ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2024

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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The Board of Directors
Abode Housing Development and Subsidiaries
Fremont, California

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Abode Housing Development and Subsidiaries 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 Housing Development and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Prior Period Adjustment

As discussed in Note 16 to the consolidated financial statements, Abode Housing Development and Subsidiaries' consolidated financial statements for the year ended June 30, 2023 were restated to include the accounts of a previously excluded subsidiary, Bennett Valley Housing Partners, L.P. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Abode Housing Development and Subsidiaries' ability to continue as a going concern within 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with 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 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 Abode Housing Development and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Abode Housing Development and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 28 through 34 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying supplementary information on pages 36 through 46, as required by the *Audited Financial Statement Handbook for Multifamily Rental Housing of the California Department of Housing and Community Development and the California Housing Finance Agency* (HCD/CalHFA Audit Handbook), is also presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025 on our consideration of Abode Housing Development and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Abode Housing Development and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Abode Housing Development and Subsidiaries' internal control over financial reporting and compliance.

Lindquist, von Husen and Joyce LLP

December 29, 2025

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

Current assets:	
Cash	$ 16,289,935
Receivables:	
Rent – net	728,228
Other	1,098,193
Grants	29,547
Related-party (Note 9)	1,052,333
Prepaid expenses	788,529
Other deposits	519,505
Total current assets	20,506,270
Restricted cash (Note 3):	
Replacement reserves	784,692
Operating reserves	1,511,575
Other reserves	7,383,889
Capitalized operating subsidy reserves	2,617,163
Project reserve	934,910
Deficit reserves	2,859,562
Other restricted cash	605,919
Tenant security deposits	471,697
Related-party notes receivable	25,000
Investment in partnerships (Note 4)	4,001,663
Investments (Note 5)	1,014,406
Property and equipment – net (Note 6)	315,302,978
Development in progress (Note 7)	113,819,987
Deferred costs – net (Note 8)	506,236
Total assets	$ 472,345,947

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

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	$ 1,749,960
Accounts payable – construction	15,841,249
Related-party payable (Note 9)	4,908,749
Deferred revenue	127,796
Interest payable – current portion (Note 10)	30,634
Notes payable – current portion (Note 10)	2,643,308
Total current liabilities	25,301,696
Tenant security deposits	456,767
Interest payable – net of current portion (Note 10)	14,588,395
Notes payable – net of current portion (Note 10)	341,253,109
Total liabilities	381,599,967
Net assets:	
Without donor restrictions:	
Controlling interest	4,082,082
Non-controlling interest	80,663,898
With donor restrictions (Note 12):	
Controlling interest	6,000,000
Total net assets	90,745,980
Total liabilities and net assets	$ 472,345,947

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

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Support and revenue:			
Rental income:			
Gross potential rent – tenant	$ 5,283,014	$ -	$ 5,283,014
Gross potential rent – subsidy	5,843,679	-	5,843,679
Vacancy loss	(2,034,890)	-	(2,034,890)
Bad debts	(466,124)	-	(466,124)
Commercial rent	29,429	-	29,429
Total rental income	8,655,108	-	8,655,108
Government contract revenue	1,115,610	-	1,115,610
Developer fees	150,000	-	150,000
Miscellaneous revenue	1,336,841	-	1,336,841
Interest income	133,738	-	133,738
Income on investment in partnerships (Note 4)	97,470	-	97,470
Foundation and endowment donations	292,710	-	292,710
Gain from investment accounts	31,997	-	31,997
Total support and revenue	11,813,474	-	11,813,474
Expenses:			
Program services:			
Property operations	25,673,673	-	25,673,673
Supporting services:			
Management and general	1,960,680	-	1,960,680
Fundraising	18,298	-	18,298
Total supporting services	1,978,978	-	1,978,978
Total expenses	27,652,651	-	27,652,651
Change in net assets	(15,839,177)	-	(15,839,177)
Net assets, beginning of year, as restated (Note 16)	53,045,363	6,000,000	59,045,363
Capital contributions, net of syndication costs	47,539,794	-	47,539,794
Net assets, end of year	$ 84,745,980	$ 6,000,000	$ 90,745,980

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

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Reconciliation of net assets:	
Controlling interest:	
Beginning of year	$ 13,229,949
Change in net assets	(3,147,867)
End of year	10,082,082
Non-controlling interest:	
Beginning of year, as restated	45,815,414
Capital contributions, net of syndication costs	47,539,794
Change in net assets	(12,691,310)
End of year	80,663,898
Net assets, end of year	$ 90,745,980

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

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services			*Supporting Services*			
	Property Operations	*Project Development*	*Subtotal*	*Management and General*	*Fundraising*	*Subtotal*	*Total*
Salaries and wages	$ 2,020,625	$ 981,795	$ 3,002,420	$ 1,330,883	$ 15,750	$ 1,346,633	$ 4,349,053
Employee benefits	229,774	124,211	353,985	98,899	1,466	100,365	454,350
Payroll taxes	180,318	102,526	282,844	79,145	1,082	80,227	363,071
Legal fees	81,794	-	81,794	-	-	-	81,794
Accounting fees	106,599	9,810	116,409	418,583	-	418,583	534,992
Consulting and professional fees	162,162	-	162,162	-	-	-	162,162
Lease up	1,075,370	-	1,075,370	-	-	-	1,075,370
Maintenance and repairs	1,281,522	-	1,281,522	-	-	-	1,281,522
Security contract	1,210,391	-	1,210,391	-	-	-	1,210,391
Insurance	728,590	-	728,590	-	-	-	728,590
Office expenses	74,413	322	74,735	5,248	-	5,248	79,983
Real estate taxes	755,558	-	755,558	-	-	-	755,558
Rent	18,467	55,396	73,863	-	-	-	73,863
Administrative rent-free unit	69,040	-	69,040	-	-	-	69,040
Miscellaneous	347,687	-	347,687	1,946	-	1,946	349,633
Utilities	1,443,940	-	1,443,940	-	-	-	1,443,940
Telephone	92,569	2,244	94,813	6,740	-	6,740	101,553
Licenses and fees	27,326	-	27,326	16,652	-	16,652	43,978
Travel	15,834	1,800	17,634	2,584	-	2,584	20,218
Project development write-off	-	8,209	8,209	-	-	-	8,209
Management and support services fees	1,262,004	-	1,262,004	-	-	-	1,262,004
Management fees	730,992	-	730,992	-	-	-	730,992
Interest (Note 11)	6,040,325	179,645	6,219,970	-	-	-	6,219,970
Total expenses before depreciation and amortization	17,955,300	1,465,958	19,421,258	1,960,680	18,298	1,978,978	21,400,236
Amortization of permanent financing fees	37,366	-	37,366	-	-	-	37,366
Depreciation (Note 6)	7,681,007	-	7,681,007	-	-	-	7,681,007
Capitalized project costs	-	(1,465,958)	(1,465,958)	-	-	-	(1,465,958)
Total expenses	$ 25,673,673	$ -	$ 25,673,673	$ 1,960,680	$ 18,298	$ 1,978,978	$ 27,652,651

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

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:	
Change in net assets	$ (15,839,177)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	7,681,007
Amortization of financing fees	37,366
Income on investment in partnerships	(97,470)
(Increase) decrease in assets:	
Rent receivable	786,451
Other receivable	(1,098,193)
Grants receivable	(15,468)
Related-party receivable	608,006
Prepaid expenses	(543,803)
Other deposits	(410,899)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	163,703
Related-party payable	612,021
Deferred revenue	(43,561)
Tenant security deposits	220,348
Interest payable	5,593,085
Total adjustments	13,492,593
Net cash used in operating activities	(2,346,584)
Cash flows from investing activities:	
Issuance of related-party note receivable	(25,000)
Purchase of investments	(1,014,406)
Purchase of property and equipment	(18,821,684)
Payments on costs in development in progress	(75,506,706)
Payments on deferred costs	(4,085,153)
Net cash used in investing activities	(99,452,949)
Cash flows from financing activities:	
Proceeds from notes payable	170,670,036
Payment of notes payable	(81,487,788)
Payment of development payables	(23,815,828)
Payment of related-party payables	(900,000)
Capital contributions, net of syndication costs	47,539,794
Net cash provided by financing activities	112,006,214
Increase in cash and restricted cash	10,206,681
Cash and restricted cash, beginning of year	23,252,661
Cash and restricted cash, end of year	$ 33,459,342

