ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2024

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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The Board of Directors
Abode Property Management
Fremont, California

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Abode Property Management, a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Abode Property Management as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Abode Property Management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Abode Property Management's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 21 through 26, is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2026 on our consideration of Abode Property Management's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Abode Property Management's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Abode Property Management's internal control over financial reporting and compliance.

Lindquist, von Husen and Joyce LLP

May 15, 2026

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

Current assets:	
Cash	$ 2,803,681
Receivables:	
Rent – net	3,659,530
Related-party (Note 5)	3,474,529
Other	3,695
Prepaid expenses	484,778
Total current assets	10,426,213
Restricted cash (Note 3):	
Replacement reserves	1,740,910
Operating reserves	607,392
Tenant security deposits	207,958
Other	12,724
Property and equipment – net (Note 4)	8,354,440
Total assets	$ 21,349,637

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	$ 860,720
Deferred revenue – current portion	26,535
Related-party payable (Note 5)	7,160,956
Notes payable – current portion (Note 6)	799,313
Total current liabilities	8,847,524
Tenant security deposits	125,824
Deferred revenue – net of current portion	603,072
Interest payable (Note 6)	1,098,897
Notes payable – net of current portion (Note 6)	6,946,044
Total liabilities	17,621,361
Net assets:	
Without donor restrictions	3,728,276
Total net assets	3,728,276
Total liabilities and net assets	$ 21,349,637

The accompanying notes are an integral part of these financial statements.

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions
Revenue and support:	
Gross potential rent – residential:	
Tenant	$ 2,085,649
Subsidy	3,382,444
Vacancy loss, concessions and bad debts	(713,615)
Commercial rental income	461,853
Total rental income	5,216,331
Property management income	4,748,686
Miscellaneous income	668,247
Contributions in-kind	48,933
Interest income	18,344
Total revenue and support	10,700,541
Expenses:	
Program services:	
Rental operations	8,686,905
Property management	1,400,879
Supporting services:	
Management and general	1,345,741
Fundraising	32,153
Total expenses	11,465,678
Change in net assets	(765,137)
Net assets, beginning of year	4,493,413
Net assets, end of year	$ 3,728,276

The accompanying notes are an integral part of these financial statements.

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services		*Supporting Services*			
	Rental Operations	*Property Management*	*Management and General*	*Fundraising*	*Total*	*2023 Total*
Salaries and wages	$ 2,348,593	$ 707,330	$ 97,215	$ 12,962	$ 3,166,100	$ 2,954,976
Repairs and maintenance	1,209,089	-	354,014	-	1,563,103	1,598,844
Utilities	1,104,448	24,341	10,743	-	1,139,532	577,964
Legal and professional fees	99,928	230,546	608,180	-	938,654	519,236
Office expenses	1,171,923	13,860	1,815	-	1,187,598	476,884
Security services	255,747	2,583	26,447	-	284,777	395,318
Employee benefits	492,373	83,218	104,023	13,870	693,484	373,233
Insurance	619,255	-	12,468	-	631,723	341,754
Miscellaneous	92,330	54,881	29,866	-	177,077	290,576
Payroll taxes	188,877	31,923	39,904	5,321	266,025	222,902
Office rent	-	82,415	27,472	-	109,887	90,123
Telephone	35,014	6,179	5,975	-	47,168	61,389
Taxes and licenses	79,303	-	1,139	-	80,442	63,503
Licenses and fees	77,997	-	-	-	77,997	55,638
Supportive service fees	-	150,746	-	-	150,746	50,674
Equipment rental	16,935	-	-	-	16,935	30,876
Travel	7,051	5,491	25,984	-	38,526	28,293
Relocation fees	16,694	-	-	-	16,694	13,182
Dues and subscriptions	17,916	-	-	-	17,916	13,076
Training	21,029	-	496	-	21,525	7,584
Bank charges	59,653	-	-	-	59,653	486
Total operating expenses	7,914,155	1,393,513	1,345,741	32,153	10,685,562	8,166,511
Depreciation	581,740	-	-	-	581,740	566,929
Interest	191,010	7,366	-	-	198,376	197,309
Total other expenses	772,750	7,366	-	-	780,116	822,001
Total expenses	$ 8,686,905	$ 1,400,879	$ 1,345,741	$ 32,153	$ 11,465,678	$ 8,988,512

The accompanying notes are an integral part of these financial statements.

