

SOME and Affiliates

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

December 31, 2024 and 2023



SOME and Affiliates

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Independent Auditor's Report

To the Board of Directors
SOME and Affiliates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SOME and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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 present fairly, in all material respects, the consolidated financial position of SOME and Affiliates as of December 31, 2024 and 2023, and the consolidated changes in their net assets, and their 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 Responsibilities 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, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Bethesda, Maryland
November 5, 2025

SOME and Affiliates

Consolidated Statements of Financial Position December 31, 2024 and 2023

	2024			2023		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
<u>Assets</u>						
Current assets						
Cash and cash equivalents, undesignated	\$ 2,647,735	\$ 5,011,643	\$ 7,659,378	\$ 3,161,420	\$ 1,807,783	\$ 4,969,203
United Way contributions receivable	-	352,000	352,000	-	352,000	352,000
Accounts receivable, net	4,831,233	-	4,831,233	4,066,332	-	4,066,332
Grants receivable	764,876	-	764,876	1,060,490	-	1,060,490
Pledges receivable, net	-	1,438,957	1,438,957	-	1,220,602	1,220,602
Prepaid expenses and deposits	969,519	-	969,519	330,964	-	330,964
Total current assets	9,213,363	6,802,600	16,015,963	8,619,206	3,380,385	11,999,591
Other assets						
Investments	20,308,256	2,670,543	22,978,799	31,328,526	-	31,328,526
Pledges receivable - noncurrent, net	-	2,712,897	2,712,897	-	4,528,310	4,528,310
Security deposits	530,340	-	530,340	456,504	-	456,504
Escrows and reserves	7,445,593	-	7,445,593	7,109,467	-	7,109,467
Development escrows	3,553,000	-	3,553,000	3,304,355	-	3,304,355
Restricted cash	5,165,254	-	5,165,254	1,250,230	-	1,250,230
Deferred rent asset	2,095,617	-	2,095,617	2,030,434	-	2,030,434
Total other assets	39,098,060	5,383,440	44,481,500	45,479,516	4,528,310	50,007,826
Note receivable	8,112,000	-	8,112,000	-	-	-
Deferred fees, net of accumulated amortization	1,387,958	-	1,387,958	511,573	-	511,573
Property and equipment						
Land	32,974,138	-	32,974,138	32,876,788	-	32,876,788
Land improvements	9,128,344	-	9,128,344	9,128,344	-	9,128,344
Buildings and improvements	303,308,996	-	303,308,996	283,061,506	-	283,061,506
Furniture and fixtures	10,492,515	-	10,492,515	9,768,031	-	9,768,031
Vehicles	562,861	-	562,861	562,861	-	562,861
Operating lease right-of-use assets	-	-	-	204,234	-	204,234
Finance lease right-of-use assets	57,067	-	57,067	285,295	-	285,295
Construction in process	10,985,945	-	10,985,945	15,851,295	6,949,222	22,800,517
Accumulated depreciation	(72,540,727)	-	(72,540,727)	(63,846,508)	-	(63,846,508)
Total property and equipment	294,969,139	-	294,969,139	287,891,846	6,949,222	294,841,068
Total assets	\$ 352,780,520	\$ 12,186,040	\$ 364,966,560	\$ 342,502,141	\$ 14,857,917	\$ 357,360,058

SOME and Affiliates

Consolidated Statements of Financial Position December 31, 2024 and 2023

	2024			2023		
	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	\$ 2,156,539	\$ -	\$ 2,156,539	\$ 5,329,809	\$ -	\$ 5,329,809
Accrued payroll and withholding	3,547,097	-	3,547,097	1,992,638	-	1,992,638
Accrued vacation	843,467	-	843,467	909,145	-	909,145
Accrued interest payable - current	357,741	-	357,741	591,051	-	591,051
Current portion of operating lease liabilities	-	-	-	181,340	-	181,340
Current portion of finance lease liabilities	37,426	-	37,426	147,488	-	147,488
Deferred revenue - current	460,575	-	460,575	300,635	-	300,635
Lines of credit - current	6,499,965	-	6,499,965	9,500,000	-	9,500,000
Notes payable - current maturities	8,113,845	-	8,113,845	20,457,944	-	20,457,944
Total current liabilities	22,016,655	-	22,016,655	39,410,050	-	39,410,050
Long-term liabilities						
Security deposit payable	430,994	-	430,994	419,037	-	419,037
Accrued interest payable	7,903,787	-	7,903,787	6,453,778	-	6,453,778
Finance lease liabilities, net of current portion	-	-	-	37,426	-	37,426
Accrued asset management fee	94,616	-	94,616	55,183	-	55,183
Lines of credit	4,993,568	-	4,993,568	2,430,197	-	2,430,197
Notes payable, net	189,419,628	-	189,419,628	168,631,904	-	168,631,904
Total long-term liabilities	202,842,593	-	202,842,593	178,027,525	-	178,027,525
Commitments and contingencies	-	-	-	-	-	-
Net assets						
Net assets without donor restrictions						
Undesignated	3,543,160	-	3,543,160	1,967,119	-	1,967,119
Noncontrolling	14,178,215	-	14,178,215	4,809,586	-	4,809,586
Board-designated	110,199,897	-	110,199,897	118,287,861	-	118,287,861
Total net assets without donor restrictions	127,921,272	-	127,921,272	125,064,566	-	125,064,566
Net assets with donor restriction	-	12,186,040	12,186,040	-	14,857,917	14,857,917
Total net assets	127,921,272	12,186,040	140,107,312	125,064,566	14,857,917	139,922,483
Total liabilities and net assets	\$ 352,780,520	\$ 12,186,040	\$ 364,966,560	\$ 342,502,141	\$ 14,857,917	\$ 357,360,058

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Consolidated Statements of Activities Years Ended December 31, 2024 and 2023