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

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash	$ 16,289,935
Restricted cash:	
Replacement reserves	784,692
Operating reserves	1,511,575
Other reserves	7,383,889
Capitalized operating subsidy reserves	2,617,163
Project reserve	934,910
Deficit reserves	2,859,562
Other restricted cash	605,919
Tenant security deposits	471,697
Total cash and restricted cash shown in the consolidated statement of cash flows	$ 33,459,342

Supplementary information:	
Cash paid for interest – net of capitalized portion	$ 2,189,117
Non-cash investing and financing activities:	
Asset acquired by assuming liabilities	$ 15,841,249

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Abode Housing Development, previously Allied Housing, Inc. (AHD), is a California nonprofit public benefit corporation incorporated in March 1994. AHD is a supportive housing development organization focused on developing projects in Northern California. The mission of AHD is to provide affordable housing linked to support services for low-income individuals and families. On July 7, 2023, the Organization filed a Restated Articles of Incorporation with the California Secretary of State, changing its legal name from Allied Housing, Inc. to Abode Housing Development.

AHD's purpose is to house extremely and very low-income families and individuals. This purpose is accomplished by developing supportive housing. AHD forms and controls limited partnerships that own affordable housing properties. The limited partnerships participate in the Low-Income Housing Tax Credit program described in Section 42 of the Internal Revenue Code. AHD is the managing general partner or member of the limited partnerships or LLCs, respectively. Since AHD controls each entity as defined by accounting principles generally accepted in the United States of America (GAAP), the entities (collectively, the Subsidiaries) are consolidated in these financial statements and include:

General Partner/Owner	*Limited Partnership*	*Project Name*	*Number of Units*
Property Owners:			
Allied 2595 Depot LLC	Allied 2595 Depot, L.P.	Depot Community Apartments	125
Allied 2904 Corvin LLC	Allied 2905 Corvin, L.P.	Calabazas Community Apartments	145
Allied 3335 Kifer LLC	Allied 3335 Kifer, L.P.	Kifer Senior Apartments	80
Allied 34320 Fremont LLC	Allied 34320 Fremont, L.P.	Fremont Family Apartments	54
Allied 38631 Fremont LLC	Allied 38631 Fremont, L.P.	City Center Apartments	60
Allied 4038 Irvington LLC	Allied 4038 Irvington, L.P.	Doug Ford Community Apartments	90
Allied 4145 Bay LLC	N/A	Rotary Bridgeway Apartments	18
Allied 2600 International LLC	N/A	Fruitvale Studios	24
Allied 39802 Cedar LLC	N/A	Cedar Community Apartments	125
Mission Bell Supportive Housing LLC	N/A	Mission Bell	24
In Development:			
Allied Bennett Valley LLC	Bennett Valley Housing Partners, L.P.	South Park Commons	60
Allied 1510 Parkmoor LLC	Allied 1510 Parkmoor, L.P.	Parkmoor Community Apartments	81
Allied 1875 California LLC	Eucalyptus Grove Apartments LP	Eucalyptus Grove Apartments	69
Allied 1135 East Santa Clara LLC	Algarve Apartments, L.P.	Algarve Community Apartments	91
Allied 2188 The Alameda LLC	Allied 2188 The Alameda, L.P.		
Allied 1510 Parkmoor HUB LLC		The HUB Center for TAY	
Other Entities:			
Allied 1135 East Santa Clara LLC			
Allied 2201 Brush LLC			
Allied 5629 Hoffman LLC			
Allied 801 Pine LLC			
Allied 8452 Edes LLC			
Allied 934 East Santa Clara LLC			

AHD carries both initial predevelopment costs and certain rehabilitation costs on its books under development in progress. Over time these costs move to the 100% owned properties category as property and equipment or to the tax credit partnerships category as development in progress.

Properties in Development

AHD is a minority general partner in several projects that are in development with either a for-profit or non-profit partnership. Allied 801 Pine LLC is a partner in the 100-unit Phoenix project in west Oakland with East Bay Asian Local Development Corporation. Allied 2201 Brush LLC is a partner in the 58-unit West Grand and Brush project in downtown Oakland with East Bay Asian Local Development Corporation. Allied 1875 California LLC is a partner in the 68-unit affordable housing project in Burlingame with CRP Affordable Housing and Community Development. Allied 934 East Santa Clara LLC is a partner in the 103-unit Milestone Arts Community project in San Jose with Milestone Housing Group. Allied Bennett Valley LLC is a partner in the 62-unit affordable housing project in Santa Rosa with Freebird Development.

100% Owned Properties

AHD and affiliates own or lease the following properties that are in operation:

- *Mission Bell Apartments* – Mission Bell Apartments is an apartment complex with 25 residential rental units and 6 commercial rental units purchased May 5, 2006. The property is maintained as affordable rental housing for low-income and very low-income households. The property is subject to terms and conditions of regulatory agreements with the City of San Leandro, County of Alameda A1, and State HCD MHSA.

- *Casa de Novo* – Casa de Novo, a former San Jose motel, provides permanent supportive housing and temporary interim housing for individuals who are homeless. The 54-unit site has 27 units used as long-term supportive housing for persons who are homeless. The site also has 27 converted motel rooms providing interim housing to people experiencing homelessness. In December 2020, AHD sold this property to the County of Santa Clara with a subsequent long term lease back to AHD in conjunction with receiving Homekey funding from the State of California Department of Housing and Community Development. AHD is working through land use approvals with the City of San Jose to redevelop all of the site to be a new permanent supportive housing development and applied for various funding sources with a target construction start time of November 2027.

- *Fruitvale Studios* – This AHD project was purchased in February 2017 and has 24 studio apartments. As of June 30, 2022, the rehabilitation is complete and all units have been leased. The permanent financing closed in June 2023 and consists of funding from the City of Oakland, County of Alameda Measure Al, California HCD No Place Like Home, and a small permanent loan from Community Vision.

- *Bluebell* – This AHD project was purchased in September 2016 and is 5 units of shared housing in a single family home in San Jose. It was purchased with a Silicon Valley Housing Trust acquisition loan and was refinanced in January 2018 by a long-term loan from the County of Santa Clara. It serves people with mental health disabilities. AHD is working with the County of Santa Clara to transfer the property to County ownership.

- *Rotary Bridgeway* – Allied 4145 Bay LLC purchased this property in September 2021 from the former Limited Partnership with Mid-Pen and Abode Services as general partners as part of the 15-year investor buyout. Allied 4145 Bay LLC now owns it outright. It is an 18-unit supportive housing apartment building in Fremont.

- *Cedar Community Apartments* – This AHD project in Newark was purchased in October 2022 using Newark, Alameda County, State HCD Homekey fundings, and is supported with Housing Authority Vouchers. It was converted from an extended stay hotel into a 125-unit Permanent Supportive Housing Project. Rehabilitation was completed in June 2023 and leased up as of June 30, 2024.

Strategic Alliances

Effective October 1, 2005, Abode Housing Development and Abode Services (Abode) formed 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. Abode Services entered into an agreement with AHD to provide administrative support to the operations of AHD. Abode Services provides supportive services at many AHD properties.

Effective January 1, 2012, AHD and Abode Property Management, formerly known as Housing for Independent People, Inc. (APM), entered into a strategic alliance. While having retained their separate 501(c)(3) nonprofit identities, missions and activities, AHD and APM 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, Abode, AHD, and Community Working Group, Inc. (CWG) entered into a strategic alliance. The organizations have retained separate 501(c)(3) nonprofit identities, missions and activities. Abode Services and CWG 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. 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

Principles of Consolidation

The consolidated financial statements include the accounts of AHD and Subsidiaries. Limited liability companies and limited partnerships that are controlled by AHD are included in the consolidation. The controlling general partnership interests is generally .01% with the remainder of the partnership's equity held by a limited partner are shown as non-controlling interests in net assets without donor restrictions. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Accounting Method

AHD and Subsidiaries use 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 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 consolidated financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

AHD and Subsidiaries report information regarding their consolidated 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 AHD and Subsidiaries.