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:	
Change in net assets	$ (765,137)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	581,740
(Increase) decrease in assets:	
Accounts receivable, net	550,992
Prepaid expenses	(434,343)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	349,277
Deferred revenue	(66,084)
Related party payables	12,357
Interest payable	(372,060)
Tenant security deposits	(6,575)
Net cash used in operating activities	(149,833)
Cash flows from investing activity:	
Purchase of property and equipment	(249,566)
Net cash used in investing activity	(249,566)
Cash flows from financing activities	
Proceeds from notes payable	2,176,408
Repayment of notes payable	(1,431,453)
Net cash provided by financing activities	744,955
Net increase in cash and restricted cash	345,556
Cash and restricted cash, beginning of year	5,027,109
Cash and restricted cash, end of year	$ 5,372,665
Supplemental information:	
Cash paid for interest	$ 570,436
Cash	$ 2,803,681
Restricted cash:	
Replacement reserves	1,740,910
Operating reserves	607,392
Tenant security deposits	207,958
Other	12,724
Total cash and restricted cash shown in the statement of cash flows	$ 5,372,665

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Abode Property Management (APM), formerly known as Housing for Independent People, Inc., is a nonprofit public benefit corporation incorporated in the state of California in 1979. APM's mission is to end homelessness and prevent institutionalization of people with special needs in Northern California. Special needs include developmental disabilities, psychiatric disabilities, medical conditions including drug and alcohol dependency, frail elderly, HIV/AIDS, and combinations of these disabilities. In July 2023, APM changed its legal name from Housing for Independent People, Inc. to Abode Property Management.

APM fulfills its mission by not only preserving the community's current stock of rental housing for very low-income special needs individuals but also providing high quality management. APM is also expanding the number of units of housing available to this population through partnerships to acquire or develop additional units in the community.

APM owns and operates the following residential properties located m and subject to the regulatory agreements with the City of San Jose (CSJ):

- Burning Tree (single family home)
- Hoffman 5668 (4-plex)
- Hoffman 5684 (4-plex)
- Roewill (4-plex)

These properties serve low income, homeless individuals, and those with mental disabilities. The properties are all subject to regulatory agreements of varying lengths with the City of San Jose.

APM owns and operates additional rental properties in San Jose which are not subject to regulatory agreements commencing December 2020. The following properties are subject to a Board of Directors Resolution to maintain an area median income for the property at the 80% low-income level:

- Barker (4-plex)
- Branham (duplex)
- Curtner (single family home – shared housing)
- Donna (4-plex)
- Hoffman 5629 (4-plex)
- Ross 1713 (4-plex)
- Ross 1731 (4-plex)

APM owns and operates the following additional rental properties financed by and subject to regulatory agreements with Housing Trust Silicon Valley:

- Roewill (4-plex)
- Burning Tree (single family home)

APM owns and operates the following additional rental properties financed by and subject to regulatory agreements with the California Department of Housing and Community Development (HCD):

- Muirfield (2 duplexes) located in San Jose
- Longview (single family home of shared housing) located in Morgan Hill
- Sesame (single family home – shared housing) located in San Jose

- Thornton (single family home – shared housing) located in San Jose
- Resetar (mixed use, 90 apartments and ground floor commercial) located in Watsonville

APM also owns and operates Papazian Building, a commercial rental property located in Fremont which is 100% leased to Abode Services.

APM leases two single family homes on Vermont Street from the City of San Jose. The homes function as shared housing for veterans who are homeless or at risk of homelessness (see Note 8).

Strategic Alliances

Effective January 1, 2012, APM and Abode Services (Abode) entered into a strategic alliance. While having retained their separate 50l(c)(3) nonprofit identities, missions and activities, the organizations had shared a common Board of Directors and Executive Director. However, as of January 1, 2024, the boards have different board members with any overlap with other strategically aligned organizations limited to non-controlling interest. APM manages several of the Abode properties. Abode has entered into an agreement with APM to provide some administrative services to support their operations.

Effective January 1, 2012, APM and Abode Housing Development (AHD), formerly known as Allied Housing, Inc., entered into a strategic alliance. While having retained their separate 501(c)(3) nonprofit identities, missions and activities, APM and AHD shared a common Board of Directors and Executive Director. However, as of January 1, 2024, the boards have different board members with any overlap with other strategically aligned organizations limited to non-controlling interest. APM manages several of the AHD properties.

Effective April 1, 2017, APM and Community Working Group, Inc. (CWG) entered into a strategic alliance. Both organizations have retained separate identities, missions and activities. The organizations had shared a common Board of Directors and Chief Executive Officer until January 1, 2024, at which time the boards have different board members with any overlap with other strategically aligned organizations limited to non-controlling interest. CWG functions as the entity assigned to generate and manage new programs and projects on the San Francisco Peninsula.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

APM uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

APM reports information regarding their financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions and net assets with donor restrictions.

- Net assets without donor restrictions include those assets over which the Board of Directors has discretionary control in carrying out the operations of APM.

- Net assets with donor restrictions include those assets subject to donor restrictions and for which the applicable restrictions were not met as of the end of the current reporting period. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When a donor restriction expires – that is, when a stipulated time restriction ends, or purpose restriction is accomplished – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as *net assets released from restrictions*. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. APM had no donor-imposed restrictions that are perpetual in nature at June 30, 2024.

Revenue Recognition

Rental Income:

Rental income is shown at its maximum gross potential. Vacancy loss and operating lease receivable deemed uncollectible are shown as reductions of rental income. Rental units occupied by employees are included in rental income and expenses of operations.

APM accounts for the existing leases with residential and commercial tenants of properties as operating leases.

Contributions:

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as support without donor restrictions or support with donor restrictions, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as *net assets released from restrictions*.

