SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT

CONSOLIDATED FINANCIAL AND COMPLIANCE REPORT

YEARS ENDED JUNE 30, 2024 AND 2023

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
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Independent Auditor's Report

To the Board of Directors
Southeastern Housing and Community Development
Barnwell, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Southeastern Housing and Community Development (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Southeastern Housing and Community Development as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Southeastern Housing and Community Development 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

As discussed in Note O to the consolidated financial statements, on June 28, 2024 the Organization was awarded $277,297 from a legal trial. Subsequently, several motions were filed, including a motion for a new trial and request to overturn the verdict awarding $277,297 to the Organization. All parties have until January 25, 2025 to file orders related to the motions. Our opinion is not modified with respect to this matter.

Responsibility of Management for the 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.

Responsibility of Management for the Financial Statements (Continued)

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 Southeastern Housing and Community Development's 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 Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 Southeastern Housing and Community Development'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeastern Housing and Community Development'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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position - by property, and activities and changes in net assets - by property are presented for purposes of additional analysis and are not a required part of the consolidated financial statements.

Supplementary Information (Continued)

The accompanying schedule of expenditures of federal awards, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with 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 January 16, 2025, on our consideration of Southeastern Housing and Community Development'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 Southeastern Housing and Community Development'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 Southeastern Housing and Community Development's internal control over financial reporting and compliance.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
January 16, 2025

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidated Statements of Financial Position
June 30, 2024 and 2023

Assets

	2024	2023
Current Assets:		
Cash and cash equivalents	$ 1,099,100	$ 1,609,212
Investments, certificate of deposits	225,000	555,000
Investments, fixed income	378,707	366,503
Accounts receivable, net	142,470	203,509
Grant receivable	12,557	67,699
Prepaid expenses	175,256	177,606
Contracts in progress	66,632	42,305
Total current assets	2,099,722	3,021,834
Property and equipment, net	10,875,380	11,423,461
Real estate held for development	115,985	101,623
Properties held for resale	148,404	67,620
Other Assets:		
Reserve for replacements	472,596	447,967
Tenant security deposits, held in trust	158,617	156,068
Investments, fixed income	274,005	510,198
Notes receivable	34,216	30,185
Accrued interest receivable	5,187	4,294
Contracts in progress	129,710	129,710
Total other assets	1,074,331	1,278,422
Total assets	$ 14,313,822	$ 15,892,960

Liabilities and Net Assets

	2024	2023
Current Liabilities:		
Notes payable, current maturities	$ 528,743	$ 614,470
Line of credit	395,723	273,548
Accounts payable and accrued expenses	981,267	896,914
Accrued interest payable	8,078	10,361
Deferred grant revenue	124,801	32,000
Prepaid rents	45,212	75,975
Tenant security deposits	150,326	149,614
Total current liabilities	2,234,150	2,052,882
Notes payable, net of current maturities and unamortized mortgage issuance costs	3,708,140	4,245,459
Accrued interest payable	29,190	27,244
Total liabilities	5,971,480	6,325,585
Net assets:		
Without donor restrictions	8,236,139	9,411,311
With donor restrictions	106,203	156,064
	8,342,342	9,567,375
Total liabilities and net assets	$ 14,313,822	$ 15,892,960

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without donor Restrictions	With donor Restrictions	Total	Without donor Restrictions	With donor Restrictions	Total
Revenue and Other Support:						
Housing assistance payments	**$ 3,424,558**	**$ -**	**$ 3,424,558**	$ 3,252,694	$ -	$ 3,252,694
Rental income, net	**2,025,633**	**-**	**2,025,633**	2,148,954	-	2,148,954
Grant proceeds	**-**	**169,837**	**169,837**	-	301,522	301,522
Interest income	**69,980**	**-**	**69,980**	37,488	-	37,488
Other income:						
Tenant charges	**133,185**	**-**	**133,185**	102,239	-	102,239
Office rental income	**54,819**	**-**	**54,819**	53,075	-	53,075
Gain on sale of property held for resale	**-**	**-**	**-**	57,129	-	57,129
Gain (loss) on sale of property	**329**	**-**	**329**	(45,725)	-	(45,725)
Construction company income	**2,932**	**-**	**2,932**	13,600	-	13,600
Unprepared food sales	**112,804**	**-**	**112,804**	226,950	-	226,950
Miscellaneous	**109,805**	**-**	**109,805**	90,969	-	90,969
Net assets released from restrictions	**219,698**	**(219,698)**	**-**	214,661	(214,661)	-
Total revenue and other support	**6,153,743**	**(49,861)**	**6,103,882**	6,152,034	86,861	6,238,895
Expenses:						
Program services	**6,936,163**	**-**	**6,936,163**	6,777,984	-	6,777,984
Supporting services	**392,752**	**-**	**392,752**	347,359	-	347,359
Total expenses	**7,328,915**	**-**	**7,328,915**	7,125,343	-	7,125,343
Change in net assets	**(1,175,172)**	**(49,861)**	**(1,225,033)**	(973,309)	86,861	(886,448)
Net assets, beginning	**9,411,311**	**156,064**	**9,567,375**	10,384,620	69,203	10,453,823
Net asset, ending	**$ 8,236,139**	**$ 106,203**	**$ 8,342,342**	$ 9,411,311	$ 156,064	$ 9,567,375