	2024			2023		
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total
Support and revenue						
Contributions	\$ 19,521,385	\$ 1,521,000	\$ 21,042,385	\$ 15,078,643	\$ 17,938,888	\$ 33,017,531
Legacies and bequests	3,688,441	-	3,688,441	2,958,981	-	2,958,981
Special events	54,008	-	54,008	55,978	-	55,978
In-kind contributions	642,921	-	642,921	547,113	-	547,113
Grants	3,553,234	-	3,553,234	3,666,202	-	3,666,202
Foundations	1,033,482	1,088,936	2,122,418	1,302,918	967,713	2,270,631
Rental income, net	12,223,629	-	12,223,629	11,908,262	-	11,908,262
Development fee income	-	-	-	1,641,883	-	1,641,883
Insurance reimbursements	6,191,975	-	6,191,975	6,139,557	-	6,139,557
Program service revenue	15,438	-	15,438	6,477	-	6,477
Other	548,496	-	548,496	1,576,320	-	1,576,320
Satisfaction of restrictions	5,281,813	(5,281,813)	-	13,207,374	(13,207,374)	-
Total support and revenue	52,754,822	(2,671,877)	50,082,945	58,089,708	5,699,227	63,788,935
Expenses						
Emergency aid	3,319,884	-	3,319,884	2,813,077	-	2,813,077
Housing services	45,375,636	-	45,375,636	42,123,994	-	42,123,994
Health services	3,978,465	-	3,978,465	3,304,387	-	3,304,387
Senior services	2,234,900	-	2,234,900	2,217,610	-	2,217,610
Mental health services	8,575,845	-	8,575,845	10,185,410	-	10,185,410
Education	2,718,888	-	2,718,888	2,399,317	-	2,399,317
Total program services	66,203,618	-	66,203,618	63,043,795	-	63,043,795
Supporting services						
Management and general	4,669,585	-	4,669,585	4,351,158	-	4,351,158
Fundraising	3,680,126	-	3,680,126	4,249,887	-	4,249,887
Total supporting services	8,349,711	-	8,349,711	8,601,045	-	8,601,045
Total expenses	74,553,329	-	74,553,329	71,644,840	-	71,644,840
Change in net assets before nonoperating activities	(21,798,507)	(2,671,877)	(24,470,384)	(13,555,132)	5,699,227	(7,855,905)
Nonoperating activities						
Gain (loss) on investments - net	2,035,360	-	2,035,360	3,971,693	-	3,971,693
Insurance proceeds	-	-	-	219,000	-	219,000
Gain on sale of fixed assets	504,179	-	504,179	782	-	782
Interest and dividends, net	1,187,701	-	1,187,701	986,502	-	986,502
Total nonoperating activities	3,727,240	-	3,727,240	5,177,977	-	5,177,977
Change in net assets	(18,071,267)	(2,671,877)	(20,743,144)	(8,377,155)	5,699,227	(2,677,928)
Noncontrolling interest loss	(11,957,554)	-	(11,957,554)	(8,448,127)	-	(8,448,127)
Change in net assets - attributable to SOME and Affiliates	\$ (6,113,713)	\$ (2,671,877)	\$ (8,785,590)	\$ 70,972	\$ 5,699,227	\$ 5,770,199

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Consolidated Statement of Functional Expenses Year Ended December 31, 2024

	Program services						Supporting services		Total
	Emergency Aid	Housing Services	Health Services	Senior Services	Mental Health Services	Education	Management and general	Fundraising	
Salaries and wages	\$ 1,537,352	\$ 10,520,874	\$ 1,770,997	\$ 1,095,540	\$ 4,540,433	\$ 1,273,774	\$ 1,294,680	\$ 1,223,011	\$ 23,256,661
Employee benefits	255,635	2,088,943	314,153	159,243	599,219	197,177	957,990	195,888	4,768,248
Overhead	901,094	6,480,474	1,038,042	642,134	2,661,302	746,603	-	716,849	13,186,498
Professional fees	-	527,904	304,751	-	78,427	9,353	64,939	641,100	1,626,474
Stipends	1,400	-	-	55	24,814	24,159	-	22,001	72,429
Contract services	8,024	22,862	42,017	4,589	19,946	111,851	2,935	-	212,224
Staff training	1,424	16,420	5,773	1,924	9,476	78,674	32,125	3,576	149,392
Meals and food	527,346	72,380	91	47,074	74,296	24,611	152,448	122,859	1,021,105
Repairs and maintenance	375	3,126,480	302,562	18	292,178	2,170	89,300	4,086	3,817,169
Supplies	81,340	498,681	127,139	26,407	25,157	98,932	4,830	165,146	1,027,632
Telephone	-	69,655	-	-	4,510	-	22,005	389	96,559
Postage	-	1,220	30	-	442	-	342	69,550	71,584
Printing and related costs	1,730	1,403	528	-	62	-	3,645	119,271	126,639
Transportation	1,911	55,464	212	58,593	42,587	33,043	6,923	4,638	203,371
Utilities	-	2,869,945	-	-	24,568	-	263,469	5,196	3,163,178
Real estate taxes	-	161,268	-	-	-	-	-	-	161,268
Rent	-	23,289	-	38,995	13,533	-	35,905	186,707	298,429
Permits	1,105	431,589	4,008	-	2,284	3,619	2,235	449	445,289
Lab tests	-	59,210	46,408	2,523	51,390	2,040	266	-	161,837
Client assistance and support	-	80,105	3,739	106,949	71,272	45,881	-	-	307,946
Fines and penalties	768	19,076	9,249	-	-	-	24,025	10	53,128
Credit card and bank service charges	-	324,996	-	-	30	-	21,137	137,560	483,723
Interest expense	-	7,001,153	-	-	-	-	259,138	-	7,260,291
Dues and subscriptions	380	35,869	8,016	1,504	3,768	21,507	8,501	13,691	93,236
Insurance	-	1,594,845	-	-	-	-	112,765	4,582	1,712,192
Equipment and furniture	-	264,115	750	49,352	32,151	3,937	53,122	539	403,966
Advertising	-	376	-	-	4,000	41,557	3,009	22,151	71,093
Asset management/investor service fees	-	33,668	-	-	-	-	-	-	33,668
Bad debt expense	-	747,017	-	-	-	-	-	-	747,017
Total expenses before depreciation	3,319,884	37,129,281	3,978,465	2,234,900	8,575,845	2,718,888	3,415,734	3,659,249	65,032,246
Depreciation and amortization	-	8,246,355	-	-	-	-	1,253,851	20,877	9,521,083
Total expenses	<u>\$ 3,319,884</u>	<u>\$ 45,375,636</u>	<u>\$ 3,978,465</u>	<u>\$ 2,234,900</u>	<u>\$ 8,575,845</u>	<u>\$ 2,718,888</u>	<u>\$ 4,669,585</u>	<u>\$ 3,680,126</u>	<u>\$ 74,553,329</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	\$ 1,534,002	\$ 1,426,612	\$ 25,198,793
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	<u>\$ 2,813,077</u>	<u>\$ 42,123,994</u>	<u>\$ 3,304,387</u>	<u>\$ 2,217,610</u>	<u>\$ 10,185,410</u>	<u>\$ 2,399,317</u>	<u>\$ 4,351,158</u>	<u>\$ 4,249,887</u>	<u>\$ 71,644,840</u>

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Consolidated Statements of Changes in Net Assets Years Ended December 31, 2024 and 2023

	Without donor restriction			With donor restriction	Total
	Controlling	Noncontrolling	Total		
Net assets at January 1, 2023	\$ 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)	-	-	-
Change in net assets	<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	120,254,980	4,809,586	125,064,566	14,857,917	139,922,483
Contributions	-	20,927,973	20,927,973	-	20,927,973
Transfer of equity	(398,210)	398,210	-	-	-
Change in net assets	<u>(6,113,713)</u>	<u>(11,957,554)</u>	<u>(18,071,267)</u>	<u>(2,671,877)</u>	<u>(20,743,144)</u>
Net assets at December 31, 2024	<u><u>\$ 113,743,057</u></u>	<u><u>\$ 14,178,215</u></u>	<u><u>\$ 127,921,272</u></u>	<u><u>\$ 12,186,040</u></u>	<u><u>\$ 140,107,312</u></u>