Unconditional promises to give are recognized as contribution revenue in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Cash and Restricted Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Restricted cash are funds restricted as to their use, regardless of liquidity, such as replacement reserves, operating reserves, and tenant security deposits. APM occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted cash, was approximately $5,113,000 as of June 30, 2024. APM has not experienced any losses in such accounts.

Cash held in trust by others consists of operating cash accounts held by a third-party property management company for certain properties under their management.

Accounts Receivable

APM reassesses the collectability during the lease term and elects to record a general reserve for operating lease receivable when collection is uncertain based on a review of outstanding receivables, historical collection information, and existing economic conditions. The general reserve balance was $-0- as of June 30, 2024.

Grants and contracts receivable within one year are recorded at net realizable value. Grants receivable expected to be received in future years are recorded at present value of their estimated cash flows. No allowance for uncollectible accounts has been provided since the receivables are all deemed to be collectible.

Property and Equipment

Property and equipment is stated at cost of acquisition or construction, or fair value if donated. The cost of maintenance and repairs below $3,000 that neither significantly add to the permanent value of a property nor prolong its intended useful life is charged to expense as incurred. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets.

The useful lives of the assets are estimated as follows:

Buildings and improvements	7 to 40 years
Leasehold improvements	30 years
Office equipment	5 to 12 years
Furniture and fixtures	7 to 12 years

APM reviews the property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such properties may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flows expected to be generated by the rental properties, including any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount of which the carrying amount of the property and equipment exceeds the fair value of such properties. There was no impairment loss recognized in 2024.

Leases

The accounting standard on leases, required by accounting principles generally accepted in the United States of America, requires lessees to account for leases as either finance leases or operating leases and to recognize right-of-use (ROU) assets and corresponding lease liabilities on the statement of financial position for all leases other than leases with terms of 12 months or less. For finance leases, lessees would recognize interest expense and amortization of the ROU asset, and for operating leases, lessees would recognize straight-line total rent expense. The accounting standard also requires additional disclosures about the amount, timing, and uncertainty of cash flows arising from leases.

APM accounts for the existing ground leases with the City and County of San Francisco and the City of San Jose as an operating lease. Due to the nominal rent amounts, ROU asset and lease liability are not recognized. However, the effect of not recognizing ROU asset and lease liability is not materially different from the result that would have been obtained had the requirement to recognize been followed.

Deferred Revenue

Deferred revenue represents the remaining balance of the one-time payment of $743,580 received on July 21, 2016 for the lease of rooftop space to maintain cell phone towers on the Resetar building in Watsonville. The lease payment is recognized as income on a straight-line basis over the 50-year lease term.

Income Taxes

APM is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and the related California code sections.

APM believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. APM's federal and state information returns for the years 2020 through 2023 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

Functional Expenses Allocation

The costs of program and supporting services activities are summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources. Directly identifiable expenses are charged to programs and supporting services.

Subsequent Events

Management has evaluated subsequent events through May 15, 2026, the date on which the financial statements were available to be issued.

NOTE 3 – RESTRICTED CASH AND DEPOSITS

Replacement Reserves

APM is required to set aside cash for capital improvements in separate bank accounts per the loan agreements with the CSJ and HCD. Properties that have HCD loans are required to deposit cash for replacement reserves in interest-bearing, insured accounts. Funding for properties with HCD loans are made monthly per the lender-approved annual operating budgets. Properties with CSJ loans fund their reserve accounts at a rate of 3% of gross revenue.

Operating Reserves

APM is required to set aside cash for operating deficits including real estate taxes in a separate bank account per the loan agreements with CSJ and HCD. The operating reserve is to be funded at a rate of 2% of gross revenue for properties with CSJ loans and per the lender approved annual operating budgets for properties with HCD loans.

Tenant Security Deposits

APM is required to hold security deposits in a separate bank account for each property.

Restricted cash as of June 30, 2024 consist of the following:

	Replacement Reserves				
	Balance, Beginning of Year	*Deposits*	*Interest Received*	*Withdrawals*	*Balance, End of Year*
Barker	$ 59,199	$ 7,500	$ 221	$ (13,839)	$ 53,081
Branham	55,881	-	226	-	56,107
Burning Tree	6,741	-	5	(5,225)	1,521
Curtner	59,144	-	240	-	59,384
Donna	35,994	-	146	-	36,140
Hoffman 5668	2,112	-	6	-	2,118
Hoffman 5684	43,126	-	175	-	43,301
Roewill	31,225	7,500	153	-	38,878
Ross 1713	25,163	-	60	(13,138)	12,085
Ross 1731	19,209	-	20	(19,228)	1
Hoffman 5629	36,304	-	148	-	36,452
Minnesota	28,044	-	3	(28,047)	-
Longview	27,493	-	112	-	27,605
Muirfield	54,165	-	220	-	54,385
Resetar	981,966	75,000	4,652	-	1,061,618
Sesame	22,414	-	91	-	22,505
Thornton	6	-	-	(6)	-
Vermont	233,401	-	453	(9,422)	224,432
Papazian	-	11,250	47	-	11,297
	$ 1,721,587	$ 101,250	$ 6,978	$ (88,905)	$ 1,740,910

