ 31,328,526</u>	<u>\$ 31,328,526</u>	<u>\$ -</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy SOME's investments reported at fair value as of December 31, 2022:

Description	Total investments at 12/31/2022	Market prices for assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fixed income	\$ 7,591,316	\$ 7,591,316	\$ -	\$ -
Money market funds	157,728	157,728	-	-
Equities				
U.S. equities	13,277,006	13,277,006	-	-
Global equities	7,562,364	7,562,364	-	-
	<u>\$ 28,588,414</u>	<u>\$ 28,588,414</u>	<u>\$ -</u>	<u>\$ -</u>

The following table shows what items the investments are pledged to as of December 31, 2023 and 2022:

	2023	2022
Balance	\$ 31,328,526	\$ 28,588,414
Lines of credit	(15,500,000)	(15,500,000)
Zagami operating reserve	(486,384)	(462,129)
Altamont sinking fund	(1,404,662)	(1,196,434)
Replacement reserves	(1,256,735)	(1,158,481)
	<u>\$ 12,680,745</u>	<u>\$ 10,271,370</u>

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Notes to Consolidated Financial Statements December 31, 2023 and 2022

Note 8 - Donated assets and services

The Organization received gifts in-kind for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Meals	<u>\$ 547,113</u>	<u>\$ 528,567</u>
	<u>\$ 547,113</u>	<u>\$ 528,567</u>

Contributed meals received by the Organization are recorded as in-kind contributions with corresponding expenses. The Organization values the donated meals based on the market value if the Organization had bought them.

All gifts in-kind received by the Organization were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

Note 9 - 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 the 30 day average SOFR +1.35% at December 31, 2023 (7.34% and 6.69%, respectively, at December 31, 2023 and 2022). During 2023, the line-of-credit was extended to October 29, 2024. Management expects to further extend the line-of-credit. 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, 2023 and 2022, SOME had borrowed, \$3,000,000 and \$0 of the line-of-credit.

SOME has a second line-of-credit agreement with a commercial bank providing for borrowings of up to \$4,500,000. The line-of-credit is utilized to support working capital needs and acquisition of real estate and bears interest at 30 day average SOFR +1.4% at December 31, 2023 (6.40% and 4.06%, respectively, at December 31, 2023 and 2022). During 2023, \$2,000,000 of the line-of-credit was extended to August 30, 2024 and \$2,430,197 matures on October 10, 2028. Management expects to further extend the line-of-credit. 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, 2023 and 2022, SOME had borrowed \$4,430,197 and \$3,500,000, respectively, of the line-of-credit.

SOME entered into line-of-credit agreement with a commercial bank providing for borrowings of up to \$1,500,000. The line-of-credit is utilized to support working capital needs and acquisition of real estate and bears interest at 30 day average SOFR +1.0% at December 31, 2022 (6.78% and 4.06%, respectively, at December 31, 2023 and 2022). During 2023, the line-of-credit was extended to December 31, 2024. 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, 2023 and 2022, the outstanding balance was \$1,500,000 and \$1,500,000, respectively, of the line-of-credit.

SOME entered into 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 30 day average SOFR +1.43% at December 31, 2023 (6.78% and 4.06%, respectively, at December 31, 2023 and 2022). During 2022, the line-of-credit was extended to December 29, 2024. The line-of-credit is secured by one of SOME's investment accounts. Borrowings

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Notes to Consolidated Financial Statements December 31, 2023 and 2022

under the line require monthly payments of all accrued unpaid interest. As of December 31, 2023 and 2022, SOME had borrowed \$3,000,000 of the line-of-credit.

Management plans to extend maturing lines of credit and to repay outstanding lines of credit from the sale of rental property and operating cash flow.

Note 10 - Notes payable

Notes payable at December 31, 2023 and 2022 consisted of:

Name of creditor	Maturity date	Interest rate	12/31/2023	12/31/2022	Other	Name of debtor
DC Department of Housing and Community Development (DC DHCD)	July 2034	5.00%	\$ 696,002	\$ 746,190		SOME, Inc.
DC DHCD	June 2048	Non-interest bearing	-	-	Principal due at maturity in 2048.	SOME, Inc.
Private party	July 2024	3.00%	-	1,000,000	Principal and interest due at maturity; loan forgiven upon lender's death.	SOME, Inc.
Local Initiatives Support Corporation	5/1/2025	4.75%	7,000,000	6,929,087		SOME, Inc.
Low-income investment fund	10/1/2030	7.10%	3,060,000	-		SOME, Inc.
Low-income investment fund	10/1/2026	7.35%	1,196,000	-		SOME, Inc.
Local Initiatives Support Corporation	6/1/2025	4.75%	4,048,546	3,861,098		SOME, Inc.
Amazon.com NV Investment Holdings LLC	5/31/2042	2.00%	11,759,650	11,759,650	Loan Servicing Fee of \$10,548 annually	SOME, Inc.
Enterprise Community Loan Fund, Inc.	August 2023	0%	-	225,000	Principal and interest will be forgiven at maturity if loan conditions are met.	AHO
DC DHCD	October 2038	3.00%	1,204,693	1,267,783		AHO
DC DHCD	May 2047	Non-interest bearing	899,501	917,500	March 2046 - Balloon of \$280,516.	AHO
Northmarq Finance, LLC	February 2058	4.35%	7,788,712	7,877,847	Maximum amount allowed to be drawn is \$8,300,000.	Residential
DC DHCD	480 months after stabilization	Non-interest bearing	17,947,789	17,947,789	Maximum amount allowed to be drawn is \$17,947,789.	Residential
City First Bank	November 2032	4.25%	10,124,923	10,471,307		Healthcare
DC DHCD	March 2053	1.00%	1,468,761	1,468,761		Altamont
DC DHCD	May 2057	2.00%	4,900,000	4,900,000		Spring Road
City Bank	June 2050	4.73%	5,880,014	5,956,830		Spring Road
DC DHCD	April 2048	1.00%	949,165	966,084		Zagami
Builders Fund, LLC	November 2053	2.70%	2,000,000	2,000,000	Payable solely out of available cash flow.	Scattered Site
DC DHCD	April 2053	1.80%	4,780,000	4,780,000	Payable solely out of available cash flow; Maximum amount allowed to be drawn is \$4,780,000.	Scattered Site
DC DHCD	April 2053	2.50%	900,000	900,000	Payable solely out of available cash flow.	Scattered Site
DCHFA (Citibank as Funding Lender)	May 2031	4.56%	5,656,059	5,757,961	Maximum amount to be drawn is \$6,336,000.	Scattered Site
DC DHCD	January 2050	2.00%	11,503,000	11,503,000	Payable solely out of available cash flow.	Supportive
DCHFA	January 2044	4.09%	7,130,000	7,270,000	Maximum amount to be drawn is \$18,300,000.	Supportive
DC DHCD	April 2060	3.00%	11,407,761	11,407,761		SS III
Chase	October 2040	2.27%	12,026,861	17,300,000	Maximum amount to be drawn is \$17,300,000.	SS III
DC DHDC	September 2063	1.00%	17,981,822	14,004,113		1515 North Capital
Chase	October 2024	2.00%	30,470,516	18,842,276	Conversion date is expected to be October 2024. At this time \$16,749,000 will convert to permanent financing and be amortized over a 40-year period.	1515 North Capital