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Consolidated Statements of Cash Flows Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (20,743,144)	\$ (2,677,928)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization of tax credit fees	9,521,083	7,843,961
Amortization of right-of-use assets	432,462	446,555
Amortization of debt issuance costs	448,294	153,527
Gain on investments - net	(2,035,360)	(3,971,693)
Forgiveness of debt	-	(1,000,000)
Donated securities	(594,738)	(555,337)
Gain on sale of fixed assets	(504,179)	(782)
Changes in assets and liabilities		
Accounts receivable	(764,901)	183,969
Grants receivable	295,614	(205,078)
Pledges receivable	1,597,058	(1,461,699)
Prepaid expenses	(638,555)	(162,713)
Other escrows	(336,126)	214,331
Deferred rent asset	(65,183)	(286,128)
Operating lease liability	(181,340)	(193,352)
Accounts payable	(923,700)	187,854
Accrued payroll and withholding	1,554,459	847,870
Accrued vacation	(65,678)	144,682
Deferred revenue	159,940	35,873
Security deposits payable	11,957	69,757
Accrued interest	1,317,837	1,044,038
Accrued asset management fees	39,433	26,836
Net cash (used in) provided by operating activities	(11,474,767)	684,543
Cash flows from investing activities		
Investment in property and equipment	(11,874,539)	(38,767,114)
Proceeds from sales of marketable securities	18,738,415	12,325,565
Investment in marketable securities	(7,758,590)	(10,538,647)
Notes receivable	(8,112,000)	-
Change in development escrows	(248,645)	7,609,653
Change in tax credit fees	(929,991)	(162,910)
Net cash used in investing activities	(10,185,350)	(29,533,453)
Cash flows from financing activities		
Proceeds from note payable	27,241,913	30,459,658
Principal payments on notes payable	(18,289,804)	(6,400,832)
Contributions from noncontrolling members	20,927,973	336,104
Financing lease liability	(147,488)	(144,008)
Proceeds from line of credit	-	3,930,197
Principal payments on line of credit	(436,664)	-
Debt issuance costs	(956,778)	(1,690,603)
Net cash provided by financing activities	28,339,152	26,490,516
Net change in cash, cash equivalents and restricted cash	6,679,035	(2,358,394)

SOME and Affiliates

Consolidated Statements of Cash Flows Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Beginning of year		
Cash, cash equivalents and restricted cash undesignated	6,675,937	8,034,331
Cash, cash equivalents and restricted cash designated for investment in property and equipment	<u>-</u>	<u>1,000,000</u>
Total beginning of year	<u>6,675,937</u>	<u>9,034,331</u>
End of year		
Cash, cash equivalents and restricted cash, undesignated	<u>13,354,972</u>	<u>6,675,937</u>
Total end of year	<u><u>\$ 13,354,972</u></u>	<u><u>\$ 6,675,937</u></u>
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amounts capitalized	<u><u>\$ 5,494,160</u></u>	<u><u>\$ 3,719,981</u></u>

Noncash investing activities

During the years ended December 31, 2024 and 2023, SOME received \$594,738 and \$555,337 in donated securities, respectively.

At December 31, 2024 and 2023, SOME had accrued construction costs of \$1,081,554 and \$3,331,124, respectively.

At December 31, 2024 and 2023, SOME had accrued interest of \$194,045 and \$295,183, respectively, that was capitalized.

During the years ended December 31, 2024 and 2023, SOME disposed of fixed assets resulting in a gain on sale of \$504,179 and \$782, respectively.

During the years ended December 31, 2024 and 2023, SOME recognized \$0 and \$1,000,000, respectively, of loan forgiveness, which is included in other income.

See Notes to Consolidated Financial Statements.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 entities are limited liability companies, which are 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, 2024 and 2023

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, Inc.

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

Program services

Emergency Aid 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, 2024 and 2023

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 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.

Note receivable

The note receivable consists of one interest-bearing note. The note receivable is written down once management determines that the specific borrower does not have the ability to repay the note in full. Allowances for credit losses and doubtful accounts are maintained in amounts considered to be

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

appropriate in relation to the note receivable outstanding based on collection experience, economic conditions and credit risk quality. Delinquency is the primary indicator of credit quality. As of December 31, 2024, no allowance for loan loss was recorded on the note receivable.

Cash and cash equivalents

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

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

Accounts receivables and bad debts

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, 2024 and 2023, the balance of the allowance for doubtful accounts was \$196,915 and \$104,910, 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, 2024 and 2023, no allowance has been recorded. It is reasonably possible that management's estimate of the allowance will change. Pledges as of December 31, 2024 and 2023 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 five 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 five 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 are capitalized during the period in which activities necessary to get the property ready for its intended use are in progress.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 2024 and 2023, deferred fees include tax credit fees of \$815,417 and \$815,417, respectively, which are amortized using the straight-line method over 15 years. Amortization expense for the years ended December 31, 2024 and 2023 was \$53,606 and \$42,813, respectively. Accumulated amortization as of December 31, 2024 and 2023 was \$357,450 and \$303,844, respectively. Estimated amortization expense is \$53,606, \$53,606, \$45,384, \$43,368, and \$39,288, respectively, through December 31, 2029.

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 were no impairment losses recognized during 2024 or 2023.

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 the 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 and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 Accounting Standards Codification 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's experience with similar types of agreements.
- Whether 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 asset.

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, 2024 and 2023, SOME and Affiliates incurred advertising costs of \$71,093 and \$17,958, respectively.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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, 2024 and 2023, SOME capitalized interest in the amounts of \$332,500 and \$2,522,706, respectively. 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 tax-exempt entities 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, 2024 and 2023. Due to their tax-exempt status, SOME, Inc. and AHO are not subject to income taxes. SOME, Inc. and AHO are required to file and do file tax returns with the IRS and other taxing authorities. Management has analyzed the tax positions taken by the SOME, Inc. and AHO and has concluded that, as of December 31, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. 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 IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2022 remain open.

BH, 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 their 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 IRS 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, 2024 and 2023. 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 IRS for the period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2022 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.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Noncontrolling interest in limited liability companies

This amount represents the aggregate balance of the investor members' equity interest in the nonwholly-owned limited liability companies that are included in the consolidated financial statements as of the years ended December 31, 2024 and 2023.

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.

Leases

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 and equipment and the corresponding lease liabilities within the respective lease liabilities in its consolidated statements of financial condition. See Note 22 regarding the Organization's right-of-use assets and its lease liabilities.

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 and Scattered Site, SOME maintains borrower equity funds and debt service reserves for payment of debt service. At December 31, 2024 and 2023, the balance in the debt service reserves was \$1,234,974 and \$1,213,981, 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, 2024 and 2023, the balance in the replacement reserve accounts was \$2,352,126 and \$2,114,844, 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, 2024 and 2023, the balance in the operating reserves accounts was \$2,160,448 and \$1,826,485, 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, 2024, and 2023, the balance in the revenue deficit reserve was \$165,459 and \$165,442, respectively.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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, 2024 and 2023, the balance of the working capital reserve was \$102,365 and \$102,365, respectively.

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, 2024 and 2023, the balance in the LRSP reserve was \$1,506,591 and \$1,504,450, respectively.

Other reserves

The Organization maintains other reserve accounts including insurance and tax reserves. As of December 2024, and 2023, the other reserves balance was \$5,089,024 and \$1,431,130, respectively.