See Notes to Consolidated Financial Statements

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services					Supporting Services	
	Property Management	Construction	Home-ownership	Grants	Total	Management and General	TOTAL
Salaries and benefits	$ 1,436,395	$ 19,456	$ 97,409	$ -	$ 1,553,260	$ 93,670	$ 1,646,930
Travel	42,560	-	2,406	1,542	46,508	33,238	79,746
Office expenses	89,109	-	4,210	298	93,617	18,275	111,892
Professional fees	47,500	-	-	-	47,500	142,570	190,070
Management fees	355,770	-	-	-	355,770	-	355,770
Utilities	750,454	6,727	3,945	-	761,126	256	761,382
Insurance	436,868	24,082	6,214	2,142	469,306	5,112	474,418
Property taxes	65,021	-	9,998	3,098	78,117	-	78,117
Maintenance	1,855,968	-	62,984	53,110	1,972,062	9,270	1,981,332
Other expenses	537,113	1,919	8,884	21,693	569,609	90,233	659,842
Total functional expenses before depreciation and interest	5,616,758	52,184	196,050	81,883	5,946,875	392,624	6,339,499
Depreciation	832,385	-	-	-	832,385	-	832,385
Interest	120,089	-	27,177	-	147,266	-	147,266
Interest - amortized mortgage issuance costs	9,637	-	-	-	9,637	128	9,765
Loss on acquisition	-	-	-	-	-	-	-
Total expenses	$ 6,578,869	$ 52,184	$ 223,227	$ 81,883	$ 6,936,163	$ 392,752	$ 7,328,915

See Notes to Consolidated Financial Statements

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services					Supporting Services	
	Property Management	Construction	Home-ownership	Grants	Total	Management and General	TOTAL
Salaries and benefits	$ 1,471,150	$ 38,690	$ 117,654	$ -	$ 1,627,494	$ 84,287	$ 1,711,781
Travel	55,196	-	53	1,088	56,337	19,317	75,654
Office expenses	73,227	-	4,330	1,792	79,349	31,411	110,760
Professional fees	48,000	-	2,639	965	51,604	46,390	97,994
Management fees	361,800	-	-	-	361,800	-	361,800
Utilities	774,954	-	4,207	-	779,161	-	779,161
Insurance	353,727	32,971	5,084	2,705	394,487	4,522	399,009
Property taxes	34,819	-	13,263	3,336	51,418	-	51,418
Maintenance	1,832,813	-	28,523	22,042	1,883,378	21,327	1,904,705
Other expenses	433,672	4,295	19,102	2,045	459,114	139,977	599,091
Total functional expenses before depreciation and interest	5,439,358	75,956	194,855	33,973	5,744,142	347,231	6,091,373
Depreciation	840,245	-	-	-	840,245	-	840,245
Interest	160,213	-	23,747	-	183,960	-	183,960
Interest - amortized mortgage issuance costs	9,637	-	-	-	9,637	128	9,765
Loss on acquisition	-	-	-	-	-	-	-
Total expenses	$ 6,449,453	$ 75,956	$ 218,602	$ 33,973	$ 6,777,984	$ 347,359	$ 7,125,343

Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ (1,225,033)	$ (886,448)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	832,385	840,245
Interest - amortized mortgage issuance costs	9,765	9,765
(Gain) loss on sale of properties held for resale	-	(57,129)
(Gain) loss on disposal of property and equipment	(329)	68,218
(Increase) decrease in:		
Accounts receivable	61,039	(22,067)
Grant receivable	55,142	2,506
Prepaid expenses	2,350	(24,914)
Contracts in progress	(24,327)	21,579
Accrued interest receivable	(893)	(4,036)
Increase (decrease) in:		
Accounts payable and accrued expenses	84,353	341,470
Accrued interest payable	(337)	2,505
Deferred grant revenue	92,801	11,287
Prepaid rents	(30,763)	(9,800)
Tenant security deposits	712	5,217
Net cash provided by (used in) operating activities	(143,135)	298,398
Cash flows from investing activities:		
Purchase of property and equipment	(320,544)	(222,717)
Proceeds from sale of property and equipment	485	-
Purchase of real estate held for development	(14,362)	(18,256)
Purchase of properties held for resale	(44,700)	(172,398)
Proceeds from sale of properties held for resale	-	221,956
Notes receivable	(4,031)	(7,208)
Proceeds from investment sales	1,286,492	1,019,179
Purchase of investments	(732,503)	(1,197,184)
Net cash provided by (used in) investing activities	170,837	(376,628)
Cash flows from financing activities:		
Line of credit, net	122,175	(34,772)
Payments on notes payable	(632,811)	(1,412,741)
Notes payable proceeds	-	950,000
Net cash used in financing activities	(510,636)	(497,513)
Decrease in cash, cash equivalents and restricted cash	(482,934)	(575,743)
Cash, cash equivalents and restricted cash - beginning	2,213,247	2,788,990
Cash, cash equivalents and restricted cash - ending	$ 1,730,313	$ 2,213,247