	Operating Reserves				
	Balance, Beginning of Year	*Deposits*	*Interest Received*	*Withdrawals*	*Balance, End of Year*
Barker	$ 17,866	$ 7,521	$ 49	$ (14,820)	$ 10,616
Branham	18,063	-	78	-	18,141
Burning Tree	8,840	-	-	(8,840)	-
Curtner	20,854	-	90	-	20,944
Donna	4,358	-	6	(4,000)	364
Hoffman 5668	2,877	-	9	(700)	2,186
Hoffman 5684	12,628	5,604	71	-	18,303
Roewill	30	8,985	32	-	9,047
Ross 1713	1	-	(1)	-	-
Ross 1731	1,571	10,690	30	(1,571)	10,720
Hoffman 5629	3,361	-	14	-	3,375
Minnesota	1,007,784	-	148	(1,007,932)	-
Longview	8,741	-	22	(3,458)	5,305
Muirfield	13,284	-	53	-	13,337
Resetar	441,028	23,552	2,055	-	466,635
Sesame	2,110	-	6	-	2,116
Thornton	6,755	-	29	-	6,784
Vermont	71,997	-	66	(67,538)	4,525
Papazian	-	14,932	62	-	14,994
	$ 1,642,148	$ 71,284	$ 2,819	$ (1,108,859)	$ 607,392

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

Land	$ 2,761,691
Buildings	9,772,263
Building improvements	6,526,976
Leasehold improvements	46,154
Office equipment	391,255
Furniture and fixtures	44,183
	19,542,522
Less: accumulated depreciation	(11,188,082)
Total property and equipment	$ 8,354,440

Depreciation expense for the year ended June 30, 2024 was $581,740.

NOTE 5 – RELATED-PARTY TRANSACTIONS

As described in Note 1, Abode, AHD, APM, and CWG have strategic alliances, which include providing services to one another.

Property Management Services

APM provides property management services for some of AHD's properties. As of June 30, 2024, outstanding receivable balances from AHD and subsidiaries represent reimbursements to be made by AHD's properties. Property management income was $ 4,748,686.

Rental Income

APM received rents from Abode in the amounts of $276,550 for the year ended June 30, 2024.

Administrative Services Fees and Resident Services

The agreement between Abode Services and APM to provide services to support APM's operations states that Abode Services will provide office space to conduct its business, and administrative services such as IT, HR, and communications. Abode Services also provide resident services to eligible residents of APM projects with actual costs to be reimbursed up to annual amount based on the budgets and agreements. APM incurred expenses from the agreement with Abode Services of approximately $5,600,000 in 2024.

Related Party Transactions

Related party receivables consisted of the following:

AHD and subsidiaries	$ 1,984,407
Abode Services	1,490,122
Total	$ 3,474,529

Related party payables consisted of the following:

Abode Services	$ 6,671,707
AHD and subsidiaries	489,249
Total	$ 7,160,956

Other

See Note 6 for related-party note payable.

NOTE 6 – NOTES PAYABLE

Notes payable are secured by the property unless otherwise noted and consist of the following:

	Interest Payable	*Principal*
Burning Tree		
City of San Jose note dated October 6, 2004 in the amount of $297,154, secured by a first deed of trust on the Burning Tree property, bearing 0% interest. Annual payment of 60% of Net Cash Flow, as defined by the note, began September 1, 2005. The note is due April 1, 2030. The lender has placed a 31 year affordability restriction on the property. Units restricted to households whose income is at or below 60% of area median income. Rents are limited to 30% of 60% of area median income.	$ -	$ 290,673
Housing Trust Silicon Valley note dated September 2004 in the amount of $100,000, secured by the third deed of trust on the Burning Tree property, bearing 0% interest. No monthly payments are required. The principal is due on September 30, 2034.	-	100,000
County of Santa Clara note dated June 8, 2004 in the amount of $75,000, secured by a second deed of trust on the Burning Tree property, bearing 3% simple interest. Interest will be payable out of residual receipts. Annual payments in the amount of 0.3% of the outstanding principal shall be payable to the County as an administrative fee. Outstanding principal and unpaid interest are due June 8, 2059. Interest expense was $2,025.	41,253	75,000
Hoffman Properties		
City of San Jose notes dated October 26, 1992 in the amount of $1,045,279, secured by second deeds of trust on the three Hoffman properties, bearing 0% interest. Payments are due annually of 80% of Net Cash Flow as defined by the note. Outstanding principal and interest were due at maturity on October 26, 2022. The lender has placed a 30 year affordability restriction on the properties. Units are restricted to households whose income is at or below 50% of area median income. Rents are limited to 30% of 50% of area median income. APM is in process of applying for an extension.	-	642,912
Roewill		
City of San Jose note dated June 1, 2003 in the amount of $382,500, secured by second deed of trust on the Roewill property bearing 0% interest. Annual payment of 70% of Net Cash Flow, as defined by the note, began May 1, 2004. The note is due April 30, 2043. The lender has placed a 55 year affordability restriction on the property. Units restricted to households whose income is at or below 30% of area median income. Rents are limited to 30% of area median income.	-	363,409