Note 4 - Development escrows

Development escrows include cash restricted for the construction of Residential, Healthcare, and Programs. At December 31, 2024 and 2023, development escrows had a balance of \$3,553,000 and \$3,304,355, respectively.

Note 5 - Pledges and United Way contribution receivable

Pledges and the United Way contribution receivable as of December 31, 2024 and 2023 are unconditional.

Pledges and the United Way contribution receivable are considered fully collectible and are due as follows as of December 31, 2024 and 2023:

	2024	2023
Pledges and United Way contributions due in less than one year	\$ 1,790,957	\$ 1,572,602
Pledges and United Way contributions due in one to five years	2,712,897	4,528,310
Total pledges and United Way contributions	<u>\$ 4,503,854</u>	<u>\$ 6,100,912</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.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

A description of the net assets without donor restriction and net assets with donor restriction categories is 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.

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, 2024 and 2023, net assets with restriction consisted of the following:

	2024	2023
Purpose restricted		
Capital campaign	\$ 7,397,760	\$ 13,162,368
Foundation contributions	7,480	-
Major improvements	-	1,343,549
Time restricted		
Capital campaign	4,428,800	-
United way	352,000	352,000
	<u>\$ 12,186,040</u>	<u>\$ 14,857,917</u>

Note 7 - Investments

The following represents investments held as of December 31, 2024 and 2023:

	2024	2023
Fixed income	\$ 7,436,662	\$ 8,543,266
Equities	15,409,510	22,688,276
Money market funds	132,627	96,984
	<u>\$ 22,978,799</u>	<u>\$ 31,328,526</u>

Investment income (loss) for the years ended December 31, 2024 and 2023 is as follows:

	2024	2023
Interest and dividends	\$ 1,251,721	\$ 1,048,151
Gain (loss) on investments, net	2,035,360	3,971,693
Investment fees	(64,020)	(61,649)
	<u>\$ 3,223,061</u>	<u>\$ 4,958,195</u>

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.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 assumptions 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, 2024 and 2023, the balance in the operating reserve account was \$0 and \$486,384, respectively, and is included in investments on the accompanying consolidated statements of financial position.

Pursuant to the operating agreement, as defined, of Altamont, SOME maintains sinking fund reserve deposits to fund operating deficits. At December 31, 2024 and 2023, the balance of the sinking fund was \$1,573,232 and \$1,404,662, respectively, 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, 2024:

Description	Total investments at 12/31/2024	Market prices for assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fixed income	\$ 7,436,662	\$ 7,436,662	\$ -	\$ -
Money market funds	132,627	132,627	-	-
Equities				
U.S. equities	10,036,450	10,036,450	-	-
Global equities	5,373,060	5,373,060	-	-
	<u>\$ 22,978,799</u>	<u>\$ 22,978,799</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, 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>

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

The following table shows what items the investments are pledged to as of December 31, 2024 and 2023:

	2024	2023
Balance	\$ 22,978,799	\$ 31,328,526
Lines of credit	(15,500,000)	(15,500,000)
Zagami operating reserve	-	(486,384)
Altamont sinking fund	(1,573,232)	(1,404,662)
Replacement reserves	(1,347,050)	(1,256,735)
	<u>\$ 4,558,517</u>	<u>\$ 12,680,745</u>
Unpledged investments	<u>\$ 4,558,517</u>	<u>\$ 12,680,745</u>

Note 8 - Donated assets and services

The Organization received gifts in-kind for the years ended December 31, 2024 and 2023:

	2024	2023
Meals	\$ 642,921	\$ 547,113
	<u>\$ 642,921</u>	<u>\$ 547,113</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, 2024 (5.88% and 7.34%, respectively, at December 31, 2024 and 2023). During 2024, the line-of-credit was extended to December 29, 2026. 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, 2024 and 2023, SOME had borrowed \$3,000,000 and \$3,000,000 of the line-of-credit, respectively.

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, 2024 (5.93% and 6.40%, respectively, at December 31, 2024 and 2023). During 2024, \$2,000,000 of the line-of-credit was extended to November 28, 2025 and \$2,500,000 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, 2024 and 2023, SOME had borrowed \$3,993,533 and \$4,430,197, respectively, of the line-of-credit.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

SOME entered into a 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, 2024 (5.53% and 6.78%, respectively, at December 31, 2024 and 2023). During 2024, the line-of-credit was extended to December 31, 2025. 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, 2024 and 2023, the outstanding balance was \$1,500,000 and \$1,500,000, respectively, of the line-of-credit.

SOME entered into 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 30-day average SOFR +1.43% at December 31, 2024 (5.96% and 6.78%, respectively, at December 31, 2024 and 2023). During 2024, the line-of-credit was extended to December 29, 2025. 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, 2024 and 2023, 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.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Note 10 - Notes payable

Notes payable at December 31, 2024 and 2023 consisted of:

Name of creditor	Maturity date	Interest rate	Balance as of 12/31/2024	Balance as of 12/31/2023	Other	Name of debtor
DC Department of Housing and Community Development (DC DHCD)	July 2034	5.00%	\$ 643,156	\$ 696,002		SOME, Inc.
Local Initiatives Support Corporation	November 2025	4.75%	7,000,000	7,000,000	Option for 6 month extension	SOME, Inc.
Low-income investment fund	October 2030	7.10%	3,019,690	3,060,000		SOME, Inc.
Low-income investment fund	October 2026	7.35%	1,196,000	1,196,000		SOME, Inc.
Local Initiatives Support Corporation	June 2026	4.75%	4,129,310	4,048,546		SOME, Inc.
Amazon.com NV Investment Holdings LLC	May 2042	2.00%	11,759,650	11,759,650	Loan Servicing Fee of \$10,548 annually	SOME, Inc.
Harbor Community Fund CNMC Sub CDE 229 Loan A	March 2031	3.25%	1,032,000	-		SOME, Inc.
Harbor Community Fund CNMC Sub CDE 229 Loan B	December 2058	3.25%	468,000	-		SOME, Inc.
Harbor Community Fund XLII	December 2058	3.25%	9,800,000	-		SOME, Inc.
Conway Trust	July 2029	5%	5,000,000	-		SOME, Inc.
DC DHCD	October 2038	3.00%	1,139,685	1,204,693		AHO
DC DHCD	May 2047	Noninterest-bearing	881,501	899,501	March 2046 - Balloon of \$280,516.	AHO
Northmarq Finance, LLC	February 2058	4.35%	7,678,658	7,788,712	Maximum amount allowed to be drawn is \$8,300,000.	Residential
DC DHCD	480 months after stabilization	Noninterest-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%	9,763,600	10,124,923		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
City Bank	June 2050	4.73%	5,799,495	5,880,014		Spring
DC DHCD	April 2048	1.00%	927,379	949,165		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%	5,549,411	5,656,059	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%	7,000,000	7,130,000	Maximum amount to be drawn is	Supportive
DC DHCD	April 2060	3.00%	11,407,761	11,407,761		SS III
Chase	October 2040	2.27%	5,607,910	12,026,861	Maximum amount to be drawn is	SS III
DC DHCD	September 2063	1.00%	19,571,729	17,981,822		NCAP
Chase	February 2026	2.00%	18,721,487	30,470,516		NCAP
Local Initiatives Support Corporation	August 2026	5.00%	10,339,350	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. In addition, management has the option to extend 6 months.	Connecticut
City First	March 2031	6.59%	8,909,918	-		Benning Programs
	Less current maturities		200,845,240	193,119,125		
	Less debt issuance costs, net		(8,113,845)	(20,457,944)		
			(3,311,767)	(4,029,277)		
	Total long-term notes payable		<u>\$ 189,419,628</u>	<u>\$ 168,631,904</u>		