See Notes to Consolidated Financial Statements

	2024	2023
Reconciliation of cash, cash equivalents and restricted cash reported on the balance sheets to cash, cash equivalents and restricted cash shown above:		
Cash and cash equivalents	**$ 1,099,100**	$ 1,609,212
Restricted deposits and funded reserves	**631,213**	604,035
	$ 1,730,313	$ 2,213,247
Supplemental disclosures of cash flow information:		
Cash payments for interest	**$ 109,998**	$ 146,355
Supplemental disclosures of noncash investing and financing activities:		
Transfer of property and equipment to held for sale	**$ 36,084**	$ 34,189

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Southeastern Housing and Community Development was organized as a not-for-profit corporation that provides rental housing to low and moderate income tenants. Southeastern Housing and Community Development's mission includes engaging in meaningful, sustainable community development and community economic development. Southeastern Housing and Community Development owns and operates apartment complexes, single-family homes and a woodworks warehouse located in the Southeastern area of South Carolina. Through its homeownership program, Southeastern Housing and Community Development purchases single-family properties in need of repair, renovates them, and sells them to first-time homebuyers. Southeastern Construction and Development, LLC was formed in October 2003 as a limited liability company for the purpose of development and construction of low and moderate income housing.

Principles of Consolidation

The consolidated financial statements include the accounts of Southeastern Housing and Community Development and its wholly-owned subsidiary, Southeastern Construction and Development, LLC, collectively referred to as the "Organization." Additionally, the rental real estate projects and divisions of Southeastern Housing and Community Development, LLC have been segregated for presentation purposes in the consolidating statements. All material inter-company transactions have been eliminated.

Principles of Reporting

The consolidated financial statements are reported on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions or with donor restrictions, depending on the existence and/or nature of grant-imposed restrictions. Net assets without donor restrictions are those funds presently available for use by the Organization at the discretion of the Board of Directors. Net assets with donor restrictions are subject to donor imposed restrictions or may be used only for the purposes specified by the donor or funds which have permanent restrictions.

Changes in Financial Accounting and Reporting

On June 16, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) 2016-13, *Credit Losses,* which changes how entities are required to measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change from this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 are accounts receivable and notes receivable.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in Financial Accounting and Reporting (Continued)

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures.

A summary of the Organization's significant accounting policies follows:

Cash, Cash Equivalents, Restricted Cash and Funded Reserves

For purposes of reporting the consolidated statements of cash flows, the Organization includes all cash investments and certificates of deposit with a maturity of three months or less as cash, cash equivalents, restricted cash and funded reserves. Restricted cash includes reserves, tax and insurance escrow accounts and tenant security deposits.

Receivables

Receivables include accounts receivable at total unpaid balances for unpaid rent from tenants, net of any allowance for credit losses, amounts receivable from grants, and other miscellaneous receivables, including rental assistance receivable. The Organization determines past due status of individual receivables based on the contractual terms. The Organization estimates its allowance for credit losses based on a combination of factors, including management's knowledge of the current composition of receivables, historical losses, existing economic conditions and reasonable and supportable forecasts about the future ability to collect on the receivables. The Organization determines its allowance based on the dollar amount of the accounts older than 60 days. Receivables that management believes to be ultimately not collectible are written off upon such determination. At June 30, 2024 and 2023, management established an allowance for credit losses of $137,153 and $130,354, respectively.

Revenue Recognition

Rental income is recognized as rents become due. Rental payments secured in advance are deferred until earned. All leases between the Organization and the tenants are short-term operating leases.

Tenant rent charges for the current month are due on the first of the month. Tenants who are evicted or move-out are charged with damages or cleaning fees, if applicable. Tenant receivables consist of amounts due for rental income, security deposit or the charges for damages and cleaning fees. The Projects do not accrue interest on the tenant receivable balances.

Revenue from government and other grants is recognized as it is earned through expenditure in accordance with the agreement. Certain grantors require expenditure for specified activities before reimbursing the Organization for the costs incurred and other grantors pay in advance of incurring the specified costs. The amount received in excess of amounts spent on reimbursable costs is reported as unearned program revenue. Direct expenses of contracts and grants are charged to programs when incurred.