- 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 consolidated 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. AHD and Subsidiaries have no net assets with non-expiring donor restrictions as of 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.

AHD and Subsidiaries account 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.

Government contracts, which are funded on a reimbursement basis, are shown as revenue without donor restriction.

Developer Fees

AHD earns developer fees for development of affordable rental housing projects and generally recognizes developer fees as revenue over the development period. Developer fee profits recognized from properties owned by AHD and consolidated subsidiaries are eliminated as intercompany transactions. Project costs include costs of development, such as consultants, allocated internal salaries and benefits, related overhead, and other non-reimbursed fees that are ordinarily capitalized. The affordable housing property costs have been reduced by portion of developer fees exceeding project costs, amounting to $14,892,729 as of June 30, 2024.

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, other reserves, capitalized operating subsidy reserves, project reserves, deficit reserves, other restricted cash, and tenant security deposits. AHD and Subsidiaries occasionally maintain cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted cash, was approximately $25,423,000 as of June 30, 2024. AHD and Subsidiaries have not experienced any losses arising from cash held in excess of FDIC limits in such accounts.

Accounts Receivable

AHD and Subsidiaries reassess the collectability during the lease term and elect 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 $444,598 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.

Investments – Fair Value Measurements

Under GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

GAAP establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of Alta Housing. Unobservable inputs, if any, reflects AHD's assumption about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that Alta Housing has the ability to access at measurement date. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on significant inputs that are observable, either directly or indirectly or quoted prices in markets that are not active, that is, markets in which there are few transactions, the prices are not current or price quotations vary substantially either over time or among market makers.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

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 $2,500 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	15 to 40 years
Furniture, fixtures and equipment	5 to 7 years

AHD and Subsidiaries review 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 the low-income housing tax credits and 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 were no impairment losses recognized in 2024.

Development in Progress

AHD and Subsidiaries incur costs during the predevelopment phase of each affordable housing project undertaken. Such costs include governmental fees, legal and consulting fees, and supplies needed to investigate the feasibility and arrange for the financing of each project under construction, as well as construction costs.

Any funds expended on a project that do not pass beyond the development stage are recorded as expenses when further activity on the project ceases.

Development in progress includes costs of construction or rehabilitation of affiliate housing projects that have not been completed. Development in progress is not depreciated until the completion of the development.

Financing Costs

Costs incurred in order to obtain construction and permanent financing are stated at cost and amortized on a straight-line basis into capitalized interest or interest expense over the term of the respective loans. Financing costs are reported as a direct deduction from the face amount of the related debt.

Capitalized Interest

AHD and Subsidiaries capitalized interest incurred during development as a component of development in progress and property and equipment. For the year ended June 30, 2024, AHD and Subsidiaries capitalized interest of $3,276,947.

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 balance sheets 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.

AHD and Subsidiaries account for the existing equipment and ground leases as operating leases. Due to the nominal rent amounts, ROU assets and lease liabilities are not recognized. However, the effect of not recognizing ROU assets and lease liabilities is not materially different from the result that would have been obtained had the requirement to recognize the ROU assets and lease labilities been followed.

Income Taxes

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

No income tax provision has been included in the consolidated financial statements since limited liability companies are treated as a disregarded entity for federal income tax purposes. The subsidiaries' sole member is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and the related California code sections.

AHD and Subsidiaries believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements. AHD's federal and state information returns and subsidiaries' state income tax 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 providing program services and supporting services are summarized on a functional basis in the consolidated 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 December 29, 2025, the date on which the consolidated financial statements were available to be issued.

NOTE 3 – RESTRICTED CASH

Replacement Reserves

AHD and Subsidiaries are required to maintain replacement and repair reserves for property and equipment in accordance with partnership and other lenders' regulatory agreements.

Operating Reserves

AHD and Subsidiaries are required to maintain operating reserves for property and equipment in accordance with partnership and other lenders' regulatory agreements.

Other Reserves

Certain projects are required to maintain other reserves for certain purposes, including lease-up, resident services, social services, contingency, interest, and transition, in accordance with the partnership and other lenders' regulatory agreements. The balance of other reserves as of June 30, 2024 was $7,382,242.

Capitalized Operating Subsidy Reserves

Certain projects are required to maintain operating subsidy reserves in accordance with partnership and other lenders' regulatory agreements. The balance of the reserve was $2,617,163 of June 30, 2024.

Project Reserve

In connection with the sale of Casa de Novo in December 2020, the Organization has set aside funds to be used in the construction of Casa de Novo Phase II, a 118-unit supportive housing development. The balance of the reserve was $934,910 of June 30, 2024.

Deficit Reserves

Certain projects are required to maintain a deficit reserve in accordance with the partnership and other lenders' regulatory agreements. The balance of the reserves was $2,859,562 of June 30, 2024.

Tenant Security Deposits

AHD and Subsidiaries are required to hold security deposits in a separate bank account for each property.

In accordance with provisions of the agreements, replacement reserves and operating reserves, details follow:

Replacement Reserves

	Balance at June 30, 2023	Deposits	Withdrawals	Interest	Balance at June 30, 2024
100% Owned Properties:					
Mission Bell Apartments	$ 104,591	$ -	$ -	$ 209	$ 104,800
Casa De Novo	66,086	-	-	99	66,185
Fruitvale Studios	1,800	-	-	-	1,800
Bluebell	93,174	265	-	113	93,552
Rotary Bridgeway	13,500	194,025	-	226	207,751
Cedar Community Apartments	-	46,875	-	162	47,037
	279,151	241,165	-	809	521,125
Tax Credit Partnerships:					
Calabazas Community Apartments	107,591	80,864	-	7	188,462
City Center Apartments	30,029	45,000	-	76	75,105
	137,620	125,864	-	83	263,567
Total	$ 416,771	$ 367,029	$ -	$ 892	$ 784,692

Operating Reserves

	Balance at June 30, 2023	Deposits	Withdrawals	Interest	Balance at June 30, 2024
100% Owned Properties:					
Mission Bell Apartments	$ 23,541	$ -	$ (20,000)	$ 32	$ 3,573
Casa De Novo	227,966	-	-	456	228,422
Fruitvale Studios	803	-	-	-	803
Bluebell	20,916	60	-	30	21,006
Rotary Bridgeway	-	114,345	-	112	114,457
Cedar Community Apartments	321	-	-	1	322
	273,547	114,405	(20,000)	631	368,583
Tax Credit Partnerships:					
Calabazas Community Apartments	250,014	-	-	25	250,039
City Center Apartments	332,565	-	-	665	333,230
Doug Ford Community Apartments	-	559,718	-	5	559,723
	582,579	559,718	-	695	1,142,992
Total	$ 856,126	$ 674,123	$ (20,000)	$ 1,326	$ 1,511,575

NOTE 4 – INVESTMENTS IN PARTNERSHIPS

Investments in partnerships consisted of the following:

	Investment	*Income (Loss)*
Fremont Main Street Village, L.P.	$ 2,919,629	$ 230,228
2891 Carmen, L.P.	58,240	(142,193)
Laguna Commons Associates, L.P.	244	(24)
Housing Alliance, L.P.	1,023,550	9,459
Total	$ 4,001,663	$ 97,470

NOTE 5 – INVESTMENTS

AHD's investments consist of certificates of deposit, bearing interest ranging from 4.8% to 5.2%. The fair value measurements within levels of the fair value hierarchy for assets reported at fair value are as follows:

	Cost	*Significant Other Observable Inputs (Level 2) Fair Value*
Certificate of deposits	$ 1,009,016	$ 1,014,406
Total	$ 1,009,016	$ 1,014,406

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Land	$ 37,691,844
Buildings and improvements	286,971,946
Furniture, fixtures and equipment	5,184,855
	329,848,645
Less: accumulated depreciation	(14,580,508)
	315,268,137
Construction in progress	34,841
Total property and equipment	$ 315,302,978

Depreciation expense for the year ended June 30, 2024 was $7,681,007.