	Interest Payable	*Principal*
Housing Trust Silicon Valley note dated June 5, 2003 in the amount of $60,000, secured by third deed of trust on the Roewill property, bearing 0% interest. Monthly payments are not required. The principal is due June 4, 2043.	-	60,000
Properties with HCD loans		
California Department of Housing and Community Development (HCD) various notes dated 1991 and 1992, bearing interest at 3% per annum, deferred; with unpaid principal and interest due 50 years from the date of the respective notes. Notes are subject to the regulatory agreements under the California Housing Rehabilitation Program Rental Component (CHRP-R). They are secured by first and second deeds of trust on real property. The lender has placed affordability restrictions on each property for the duration of the respective loans. Units are restricted to households whose income is at 50% of area median income. Total interest expense was $131,556.	1,057,644	4,385,203
Papazian Building		
Abode Services note dated January 19, 2024 in the amount of $1,057,713, secured by deed of trust on the Papazian property, bearing 4% interest, to be repaid in full after 144 months in January 2036. Interest expense was $7,415.	-	1,028,847
APM		
IPFS Corporation of California insurance premium financing loan dated April 24, 2024 in the amount of $1,131,141, bearing 7.65% interest, to be repaid in 10 monthly installments of $117,118 commencing in April 2024.	-	799,313
Total	1,098,897	7,745,357
Less: current portion	-	(799,313)
Long-term portion	$ 1,098,897	$ 6,946,044

APM had loan with Heritage Bank, in the original amount of $1,397,500 secured by a first deed of trust on the Papazian property, which bore 5.5% interest. Monthly payments of principal and interest of $8,672 began on March 5, 2014. The principal was due in February 2024. The loan was paid off using proceeds from the Abode Services loan in 2024. Interest expense was $57,380.

Principal payments on notes payable for the next five years are subject to changes in net cash flow which is a contingency that cannot be reasonably estimated. Minimum required payments on amortizing loans are estimated as follows:

Year Ended June 30,	
2025	$ 799,313
2026 through 2029	-

NOTE 7 – CONTRIBUTIONS IN-KIND

The estimated fair value of donated rent received is recorded as contributions. The estimated fair value of donated capital improvements is recorded as contributions. APM received in-kind contributions of $48,933 and $-0- for donated rent and donated capital improvements, respectively, for the year ended June 30, 2024.

NOTE 8 – LEASES

Vermont Street

APM leases Vermont Street from the City of San Jose with an initial term of 15 years, subject to an additional 15- year extension period. The lease commenced in May 2016. Rent for the lease is equal to $1 annually. The rent has been set at a nominal amount for the specific purpose of assisting the lessee to operate and maintain the two single family homes as shared housing for veterans who are homeless or at risk of homelessness in accordance with the terms and other requirements as specified in the lease agreement. APM has elected to recognize the lease expense on an annual basis for operating leases with nominal rent amounts, instead of recognizing the right-of-use asset and corresponding lease liability.

City Gardens

Effective February 1, 2023, APM entered a lease and property management agreement with the City and County of San Francisco (the City) through January 31, 2028, subject to an additional 5-year extension period. Rent for the lease of City Gardens of $1 was paid to the lessor. The rent has been set at a nominal amount for the specific purpose of assisting the lessee to operate and maintain the City Gardens as Permanent Supportive Housing (PSH) for residents who are formerly homeless and income-eligible individuals or other households that the City's Department of Homelessness and Supportive Housing (HSH) deems as PSH-eligible in accordance with the terms and other requirements as specified in the lease agreement. APM has elected to recognize the lease expense on one-time basis for operating leases with nominal rent amounts, instead of recognizing the right-of-use asset and corresponding lease liability. In accordance with the lease and property management agreement, the City will be providing annual operating subsidy to APM based on the annual operating budget, including but not limited to project reserves released by the City. APM will collect rent and other project income from City Gardens residents, which will be used to pay project expenses, in accordance with the annual operating budget approved by the City.

NOTE 9 – LIQUIDITY AND AVAILABILITY

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

Financial assets at end of year available within one year:	
Cash	$ 2,803,681
Receivables	7,137,754
Financial assets available for general expenditures within one year	$ 9,941,435

Financial assets include amounts that will be used to pay accounts payable, accrued expenses and other distributions from operating cash flow, if any, in the subsequent year. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. As part of its liquidity management, APM maintains reserve accounts as described in Note 3, a portion of which may be available to cover debt service and capital expenditures within one year of statement of financial position date upon approval from regulatory agencies. In addition, some properties' cash is maintained in trust by a third-party property management company and is not included above.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Pursuant to partnership agreements of the AHD subsidiaries, APM and related entities, AHD, Abode Services, and CWG (the guarantors) have entered into a guaranty agreement. Under the terms, the guarantors are obligated for the due and punctual performance by the general partners and the developer of all of their obligations under the partnership agreements, which includes maintaining sufficient funds to be able to satisfy obligations under the partnership agreements and construction debt and tax credit equity for certain projects. The maximum potential amount of future payments under these guarantees cannot be estimated and management believes the likelihood of material payments is remote so no liability has been recorded.

APM has borrowed funds from the City of San Jose and from HCD. The loans are subject to various regulatory and affordability restrictions.