Contributed services are only recorded if they meet the requirements for recognition (such as if they require specialized skills). These requirements are outlined in FASB ASC 958-605-25-16, "Contributed Services". No amounts have been reflected in the accompanying consolidated financial statements for contributed services since the requirements for recognition were not met. Donated materials are reflected as in-kind contributions in the accompanying consolidated financial statements at their estimated fair market value at date of receipt.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants.

The Organization recognizes revenue on construction contracts when control of the constructed asset is transferred to the customer at a point in time, which generally occurs upon substantial completion of the project and final acceptance by the customer. The Organization does not have any significant financing components or significant variable consideration such as discounts, allowances and returns. Furthermore, all material contracts completed are inter-company activity and revenues are eliminated.

Contracts in progress represent costs in excess of amounts billed and are classified as current assets. Uncompleted contracts related to the Neighborhood Initiative Program are not classified as current due to the related litigation as discussed in Note O. Contracts in progress related to the Neighborhood Initiative Program are $129,710 and $129,710 for June 30, 2024 and 2023, respectively. Contract liabilities represent billings in excess of costs on uncompleted contracts.

Property and Equipment

Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 5 years for equipment to 30 years for buildings. The Organization has established a capitalization threshold of $5,000. All equipment purchases below this threshold are expensed in the period incurred and reflected as expense. Also, included in property and equipment is construction in process, which represents renovation projects in process, and is stated at cost.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Real Estate Held for Development

In accordance with *ASC 970, Real Estate - General*, the direct costs related to acquisition, development, construction, selling and initial rental (up to the point of normal operations) of real estate projects are capitalized as real estate held for development. Indirect costs of real estate projects that can be identified with specific projects under development or construction are also capitalized as real estate held for development.

Properties Held for Resale

Inventory of properties held for resale consists of single family homes acquired through state grants, donations or mortgages. Inventory of the properties held for resale are recorded at the lower of cost, net realizable value or donated value.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets (Continued)

If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined by an appraisal, discounted cash flows analysis or other valuation technique. There were no impairment losses recognized for the years ended June 30, 2024 and 2023.

Mortgage Issuance Costs

Mortgage issuance costs, net of accumulated amortization, are reported as a contra-liability of the obligation to which such costs relate. Amortization of mortgage issuance costs is reported as a component of interest expense and is computed using the straight-line method over the life of the loan. Accounting principles generally accepted in the United States of America require that the interest method be used for amortizing mortgage issuance costs; however, the effect of using the straight-line method is not material to the financial statements for the years ended June 30, 2024 and 2023.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to their nature and expenditure classification.

Estimates

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

Investments

Investments are recorded at fair market value with increases and decreases recognized in the period in which they occur. Fair market value is based on quoted market prices.

Investment income or loss (including realized or unrealized gains and losses on investments and interest and dividends) is included in the change in unrestricted net assets unless the donor restricts the income or loss. Realized gains and losses are determined using the specific identification method.

Fair Value Measurement

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures,* establishes a framework for measuring fair values for assets and liabilities using one of the following valuation measurements: quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); or significant unobservable inputs (Level 3).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement (Continued)

Observable inputs reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity, while unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All investments are carried on a recurring basis using a Level 1 valuation technique.

Net Assets

The Organization reports information regarding its financial position and activities based on the existence or absence of external imposed restrictions, according to two classes of net assets: Net assets without donor restrictions and net assets with donor restrictions. Assets accumulated and resources received and expended by the Organization are either without donor restrictions or restricted by the donor for a particular purpose. Net assets with donor restrictions represent contributions to the Organization whose use is limited by donor imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for specific purposes by the Organization itself does not constitute a basis for reclassifying them as net assets with donor restrictions.

Net assets of the Organization and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to external imposed restrictions.
- *Net Assets with donor restrictions* - Net assets that are subject to external imposed restrictions that may or will be met either by actions of the Organization and/or the passage of time.

Tax Status

The Organization is a not-for-profit corporation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, thus the consolidated financial statements contain no provision for federal or state income taxes. The Organization is not classified as a private foundation.

It is the Organization's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a more-likely-than-not threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the consolidated financial statements. No material uncertain tax positions were identified for 2024 and 2023.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain amounts have been reclassified to conform with the current year presentation. These reclassifications did not result in any changes to net assets.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure through January 16, 2025, which is the date the consolidated financial statements were available to be issued.

NOTE B - LIQUIDITY AND AVAILABILITY

The Organization has $1,857,834 of financial assets available within one year of the balance sheet date to meet each cash needs for general expenditures consisting of cash of $1,099,100, investments of $603,707, and accounts and grants receivable of $155,027. $106,203 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain unrestricted cash on hand to meet 30 days of normal project operating expenses, which are, on average, approximately, $540,564. Normal project operating expenses include all expenses except for depreciation expense and interest - amortized mortgage issuance costs.