NOTE 7 – DEVELOPMENT IN PROGRESS

Development in progress consisted of the following:

Fremont Family Apartments	$ 42,784,429
South Park Commons	30,592,488
Parkmoor Community Apartments	16,592,389
Eucalyptus Grove	11,483,411
Algarve Community Apartments	7,718,395
Comfort Inn project	1,399,309
Other	3,249,566
Total	$ 113,819,987

NOTE 8 – DEFERRED COSTS

Deferred costs are summarized as follows:

Tax credit fees	$ 560,277
Less: accumulated amortization	(54,041)
Total	$ 506,236

NOTE 9 – RELATED-PARTY TRANSACTIONS

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

Administrative Services Fees and Resident Services

The agreement between Abode Services and AHD to provide services to support AHD'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 AHD projects with actual costs to be reimbursed up to annual amount based on the budgets and agreements.

Property Management Services

APM provides property management services for some of AHD's properties. As of June 30, 2024, outstanding payable balances to APM represent reimbursements to be made by AHD's properties.

Related-party Transactions

Related party receivables consisted of the following:

APM	$	489,248
CWG		16,477
Opportunity Center		325,798
Other		220,810
Total	$	1,052,333

Related party payables consisted of the following:

Abode Services	$	3,013,502
APM		1,765,639
Other		129,608
Total	$	4,908,749

NOTE 10 – NOTES PAYABLE

Notes payable are summarized as follows:

		Interest Payable		*Principal*
Permanent loans, generally bearing fixed rates, with required monthly payments of principal and interest, to be repaid in full through 2042.	$	30,634	$	9,213,375
Construction loans, generally bearing variable interest, with required monthly payments of interest through permanent loan conversion after completion of the related construction project.		2,156,203		104,071,402
State loans, bearing simple interest at 3% per annum, generally with required payments due annually out of the related projects' excess cash, to be repaid in full through 2079.		503,720		23,033,410
County loans, bearing interest from 0% to 3% per annum, generally with required payments due annually from the related projects' excess cash, to be repaid in full through 2081.		6,172,357		105,629,097
City loans, bearing interest from 0% to 3% per annum, generally with required payments due annually from the related projects' excess cash, to be repaid in full through 2075.		5,330,771		96,518,322

	Interest Payable	Principal
Other loans, bearing interest from 0% to 8%, generally deferred upon maturity through 2075.	425,344	11,121,833
Total	14,619,029	349,587,439
Less: unamortized financing costs [1]	-	(5,691,022)
Net	14,619,029	343,896,417
Less: current portion	(30,634)	(2,643,308)
Long-term portion	$ 14,588,395	$ 341,253,109

[1] Costs incurred in order to obtain permanent financing were $7,380,849 as of June 30, 2024. Permanent financing costs are amortized on a straight-line basis into interest expense over the terms of the loans. Interest expenses for amortization of permanent financing costs were $37,366 for 2024.

Principal payments, including scheduled balloon payments, on notes payable for the next five years are subject to changes in net cash flow and are estimated as follows:

Year Ended June 30,	
2025	$ 2,643,308
2026	13,970,686
2027	1,377,636
2028	382,584
2029	399,235
Thereafter	330,813,990
Total	$ 349,587,439

NOTE 11 – INTEREST EXPENSE

Interest expense consisted of the following:

100% Owned Properties:		
Mission Bell Apartments	$	148,625
Fruitvale Studios		452,157
Bluebell		36,000
Rotary Bridgeway		52,782
Cedar Community Apartments		198,723
		888,287
Tax Credit Partnerships:		
Calabazas Community Apartments		1,252,124
City Center Apartments		640,645
Depot Community Apartments		1,227,785
Doug Ford Community Apartments		1,391,309
Kifer Senior Apartments		819,820
		5,331,683
Total interest	$	6,219,970

Interest on construction and permanent loans	$	3,507,551
Deferred loan interest		2,712,419
Total interest	$	6,219,970

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

Sisters-Opportunity Fund

In 2016, Abode Services received a $6,000,000 grant to be used to fund housing projects. The fund was a revolving fund that was used to help fund housing projects until they are in operation and then the funding will be repaid and used for future housing projects. This fund was recognized as held in perpetuity since this asset was subject to non-expiring donor restriction. In November 2021, the Memorandum of Understanding (the MOU) with the donor was amended wherein Abode Services assigned, and Abode Housing Development assumed, all of Abode Services' rights and obligations under the MOU with respect to the Fund and its administration in accordance with the MOU. The transaction was reported as an equity transfer on the consolidated statements of activities and changes in net assets.

NOTE 13 – NON-CONTROLLING INTEREST

The controlling interests represent the portion of net assets owned by AHD and the non-controlling interests represent the portion of net assets owned by the different limited partners in the tax credit partnerships. Generally, the limited partners own 99.9% of the interest in the tax credit partnerships and AHD owns the remaining 0.1%. The agreements between the limited partners and AHD include guarantees by AHD for both tax credits and yearly partnership losses on a tax basis, over a 15-year tax credit compliance period.

NOTE 14 – LIQUIDITY AND AVAILABILITY

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

Financial assets at end of year available within one year:	
Cash	$ 16,289,935
Receivables	2,908,301
	19,198,236
Less: financial assets not available for general expenditures:	
Donor-restricted net assets (see Note 12)	(6,000,000)
Financial assets available for general expenditures within one year	$ 13,198,236

Financial assets include amounts that will be used to pay accounts payable, accrued expenses and short term notes and interest payable, in the subsequent year. As part of their liquidity management, AHD and Subsidiaries maintain 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 the consolidated statements of financial position date upon approval from regulatory agencies.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Casa de Novo Redevelopment

Casa de Novo was purchased by AHD in 2016 with the intent to operate it as interim supportive housing and permanent supportive housing for several years while a redevelopment proposal was designed, permitted, and funded. In December 2020, AHD sold the property to the County of Santa Clara who subsequently leased it back to AHD with a 55-year lease for $1 a year using State of California Homekey funds for the acquisition. The intent is still to redevelop the property into approximately 118 units of affordable and supportive housing. The difference in sale price and the outstanding loans against the property will be used for the redevelopment of this property.

Grant Requirements

Grant awards require the fulfillment of certain conditions as set forth in the instruments of the grants. Failure to fulfill the conditions could result in the return of the funds to the grantors. AHD deems this contingency remote. Management is of the opinion that AHD has complied with the terms of all grants.

Operating Deficit Guaranty

AHD has provided operating deficit guarantees for its subsidiaries and projects. AHD will cover operating deficits as required up to a stated limit. Management believes that the likelihood of funding a material amount of any of the operating deficit guarantees is remote.

Tax Credit Indemnification

AHD has provided indemnifications with regard to tax benefits projected for its various subsidiaries and projects. AHD has guaranteed aggregate amounts to the limited partner investors for tax credits and other tax benefits for various affiliated limited partnerships as of June 30, 2024. Management believes that the likelihood of funding a material amount of any of the tax credit guarantees is remote.

Purchase Option

In connection with the development of affordable housing projects which are owned by limited partnerships, AHD has an option to purchase the projects or the limited partner's partnership interest at the close of the projects' 15-year compliance period.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

An error in the previously issued consolidated financial statements for the year ended June 30, 2023 was discovered and corrected in 2024. This error pertained to the exclusion of the accounts of Bennett Valley Housing Partners, L.P, which is a limited partnership controlled by AHD through its single-member limited liability company, Allied Bennett Valley LLC. Accordingly, an adjustment was made during 2024 to include the accounts of Bennett Valley Housing Partners, L.P., including net assets without donor restrictions, as of the beginning of the year.