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Notes to Consolidated Financial Statements December 31, 2023 and 2022

Name of creditor	Maturity date	Interest rate	Balance as of 12/31/2023	Balance as of 12/31/2022	Other	Name of debtor
Local Initiatives Support Corporation	July 2025	5.00%	10,339,350	-	Maturity is the lesser of closing of permanent financing or 30 months from initial closing. Management expects to repay the outstanding balance from permanent financing.	Connecticut
			193,119,125	170,060,037		
			(20,457,944)	(12,161,927)		
			(4,029,277)	(2,491,939)		
			<u>\$ 168,631,904</u>	<u>\$ 155,406,171</u>		

As of December 31, 2023 and 2022, all notes payable are solely collateralized by the respective rental properties owned by the affiliated entities responsible for each mortgage.

Debt issuance costs, net of accumulated amortization, totaled \$4,029,277 and \$2,491,939 as of December 31, 2023 and 2022, respectively, are related to the mortgages above. Debt issuance costs on the above notes are being amortized using imputed rates that range from 1.08% to 5.93%.

The aggregate amount of principal payments required on notes payable at December 31, 2023 are as follows:

December 31, 2024	\$ 20,457,944
2025	18,383,561
2026	6,336,266
2027	1,143,827
2028	1,195,869
Thereafter	<u>145,601,658</u>
Total	<u>\$ 193,119,125</u>

Note 11 - Designations

The Board of Directors of SOME has designated net assets without donor restriction for the following purposes as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Expansion of housing and other programs	\$ 22,088,218	\$ 19,574,055
Property and equipment	72,596,947	63,604,415
Other funds in escrow	7,447,508	5,319,810
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	<u>3,655,188</u>	<u>7,585,385</u>
	<u>\$ 118,287,861</u>	<u>\$ 108,583,665</u>

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Notes to Consolidated Financial Statements December 31, 2023 and 2022

Note 12 - Consolidated statements of cash flows

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts in the consolidated statements of cash flows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,969,203	\$ 7,697,676
Security deposits	456,504	400,411
Restricted cash	<u>1,250,230</u>	<u>936,244</u>
	<u>\$ 6,675,937</u>	<u>\$ 9,034,331</u>

Amounts included in restricted cash are comprised of security deposits held in trust for the future benefit of tenants upon moving out of the property and restricted cash as required by the regulatory authorities and the operating agreements.

Note 13 - 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.

During December 2018, cracks were discovered in the garage of the Conway Center, located at 4430 Benning Road, NE. The relevant parties have been notified and SOME has engaged a third-party engineering firm to provide a thorough assessment of the damage and scope of repairs. At this time, the scope of the permanent repair for the building has not been finalized, and therefore costs related to the damage have not been fully quantified. SOME is pursuing insurance claims to cover costs of repair and other costs arising from the damage.

On April 19, 2022, SOME entered into a settlement agreement that provides a partial recovery of costs related to damage to the garage.

Note 14 - 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, 2023 and 2022, SOME contributed \$1,461,888 and \$1,244,617, respectively, to the plan.

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Notes to Consolidated Financial Statements December 31, 2023 and 2022

In addition, SOME pays the premium for a split-dollar whole life insurance policy for a key employee. Under the terms of the policy, the cumulative annual premiums paid by SOME will be repaid from any death benefits. As of December 31, 2023 and 2022, SOME has paid cumulative premiums totaling \$0 and \$0, respectively.

Note 15 - 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.

Note 16 - Related party transaction

Asset management fee

SOME and affiliates incur asset and investor services management fees through Naylor, Scattered Site, Altamont, Residential, Spring, and Zagami.

Pursuant to the Operating Agreement of Naylor, 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, 2023 and 2022, asset management fees of \$4,845 and \$4,704, respectively, were incurred. As of December 31, 2023 and 2022, \$9,549 and \$4,704, respectively, were payable.

Pursuant to the Operating Agreement of Scattered Site II, the investor member receives an original annual asset management fee of \$5,000, which increases 3% annually. The asset management fee is payable from available cash flow. For the years ended December 31, 2023 and 2022, \$6,719 and \$6,524, respectively, were incurred. As of December 31, 2023 and 2022, \$13,244 and \$6,524, respectively, remain payable.