NOTE 11 – SUBSEQUENT EVENTS

Debt Cancellation

On September 30, 2024, Abode Services subsequently approved the forgiveness of the balance of AHD's related-party payable to Abode Services in excess of $2,824,687. On October 1, 2024, the remaining payable amount was subsequently converted to a promissory note in the amount of $2,824,687, bearing simple interest at 4% per annum. Quarterly interest payments are due on the first day of April, July, October, and January during the term, commencing on January 1, 2025. Annual principal payments are due in six installments commencing on September 30, 2025. The entire loan principal and interest balance is due in full by September 30, 2030.

Sale of Projects

Some rental properties were subsequently sold by APM. Ross 1713 was subsequently sold in September 2024 for a sales price of $1,878,000. Ross 1731 and Branham were subsequently sold in August 2025 and December 2025 for a sales price of $1,480,000 and $1,250,000, respectively. Donna was subsequently sold in May 2026 for a sales price of $1,411,110.

SUPPLEMENTARY INFORMATION

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2024

	Administrative Offices	*City Gardens*	*Papazian Building*	*Vermont*	*Properties with CSJ Loans*	*Properties with HCD Loans*	*Eliminating Entries*	*Total*
Revenue and support:								
Gross potential rent – residential:								
Tenant	$ -	$ 527,867	$ -	$ 260,095	$ 465,658	$ 832,029	$ -	$ 2,085,649
Subsidy	-	1,460,325	-	63,932	211,284	1,646,903	-	3,382,444
Vacancy loss, concessions and bad debts	-	(15,908)	232	(228,992)	(145,455)	(323,492)	-	(713,615)
Commercial rental income	-	-	276,550	-	-	185,303	-	461,853
Total rental income	-	1,972,284	276,782	95,035	531,487	2,340,743	-	5,216,331
Property management income	3,478,609	1,492,844	-	-	-	-	(222,767)	4,748,686
Miscellaneous income	483,963	43,916	-	35,000	2,660	102,708	-	668,247
Contributions in-kind	48,933	-	-	-	-	-	-	48,933
Interest income	4,342	1,393	423	617	2,275	9,294	-	18,344
Total revenue and support	4,015,847	3,510,437	277,205	130,652	536,422	2,452,745	(222,767)	10,700,541
Operating expenses:								
Salaries and wages	1,837,656	721,465	81,057	53,012	111,939	360,971	-	3,166,100
Repairs and maintenance	419,539	540,816	23,060	62,656	202,541	314,491	-	1,563,103
Utilities	12,693	787,611	10,404	33,145	106,169	189,510	-	1,139,532
Legal and professional fees	782,928	71,338	5,000	2,058	9,282	68,048	-	938,654
Office expenses	646,081	463,106	12,667	6,637	19,249	39,858	-	1,187,598
Security services	26,447	172,684	4,174	-	-	81,472	-	284,777
Employee benefits	559,792	80,900	9,662	1,247	4,021	37,862	-	693,484
Insurance	24,450	450,619	12,972	5,658	29,138	108,886	-	631,723
Miscellaneous	29,866	77,301	8,935	4,223	17,764	38,988	-	177,077
Payroll taxes	167,687	52,664	7,869	1,330	6,852	29,623	-	266,025
Office rent	109,887	-	-	-	-	-	-	109,887
Telephone	5,975	26,583	1,626	2,043	3,953	6,988	-	47,168
Taxes and licenses	1,139	17,914	5,832	-	29,360	26,197	-	80,442
Licenses and fees	31,489	24,726	1,553	1,650	6,165	12,414	-	77,997
Supportive service fees	-	-	-	249	183	150,314	-	150,746
Equipment rental	8,012	1,714	-	-	-	7,209	-	16,935
Travel	25,984	4,954	154	748	1,639	5,047	-	38,526
Relocation fees	12,172	4,522	-	-	-	-	-	16,694
Dues and subscriptions	6,084	-	-	234	9,683	1,915	-	17,916
Training	15,507	6,058	-	-	-	(40)	-	21,525
Bank charges	59,653	-	-	-	-	-	-	59,653
Management fees	-	-	10,761	17,898	67,417	126,691	(222,767)	-
Total operating expenses	4,783,041	3,504,975	195,726	192,788	625,355	1,606,444	(222,767)	10,685,562

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 2024

	Administrative Offices	*City Gardens*	*Papazian Building*	*Vermont*	*Properties with CSJ Loans*	*Properties with HCD Loans*	*Eliminating Entries*	*Total*
Change in net assets from operations	(767,194)	5,462	81,479	(62,136)	(88,933)	846,301	-	14,979
Other expenses:								
Depreciation and amortization	-	-	64,890	129,879	138,928	248,043	-	581,740
Interest	49	5,462	57,380	-	2,025	133,460	-	198,376
Total other expenses	49	5,462	122,270	129,879	140,953	381,503	-	780,116
Change in net assets	$ (767,243)	$ -	$ (40,791)	$ (192,015)	$ (229,886)	$ 464,798	$ -	$ (765,137)