The following financial statement line items as of and for the year ended June 30, 2023, are restated:

	As Previously Reported	*Adjustment*	*As Restated*
Total assets	$ 351,304,331	$ 6,231,205	$ 357,535,536
Total liabilities	295,616,316	2,873,857	298,490,173
Total net assets, end of year	55,688,015	3,357,348	59,045,363
Non-controlling interest net assets, end of year	42,458,066	3,357,348	45,815,414
Total revenue	12,868,650	-	12,868,650
Total expenses	13,470,761	5,528	13,476,289
Change in total net assets	(602,111)	(5,528)	(607,639)
Capital contributions, net of syndication costs	19,648,296	3,362,876	23,011,172

SUPPLEMENTARY INFORMATION

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2024

	AHD and Management Affiliates	*100% Owned Properties*	*Tax Credit Partnerships*	*Eliminating Entries*	*Total*
ASSETS					
Current assets:					
Cash	$ 2,921,181	$ 1,151,395	$ 12,217,359	$ -	$ 16,289,935
Receivables:					
Rent – net	-	473,020	255,208	-	728,228
Other	12,000	187,473	898,720	-	1,098,193
Grants	29,547	-	-	-	29,547
Related-party	18,734,926	549,503	2,076,223	(20,308,319)	1,052,333
Prepaid expenses	38,399	168,319	581,811	-	788,529
Other deposits	-	-	519,505	-	519,505
Total current assets	21,736,053	2,529,710	16,548,826	(20,308,319)	20,506,270
Restricted cash:					
Replacement reserves	-	521,125	263,567	-	784,692
Operating reserves	-	368,583	1,142,992	-	1,511,575
Other reserve	-	1,647	7,382,242	-	7,383,889
Capitalized operating subsidy reserve	-	792,365	1,824,798	-	2,617,163
Project reserve	934,910	-	-	-	934,910
Deficit reserves	-	2,188,282	671,280	-	2,859,562
Other restricted cash	605,864	-	55	-	605,919
Tenant security deposits	-	169,778	301,919	-	471,697
Related-party notes receivable	6,804,300	-	-	(6,779,300)	25,000
Investment in partnerships	8,960,659	-	-	(4,958,996)	4,001,663
Investments	1,014,406	-	-	-	1,014,406
Property and equipment – net	-	58,007,276	270,332,343	(13,036,641)	315,302,978
Development in progress	736,891	1,399,309	113,539,875	(1,856,088)	113,819,987
Deferred costs – net	-	-	506,236	-	506,236
Total assets	$ 40,793,083	$ 65,978,075	$ 412,514,133	$ (46,939,344)	$ 472,345,947

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2024

	AHD and Management Affiliates	*100% Owned Properties*	*Tax Credit Partnerships*	*Eliminating Entries*	*Total*
LIABILITIES AND NET ASSETS (DEFICIT)					
Current liabilities:					
Accounts payable and accrued expenses	$ 760,638	$ 422,170	$ 567,152	$ -	$ 1,749,960
Accounts payable – construction	-	-	15,841,249	-	15,841,249
Related-party payable – current portion	4,709,667	2,897,048	17,504,611	(20,202,577)	4,908,749
Deferred revenue	-	88,131	39,665	-	127,796
Interest payable – current portion	-	-	30,634	-	30,634
Notes payable – current portion	1,476,676	806,945	359,687	-	2,643,308
Total current liabilities	6,946,981	4,214,294	34,342,998	(20,202,577)	25,301,696
Tenant security deposits	-	154,048	302,719	-	456,767
Related-party payable – net of current portion	-	1,057,925	5,827,117	(6,885,042)	-
Interest payable – net of current portion	-	3,322,906	11,265,489	-	14,588,395
Notes payable – net of current portion	-	65,896,740	275,356,369	-	341,253,109
Total liabilities	6,946,981	74,645,913	327,094,692	(27,087,619)	381,599,967
Net assets (deficit):					
Without donor restrictions:					
Controlling interest	27,846,102	(8,667,838)	4,755,543	(19,851,725)	4,082,082
Non-controlling interest	-	-	80,663,898	-	80,663,898
With donor restrictions:					
Controlling interest	6,000,000	-	-	-	6,000,000
Total net assets (deficit)	33,846,102	(8,667,838)	85,419,441	(19,851,725)	90,745,980
Total liabilities and net assets (deficit)	$ 40,793,083	$ 65,978,075	$ 412,514,133	$ (46,939,344)	$ 472,345,947

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	AHD and Management Affiliates	*100% Owned Properties*	*Tax Credit Partnerships*	*Eliminating Entries*	*Total*
Support and revenue:					
Rental income:					
Gross potential rent – tenant	$ -	$ 1,995,385	$ 3,287,629	$ -	$ 5,283,014
Gross potential rent – subsidy	-	3,044,963	2,798,716	-	5,843,679
Vacancy loss	-	(1,046,911)	(987,979)	-	(2,034,890)
Bad debts	-	(150,866)	(315,258)	-	(466,124)
Commercial rent	-	29,429	-		29,429
Total rental income	-	3,872,000	4,783,108	-	8,655,108
Government contract revenue	1,115,610	-	-	-	1,115,610
Developer fees	6,288,144	-	-	(6,138,144)	150,000
Miscellaneous revenue	1,081,976	79,791	175,074	-	1,336,841
Interest income	93,068	16,331	24,339	-	133,738
Income on investment in partnerships	97,470	-	-	-	97,470
Foundation and endowment donations	292,710	-	-	-	292,710
Gain/loss from investment accounts	31,997	-	-	-	31,997
Total support and revenue	9,000,975	3,968,122	4,982,521	(6,138,144)	11,813,474
Expenses:					
Program services:					
Property operations	394,718	7,695,212	17,583,743		25,673,673
Project development	1,465,958			(1,465,958)	-
Total program services	1,860,676	7,695,212	17,583,743	(1,465,958)	25,673,673
Supporting services:					
Management and general	1,960,680				1,960,680
Fundraising	18,298				18,298
Total supporting services	1,978,978	-	-	-	1,978,978
Total expenses	3,839,654	7,695,212	17,583,743	(1,465,958)	27,652,651
Change in net assets	5,161,321	(3,727,090)	(12,601,222)	(4,672,186)	(15,839,177)
Net assets, beginning of year, as restated	25,257,391	(1,806,068)	48,082,130	(12,488,090)	59,045,363
Capital contributions, net of syndication costs	-	292,710	49,938,533	(2,691,449)	47,539,794
Capital distributions	3,427,390	(3,427,390)	-	-	-
Net assets, end of year	$ 33,846,102	$ (8,667,838)	$ 85,419,441	$ (19,851,725)	$ 90,745,980