As of December 31, 2024 and 2023, all notes payable are solely collateralized by the respective rental properties owned by the affiliated entities responsible for each mortgage.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Debt issuance costs, net of accumulated amortization, totaled \$3,311,767 and \$4,029,277 as of December 31, 2024 and 2023, respectively, and 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, 2024 is as follows:

December 31, 2025	\$ 8,113,845
2026	35,545,568
2027	1,218,071
2028	1,275,004
2029	6,328,449
Thereafter	<u>148,364,303</u>
Total	<u>\$ 200,845,240</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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Expansion of housing and other programs	\$ 25,762,462	\$ 22,088,218
Property and equipment	57,424,236	72,596,947
Other funds in escrow	10,421,347	7,447,508
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>4,091,852</u>	<u>3,655,188</u>
	<u>\$ 110,199,897</u>	<u>\$ 118,287,861</u>

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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 7,659,378	\$ 4,969,203
Security deposits	530,340	456,504
Restricted cash	<u>5,165,254</u>	<u>1,250,230</u>
	<u>\$ 13,354,972</u>	<u>\$ 6,675,937</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.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 was 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. SOME has raised the funds necessary to cover the unreimbursed costs of repairs and has entered into a construction contract with Clark Construction Group, LLC in the amount of \$9,774,291 see Note 18.

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, 2024 and 2023, SOME contributed \$1,243,964 and \$1,461,888, respectively, to the plan.

Note 15 - Uninsured cash

SOME maintains its cash and cash equivalents 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, SS III 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, 2024 and 2023, asset management fees of \$4,990 and \$4,845, respectively, were incurred. As of December 31, 2024 and 2023, \$14,539 and \$9,549, respectively, were payable.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Pursuant to the Operating Agreement of Scattered Site, 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, 2024 and 2023, \$6,921 and \$6,719, respectively, were incurred. As of December 31, 2024 and 2023, \$20,165 and \$13,244, 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, 2024 and 2023, asset management fees of \$3,075 and \$2,898, respectively, were incurred. As of December 31, 2024 and 2023, \$3,075 and \$0, 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 years ended December 31, 2024 and 2023, asset management fees of \$8,358 and \$8,114, respectively, were incurred. As of December 31, 2024 and 2023, \$27,093 and \$18,735, 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, 2024 and 2023, asset management fees of \$2,898 and \$2,898, respectively, were incurred. At December 31, 2024 and 2023, \$8,610 and \$5,712, respectively, remain payable.

Pursuant to the Operating Agreement of SS 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, 2024 and 2023, asset management fees of \$7,426 and \$7,210, respectively, were incurred. As of December 31, 2024 and 2023, \$20,179 and \$12,753, 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 2024 and 2023, investor services management fees of \$0 and \$955, respectively, were incurred. As of December 31, 2024 and 2023, \$955 and \$1,910, respectively, remained payable.

Note 17 - Note receivable

Benning Programs has a note receivable with Chase NMTC SOME Investment Fund, LLC in the original amount of \$8,112,000. The funds were advanced in relation to Program's New Markets Tax Credits ("NMTC"). The note bears interest at 3.779% and matures on March 20, 2031. Interest-only payments are due quarterly beginning in June 2024. As of December 31, 2024, the note receivable balance was \$8,112,000. For the year ended December 31, 2024, interest revenue recognized was \$239,410, respectively.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Note 18 - Construction contracts

During 2021, NCAP 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, 2023, approved change orders of \$903,345 increased the contract amount to \$40,020,131. As of December 31, 2023, \$40,020,121 of costs were incurred, of which \$2,061,964 remains payable, including \$995,435 of retainage, respectively, and is included in accounts payable. As of December 31, 2024, approved change orders of \$904,345 increased the contract amount to \$40,021,131. As of December 31, 2024, \$40,021,131 of costs have been incurred, of which \$982,846 remains payable, including \$275,139 of retainage, respectively, and is included in accounts payable.

During 2024, SOME entered into a construction contract with Clark Construction Group, LLC, an unrelated third party, guaranteed by the contractor not to exceed \$9,774,291, subject to additions or deduction by change orders for the Conway Center's structural repairs. As of December 31, 2024, \$2,067,783 of costs were incurred, of which \$262,387 remains payable, including \$178,683 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, 2024 and 2023:

Project name	2024	2023
2607 Connecticut	\$ -	\$ 10,732,613
Anna Cooper House (SS III)	1,401	-
Walter Reed (SS III)	1,194	-
Benning Garage (SOME)	2,321,427	1,027,841
Shalom House (SOME)	149,924	140,144
Gas station (SOME)	54,670	54,670
Deanwood (SOME)	5,376,755	4,848,726
Hanover Place (SOME)	2,564,484	2,559,931
O Street (SOME)	-	2,895,707
1338 North Cap (SOME)	-	47,312
Other major improvements (SOME)	516,090	493,573
	<u>\$ 10,985,945</u>	<u>\$ 22,800,517</u>

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 \$22,978,799 and \$31,328,526 at December 31, 2024 and 2023, respectively.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

The following represents SOME and Affiliates' financial assets at December 31, 2024 and 2023:

	2024	2023
Financial assets at year-end		
Cash and cash equivalents, undesignated	\$ 7,659,378	\$ 4,969,203
United Way contributions receivable	352,000	352,000
Accounts receivable, net	4,597,963	4,442,922
Grants receivable	764,876	1,060,490
Pledges receivable, current	1,438,957	1,220,602
Investments	22,978,799	31,328,526
	<u>37,791,973</u>	<u>43,373,743</u>
Total financial assets		
	<u>37,791,973</u>	<u>43,373,743</u>
Less amounts not available to be used within one year		
Net assets with donor restrictions	9,473,143	10,329,607
Pledged investments	18,420,282	16,134,311
	<u>27,893,425</u>	<u>26,463,918</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 9,898,548</u>	<u>\$ 16,909,825</u>

SOME and Affiliates' goal is generally to maintain financial assets to meet 90 days of operating expenses. Although SOME does not intend to spend from board-designated funds, approximately \$3.7 million (Note 11) 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, 2024 and 2023 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).

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.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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, 2024 or 2023.

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, shoring equipment, 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.

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.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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 one year to five 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 shoring 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, 2024 are as follows:

Year Ended December 31, 2024	Short-term lease (1)	Operating leases (1)	Finance leases (2)	Total
Rent expense	\$ -	\$ 204,234	\$ -	\$ 204,234
Amortization expense	-	-	228,228	228,228
Interest expense	-	-	2,512	2,512
Total lease cost	<u>\$ -</u>	<u>\$ 204,234</u>	<u>\$ 230,740</u>	<u>\$ 434,974</u>

- (1) The rental costs of short-term and operating leases are included in rent expense in the Organization's consolidated statement of functional expenses.
- (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 functional expenses, respectively.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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

Year Ended December 31, 2023	Short-term lease (1)	Operating leases (1)	Finance leases (2)	Total
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 functional expenses.
- (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 functional expenses, respectively.