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF REVENUES AND EXPENSES – PROPERTIES WITH CITY OF SAN JOSE LOANS

YEAR ENDED JUNE 30, 2024

	Barker	*Branham*	*Burning Tree*	*Curtner*	*Donna*	*1713 Ross*	*1731 Ross*	*5629 Hoffman*	*5668 Hoffman*	*5684 Hoffman*	*Roewill*	*Total*
Revenue and support:												
Gross potential rent – residential:												
Tenant	$ 31,922	$ 26,720	$ 18,336	$ 31,278	$ 21,758	$ 50,965	$ 39,630	$ 76,655	$ 51,649	$ 67,812	$ 48,933	$ 465,658
Subsidy	-	41,704	-	83,302	25,346	-	-	(998)	-	-	61,930	211,284
Vacancy loss, concessions and bad debts	(9,916)	45	30	2,895	(2,954)	(25,133)	(28,336)	(33,028)	(15,276)	(25,034)	(8,748)	(145,455)
Commercial rental income	-	-	-	-	-	-	-	-	-	-	-	-
Total rental income	22,006	68,469	18,366	117,475	44,150	25,832	11,294	42,629	36,373	42,778	102,115	531,487
Miscellaneous income	363	-	-	-	-	119	174	2	369	580	1,053	2,660
Interest income	291	499	26	379	175	89	75	183	44	274	240	2,275
Total revenue and support	22,660	68,968	18,392	117,854	44,325	26,040	11,543	42,814	36,786	43,632	103,408	536,422
Operating expenses:												
Salaries and wages	134	35,827	172	69,224	93	-	242	3,872	1,214	81	1,080	111,939
Repairs and maintenance	27,011	5,894	13,494	9,636	15,362	10,220	19,823	13,170	21,836	30,443	35,652	202,541
Utilities	16,056	2,076	732	8,463	12,864	8,677	8,890	12,061	12,518	11,154	12,678	106,169
Legal and professional fees	1,055	382	57	740	470	2,429	923	841	841	804	740	9,282
Office expenses	2,838	2,168	163	5,175	1,701	3,220	3,221	176	166	243	178	19,249
Employee benefits	11	1,628	28	3,260	(496)	-	(483)	337	126	10	(400)	4,021
Insurance	2,984	2,171	1,053	1,537	2,763	3,345	3,515	2,584	2,631	1,470	5,085	29,138
Miscellaneous	5,702	59	-	100	372	282	(552)	381	1,266	4,529	5,625	17,764
Payroll taxes	13	1,894	17	4,328	9	-	15	363	113	5	95	6,852
Telephone	605	244	244	604	244	244	247	784	245	245	247	3,953
Taxes and licenses	2,884	2,407	2,196	2,326	3,316	2,256	2,257	2,571	2,571	2,571	4,005	29,360
Licenses and fees	680	194	97	582	388	723	778	780	778	583	582	6,165
Supportive service fees	-	-	-	46	-	-	46	15	15	15	46	183
Travel	181	103	252	149	122	85	58	147	108	49	385	1,639
Dues and subscriptions	96	28	-	83	55	3,922	5,113	110	110	83	83	9,683
Management fees	7,370	2,106	1,087	6,317	3,320	7,370	8,423	8,423	8,423	8,261	6,317	67,417
Total operating expenses	67,620	57,181	19,592	112,570	40,583	42,773	52,516	46,615	52,961	60,546	72,398	625,355
Change in net assets from operations	(44,960)	11,787	(1,200)	5,284	3,742	(16,733)	(40,973)	(3,801)	(16,175)	(16,914)	31,010	(88,933)
Other expenses:												
Depreciation and amortization	11,857	3,834	11,228	10,313	11,470	17,763	9,399	7,156	15,460	7,156	33,292	138,928
Interest	-	-	2,025	-	-	-	-	-	-	-	-	2,025
Total other expenses	11,857	3,834	13,253	10,313	11,470	17,763	9,399	7,156	15,460	7,156	33,292	140,953
Change in net assets	$ (56,817)	$ 7,953	$ (14,453)	$ (5,029)	$ (7,728)	$ (34,496)	$ (50,372)	$ (10,957)	$ (31,635)	$ (24,070)	$ (2,282)	$ (229,886)