Pursuant to the Operating Agreement of Altamont, the Investor Member earns an annual asset management fee of \$2,500, beginning in 2017, which increases by 3% annually. The asset management fee is payable from available cash flow. During the years ended December 31, 2023 and 2022, asset management fees of \$2,985 and \$2,898, respectively, were incurred. As of December 31, 2023 and 2022, \$0 and \$10, respectively, remained payable.

Pursuant to the Operating Agreement of Residential, the Investor Member earns an annual asset management fee of \$7,000, beginning in 2018, which increases by 3% annually. The asset management fee is payable from available cash flow. During the period ended December 31, 2023 and the period ended December 31, 2022, asset management fees of \$8,114 and \$7,878, respectively, were incurred. As of December 31, 2023 and 2022, \$18,735 and \$10,621, respectively, remained payable.

Pursuant to the Operating Agreement of Spring, the Investor Member earns an annual asset management fee of \$2,500, beginning in 2019, which increases by 3% annually. The asset management fee is payable from available cash flow. During the years ended December 31, 2023 and 2022, asset management fees of \$2,898 and \$2,814, respectively, were incurred. At December 31, 2023 and 2022, \$5,712 and \$2,814, respectively, remain payable.

Pursuant to the Operating Agreement of Scattered Site III, the investor member receives an original annual asset management fee of \$7,000, which increases 3% annually. The asset management fee is payable from available cash flow. During the years ended December 31, 2023 and 2022, asset

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management fees of \$7,210 and \$5,543, respectively, were incurred. As of December 31, 2022 and 2023, \$12,753 and \$5,543, respectively, remains payable.

Investor services management fee

Pursuant to the Operating Agreement of Zagami, the PNC Fund Investor earns an annual investor services management fee of \$650, beginning in 2009 and increasing by 3% annually. The investor services management fee is payable from available cash flow. During 2023 and 2022, investor services management fees of \$955 and \$955, respectively, were incurred. As of December 31, 2023 and 2022, \$1,910 and \$955, respectively, remained payable.

Note 17 - Note receivable

SOME had a note receivable with Twain Investment Fund 88, LLC in the original amount of \$14,739,128. The funds were advanced in relation to Program's New Markets Tax Credits ("NMTC"). The note bore interest at 1% and matured on October 30, 2045. Interest-only payments were due quarterly beginning in October of 2015. Beginning in 2022, principal and interest payments of \$244,344 were due quarterly. As of December 31, 2022 the entire balance of the note was forgiven after SOME was assigned the interest in Twain Investment Fund 88, LLC.

Note 18 - Construction contracts

During 2021, 1515 North Capital entered into a construction contract with Clark Construction Group, LLC, an unrelated third party, guaranteed by the contractor not to exceed \$39,116,786, subject to additions or deduction by change orders. As of December 31, 2022, approved change orders of \$874,011 increased the contract amount to \$39,990,797. As of December 31, 2022, \$29,814,031 of costs were incurred, of which \$4,862,540 remains payable, including \$1,999,540 of retainage, respectively, and is included in accounts payable. As of December 31, 2023, approved change orders of \$903,345 increased the contract amount to \$40,020,131. As of December 31, 2023, \$40,020,121 of cost have been incurred, of which \$2,061,964 remains payable, including \$995,435 of retainage, respectively, and is included in accounts payable.

Note 19 - Construction in progress

Construction in progress consisted of the following as of December 31, 2023 and 2022:

Project name	2023	2022
Programs	\$ -	\$ 64,500
NCap	-	38,362,567
2607 Connecticut	10,732,613	-
Benning Garage (SOME)	1,027,841	890,263
Shalom House (SOME)	140,144	587
Gas station (SOME)	54,670	54,670
Deanwood (SOME)	4,848,726	2,197,804
Kansas Avenue (SOME)	-	9,524
Woodley (SOME)	-	478,757
Hanover Place (SOME)	2,559,931	2,559,931
O Street (SOME)	2,895,707	230,576
1338 North Cap (SOME)	47,312	-
Other major improvements (SOME)	493,573	2,497,711
	<u>\$ 22,800,517</u>	<u>\$ 47,346,890</u>

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Notes to Consolidated Financial Statements December 31, 2023 and 2022

Note 20 - Availability and liquidity

Under SOME and Affiliates' liquidity plan, cash in excess of daily requirements is invested in short-term investments and money market funds. Occasionally, the board of directors designates a portion of any operating surplus to a separate professionally managed operating investment reserve, which was \$31,328,526 and \$28,588,414 at December 31, 2023 and December 31, 2022, respectively.

The following represents SOME and Affiliates' financial assets at December 31, 2023 and 2022:

	2023	2022
Financial assets at year-end		
Cash and cash equivalents, undesignated	\$ 4,969,203	\$ 6,697,676
Cash and cash equivalents, designated to investment in property and equipment	-	1,000,000
United Way contributions receivable	352,000	352,000
Accounts receivable	4,442,922	4,250,301
Grants receivable	1,060,490	855,412
Pledges receivable, current	1,220,602	1,107,213
Investments	31,328,526	28,588,414
Total financial assets	43,373,743	42,851,016
Less amounts not available to be used within one year		
Net assets with donor restrictions	10,329,607	5,978,690
Pledged investments	17,391,046	17,158,563
Board-designated	12,500,000	12,500,000
	40,220,653	35,637,253
Financial assets available to meet general expenditures over the next 12 months	\$ 3,153,090	\$ 7,213,763

SOME and Affiliates' goal is generally to maintain financial assets to meet 90 days of operating expenses, which is included in the board designated line (approximately \$3.7 million (Note 11)). Although we do not intend to spend from these board-designated funds, these amounts could be made available if necessary.

Note 21 - Guarantees

SOME and Affiliates issue a variety of guarantees in the course of developing properties. The guarantees are generally issued in the favor of the investor members or lenders. Guarantees as of December 31, 2023 and 2022 consist of the following:

Operating deficit guarantees

Operating deficit guarantees are commitments to fund future operating deficits of its affiliated limited liability companies. The guarantees are issued in favor of tax credit limited liability companies, and generally are for the 15-year period when the investor is expected to hold its investor member interest, or for shorter periods (for example, three to five years after the project has achieved break-even or stabilized operations, or a certain debt service coverage ratio, as defined in the respective agreements).