The Organization manages liquidity needed for operations primarily through budgeted monthly cash inflows and outflows. Cash inflows can be easily predicted since they are comprised mostly of rent and subsidy receipts. Cash outflows are planned accordingly so as not to exceed those expected inflows. A minimal amount of excess cash is on hand in the event of unexpected outflows. In addition, the Organization maintains funds in a reserve for replacements for planned property improvements, and may be used only with the approval of HUD.

NOTE C - CASH AND INVESTMENTS

Cash and investments at June 30, 2024 and 2023 consisted of:

	2024	2023
First Citizens Bank - unrestricted:		
Cash - Property Management	**$ 54,559**	$ 258,198
Cash - Deer Run Apartments *	**10,904**	9,868
Cash - Colony West Apartments	**141,191**	166,825
Cash - Southeastern Construction and Development, LLC	**30,058**	18,480
Cash - IDA	**138,623**	138,588
Cash - Homeownership	**30,269**	59,139
Cash - Grants	**181,553**	115,630
Cash - Supportive Services	**16,003**	50,852
Cash - Savings Accounts	**495,940**	791,632
Total cash and cash equivalents	**$ 1,099,100**	$ 1,609,212

NOTE C - CASH AND INVESTMENTS (Continued)

Cash and investments at June 30, 2024 and 2023 consisted of: (Continued)

	2024	2023
Unrestricted Investments:		
Certificate of Deposit - Bank of America matures December 2023 at 4.41%	**$ -**	$ 225,000
Certificate of Deposit - South State Bank matures June 2024 at 5.0%	**-**	225,000
Certificate of Deposit - First Citizens Bank matures December 2023 at 4.07%	**-**	105,000
Certificate of Deposit - Home Federal Savings and Loan, matures October 2024 at 5.0%	**225,000**	-
Total unrestricted investments	**$ 225,000**	$ 555,000
Restricted Cash and Investments:		
Security Deposits	**$ 82,595**	$ 81,250
Security Deposits - Deer Run Apartments *	**13,193**	13,553
Security Deposits - Williston Elderly Apartments *	**6,308**	6,000
Certificate of Deposit - Home Federal Savings and Loan, matures April 2025 at 1.25%	**56,521**	55,265
Total restricted cash and investments	**$ 158,617**	$ 156,068
Reserve for Replacements:		
Savings Fund - Deer Run Apartments *	**$ 114,499**	$ 104,394
Savings Fund - Williston Elderly Apartments *	**$ 358,097**	$ 343,573

** Required separate account by USDA Rural Development*

The Organization has engaged the services of First Citizens Wealth Management to manage and maintain investment transactions. The cost and fair value of investments as of June 30, 2024 and 2023, are summarized below:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents, less pending trades	**$ 7,100**	**$ 7,100**	$ 13,152	$ 13,152
Fixed income treasury notes	**653,823**	**652,712**	1,012,087	999,946
	$ 660,923	**$ 659,812**	$ 1,025,239	$ 1,013,098

All investments are carried on a recurring basis using a Level 1 valuation technique.

NOTE D - ACCOUNTS AND GRANT RECEIVABLE AND CURRENT EXPECTED CREDIT LOSSES

Accounts receivable at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Current:		
Tenants	$ 221,523	$ 268,090
Less: allowance for credit losses	(137,153)	(130,354)
Total tenants	84,370	137,736
Other	58,100	65,773
Net accounts receivable, current portion	$ 142,470	$ 203,509

Changes in the allowance for credit losses during the year were as follows:

	2024	2023
Balance, July 1	$ 130,354	$ 44,615
Credit loss expense	129,847	70,146
Write-offs and adjustments	(123,048)	15,593
Balance, June 30	$ 137,153	$ 130,354

Grant receivable at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Grant receivable - SCACED Community Economic Development	$ -	$ 9,800
Grant receivable - HUD Housing Counseling Grant	6,916	6,428
Grant receivable - ROSS Grants	5,641	51,471
	$ 12,557	$ 67,699

NOTE E - UNCOMPLETED CONTRACTS

Costs and billings on uncompleted contracts are summarized as follows:

	2024	2023
Costs incurred on uncompleted contracts	$ 482,262	$ 328,515
Less billings to date	285,920	156,500
	$ 196,342	$ 172,015

Included in the accompanying balance sheet as detailed below:

	2024	2023
Contracts in progress, current	$ 66,632	$ 42,305
Contracts in progress, noncurrent	129,710	129,710
	196,342	172,015
Contract liabilities	-	-
	$ 196,342	$ 172,015

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 and 2023, consisted of the following:

	2024			
	Beginning Balances	Increases	Decreases	Ending Balances
Assets not being depreciated:				
Land	**$ 1,834,672**	**$ -**	**$ -**	**$ 1,834,672**
Construction in progress	**221,112**	**292,874**	**66,414**	**447,572**
	2,055,784	**$ 292,874**	**$ 66,414**	**2,282,244**
Assets being depreciated:				
Buildings and improvement	**24,355,785**	**$ 86,415**	**$ 49,075**	**24,393,125**
Furniture and equipment	**421,092**	**-**	**-**	**421,092**
Land improvements	**30,022**	**-**	**-**	**30,022**
Vehicles	**20,244**	**7,669**	**3,127**	**24,786**
	24,827,143	**$ 94,084**	**$ 52,202**	**24,869,025**
Accumulated depreciation	**15,459,466**	**$ 832,385**	**$ 15,962**	**16,275,889**
	9,367,677			**8,593,136**
Total property and equipment, net	**$ 11,423,461**			**$ 10,875,380**

	2023			
	Beginning Balances	Increases	Decreases	Ending Balances
Assets not being depreciated:				
Land	$ 1,937,079	$ -	$ 102,407	$ 1,834,672
Construction in progress	173,101	50,011	2,000	221,112
	2,110,180	$ 50,011	$ 104,407	2,055,784
Assets being depreciated:				
Buildings and improvement	24,138,648	$ 217,137	$ -	24,355,785
Furniture and equipment	421,092	-	-	421,092
Land improvements	22,442	7,580	-	30,022
Vehicles	20,244	-	-	20,244
	24,602,426	$ 224,717	$ -	24,827,143
Accumulated depreciation	14,619,221	$ 840,245	$ -	15,459,466
	9,983,205			9,367,677
Total property and equipment, net	$ 12,093,385			$ 11,423,461

NOTE G - REAL ESTATE HELD FOR DEVELOPMENT

Real estate held for development includes the acquisition of land for construction of homes and under the Organization's affordable housing programs in South Carolina.

Real estate held for development consisted of the following properties and cost at June 30, 2024 and 2023:

	County	2024	2023
191 Highland Park Cir	Orangeburg	**$ 5,000**	$ 5,000
373 Bamberg St (NIP)	Bamberg	**5,022**	5,022
60 Pentecostal St (NIP)	Bamberg	**5,022**	5,022
122 Presbyterian St	Bamberg	**20,931**	20,931
104 River Ave	Hampton	**12,484**	12,484
633 Nix St	Hampton	**13,437**	13,437
200 Plywood St	Hampton	**12,434**	12,434
504 River St	Hampton	**9,037**	9,037
144 Turner St	Barnwell	**6,083**	-
1136 Hampton Ave	Barnwell	**18,256**	18,256
Rivers St	Barnwell	**8,279**	-
		$ 115,985	$ 101,623

NOTE H - DEFERRED GRANT REVENUE

Deferred grant revenue consists of the following at June 30, 2024 and 2023:

	2024	2023
Building Resilient Infrastructure and Communities	**$ 6,423**	$ -
SCACED Community Impact Fund	**7,500**	-
SCACED Community Economic Development	**99,878**	-
Blight Elimination Program	**11,000**	32,000
	$ 124,801	$ 32,000

NOTE I - NOTES PAYABLE

	2024	2023
Note payable, First Citizens Bank, modified during the year ended June 30, 2020, payable in monthly payments of $36,991, including interest at 3.25%, due June 5, 2025, and secured by property and improvements, and rents of Beech Island, Boundary, Oakland, Denmark Gardens, Bamberg Villa, Hampton, West Main, Barnwell Arms, Litchfield Hampton Gardens, Estill Village, Westside Manor, North, Landmark Towers, Branchville, and Holly Hill Apartments.	**$ 259,715**	$ 707,499

NOTE I - NOTES PAYABLE (Continued)