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF NOTES PAYABLE

YEAR ENDED JUNE 30, 2024

Project Name	Lender Name	Classification for Summary	Interest Rate	Maturity Date	Principal 6/30/2024	Interest Payable 6/30/2024	Interest Expense	Capitalized Interest
AHD	City of San Jose	City	0.00%	5/21/2023	$ 707,686	$ -	$ -	$ -
AHD	County of Alameda	County	0.00%	12/31/2024	768,990	-	-	-
Parkmoor Community Apartments	City of San Jose	City	1.00%	10/1/2078	72,732	42,794	-	42,794
Parkmoor Community Apartments	Santa Clara County	County	1.00%	10/1/2081	9,999,779	-	-	-
Parkmoor Community Apartments	Destination Home Loan		2.00%	3/10/2024	-	-	-	4,553
Parkmoor HUB	Destination Home Loan		2.00%	3/10/2024	-	-	-	8,666
Parkmoor HUB	County of Santa Clara	County	0.00%	7/31/2025	2,780,289	-	-	-
Doug Ford/Irvington	City of Fremont	City	3.00%	4/1/2078	10,350,000	1,043,290	40,712	95,067
Doug Ford/Irvington	County of Alameda	County	3.00%	4/1/2078	12,075,000	746,633	170,359	144,682
Doug Ford/Irvington	JPMorgan Chase Bank, N.A.		6.93%	2/1/2024	-	-	953,971	-
Doug Ford/Irvington	CA Department of Housing and Community Development	State	3.00%	5/1/2079	10,592,360	36,191	36,191	-
Kifer Senior	City of Santa Clara	City	3.00%	6/1/2077	4,000,000	283,519	50,333	124,532
Kifer Senior	County of Santa Clara	County	3.00%	8/6/2079	2,700,000	162,920	33,975	53,502
Kifer Senior	County of Santa Clara	County	3.00%	8/6/2079	6,600,000	276,042	83,050	115,744
Kifer Senior	Equity Advance Note	Other	8.00%	5/31/2024	3,745,340	388,658	64,020	208,295
Kifer Senior	Capital One	Construction	Variable	1/1/2041	25,975,725	1,230,228	588,442	472,752
Depot	City of Hayward	City	1.00%	10/1/2078	5,229,000	143,798	31,229	14,235
Depot	County of Alameda	County	1.00%	10/1/2078	18,243,465	363,797	108,954	48,019
Depot	JPMorgan Chase Bank, N.A.	Construction	Variable	1/14/2024	26,987,829	726,879	1,085,117	466,172
Fremont Family	Federal Home Loan Bank of San Francisco	Other	0.00%	3/1/2075	795,000	-	-	-
Fremont Family	City of Fremont	City	3.00%	3/1/2075	5,268,311	588,007	-	161,242
Fremont Family	County of Alameda	County	3.00%	4/4/2077	7,702,765	345,831	-	230,108
Fremont Family	Silicon Valley Bank	Construction	4.15%	7/1/2024	18,157,211	62,783	-	501,754
Algarve Apartments	Destination Home SV ("DHSV")	Other	2.00%	11/1/2078	1,009,346	29,489	-	12,475
Algarve Apartments	County of Santa Clara	County	0.00%	12/31/2025	3,495,000	-	-	-
Algarve Apartments	County of Santa Clara	County	0.00%	12/31/2025	3,113,440	-	-	-
Casa de Novo	County of Santa Clara	County	0.00%	3/1/2026	624,000	-	-	-
Fruitvale Studios	City of Oakland	City	3.00%	6/1/2075	3,450,000	378,587	106,663	-
Fruitvale Studios	County of Alameda,	County	3.00%	5/1/2077	3,414,309	244,611	114,042	-
Fruitvale Studios	Community Vision Capital & Consulting	Other	3.56%	12/1/2022	806,945	-	40,204	-
Fruitvale Studios	CA Department of Housing and Community Development	State	3.00%	6/14/2078	2,160,862	68,968	65,906	-

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF NOTES PAYABLE

YEAR ENDED JUNE 30, 2024

Project Name	*Lender Name*	*Classification for Summary*	*Interest Rate*	*Maturity Date*	*Principal 6/30/2024*	*Interest Payable 6/30/2024*	*Interest Expense*	*Capitalized Interest*
Cedar Community Apartments	CSH Loan	Other	4.00%	3/31/2026	384,534	3,864	23,994	10,916
Cedar Community Apartments	City of Newark (HCD Homekey)	City	0.00%	6/17/2037	36,916,293	-	-	-
Cedar Community Apartments	City of Newark (ARPA)	City	3.00%	3/31/2026	6,000,000	182,120	102,187	34,826
Cedar Community Apartments	County of Alameda	County	3.00%	10/1/2077	4,000,000	199,422	69,884	49,222
Rotary Bridgeway	City of Fremont	City	3.00%	6/21/2056	754,232	65,995	24,512	-
Rotary Bridgeway	City of Fremont	City	3.00%	2/18/2059	2,226,862	-	-	-
Rotary Bridgeway	County of Alameda Housing and Community Development	County	3.00%	8/19/2076	858,763	75,142	27,910	-
Bluebell Ave	County of Santa Clara	County	3.00%	1/26/2073	1,200,000	206,592	36,000	-
Mission Bell	City of San Leandro	City	3.00%	5/8/2067	538,067	293,431	16,142	-
Mission Bell	City of San Leandro	City	3.00%	5/8/2067	1,500,001	757,233	45,000	-
Mission Bell	County of Alameda	County	3.00%	5/4/2067	1,795,976	846,941	53,879	-
Mission Bell	Fremont Bank	Other	4.72%	12/3/2025	380,668	-	33,604	-
City Center	City of Fremont	City	3.00%	3/1/2077	7,545,000	1,223,961	231,380	-
City Center	County of Alameda	County	3.00%	3/17/2077	6,757,321	695,844	203,275	-
City Center	CA Department of Housing and Community Development	State	3.00%	10/26/2077	2,618,239	131,902	78,665	-
City Center	CA Department of Housing and Community Development	State	3.00%	10/26/2077	3,823,522	203,029	125,283	-
Calabazas	Freddie Mac via Capital One	Permanent	3.99%	7/1/2042	9,213,375	30,634	400,799	-
Calabazas	City of Santa Clara	City	3.00%	12/1/2077	5,000,000	177,993	150,833	-
Calabazas	County of Santa Clara	County	3.00%	11/1/2074	17,500,000	1,808,459	530,074	-
Calabazas	County of Santa Clara	County	2.09%	11/1/2074	2,000,000	200,123	47,763	-
Eucalyptus Grove	Citibank, N.A.	Construction	Variable		10,544,417	-	-	-
Eucalyptus Grove	Borrower Taxable Note and the Related Taxable Governmental Lender Note	Construction	Variable	12/1/2028	2,051,000	-	-	-
Eucalyptus Grove	Borrower Tax-Exempt Governmental Lender Note and the Related Tax-Exempt Governmental Lender Note	Construction	Variable	12/1/2057	5,698,107	67,206	-	50,998
Eucalyptus Grove	City of Burlingame	City	3.00%	11/2078	1,432,138	16,892	-	577
South Park | Bennett Valley	RED Housing Fund	Other	1.00%	4/18/2041	4,000,000	3,333	-	9,930
South Park | Bennett Valley	Tax-Exempt Bonds	Construction	Variable	10/1/2025	4,377,701	-	-	-
South Park | Bennett Valley	Taxable Bonds	Construction	Variable	10/1/2025	10,279,412	69,107	-	292,092
South Park | Bennett Valley	Housing Authority of the City of Santa Rosa	City	3.00%	4/1/2023	5,528,000	133,151	-	60,164
South Park | Bennett Valley	CA Department of Housing and Community Development	State	3.00%	1/2/2080	3,838,427	63,630	-	63,630
Total					349,587,439	14,619,029	$ 5,774,352	$ 3,276,947
Less: unamortized permanent loan costs					(5,691,022)	-		
Notes and interest payable – net					343,896,417	14,619,029		
Less: current portion					(2,643,308)	(30,634)		
Long-term portion					$ 341,253,109	$ 14,588,395		

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

SCHEDULES OF REVENUE AND EXPENSES – PROPERTIES WITH

CITY OF SAN JOSE AND COUNTY OF ALAMEDA REPORTING REQUIREMENTS

YEAR ENDED JUNE 30, 2024

	Casa De Novo	*Mission Bell*	*Total*
Support and revenue:			
Rental income:			
Gross potential rent – tenant	$ 1,061,163	$ 154,064	$ 1,215,227
Gross potential rent – subsidy	795,489	198,394	993,883
Vacancy loss	(703,281)	(13,178)	(716,459)
Bad debt recovery (expense)	7,568	(61,552)	(53,984)
Commercial rent	-	29,429	29,429
Total rental income	1,160,939	307,157	1,468,096
Miscellaneous revenue	19,002	2,512	21,514
Interest income	3,576	302	3,878
Total support and revenue	1,183,517	309,971	1,493,488
Expenses:			
Operating expenses:			
Salaries and wages	346,796	120,865	467,661
Employee benefits	43,337	10,653	53,990
Payroll taxes	33,656	8,273	41,929
Legal fees	-	180	180
Accounting fees	6,156	2,850	9,006
Consulting and professional fees	4,190	4,162	8,352
Maintenance and repairs	63,076	79,739	142,815
Security contract	182,459	4,022	186,481
Insurance	26,183	16,999	43,182
Office expenses	12,047	9,979	22,026
Real estate taxes	132,469	13,242	145,711
Miscellaneous	14,625	375	15,000
Utilities	76,086	56,530	132,616
Telephone	18,671	955	19,626
Licenses and fees	4,590	81	4,671
Travel	466	4,752	5,218
Management and support services fees	28,752	54,178	82,930
Management fees	56,853	26,175	83,028
Total operating expenses	1,050,412	414,010	1,464,422
Other expenses:			
Interest	-	148,625	148,625
Depreciation	15,348	225,330	240,678
Total expenses	1,065,760	787,965	1,853,725
Change in net assets	117,757	(477,994)	(360,237)
Net assets, beginning of year	859,307	(3,311,001)	(2,451,694)
Net assets, end of year	$ 977,064	$ (3,788,995)	$ (2,811,931)