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In addition, SOME has a maximum \$2 million exposure to replenish the operating reserve fund of Supportive if the reserve falls below \$500,000.

Tax credit guarantees

Tax benefits guarantees are guarantees that properties financed in part by federal tax credit allocations will realize a flow of tax benefits in the form of low-income tax credits to the investors in tax credit limited liability companies over the tax compliance period of 15 years after initial lease-up.

Construction guarantees

Construction related guarantees are commitments to fund the development and lease up of a project, should the project not receive expected permanent financing, or should the cost of the development exceed permanent financing received.

Right-sized permanent loan

Pertaining to Residential, SOME has guaranteed to fund any difference between the amount of debt underwritten and the eventual permanent financing received.

The maximum amount of future payments SOME could be required to pay under these guarantees ranges from a fixed to an unlimited amount based on the guarantees. However, in management's judgment, there are numerous factors which reduce or limit SOME's exposure.

If SOME believes a liability associated with any of the aforementioned commitments becomes probable and the amount of the liability is reasonably estimable or the maximum amount of a range of loss is reasonably estimable, then an appropriate liability is established. SOME evaluated a liability for the obligation it has undertaken in issuing the guarantee, including its ongoing obligation to stand ready to perform over the term of the guarantee in the event that a specific triggering event or conditions occur.

SOME has evaluated the fair value of each guarantee entered into and determined that no material liability is to be recorded as of December 31, 2023 or 2022.

Demand note

Pertaining to Residential, SOME has guaranteed to fund a demand note in the maximum amount of \$1,000,000, which is to be maintained during the compliance period. The demand note shall be an unconditional obligation on the part of SOME and is to be disbursed in accordance with payment requests as defined.

Note 22 - Leasing arrangements

The Organization leases buildings, building space, equipment used in its manufacturing and distribution operations, and office equipment. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Organization recognizes a lease liability, which is measured at the present value of future minimum lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for any prepaid lease costs, initial direct costs and lease incentives. The Organization has elected and applies the practical expedient to combine nonlease components with their related lease components and account for them as a single combined lease component for all its leases. The Organization remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such changes do not qualify to be accounted for as a separate contract.

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The Organization determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Organization estimates its incremental borrowing rate as the discount rate. The Organization's incremental borrowing rate, which is determined at either lease commencement or when a lease liability is remeasured, is based on the applied risk free rate determined by management.

For accounting purposes, the Organization's leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Organization's leases coincides with the contractual effective date. The Organization's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts. Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or nonexercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum noncancellable contractual term. When the exercise of a renewal option or nonexercise of early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The Organization includes variable rental payments based on a rate or an index such as the Consumer Price index (CPI) in its measurement of lease payments based on the rate or index in effect at lease commencement. Other types of variable lease payments are expensed as incurred.

Leases involving equipment

Equipment leases have lease terms that generally range from less than 1 year to 5 years. Rental payments on these leases typically provide for fixed minimum payments that increase over the lease term at predetermined amounts, are included in the measurement of lease payments, and are included in the measurement of lease liabilities.

Under certain leases of manufacturing and distribution equipment, the title to the equipment will transfer to the Organization at the end of the lease term.

Financial information

The components of rental cost for the year ended December 31, 2023 are as follows:

<u>Year Ended December 31, 2023</u>	<u>Short-Term Lease (1)</u>	<u>Operating Leases (1)</u>	<u>Finance Leases (2)</u>	<u>Total</u>
Rent expense	\$ -	\$ 218,327	\$ -	\$ 218,327
Amortization expense	-	-	228,228	228,228
Interest expense	-	-	5,992	5,992
Total lease cost	<u>\$ -</u>	<u>\$ 218,327</u>	<u>\$ 234,220</u>	<u>\$ 452,547</u>

- (1) The rental costs of short-term and operating leases are included in rent expense in the Organization's consolidated statement of activities.
- (2) Amortization of finance lease right-of-use assets and interest on finance lease liabilities are included in depreciation and amortization and interest expense in the Organization's consolidated statement of activities, respectively.

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Notes to Consolidated Financial Statements December 31, 2023 and 2022

The components of rental cost for the year ended December 31, 2022 are as follows:

Year Ended December 31, 2022	Short-Term Lease (1)	Operating Leases (1)	Finance Leases (2)	Total
Rent expense	\$ -	\$ 168,581	\$ -	\$ 168,581
Amortization expense	-	-	171,171	171,171
Interest expense	-	-	6,728	6,728
Total lease cost	\$ -	\$ 168,581	\$ 177,899	\$ 346,480

- (1) The rental costs of short-term and operating leases are included in rent expense in the Organization's consolidated statement of activities.
- (2) Amortization of finance lease right-of-use assets and interest on finance lease liabilities are included in depreciation and amortization and interest expense in the Organization's consolidated statement of activities, respectively.