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF REVENUES AND EXPENSES – PROPERTIES WITH HCD LOANS

YEAR ENDED JUNE 30, 2024

	Longview	*Muirfield*	*Resetar*	*Sesame*	*Thornton*	*Total*
Revenue and support:						
Gross potential rent – residential:						
Tenant	$ 41,536	$ 31,389	$ 642,258	$ 57,850	$ 58,996	$ 832,029
Subsidy	-	41,964	1,602,172	-	2,767	1,646,903
Vacancy loss, concessions and bad debts	(10,032)	(23,708)	(249,406)	(26,857)	(13,489)	(323,492)
Commercial rental income	-	-	185,303	-	-	185,303
Total rental income	31,504	49,645	2,180,327	30,993	48,274	2,340,743
Miscellaneous income	86	5,672	90,725	5,399	826	102,708
Interest income	149	300	8,653	119	73	9,294
Total revenue and support	31,739	55,617	2,279,705	36,511	49,173	2,452,745
Operating expenses:						
Salaries and wages	71	-	360,115	457	328	360,971
Repairs and maintenance	15,032	17,570	247,772	18,342	15,775	314,491
Utilities	3,646	8,796	159,572	11,307	6,189	189,510
Legal and professional fees	4,040	15,909	39,479	4,580	4,040	68,048
Office expenses	2,475	2,075	30,390	2,457	2,461	39,858
Security services	-	-	81,472	-	-	81,472
Employee benefits	11	-	37,747	63	41	37,862
Insurance	1,448	2,315	102,112	1,731	1,280	108,886
Miscellaneous	59	23	38,886	20	-	38,988
Payroll taxes	7	-	29,557	36	23	29,623
Telephone	244	244	6,006	247	247	6,988
Taxes and licenses	152	3,079	19,147	2,270	1,549	26,197
Licenses and fees	596	489	10,138	594	597	12,414
Supportive service fees	-	-	150,222	46	46	150,314
Equipment rental	-	-	7,209	-	-	7,209
Travel	215	588	3,302	382	560	5,047
Dues and subscriptions	83	69	1,597	83	83	1,915
Training	-	-	(40)	-	-	(40)
Management fees	6,317	8,423	99,317	6,317	6,317	126,691
Total operating expenses	34,396	59,580	1,424,000	48,932	39,536	1,606,444
Change in net assets from operations	(2,657)	(3,963)	855,705	(12,421)	9,637	846,301
Other expenses:						
Depreciation and amortization	4,238	17,509	205,926	15,670	4,700	248,043
Interest	8,738	8,661	98,716	9,430	7,915	133,460
Total other expenses	12,976	26,170	304,642	25,100	12,615	381,503
Change in net assets	$ (15,633)	$ (30,133)	$ 551,063	$ (37,521)	$ (2,978)	$ 464,798

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

CALCULATION OF NET CASH FLOW – PROPERTIES

WITH CITY OF SAN JOSE LOANS

YEAR ENDED JUNE 30, 2024

	Burning Tree	*5668 Hoffman*	*5684 Hoffman*	*Roewill*
Change in net assets from operations	$ (1,200)	$ (16,175)	$ (16,914)	$ 31,010
Other activities:				
Deposits into reserves	-	-	(5,604)	(16,485)
Withdrawals from reserves	14,065	-	-	-
Net cash flow	12,865	(16,175)	(22,518)	14,525
Percentage due to the City of San Jose	60%	80%	80%	70%
Projected payment due to City of San Jose	$ 7,719	$ -	$ -	$ 10,168

APM has presented the City of San Jose with the properties' needs for additional funding to the replacement reserves. As such, APM has asked that current principal payments due to the City of San Jose as of June 30, 2024, as shown above, be deposited into the properties' replacement reserve accounts. Pending the City of San Jose's response, APM has suspended net cash flow payments.

ABODE PROPERTY MANAGEMENT

(A California Nonprofit Public Benefit Corporation)

CALCULATION OF NET CASH FLOW – PROPERTIES WITH HCD LOANS

YEAR ENDED JUNE 30, 2024

	Longview	*Muirfield*	*Resetar*	*Sesame*	*Thornton*	*Total*
Total revenue and support	$ 31,739	$ 55,617	$ 2,279,705	$ 36,511	$ 49,173	$ 2,452,745
Less: interest earned on reserves	(134)	(273)	(6,707)	(97)	(29)	(7,240)
Adjusted total revenue and support	31,605	55,344	2,272,998	36,414	49,144	2,445,505
Operating expenses	34,396	59,580	1,424,000	48,932	39,536	1,606,444
Adjusted net income (loss)	(2,791)	(4,236)	848,998	(12,518)	9,608	839,061
Other activities:						
Required debt service – HCD	-	-	(505,643)	-	-	(505,643)
Deposits into replacement reserves [1]	-	-	(100,000)	-	-	(100,000)
Deposits into operating reserves [2]	-	-	(31,403)	-	-	(31,403)
Withdrawals from reserves	3,458	-	-	-	-	3,458
Net cash flow	$ 667	$ (4,236)	$ 211,952	$ (12,518)	$ 9,608	$ 205,473

(1) The underfunded amount of $25,000 in the replacement reserve for Reseter is intended to be deposited subsequent to June 30, 2024.

(2) The underfunded amount of $7,851 in the operating reserve for Reseter is intended to be deposited subsequent to June 30, 2024.

The distribution of net cash flow is subject to HCD review and approval.

LINDQUIST
VON HUSEN
& JOYCE llp
Certified Public Accountants

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Cathy L. Hwang
Rita B. Dela Cruz
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Joe F. Huie
Kyle F. Ganley

Sherman G. Leong

The Board of Directors
Abode Property Management
Fremont, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Abode Property Management, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Abode Property Management's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Abode Property Management's internal control. Accordingly, we do not express an opinion on the effectiveness of Abode Property Management's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Abode Property Management's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

BKR INTERNATIONAL
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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Abode Property Management's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Abode Property Management's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindquist, von Husen and Joyce LLP

May 15, 2026