	2024	2023
Note payable, USDA Rural Development, payable in monthly installments of $5,474 at 5.75% interest, reduced by monthly interest subsidies of $3,189, due April 5, 2036, and secured by an apartment complex in Hardeeville, South Carolina.	**$ 947,398**	$ 958,267
Note payable, First Citizens Bank, payable in monthly installments of $516, due June 27, 2028, at 4.95% interest and secured by property and improvements at 1228/1232 Jasper Street, Orangeburg, South Carolina.	**22,374**	26,900
Note payable, First Citizens Bank, payable in monthly installments of $1,778, due November 1, 2028, at 5.0% interest and secured by a deed of trust on property located in Florence, South Carolina.	**82,815**	99,485
Note payable, Home Federal Savings Bank, payable in monthly installments of $374, due January 1, 2029, at 5.75% interest and secured by property and improvements at 13416 Charleston Augusta Highway, Denmark, South Carolina.	**31,427**	44,576
Note payable, Home Federal Savings Bank, payable in monthly installments of $822, due February 1, 2034, at 5.00% interest and secured by property and improvements located in Bamberg, South Carolina.	**68,070**	79,670
Note payable, South State Bank, payable in monthly installments of $1,028, due October 15, 2024, at 4.05% interest and secured by property and improvements located in Barnwell and Bamberg, South Carolina.	**103,663**	111,557
Note payable, South State Bank, payable in monthly installments of $1,092, due December 3, 2025, at 3.95% interest and secured by property and improvements located in Bamberg, South Carolina.	**119,332**	127,460
Note payable, HOME Trust Account, payable in monthly installments of $804, due January 1, 2047, at 1.00% interest and secured by property and improvements located in Blackville, South Carolina.	**194,343**	202,007
Note payable, HOME Trust Account, 0% interest and forgivable over 20 years, ending January 1, 2037 and secured by property and improvements located in Blackville, South Carolina.	**150,000**	162,500
Note payable, HOME Trust Account, payable in monthly installments of $804, due January 1, 2048, at 1.00% interest and secured by property and improvements located in Holly Hill, South Carolina.	**202,007**	209,595

NOTE I - NOTES PAYABLE (Continued)

	2024	2023
Note payable, HOME Trust Account, 0% interest and forgivable over 20 years, ending January 1, 2038 and secured by property and improvements located in Holly Hill, South Carolina.	**$ 156,065**	$ 168,070
Note payable, First Citizens Bank, payable in monthly installments of $7,552, due November 15, 2029, at 5.00% interest and secured by property and improvements located in Barnwell, South Carolina.	**880,842**	925,713
HOME Loan through SCSHFDA with an original balance of $400,000 with an original interest rate of 1%. Effective in June 2009, the interest rate was reduced to .5% and interest and principal payments deferred until maturity. Interest and principal are due at maturity on March 15, 2036. The term and amortization period of the mortgage is 30 years. The mortgage is secured by deeds of trust on the Colony West property.	**361,245**	361,245
Note payable, First Citizens Bank, payable in monthly installments of $385, due June 10, 2027, at 4.5% interest and secured by a deed of trust on property located in Manning, South Carolina.	**45,240**	47,728
Note payable, USDA Rural Development, payable in monthly installments of $1,527 at 5.75% interest, reduced by monthly interest subsidies of $889, due May 1, 2026, and secured by an apartment complex in Williston, South Carolina.	**268,020**	269,691
HOME Loan through SCSHFDA with an original balance of $251,926 with interest at 1% and monthly principal and interest payments of $810. The term and amortization period of the mortgage is 30 years and is expected to mature in June 2036.	**108,656**	119,910
Mortgage payable to Regions Bank, through the Federal Home Loan Bank of Atlanta, pursuant to an Affordable Housing Program Agreement ("AHP") for Rental Projects (the "Subsidy Agreement"). Due in equal monthly installments of $1,824, including interest of 4.5%, through May 2026. The Subsidy Agreement provides for a reduced interest rate for the mortgage as long as the Organization complies with the terms of the agreements. The terms include regulations related to affordability under 24 CFR 92(e). The mortgage is collateralized by a security interest in the apartment complex in Williston, South Carolina.	**186,476**	198,756

NOTE I - NOTES PAYABLE (Continued)

	2024	2023
Notes payable, South Carolina State Housing Finance and Development Authority ("Authority") at 1% interest. It is the intent of both the Organization and the Authority that these notes be assigned to South Carolina Housing Corporation and modified to 0% interest notes, forgivable over a 3-year period as long as Neighborhood Initiative Program requirements are met. Accordingly, interest has not been accrued. The notes payable that are not assigned and modified are due five years after the execution the note payable. As of June 30, 2024, the notes have not been assigned or modified.	**$ 77,929**	$ 77,929
	4,265,617	4,898,558
Less current maturities	**528,743**	614,470
	3,736,874	4,284,088
Less mortgage issuance costs, unamortized	**28,734**	38,629
	$ 3,708,140	$ 4,245,459

Current maturities on long-term debt, excluding forgivable debt, at June 30, 2024 are as follows:

2025	$ 528,743
2026	431,027
2027	153,761
2028	158,427
2029	156,281
Thereafter	2,837,378
	$ 4,265,617

Mortgage issuance costs are being amortized to Interest - mortgage issuance costs over the lives of the loans. At June 30, 2024 and 2023, accumulated amortization for mortgage issuance costs was $123,716 and $113,951 respectively.