Supplemental cash flow information related to Organization's leases for the year ended December 31, 2023:

Year Ended December 31, 2023	Operating Leases	Finance Leases	Total
Cash paid for amounts included in the measurement of lease liabilities	\$ -	\$ -	\$ -
Addition to right-of-use assets	\$ -	\$ -	\$ -

Supplemental cash flow information related to Organization's leases for the year ended December 31, 2022:

Year Ended December 31, 2022	Operating Leases	Finance Leases	Total
Cash paid for amounts included in the measurement of lease liabilities	\$ -	\$ 250,000	\$ 250,000
Addition to right-of-use assets	\$ 583,306	\$ 684,694	\$ 1,268,000

Weighted average remaining lease term and weighted average incremental borrowing rate for the Organization's leases as of December 31, 2023:

Years Ended December 31, 2023	Operating Leases	Finance Leases
Weighted average remaining term (in years)	0.917	1.25
Weighted average incremental borrowing rate	2.39%	2.39%

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Weighted average remaining lease term and weighted average incremental borrowing rate for the Organization's leases as of December 31, 2022:

Years Ended December 31, 2022	Operating Leases	Finance Leases
Weighted average remaining term (in years)	1.917	2.25
Weighted average incremental borrowing rate	2.39%	2.39%

Annual maturity analysis of the Organization's lease liabilities as of December 31, 2023:

Calendar Year	Operating Leases	Finance Leases	Total
2024	\$ 183,149	\$ 150,000	\$ 333,149
2025	-	37,500	37,500
2026	-	-	-
2027	-	-	-
2028	-	-	-
Thereafter	-	-	-
Total lease payments	183,149	187,500	370,649
Less: Interest	1,809	2,587	4,396
Total lease liability	\$ 181,340	\$ 184,913	\$ 366,253
Less: Current portion of total lease liability	\$ 181,340	\$ 147,488	\$ 328,828
Noncurrent portion of total lease liability	\$ -	\$ 37,426	\$ 37,426

Operating lease rental cost of \$218,327 for the year ended December 31, 2023 is included in management and general expense in the Organization's consolidated statement of activities. In addition, interest on the Organization's capital lease obligations is recognized on a level yield basis over the period preceding the transfer of title to the equipment. The Organization's capital lease obligation has an effective interest rate of 2.42% and matures on March 31, 2025.

Commercial lease

Benning Healthcare leases its facilities to Unity Health Care, Inc. under an operating lease agreement. The lease expires on March 1, 2038. The terms of the lease require a minimum annual rent of \$1,129,770, with an annual increase of 3%. Rental income for the years ended December 31, 2023 and 2022 was \$1,557,119 and \$1,490,661, respectively.

Future five years minimum rental payments consist of the following:

December 31, 2024	\$ 1,299,235
2025	1,366,457
2026	1,407,451
2027	1,449,674
2028	1,493,164

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2023 and 2022

Note 23 - Subsequent events

Events that occur after the consolidated statements of financial position date but before the consolidated 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 consolidated 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 September 23, 2024 (the date the consolidated financial statements were available to be issued) and concluded other than the subsequent events discussed below that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

On March 20, 2024, The Organization entered into a series of agreements with the intent of delivering new market tax credits in exchange for tax credit equity. The funds will be used by SOME, Inc. to renovation the dining hall. Benning Programs LLC entered into a Fund Loan Agreement with Chase NMTC SOME Investment Fund, LLC in the total amount of \$8,112,000. In addition, Benning Programs LLC entered into a loan agreement with City First Bank for \$8,909,918. SOME, Inc. also entered into two loan agreements with CNMC Sub-CDE 229 for \$1,500,000 and two loan agreements with Harbor Community Fund XLII LLC for \$9,800,000.

Supplementary Information

SOME and Affiliates

Consolidating Schedule of Financial Position December 31, 2023

	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Eliminations	Subtotal	Real Estate	Eliminations	Total
<u>Assets</u>								
Current assets								
Cash and equivalents, undesignated	\$ 3,596,302	\$ 33,109	\$ 18,275	\$ -	\$ 3,647,686	\$ 1,321,517	\$ -	\$ 4,969,203
Contributions receivable	352,000	-	-	-	352,000	-	-	352,000
Accounts receivable, net	2,968,145	157,591	17,902	-	3,143,638	1,099,331	(176,637)	4,066,332
Developer fee receivable - current	972,208	-	-	-	972,208	-	(972,208)	-
Due from affiliates	22,194,118	100	-	(4,933,828)	17,260,390	11,925	(17,272,315)	-
Grants receivable	1,060,490	-	-	-	1,060,490	-	-	1,060,490
Pledges receivable - current	1,220,602	-	-	-	1,220,602	-	-	1,220,602
Investments - current	-	-	-	-	-	-	-	-
Prepaid expenses and deposits	265,766	252	-	-	266,018	64,946	-	330,964
Total current assets	<u>32,629,631</u>	<u>191,052</u>	<u>36,177</u>	<u>(4,933,828)</u>	<u>27,923,032</u>	<u>2,497,719</u>	<u>(18,421,160)</u>	<u>11,999,591</u>
Other assets								
Developer fee receivable - noncurrent	6,212,631	-	-	-	6,212,631	-	(6,212,631)	-
Investments in affiliates	2,470,697	1,664,936	-	(3,695,633)	440,000	-	(440,000)	-
Investments	31,328,526	-	-	-	31,328,526	-	-	31,328,526
Pledges receivable - noncurrent	4,528,310	-	-	-	4,528,310	-	-	4,528,310
Security deposits	48,374	54,790	8,057	-	111,221	345,283	-	456,504
Escrows and reserves	-	-	-	-	-	7,109,467	-	7,109,467
Development escrows	-	-	-	-	-	3,304,355	-	3,304,355
Restricted cash	316,285	-	-	-	316,285	933,945	-	1,250,230
Deferred rent asset	-	-	-	-	-	2,030,434	-	2,030,434
Total other assets	<u>44,904,823</u>	<u>1,719,726</u>	<u>8,057</u>	<u>(3,695,633)</u>	<u>42,936,973</u>	<u>13,723,484</u>	<u>(6,652,631)</u>	<u>50,007,826</u>
Notes receivable, net	<u>29,390,371</u>	<u>-</u>	<u>-</u>	<u>(477,980)</u>	<u>28,912,391</u>	<u>-</u>	<u>(28,912,391)</u>	<u>-</u>
Deferred fees, net of accumulated amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>511,573</u>	<u>-</u>	<u>511,573</u>
Property and equipment								
Land	15,480,416	554,283	434,587	-	16,469,286	16,407,502	-	32,876,788
Land Improvements	78,316	11,509	-	-	89,825	9,038,519	-	9,128,344
Buildings and improvements	36,574,521	8,885,565	1,893,971	-	47,354,057	245,916,510	(10,209,061)	283,061,506
Furniture and fixtures	3,822,953	257,149	-	-	4,080,102	5,687,929	-	9,768,031
Vehicles	562,861	-	-	-	562,861	-	-	562,861
Operating lease right-of-use assets	204,234	-	-	-	204,234	-	-	204,234
Finance lease right-of-use assets	285,295	-	-	-	285,295	-	-	285,295
Construction in process	12,067,904	-	-	-	12,067,904	10,732,613	-	22,800,517
Accumulated depreciation	(13,695,347)	(5,168,910)	(649,126)	-	(19,513,383)	(45,892,968)	1,559,843	(63,846,508)
Total property and equipment	<u>55,381,153</u>	<u>4,539,596</u>	<u>1,679,432</u>	<u>-</u>	<u>61,600,181</u>	<u>241,890,105</u>	<u>(8,649,218)</u>	<u>294,841,068</u>
Total assets	<u>\$ 162,305,978</u>	<u>\$ 6,450,374</u>	<u>\$ 1,723,666</u>	<u>\$ (9,107,441)</u>	<u>\$ 161,372,577</u>	<u>\$ 258,622,881</u>	<u>\$ (62,635,400)</u>	<u>\$ 357,360,058</u>