Supplemental cash flow information related to the Organization's leases for the year ended December 31, 2024:

Year Ended December 31, 2024	Operating leases	Finance leases	Total
Cash paid for amounts included in the measurement of lease liabilities	\$ 183,150	\$ 150,000	\$ 333,150
Addition to right-of-use assets	-	-	-

Supplemental cash flow information related to the 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	\$ 199,800	\$ 150,000	\$ 349,800
Addition to right-of-use assets	-	-	-

Weighted average remaining lease term and weighted average incremental borrowing rate for the Organization's leases as of December 31, 2024:

Year Ended December 31, 2024	Operating leases	Finance leases
Weighted average remaining term (in years)	0	0.25
Weighted average incremental borrowing rate	2.39%	2.39%

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

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

Year 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%

Annual maturity analysis of the Organization's lease liabilities as of December 31, 2024:

Calendar year	Operating leases	Finance leases	Total
2025	\$ -	\$ 37,500	\$ 37,500
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
Thereafter	-	-	-
Total lease payments	-	37,500	37,500
Less interest	-	74	74
Total lease liability	<u>\$ -</u>	<u>\$ 37,426</u>	<u>\$ 37,426</u>
Less current portion of total lease liability	<u>\$ -</u>	<u>\$ 37,500</u>	<u>\$ 37,500</u>
Noncurrent portion of total lease liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Operating lease rental cost of \$204,234 for the year ended December 31, 2024 is included in management and general expense in the Organization's consolidated statements of activities. In addition, interest on the Organization's finance lease obligations is recognized on a level yield basis over the period preceding the transfer of title to the equipment. The Organization's finance 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, 2024 and 2023 was \$1,364,419 and \$1,557,119, respectively.

SOME and Affiliates

Notes to Consolidated Financial Statements December 31, 2024 and 2023

Future five years minimum rental payments consist of the following:

December 31, 2025	\$	1,299,235
2026		1,366,457
2027		1,407,451
2028		1,449,674
2029		1,493,164
Thereafter		<u>13,992,837</u>
Total	\$	<u>21,008,818</u>

Note 23 - Subsequent events

Events that occur after the consolidated statement 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 statement 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 statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of SOME through November 5, 2025 (the date the consolidated financial statements were available to be issued) and concluded 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.

Supplementary Information

SOME and Affiliates

Consolidating Schedule of Financial Position (Unaudited) December 31, 2024

	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Eliminations	Subtotal	Real Estate	Eliminations	Total
<u>Assets</u>								
Current assets								
Cash and equivalents, undesignated	\$ 6,216,331	\$ 25,763	\$ 5,072	\$ -	\$ 6,247,166	\$ 1,412,212	\$ -	\$ 7,659,378
United Way contributions receivable	352,000	-	-	-	352,000	-	-	352,000
Accounts receivable, net	2,971,677	230,905	12,939	-	3,215,521	1,622,023	(6,311)	4,831,233
Due from affiliates	21,838,559	100	-	(5,112,934)	16,725,725	10,422	(16,736,147)	-
Grants receivable	764,876	-	-	-	764,876	-	-	764,876
Pledges receivable - current	1,438,957	-	-	-	1,438,957	-	-	1,438,957
Prepaid expenses and deposits	897,519	244	-	-	897,763	71,756	-	969,519
Total current assets	34,479,919	257,012	18,011	(5,112,934)	29,642,008	3,116,413	(16,742,458)	16,015,963
Other assets								
Developer fee receivable - noncurrent	6,771,531	-	-	-	6,771,531	-	(6,771,531)	-
Investments in affiliates	2,884,005	19,876,035	-	(3,877,662)	18,882,378	-	(18,882,378)	-
Investments	22,978,799	-	-	-	22,978,799	-	-	22,978,799
Pledges receivable - noncurrent	2,712,897	-	-	-	2,712,897	-	-	2,712,897
Security deposits	43,895	57,572	8,111	-	109,578	420,762	-	530,340
Escrows and reserves	-	-	-	-	-	7,445,593	-	7,445,593
Development escrows	-	-	-	-	-	3,553,000	-	3,553,000
Restricted cash	4,186,583	-	-	-	4,186,583	978,671	-	5,165,254
Deferred rent asset	-	-	-	-	-	2,095,617	-	2,095,617
Total other assets	39,577,710	19,933,607	8,111	(3,877,662)	55,641,766	14,493,643	(25,653,909)	44,481,500
Notes receivable, net	29,390,371	-	-	(477,980)	28,912,391	8,112,000	(28,912,391)	8,112,000
Deferred fees, net of accumulated amortization	-	-	-	-	-	1,387,958	-	1,387,958
Property and equipment								
Land	15,480,416	554,283	434,587	-	16,469,286	16,504,852	-	32,974,138
Land improvements	78,316	11,509	-	-	89,825	9,038,519	-	9,128,344
Buildings and improvements	46,425,633	8,885,565	1,893,971	-	57,205,169	256,519,447	(10,415,620)	303,308,996
Furniture and fixtures	3,828,791	310,867	-	-	4,139,658	6,352,857	-	10,492,515
Vehicles	562,861	-	-	-	562,861	-	-	562,861
Finance lease right-of-use assets	57,067	-	-	-	57,067	-	-	57,067
Construction in process	10,833,426	149,924	-	-	10,983,350	2,595	-	10,985,945
Accumulated depreciation	(14,968,207)	(5,404,234)	(700,262)	-	(21,072,703)	(53,234,427)	1,766,403	(72,540,727)
Total property and equipment	62,298,303	4,507,914	1,628,296	-	68,434,513	235,183,843	(8,649,217)	294,969,139
Total assets	\$ 165,746,303	\$ 24,698,533	\$ 1,654,418	\$ (9,468,576)	\$ 182,630,678	\$ 262,293,857	\$ (79,957,975)	\$ 364,966,560