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

(A California Nonprofit Public Benefit Corporation)

SCHEDULE OF NET CASH FLOW –

COUNTY OF ALAMEDA LOAN – MISSION BELL

YEAR ENDED JUNE 30, 2024

Operating revenue:	
Total revenue	$ 309,971
Less: interest on reserves	(241)
Adjusted operating income	309,730
Operating expenses	414,010
Adjusted operating loss	(104,280)
Other activity:	
Debt service	(42,960)
Excess cash (deficit)	$ (147,240)

SUPPLEMENTARY INFORMATION REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND THE CALIFORNIA HOUSING FINANCE AGENCY (HCD/CALHFA) (FRUITVALE STUDIOS)

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

HCD CONTRACT NO. 18-NPLH-12634

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

SCHEDULE OF OPERATING REVENUES

(FRUITVALE STUDIOS)

YEAR ENDED JUNE 30, 2024

		Actual or Proration	11 Units NPLH Assisted	13 Units Other	24 Units Total
	Rent revenue:				
5120	Rent revenue – gross potential	Actual	$ 17,525	$ 124,702	142,227
5121	Tenant assistance payments	Actual	156,623	69,438	226,061
5140	Rent revenue – stores and commercial		-	-	-
5170	Garage and parking spaces		-	-	-
5180	Flexible subsidy revenue		-	-	-
5190	Miscellaneous rent revenue		-	-	-
5100T	Total rent revenue		174,148	194,140	368,288
	Vacancies:				
5220	Apartments	Actual	(20,052)	(18,186)	(38,238)
5240	Stores and commercial		-	-	-
5250	Rental concessions		-	-	-
5270	Garage and parking space		-	-	-
5290	Miscellaneous (bad debts)	Actual	(7,041)	(74,171)	(81,212)
5200T	Total vacancies		(27,093)	(92,357)	(119,450)
5152N	Net rental revenue		147,055	101,783	248,838
	Financial revenue:				
5410	Financial revenue – project operations		27	31	58
5430	Revenue from investments – residual receipts		-	-	-
5440	Revenue from investments – replacement reserve		-	-	-
5490	Revenue from investments – miscellaneous		-	-	-
5400T	Total financial revenue	Proration	27	31	58

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

HCD CONTRACT NO. 18-NPLH-12634

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

SCHEDULE OF OPERATING EXPENSES

(FRUITVALE STUDIOS)

YEAR ENDED JUNE 30, 2024

		Actual or Proration	11 Units NPLH Assisted	13 Units Other	24 Units Total
	Other revenue:				
5910	Laundry and vending revenue		649	766	1,415
5920	Tenant charges		555	656	1,211
5990	Miscellaneous revenue		-	-	-
5900T	Total other revenue	Proration	1,204	1,422	2,626
	Total revenue		148,286	103,236	251,522
	Administrative expenses:				
6203	Conventions and meetings		6	8	14
6204	Management consultants		-	-	-
6210	Advertising and marketing		25	30	55
6250	Other renting expenses		-	-	-
6310	Office salaries		-	-	-
6311	Office expenses		3,947	4,665	8,612
6312	Office or model apartment rent		-	-	-
6320	Management fee		10,692	12,636	23,328
6330	Manager or superintendent salaries		7,194	8,503	15,697
6331	Administrative rent-free unit		-	-	-
6340	Legal expense – project		2,755	3,255	6,010
6350	Audit and tax expense		1,833	2,167	4,000
6351	Bookkeeping fees/accounting services		2,143	2,533	4,676
6370	Bad debts		-	-	
6390	Miscellaneous administrative expenses (see details)		3,389	4,006	7,395
6263T	Total administrative expenses	Proration	31,984	37,803	69,787

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

HCD CONTRACT NO. 18-NPLH-12634

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

SCHEDULE OF OPERATING EXPENSES

(FRUITVALE STUDIOS)

YEAR ENDED JUNE 30, 2024

		Actual or Proration	11 Units NPLH Assisted	13 Units Other	24 Units Total
	Utilities expenses:				
6450	Electricity		1,566	1,851	3,417
6451	Water		2,235	2,641	4,876
6452	Gas		3,386	4,002	7,388
6453	Sewer		213	252	465
6400T	Total utilities expense	Proration	7,400	8,746	16,146
	Operating and maintenance expenses:				
6510	Payroll		10,827	12,796	23,623
6515	Supplies		1,968	2,325	4,293
6520	Contracts		11,940	14,110	26,050
6521	Operating and maintenance rent-free unit		-	-	-
6525	Garbage and trash removal		9,640	11,392	21,032
6530	Security payroll/contract		-	-	-
6531	Security rent-free unit		-	-	-
6546	Heating/cooling repairs and maintenance		-	-	-
6548	Snow removal		-	-	-
6570	Vehicle and maintenance equipment operation and repairs		45	53	98
6580	Lease expense		-	-	-
6590	Miscellaneous operating and maintenance expenses (replacements)		1,283	1,516	2,799
6500T	Total operating and maintenance expenses	Proration	35,703	42,192	77,895

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

HCD CONTRACT NO. 18-NPLH-12634

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

SCHEDULE OF OPERATING EXPENSES

(FRUITVALE STUDIOS)

YEAR ENDED JUNE 30, 2024

		Actual or Proration	11 Units NPLH Assisted	13 Units Other	24 Units Total
	Taxes and insurance:				
6710	Real estate taxes		34,067	40,260	74,327
6711	Payroll taxes		2,104	2,487	4,591
6720	Property and liability insurance (hazard)		5,660	6,688	12,348
6721	Fidelity bond insurance		-	-	-
6722	Workers' compensation		455	537	992
6723	Health insurance and other employee benefits		1,944	2,297	4,241
6790	Miscellaneous taxes, licenses, permits and insurance (licenses and permits)		831	981	1,812
6700T	Total taxes and insurance	Proration	45,061	53,250	98,311
	Financial expenses:				
6820	Interest on mortgage (or bonds) payable		18,427	21,777	40,204
6825	Interest on other mortgages		-	-	-
6830	Interest on notes payable (long term)		-	-	-
6840	Interest on notes payable (short term)		-	-	-
6850	Mortgage insurance premium/service charge		-	-	-
6890	Miscellaneous financial expenses		-	-	-
6800T	Total financial expenses	Proration	18,427	21,777	40,204
	Supportive services costs:				
6990	Supportive services costs – resident services program		24,450	28,895	53,345
6900T	Total supportive service costs	Proration	24,450	28,895	53,345
6000	Total cost of operations before depreciation		163,025	192,663	355,688

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES
HCD CONTRACT NO. 18-NPLH-12634
SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA
SCHEDULE OF OPERATING EXPENSES
(FRUITVALE STUDIOS)
YEAR ENDED JUNE 30, 2024

		Actual or Proration	11 Units NPLH Assisted	13 Units Other	24 Units Total
5060	Profit (loss) before depreciation		(14,739)	(89,427)	(104,166)
6600	Depreciation expenses	Proration	379,509	448,511	828,020
6610	Amortization expense	Proration	-	-	-
5060N	Operating loss		(394,248)	(537,938)	(932,186)
	NET ENTITY EXPENSES				
	Entity expenses:				
7120	Legal expenses		-	-	-
7141	Interest on notes payable		186,536	220,451	406,987
7142	Interest on mortgage payable		-	-	-
7190	Other expenses (see details)		107,449	126,986	234,435
7100T	Net entity and expenses	Proration	293,985	347,437	641,422
3250	Net loss		$ (688,233)	$ (885,375)	$ (1,573,608)