SOME and Affiliates

Consolidating Schedule of Financial Position December 31, 2023

	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Eliminations	Subtotal	Real Estate	Eliminations	Total
Liabilities and Net Assets								
Current liabilities								
Accounts payable and accrued expenses	\$ 1,939,396	\$ 635	\$ -	\$ -	\$ 1,940,031	\$ 3,389,778	\$ -	\$ 5,329,809
Accrued payroll and withholding	1,992,638	-	-	-	1,992,638	-	-	1,992,638
Accrued vacation	909,145	-	-	-	909,145	-	-	909,145
Accrued interest payable - current	16,025	-	-	-	16,025	575,026	-	591,051
Current portion of operating lease liabilities	181,340	-	-	-	181,340	-	-	181,340
Current portion of finance lease liabilities	147,488	-	-	-	147,488	-	-	147,488
Due to affiliates	2,148,646	2,403,019	382,163	(4,933,828)	-	12,348,898	(12,348,898)	-
Deferred revenue - current	89,772	24,188	1,386	-	115,346	185,289	-	300,635
Lines of credit - current	9,500,000	-	-	-	9,500,000	-	-	9,500,000
Notes payable - current maturities	67,996	90,013	-	-	158,009	20,299,935	-	20,457,944
Total current liabilities	16,992,446	2,517,855	383,549	(4,933,828)	14,960,022	36,798,926	(12,348,898)	39,410,050
Long-term liabilities								
Security deposit payable	64,590	49,017	5,304	-	118,911	300,126	-	419,037
Accrued interest payable - related party	-	-	-	-	-	5,731,774	(5,731,774)	-
Accrued interest payable	-	-	-	-	-	6,453,778	-	6,453,778
Operating lease liabilities, net of current portion	-	-	-	-	-	-	-	-
Finance lease liabilities, net of current portion	37,426	-	-	-	37,426	-	-	37,426
Developer fee payable	-	-	-	-	-	17,431,732	(17,431,732)	-
Accrued asset management fee	-	-	-	-	-	55,183	-	55,183
Lines of credit	2,430,197	-	-	-	2,430,197	-	-	2,430,197
Notes payable, net	27,413,760	2,014,181	-	-	29,427,941	139,203,963	-	168,631,904
Notes payable - SOME	-	200,000	277,980	(477,980)	-	20,254,196	(20,254,196)	-
Total long-term liabilities	29,945,973	2,263,198	283,284	(477,980)	32,014,475	194,530,806	(48,517,756)	178,027,525
Net assets	115,367,559	1,669,321	1,056,833	(3,695,633)	114,398,080	27,293,149	(1,768,746)	139,922,483
Total liabilities and net assets	\$ 162,305,978	\$ 6,450,374	\$ 1,723,666	\$ (9,107,441)	\$ 161,372,577	\$ 258,622,881	\$ (62,635,400)	\$ 357,360,058

See Independent Auditor's Report.