SOME and Affiliates

Consolidating Schedule of Financial Position (Unaudited) December 31, 2024

	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Eliminations	Subtotal	Real Estate	Eliminations	Total
<u>Liabilities and Net Assets</u>								
Current liabilities								
Accounts payable and accrued expenses	\$ 1,046,884	\$ 635	\$ -	\$ -	\$ 1,047,519	\$ 1,109,020	\$ -	\$ 2,156,539
Accrued payroll and withholding	3,547,097	-	-	-	3,547,097	-	-	3,547,097
Accrued vacation	843,467	-	-	-	843,467	-	-	843,467
Accrued interest payable - current	45,963	-	-	-	45,963	311,778	-	357,741
Current portion of finance lease liabilities	37,426	-	-	-	37,426	-	-	37,426
Due to affiliates	1,688,544	3,047,770	376,620	(5,112,934)	-	10,300,411	(10,300,411)	-
Deferred revenue - current	86,780	16,225	857	-	103,862	356,713	-	460,575
Lines of credit - current	6,499,965	-	-	-	6,499,965	-	-	6,499,965
Notes payable - current maturities	7,102,792	91,991	-	-	7,194,783	919,062	-	8,113,845
Total current liabilities	20,898,918	3,156,621	377,477	(5,112,934)	19,320,082	12,996,984	(10,300,411)	22,016,655
Long-term liabilities								
Security deposit payable	40,842	51,850	5,304	-	97,996	332,998	-	430,994
Accrued interest payable - related party	-	-	-	-	-	6,194,824	(6,194,824)	-
Accrued interest payable	-	-	-	-	-	7,903,787	-	7,903,787
Developer fee payable	-	-	-	-	-	16,980,592	(16,980,592)	-
Accrued asset management fee	-	-	-	-	-	94,616	-	94,616
Due to affiliates	-	-	-	-	-	10,389,118	(10,389,118)	-
Lines of credit	4,993,568	-	-	-	4,993,568	-	-	4,993,568
Notes payable, net	35,884,014	1,929,195	-	-	37,813,209	151,606,419	-	189,419,628
Notes payable - SOME	-	200,000	277,980	(477,980)	-	20,254,196	(20,254,196)	-
Total long-term liabilities	40,918,424	2,181,045	283,284	(477,980)	42,904,773	213,756,550	(53,818,730)	202,842,593
Net assets - as restated	103,928,961	19,360,867	993,657	(3,877,662)	120,405,823	35,540,323	(15,838,834)	140,107,312
Total liabilities and net assets	\$ 165,746,303	\$ 24,698,533	\$ 1,654,418	\$ (9,468,576)	\$ 182,630,678	\$ 262,293,857	\$ (79,957,975)	\$ 364,966,560

See Independent Auditor's Report.

SOME and Affiliates

Consolidating Schedule of Activities (Unaudited) Year Ended December 31, 2024

	SOME, Inc.	Affordable Housing Opportunities, Inc.	BH, LLC	Eliminations	Subtotal	Real Estate	Eliminations	Total
Support and revenue								
Contributions	\$ 21,042,385	\$ -	\$ -	\$ -	\$ 21,042,385	\$ -	\$ -	\$ 21,042,385
Legacies and bequests	3,688,441	-	-	-	3,688,441	-	-	3,688,441
Special events	54,008	-	-	-	54,008	-	-	54,008
In-kind contributions	642,921	-	-	-	642,921	-	-	642,921
Grants	3,553,234	-	-	-	3,553,234	-	-	3,553,234
Foundations	2,122,418	-	-	-	2,122,418	-	-	2,122,418
Rental income, net	1,979,422	744,218	166,901	-	2,890,541	9,605,768	(272,680)	12,223,629
Operating subsidy from SOME, Inc.	-	-	-	-	-	664,247	(664,247)	-
Management fee income	2,613,167	-	-	(349,503)	2,263,664	-	(2,263,664)	-
Insurance reimbursements	6,191,975	-	-	-	6,191,975	-	-	6,191,975
Program service revenue	15,438	-	-	-	15,438	-	-	15,438
Other	224,108	2,587	1,512	-	228,207	320,289	-	548,496
Total support and revenue	42,127,517	746,805	168,413	(349,503)	42,693,232	10,590,304	(3,200,591)	50,082,945
Expenses								
Program services								
Emergency aid	3,319,884	-	-	-	3,319,884	-	-	3,319,884
Housing services	27,424,219	1,267,034	231,589	(349,503)	28,573,339	24,299,095	(7,496,798)	45,375,636
Health services	3,978,465	-	-	-	3,978,465	-	-	3,978,465
Senior services	2,234,900	-	-	-	2,234,900	-	-	2,234,900
Mental health services	8,575,845	-	-	-	8,575,845	-	-	8,575,845
Education	2,718,888	-	-	-	2,718,888	-	-	2,718,888
Total program services	48,252,201	1,267,034	231,589	(349,503)	49,401,321	24,299,095	(7,496,798)	66,203,618
Supporting services								
Management and general	4,942,265	-	-	-	4,942,265	-	(272,680)	4,669,585
Fundraising	3,680,126	-	-	-	3,680,126	-	-	3,680,126
Total supporting services	8,622,391	-	-	-	8,622,391	-	(272,680)	8,349,711
Total expenses	56,874,592	1,267,034	231,589	(349,503)	58,023,712	24,299,095	(7,769,478)	74,553,329
Nonoperating activities								
Gain on investments - net	2,035,360	-	-	-	2,035,360	-	-	2,035,360
Gain on sale of fixed assets	504,179	-	-	-	504,179	-	-	504,179
Investment income (loss) from affiliates	-	(1,365,462)	-	63,176	(1,302,286)	-	1,302,286	-
Interest and dividends, net	768,938	676	-	-	769,614	418,087	-	1,187,701
Total nonoperating activities	3,308,477	(1,364,786)	-	63,176	2,006,867	418,087	1,302,286	3,727,240
Change in net assets	\$ (11,438,598)	\$ (1,885,015)	\$ (63,176)	\$ 63,176	\$ (13,323,613)	\$ (13,290,704)	\$ 5,871,173	\$ (20,743,144)

See Independent Auditor's Report.

SOME and Affiliates

Consolidating Schedule of Financial Position - Real Estate Entities (Unaudited) December 31, 2024

	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 Capital, LLC	
Assets													
Current assets													
Cash and equivalents, undesignated	\$ 71,313	\$ 197,686	\$ 220,192	\$ 11,266	\$ 27,403	\$ 32,787	\$ 15,177	\$ 20,133	\$ 21,491	\$ 31,435	\$ 47,785	\$ 715,544	\$ 1,412,212
Accounts receivable, net	299,761	29,750	386,960	-	154,131	84,803	17,978	213,659	30,770	157,614	136,817	109,780	1,622,023
Due from affiliates	-	-	-	10,422	-	-	-	-	-	-	-	-	10,422
Prepaid expenses and deposits	8,333	-	-	45,919	206	5,192	-	3,283	-	28	6,036	2,759	71,756
Total current assets	379,407	227,436	607,152	67,607	181,740	122,782	33,155	237,075	52,261	189,077	190,638	828,083	3,116,413
Other assets													
Security deposits	77,465	-	-	-	108,056	31,996	7,998	63,127	13,451	20,316	63,557	34,796	420,762
Escrows and reserves	1,050,743	-	-	1,950	4,398,312	-	-	1,488,201	-	501,580	-	4,807	7,445,593
Development escrows	-	143,538	-	-	-	-	-	-	-	-	598,359	2,811,103	3,553,000
Restricted cash	244,375	-	-	-	-	329,680	80,769	165,459	158,248	-	-	140	978,671
Deferred rent asset	-	-	2,095,617	-	-	-	-	-	-	-	-	-	2,095,617
Total other assets	1,372,583	143,538	2,095,617	1,950	4,506,368	361,676	88,767	1,716,787	171,699	521,896	661,916	2,850,846	14,493,643
Notes receivable, net	-	8,112,000	-	-	-	-	-	-	-	-	-	-	8,112,000
Deferred fees, net of accumulated amortization	117,042	-	-	-	14,465	8,027	-	26,440	22,794	32,998	84,152	1,082,040	1,387,958
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	2,360,279	16,504,852
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	10,762,874	32,699,404	9,497,367	3,541,283	25,567,379	6,071,506	15,365,686	25,200,282	51,178,668	256,519,447
Furniture and fixtures	841,042	1,356,676	38,504	-	950,718	171,494	94,095	150,367	169,621	318,511	789,047	1,472,782	6,352,857
Construction in process	-	-	-	-	-	-	-	-	-	-	2,595	-	2,595
Accumulated depreciation	(8,690,392)	(5,042,139)	(2,800,343)	-	(14,446,836)	(3,661,650)	(2,290,392)	(6,876,323)	(1,278,490)	(2,712,134)	(3,636,425)	(1,799,303)	(53,234,427)
Total property and equipment	40,863,680	17,198,376	12,508,270	12,304,874	22,404,325	7,058,346	1,566,862	19,569,743	5,958,146	16,072,333	24,156,162	55,522,726	235,183,843
Total assets	\$ 42,732,712	\$ 25,681,350	\$ 15,211,039	\$ 12,374,431	\$ 27,106,898	\$ 7,550,831	\$ 1,688,784	\$ 21,550,045	\$ 6,204,900	\$ 16,816,304	\$ 25,092,868	\$ 60,283,695	\$ 262,293,857