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

HCD CONTRACT NO. 18-NPLH-12634

SUPPLEMENTARY INFORMATION REQUIRED BY HCD/CALHFA

SCHEDULE OF MISCELLANEOUS ACCOUNT DETAILS

(FRUITVALE STUDIOS)

YEAR ENDED JUNE 30, 2024

	Actual or Proration	11 Units NPLH Assisted	13 Units Other	24 Units Total
Miscellaneous administrative expenses (Account No. 6390):				
Dues and subsriptions		$ 151	$ 179	$ 330
Indirect expenses		1,126	1,330	2,456
Overhead costs		2,112	2,497	4,609
		-	-	
	Proration	$ 3,389	$ 4,006	$ 7,395
Other expenses (Account No. 7190):				
Loan monitoring fee		$ 2,276	$ 2,690	$ 4,966
Expenses paid by development sources		105,173	124,296	229,469
	Proration	$ 107,449	$ 126,986	$ 234,435

Cash on Hand and in Banks

Unrestricted accounts:	
Checking accounts – operations	$ 22,160
Total	$ 22,160

Restricted accounts:	
Replacement reserve	$ 1,800
Operating reserve	803
Tenant security deposits	17,952
Total	$ 20,555

Tenant security deposits are maintained in a separate account and interest earned on these deposits is credited to a liability account to be returned or applied for the benefit of tenants. Interest earned during 2024 was $28.

Accounts Receivable

Accounts receivable consists of the following:

Tenant receivable due within 30 days	$ 48,845
Subsidy receivable due within 30 days	72,181
Total	$ 121,026

Reserves for Replacements, Operating Expenses and Others

In accordance with the provisions of the partnership agreement and the lenders' regulatory agreements, the Project is required to hold reserves to be used for replacements of property or other requirements. Details follow:

	Replacement Reserve	*Operating Reserve*
Balance, June 30, 2023	$ 1,800	$ 803
Monthly deposits	-	-
Interest	-	-
Withdrawals	-	-
Balance, June 30, 2024	$ 1,800	$ 803

(1) Fruitvale Studios is required to fund monthly deposits to replacement reserve for a total of $14,400 for 2024.

Property, Equipment and Improvements

Following are the details of property, equipment and improvements:

Property, Equipment and Improvements, at Cost	*Land*	*Buildings*	*Buildings and Improvements*	*Furniture, Fixtures and Equipment*	*Development in Progress*	*Total*
Balance, December 31, 2023	$ 918,265	$ 2,751,735	$ 124,417	$ -	$ 5,606,629	$ 9,401,046
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	(345,278)	(345,278)
Transfers	13,181	39,503	5,185,985	22,682	(5,261,351)	-
Balance, December 31, 2024	$ 931,446	$ 2,791,238	$ 5,310,402	$ 22,682	$ -	$ 9,055,768

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are payable to vendors and are being paid on a current basis. Details follow:

Accounts payable – trade (due within 30 days)	$ 16,802
Accrued payable (due within 30 days)	95
Total	$ 16,897

Gross Potential Rents

Tenant rental payments	$ 22,777
Housing assistance payments	226,061
Vacancy loss, concessions and bad debts	119,450
Total gross potential rents	$ 368,288

Management Fee

A property management fee of $23,328 was incurred during 2024, for property management services provided by Abode Property Management.

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

HCD CONTRACT NO. 18-NPLH-12634

COMPUTATION OF EXCESS/DISTRIBUTABLE CASH

(FRUITVALE STUDIOS)

YEAR ENDED JUNE 30, 2024

	Total Project	*NPLH Assisted*
Operating income	$ 251,522	$ 148,286
Operating expenses	315,484	144,598
Net income (loss)	(63,962)	3,688
Other activity:		
Required deposits into replacement reserve	(14,400)	(6,600)
Required debt service – first mortgage	(76,997)	(35,290)
Required debt service – HCD	(9,076)	(4,160)
Loan monitoring fee	(4,966)	(2,276)
Excess/distributable cash (deficit)	$ (169,401)	$ (44,638)

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

HCD CONTRACT NO. 18-NPLH-12634

MANAGEMENT AGENT CERTIFICATION

(FRUITVALE STUDIOS)

YEAR ENDED JUNE 30, 2024

I hereby certify that I have examined the accompanying financial statements and supplementary information of Fruitvale Studios, as of and for the year ended June 30, 2024, and, to the best of my knowledge and belief, the same is complete and accurate.

Bilah Shah	Controller	01/11/2026
Signature	Title	Date

Abode Property Management
Employer Identification Number: 94-2650901

ABODE HOUSING DEVELOPMENT AND SUBSIDIARIES

HCD CONTRACT NO. 18-NPLH-12634

CERTIFICATION OF OFFICERS

(FRUITVALE STUDIOS)

YEAR ENDED JUNE 30, 2024

We, as officers of Abode Housing Development, a California nonprofit public benefit corporation, hereby certify that we have examined the accompanying financial statements and supplementary data of Fruitvale Studios, a property of Abode Housing Development, as of and for the year ended June 30, 2024, and, to the best of our knowledge and belief, these financial statements are complete and accurate.

Bilah Shah	Controller	1/12/2026
Signature	Title	Date

Signature	Title	Date

Abode Housing Development
Employer Identification Number: 94-3205085

LINDQUIST
VON HUSEN
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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 consolidated financial statements of Abode Housing Development and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated 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 December 29, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Abode Housing Development and Subsidiaries' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Abode Housing Development and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Abode Housing Development and Subsidiaries' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiency in internal control described in the accompanying Schedule of Findings, Questioned Costs, and Recommendations as Finding No. 2024-001 that we consider to be a material weakness.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Abode Housing Development and Subsidiaries' consolidated 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 consolidated 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*.

Abode Housing Development and Subsidiaries' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Abode Housing Development and Subsidiaries' response to the findings identified in our audit and described in the accompanying schedule of findings, questioned costs and recommendations. Abode Housing Development and Subsidiaries' response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

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 Abode Housing Development and Subsidiaries' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Abode Housing Development and Subsidiaries' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindquist, von Husen and Joyce LLP

December 29, 2025

Finding No. 2024-001 – Prior Period Adjustment Material to the Financial Statements

Condition:

The consolidated financial statements of AHD and Subsidiaries for the year ended June 30, 2023 did not include the accounts of Bennett Valley Housing Partners, L.P, which is a limited partnership controlled by AHD through its single-member limited liability company, Allied Bennett Valley LLC. This resulted in an understatement of the total assets and liabilities of $6,231,205 and $2,873,857, respectively, in the consolidated financial statements as of the year ended June 30, 2023. The balance of net assets was also understated by $3,357,348 as of June 30, 2023, as a result of the error.

Criteria:

Management is responsible for the preparation and fair representation of the financial statements in accordance with accounting principles generally accepted in the United States of America, including the consolidation of all entities, such as limited partnerships, that are controlled by AHD.

Effect:

The auditor proposed adjusting journal entries to correct the error in the previously issued consolidated financial statements for the year ended June 30, 2023 that was material to the Organization's consolidated financial statements, which according to auditing standards generally accepted in the United States, resulted in a de facto material weakness finding in internal control. In 2023, the total assets, total liabilities, and net assets were understated by $6,231,205, $2,873,857, and $$3,357,348, respectively as of June 30, 2023.

Cause:

The organization was not able to properly monitor the inclusion of a controlled entity with recent significant activity in a timely manner. Although the organization is aware of the existence of the entity, the determination of its inclusion in the consolidation was not properly determined.

Recommendation:

Management should consider evaluating its existing internal controls over contracts and agreements, including tracking of all entities and nature of relationships and control, to ensure that all controlled entities are properly included in the consolidation.

Views of Responsible Officials and Planned Corrective Actions:

Management will follow the auditor recommendation and evaluate its existing internal controls to ensure all controlled entities are properly included in consolidation. We are creating an internal document listing all entities and who has management and controlling share.