SOME and Affiliates

Consolidating Schedule of Activities Year Ended December 31, 2023

	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Eliminations	Subtotal	Real Estate	Eliminations	Total
Support and revenue								
Contributions	\$ 33,017,531	\$ -	\$ -	\$ -	\$ 33,017,531	\$ -	\$ -	\$ 33,017,531
Legacies and bequests	2,958,981	-	-	-	2,958,981	-	-	2,958,981
Special events	55,978	-	-	-	55,978	-	-	55,978
In-kind contributions	547,113	-	-	-	547,113	-	-	547,113
Grants	3,666,202	-	-	-	3,666,202	-	-	3,666,202
Foundations	2,270,631	-	-	-	2,270,631	-	-	2,270,631
Rental income, net	2,281,483	929,914	203,402	-	3,414,799	8,766,143	(272,680)	11,908,262
Operating subsidy from SOME, Inc.	-	-	-	-	-	697,784	(697,784)	-
Management fee income	2,486,851	-	-	(420,959)	2,065,892	-	(2,065,892)	-
Development fee income	1,641,883	-	-	-	1,641,883	-	-	1,641,883
Insurance reimbursements	6,139,557	-	-	-	6,139,557	-	-	6,139,557
Program service revenue	6,477	-	-	-	6,477	-	-	6,477
Other	1,206,561	4,328	1,102	-	1,211,991	364,329	-	1,576,320
Total support and revenue	56,279,248	934,242	204,504	(420,959)	56,997,035	9,828,256	(3,036,356)	63,788,935
Expenses								
Program services								
Emergency aid	2,813,077	-	-	-	2,813,077	-	-	2,813,077
Housing services	25,690,658	1,172,669	217,034	(420,959)	26,659,402	18,998,193	(3,533,601)	42,123,994
Health services	3,304,387	-	-	-	3,304,387	-	-	3,304,387
Senior services	2,217,610	-	-	-	2,217,610	-	-	2,217,610
Mental health services	10,185,410	-	-	-	10,185,410	-	-	10,185,410
Education	2,399,317	-	-	-	2,399,317	-	-	2,399,317
Total program services	46,610,459	1,172,669	217,034	(420,959)	47,579,203	18,998,193	(3,533,601)	63,043,795
Supporting services								
Management and general	4,623,838	-	-	-	4,623,838	-	(272,680)	4,351,158
Fundraising	4,249,887	-	-	-	4,249,887	-	-	4,249,887
Total supporting services	8,873,725	-	-	-	8,873,725	-	(272,680)	8,601,045
Total expenses	55,484,184	1,172,669	217,034	(420,959)	56,452,928	18,998,193	(3,806,281)	71,644,840
Nonoperating activities								
Gain on investments - net	3,971,693	-	-	-	3,971,693	-	-	3,971,693
Forgiveness of debt	-	219,000	-	-	219,000	-	-	219,000
Gain on sale of fixed assets	782	-	-	-	782	-	-	782
Interest and dividends	800,876	840	-	-	801,716	184,786	-	986,502
Total nonoperating activities	4,773,351	219,840	-	-	4,993,191	184,786	-	5,177,977
Change in net assets	\$ 5,568,415	\$ (18,587)	\$ (12,530)	\$ -	\$ 5,537,298	\$ (8,985,151)	\$ 769,925	\$ (2,677,928)

See Independent Auditor's Report.

SOME and Affiliates

Consolidating Schedule of Financial Position - Real Estate Entities December 31, 2023

	Real Estate												Total
	Benning Residential, LLC	Benning Programs, LLC	Benning Healthcare, LLC	2607 Connecticut Ave LLC	Supportive Housing Opportunities, LLC	Naylor Road, LLC	Zagami House, LLC	Scattered Site II, LLC	Altamont Place, LLC	Spring Road, LLC	Scattered Site III, LLC	1515 North Cap	
Assets													
Current assets													
Cash and equivalents, undesignated	\$ 192,144	\$ 57,003	\$ 4,763	\$ 7,639	\$ 72,306	\$ 68,627	\$ 26,284	\$ 49,971	\$ 35,103	\$ 27,052	\$ 48,596	\$ 732,029	\$ 1,321,517
Accounts receivable, net	142,410	29,750	217,496	-	145,429	113,081	7,075	176,912	26,284	132,769	97,493	10,632	1,099,331
Due from affiliates	-	-	-	-	-	-	-	-	-	-	-	11,925	11,925
Prepaid expenses and deposits	8,333	-	-	45,419	1,031	246	-	3,187	191	28	6,511	-	64,946
Total current assets	342,887	86,753	222,259	53,058	218,766	181,954	33,359	230,070	61,578	159,849	152,600	754,586	2,497,719
Other assets													
Security deposits	75,562	-	-	-	108,337	30,357	7,728	63,095	12,566	19,223	28,026	389	345,283
Escrows and reserves	804,254	-	-	-	4,442,748	-	-	1,421,185	-	440,960	-	320	7,109,467
Development escrows	-	-	-	-	-	-	-	-	-	-	127,296	3,177,059	3,304,355
Restricted cash	241,254	-	-	-	-	308,877	74,304	165,442	144,068	-	-	-	933,945
Deferred rent asset	-	-	2,030,434	-	-	-	-	-	-	-	-	-	2,030,434
Total other assets	1,121,070	-	2,030,434	-	4,551,085	339,234	82,032	1,649,722	156,634	460,183	155,322	3,177,768	13,723,484
Deferred fees, net of accumulated amortization	129,795	-	-	-	21,492	11,238	-	32,544	25,764	36,665	91,165	162,910	511,573
Property and equipment													
Land	3,116,309	1,206,719	955,314	1,542,000	1,989,045	424,458	153,537	703,021	995,509	2,803,220	255,441	2,262,929	16,407,502
Land improvements	557,772	1,042,132	1,353,734	-	1,211,994	626,677	68,339	25,299	-	297,050	1,545,222	2,310,300	9,038,519
Buildings and improvements	45,038,949	18,634,988	12,961,061	-	32,676,341	9,497,367	3,513,083	25,567,379	6,038,309	15,365,686	25,200,282	51,423,065	245,916,510
Furniture and fixtures	841,042	1,356,676	38,504	-	950,718	171,494	94,095	150,367	169,621	318,511	789,047	807,854	5,687,929
Construction in process	-	-	-	10,732,613	-	-	-	-	-	-	-	-	10,732,613
Accumulated depreciation	(7,527,233)	(4,500,545)	(2,386,068)	-	(13,483,751)	(3,382,437)	(2,150,632)	(6,227,873)	(1,125,688)	(2,305,999)	(2,535,881)	(266,861)	(45,892,968)
Total property and equipment	42,026,839	17,739,970	12,922,545	12,274,613	23,344,347	7,337,559	1,678,422	20,218,193	6,077,751	16,478,468	25,254,111	56,537,287	241,890,105
Total assets	\$ 43,620,591	\$ 17,826,723	\$ 15,175,238	\$ 12,327,671	\$ 28,135,690	\$ 7,869,985	\$ 1,793,813	\$ 22,130,529	\$ 6,321,727	\$ 17,135,165	\$ 25,653,198	\$ 60,632,551	\$ 258,622,881

SOME and Affiliates

Consolidating Schedule of Financial Position - Real Estate Entities December 31, 2023