SOME and Affiliates

Consolidating Schedule of Financial Position - Real Estate Entities (Unaudited) December 31, 2024

	Real Estate												
	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 Capital, LLC	Total
Liabilities and Net Assets													
Current liabilities													
Accounts payable and accrued expenses	\$ 22,653	\$ 98,708	\$ -	\$ 1,417	\$ 650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,595	\$ 982,997	\$ 1,109,020
Accrued interest payable - current	-	-	-	-	172,438	-	804	-	-	24,044	-	114,492	311,778
Due to affiliates	5,919,882	128,272	36,416	1,997,423	-	258,947	-	-	-	-	1,736,413	223,058	10,300,411
Deferred revenue	99,256	-	94,147	-	67,216	17,459	1,059	18,388	10,096	6,969	29,063	13,060	356,713
Notes payable - current maturities	106,287	-	376,743	-	150,000	-	21,169	111,191	-	84,422	69,250	-	919,062
Total current liabilities	6,148,078	226,980	507,306	1,998,840	390,304	276,406	23,032	129,579	10,096	115,435	1,837,321	1,333,607	12,996,984
Long-term liabilities													
Security deposit payable	67,739	-	-	3,200	91,184	26,392	5,769	55,609	-	20,512	29,244	33,349	332,998
Accrued interest payable - related party	566,100	-	-	-	4,080,164	1,470,943	77,617	-	-	-	-	-	6,194,824
Accrued interest payable	-	-	-	-	3,331,143	-	-	1,791,580	143,817	749,972	1,398,047	489,228	7,903,787
Developer fee payable	5,673,698	-	-	-	863,609	515,000	-	597,411	-	1,055,224	2,066,873	6,208,777	16,980,592
Accrued asset management fee	27,093	-	-	-	-	14,539	955	20,165	3,075	8,610	20,179	-	94,616
Due to affiliates	-	-	-	-	3,412,808	-	819,172	3,268,695	599,156	2,198,184	-	91,103	10,389,118
Notes payable, net	25,427,746	8,755,401	9,336,310	10,339,350	17,951,911	-	901,265	12,827,357	1,468,761	10,018,255	16,350,677	38,229,386	151,606,419
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	33,162,376	10,576,598	9,336,310	11,150,529	40,378,485	4,026,874	2,247,447	21,008,502	2,214,809	14,359,757	19,865,020	45,429,843	213,756,550
Net assets	3,422,258	14,877,772	5,367,423	(774,938)	(13,661,891)	3,247,551	(581,695)	411,964	3,979,995	2,341,112	3,390,527	13,520,245	35,540,323
Total liabilities and net assets	\$ 42,732,712	\$ 25,681,350	\$ 15,211,039	\$ 12,374,431	\$ 27,106,898	\$ 7,550,831	\$ 1,688,784	\$ 21,550,045	\$ 6,204,900	\$ 16,816,304	\$ 25,092,868	\$ 60,283,695	\$ 262,293,857

See Independent Auditor's Report.

SOME and Affiliates

Consolidating Schedule of Activities - Real Estate Entities (Unaudited) Year Ended December 31, 2024

	Real Estate												
	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 Capital, LLC	Total
Support and revenue													
Rental income, net	\$ 1,511,832	\$ 272,680	\$ 1,364,419	\$ 113,168	\$ 2,202,487	\$ 323,839	\$ 226,797	\$ 776,414	\$ 188,650	\$ 683,355	\$ 1,068,031	\$ 874,096	\$ 9,605,768
Operating subsidy from SOME, Inc.	-	-	-	-	-	157,339	-	506,908	-	-	-	-	664,247
Other	3,266	-	161,543	-	4,941	7,146	74	2,506	2,138	2,413	7,923	128,339	320,289
Total support and revenue	1,515,098	272,680	1,525,962	113,168	2,207,428	488,324	226,871	1,285,828	190,788	685,768	1,075,954	1,002,435	10,590,304
Expenses													
Program services													
Housing services	3,295,651	1,178,206	1,237,846	852,958	3,965,448	987,359	410,908	2,403,545	476,571	1,488,156	2,903,248	5,099,199	24,299,095
Total program services	3,295,651	1,178,206	1,237,846	852,958	3,965,448	987,359	410,908	2,403,545	476,571	1,488,156	2,903,248	5,099,199	24,299,095
Total expenses	3,295,651	1,178,206	1,237,846	852,958	3,965,448	987,359	410,908	2,403,545	476,571	1,488,156	2,903,248	5,099,199	24,299,095
Nonoperating activities													
Interest and dividends, net	3,786	239,410	-	-	2,422	-	737	610	1,426	147	236	169,313	418,087
Total nonoperating activities	3,786	239,410	-	-	2,422	-	737	610	1,426	147	236	169,313	418,087
Change in net assets	\$ (1,776,767)	\$ (666,116)	\$ 288,116	\$ (739,790)	\$ (1,755,598)	\$ (499,035)	\$ (183,300)	\$ (1,117,107)	\$ (284,357)	\$ (802,241)	\$ (1,827,058)	\$ (3,927,451)	\$ (13,290,704)

See Independent Auditor's Report.

SOME and Affiliates

Notes to Supplementary Information (Unaudited) December 31, 2024

Note 1 - Restatement

The beginning net assets in the consolidating schedule of financial position, as of December 31, 2023, have been restated to correct the investment in affiliates, net assets and eliminations, as shown in the table below. These restatement adjustments had no impact on the consolidated financial statements as of and for the year ended December 31, 2023.

	December 31, 2023, as previously reported	Adjustment	December 31, 2023, as restated
Consolidating schedule of financial position			
Net assets without donor restrictions, beginning of year			
Affordable Housing Opportunities, Inc.	\$ 1,669,321	\$ 19,576,561	\$ 21,245,882
Eliminations	(1,664,936)	(19,576,561)	(21,241,497)
Investment in affiliates	1,664,936	19,576,561	21,241,497
Eliminations	(1,664,936)	(19,576,561)	(21,241,497)



Independent Member of Nexia

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