	Real Estate												Total
	Benning Residential, LLC	Benning Programs, LLC	Benning Healthcare, LLC	2607 Connecticut Ave LLC	Supportive Housing Opportunities, LLC	Naylor Road, LLC	Zagami House, LLC	Scattered Site II, LLC	Altamont Place, LLC	Spring Road, LLC	Scattered Site III, LLC	1515 North Cap	
Liabilities and Net Assets													
Current liabilities													
Accounts payable and accrued expenses	\$ 22,653	\$ 98,708	\$ -	\$ -	\$ 1,415	\$ 34,215	\$ -	\$ -	\$ -	\$ 371	\$ -	\$ 3,232,416	\$ 3,389,778
Accrued interest payable - current	-	-	-	-	157,007	-	792	-	-	122,044	-	295,183	575,026
Due to affiliates	4,984,676	362,930	27,874	1,215,490	-	174,981	-	1,594,547	449,516	1,758,722	1,523,605	256,557	12,348,898
Deferred revenue	52,320	-	-	-	64,272	3,721	5,618	18,508	9,969	7,132	20,736	3,013	185,289
Notes payable - current maturities	101,403	-	361,094	-	140,000	-	20,958	97,574	-	80,529	5,776,861	13,721,516	20,299,935
Total current liabilities	5,161,052	461,638	388,968	1,215,490	362,694	212,917	27,368	1,710,629	459,485	1,968,798	7,321,202	17,508,685	36,798,926
Long-term liabilities													
Security deposit payable	65,951	-	-	-	90,311	24,990	5,548	56,674	-	19,177	26,275	11,200	300,126
Accrued interest payable - related party	524,334	-	-	-	3,774,576	1,360,943	71,921	-	-	-	-	-	5,731,774
Accrued interest payable	-	-	-	-	3,101,083	-	-	1,629,040	129,129	553,972	1,040,554	-	6,453,778
Developer fee payable	5,711,530	-	-	-	863,609	515,000	-	597,411	-	1,055,224	2,480,181	6,208,777	17,431,732
Accrued asset management fee	18,735	-	-	-	-	9,549	1,910	6,524	-	5,712	12,753	-	55,183
Due to affiliates	-	-	-	-	3,128,141	-	720,043	1,251,870	-	-	-	-	5,100,054
Notes payable, net	25,539,964	-	9,706,963	10,339,350	18,073,903	-	922,749	12,901,625	1,468,761	10,079,929	17,035,550	33,135,169	139,203,963
Notes payable - SOME	1,400,000	1,821,197	-	807,979	10,647,666	2,000,000	442,669	2,447,685	-	309,000	-	378,000	20,254,196
Total long-term liabilities	33,260,514	1,821,197	9,706,963	11,147,329	39,679,289	3,910,482	2,164,840	18,890,829	1,597,890	12,023,014	20,595,313	39,733,146	194,530,806
Net assets	5,199,025	15,543,888	5,079,307	(35,148)	(11,906,293)	3,746,586	(398,395)	1,529,071	4,264,352	3,143,353	(2,263,317)	3,390,720	27,293,149
Total liabilities and net assets	\$ 43,620,591	\$ 17,826,723	\$ 15,175,238	\$ 12,327,671	\$ 28,135,690	\$ 7,869,985	\$ 1,793,813	\$ 22,130,529	\$ 6,321,727	\$ 17,135,165	\$ 25,653,198	\$ 60,632,551	\$ 258,622,881

See Independent Auditor's Report.

SOME and Affiliates

Consolidating Schedule of Activities - Real Estate Entities Year Ended December 31, 2023

	Real Estate											Total	
	Benning Residential, LLC	Benning Programs, LLC	Benning Healthcare, LLC	2607 Connecticut Ave LLC	Supportive Housing Opportunities, LLC	Naylor Road, LLC	Zagami House, LLC	Scattered Site II, LLC	Altamont Place, LLC	Spring Road, LLC	Scattered Site III, LLC		1515 North Cap
Support and revenue													
Rental income, net	\$ 1,545,922	\$ 272,680	\$ 1,557,119	\$ -	\$ 2,310,929	\$ 356,128	\$ 201,833	\$ 766,511	\$ 195,345	\$ 744,545	\$ 798,522	\$ 16,609	\$ 8,766,143
Operating subsidy from SOME, Inc.	-	-	-	-	-	190,400	-	507,384	-	-	-	-	697,784
Other	3,900	20	178,826	-	6,889	11,397	886	150,155	1,593	6,161	4,389	113	364,329
Total support and revenue	1,549,822	272,700	1,735,945	-	2,317,818	557,925	202,719	1,424,050	196,938	750,706	802,911	16,722	9,828,256
Expenses													
Program services													
Housing services	3,270,150	907,680	1,601,998	35,148	3,831,715	928,684	404,473	2,400,678	404,743	1,400,874	3,440,150	371,900	18,998,193
Total program services	3,270,150	907,680	1,601,998	35,148	3,831,715	928,684	404,473	2,400,678	404,743	1,400,874	3,440,150	371,900	18,998,193
Total expenses	3,270,150	907,680	1,601,998	35,148	3,831,715	928,684	404,473	2,400,678	404,743	1,400,874	3,440,150	371,900	18,998,193
Nonoperating activities													
Interest and dividends	3,850	-	3	-	2,299	-	704	448	1,330	177	450	175,525	184,786
Total nonoperating activities	3,850	-	3	-	2,299	-	704	448	1,330	177	450	175,525	184,786
Change in net assets	\$ (1,716,478)	\$ (634,980)	\$ 133,950	\$ (35,148)	\$ (1,511,598)	\$ (370,759)	\$ (201,050)	\$ (976,180)	\$ (206,475)	\$ (649,991)	\$ (2,636,789)	\$ (179,653)	\$ (8,985,151)

See Independent Auditor's Report.



Independent Member of Nexia International

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