On June 24, 2024, the Organization executed two funding agreements with South Carolina State Housing Finance and Development Authority to develop Pine Wood Homes which will consist of four affordable units in Bamberg County. One funding agreement awarded up to $609,582 under the Housing Trust Fund Small Rental Development Program which includes a non-interest bearing, forgivable loan of $341,307 with a twenty year term and a repayable loan of $268,275 bearing interest of 1% over a thirty year term. The second funding agreement awarded up to $550,000 under the HOME Investment Partnership Program for a non-interest bearing, forgivable loan with a twenty year term. As of June 30, 2024, no proceeds were received under these funding agreements.

NOTE J - LINES OF CREDIT

The Organization has two lines of credit with First Citizens Bank, which allow for revolving credit up to $500,000 each and bear interest at 8.75% at June 30, 2024. The maturity date of the lines of credit is August 15, 2024, at which time any principal and interest will be due. All borrowings are secured by property and improvements of Beech Island, Boundary, Oakland, Denmark Gardens, Bamberg Villa, Hampton, West Main, Barnwell Arms, Litchfield Hampton Gardens, Estill Village, Westside Manor, North, Landmark Towers, Branchville, and Holly Hill Apartments. At June 30, 2024 and 2023, there were outstanding borrowings of $395,723 and $273,548, respectively, on these lines of credit. Each line of credit was renewed in August 2024, both of which expire August 15, 2025.

NOTE K - NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions at June 30, 2024 and 2023 are for the following purposes:

	2024	2023
Assets For Independence Grant	**$ 69,203**	$ 69,203
CAHEC Open Doors Grant	**22,000**	25,000
Blight to BRIGHT Program	**15,000**	61,861
	$ 106,203	$ 156,064

During the year ended June 30, 2015, the Organization received a grant through the Assets For Independence Demonstration Program from the Department of Health and Human Services in the amount of $100,000 to help promote savings for home ownership and post-secondary education for income qualified individuals. As a part of the grant agreement, the Organization provided matching funds of $100,000 to support the program. All expenses must be split between federal and matching funds. At least 85% of the federal and matching grant funds must be provided as matching deposits to Individual Development Accounts ("IDA") of eligible individuals selected by the Organization to participate in the program. During the year ended June 30, 2024, the Organization expended $0 of the federal grant funds. As of June 30, 2024, the program has ended. No future expenditures are to be expected for this program.

During the year ended June 30, 2023, the Organization received a $25,000 grant from CAHEC called CAHEC Open Doors Homeownership Grant, which is intended to provide funding for weatherization repairs on owner-occupied homes located in Allendale, Barnwell, Bamberg, and Hampton counties. As of June 30, 2024, $22,000 of contributions received related to this program remain unspent.

During the year ended June 30, 2023, the Organization participated in a local effort called the Blight Elimination Program. The efforts in this program are to work to eliminate blight in the community by purchasing blighted homes, deconstructing, and repairing homes to make them safe and livable for those in the community. In order to fund this program, the Organization applied for and received several grants. As of June 30, 2024, $15,000 of contributions received related to this program remain unspent.

NOTE L - GRANTS AND FEDERAL FUNDS

Grant revenue during the fiscal years 2024 and 2023 consisted of the following:

	2024	2023
Comprehensive Housing Counseling Grant	**$ 22,049**	$ 25,528
SCACED Community Economic Development Grant	**40,322**	-
BRIC Funding	**18,577**	-
Blight Elimination Program	**71,000**	18,000
Emergency Rental Assistance	**-**	100,612
CAHEC Open Doors Grant	**-**	25,000
Miscellaneous Grants	**17,889**	132,382
Total grant revenue	**$ 169,837**	$ 301,522

Section 8 Project-Based Vouchers (MAHRA) Program for Section 8 programs provides for housing assistance payments to private owners of residential units on behalf of eligible low or very low income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense.

HUD contributions for the years ended June 30, 2024 and 2023 were as follows:

	2024	2023
Section 8 Project-Based Vouchers (MAHRA)	**$ 3,321,878**	$ 3,130,185

Rural Development Loans - In 2006, Southeastern Housing and Community Development acquired Deer Run Apartments located in Hardeeville, South Carolina. On January 1, 2022, Southeastern Housing and Community Development acquired Williston Elderly Apartments located in Williston, South Carolina. As part of the acquisition, notes payable, as detailed in Note I, were obtained to provide subsidized acquisition financing under Interest Credit Agreements. For fiscal years ended June 30, 2024 and 2023, the Rural Development loan's interest subsidy was:

	2024	2023
Interest subsidy - Deer Run	**$ 38,266**	$ 38,266
Interest subsidy - Williston Elderly	**$ 10,673**	$ 10,673

NOTE M - RELATED PARTY TRANSACTIONS

The Organization contracted with the South Carolina Regional Housing Authority #3 ("Housing Authority"), a South Carolina political subdivision, to manage housing developments owned by the Organization. All such management was conducted pursuant to written contracts. The Housing Authority also provides office space, the cost of which is included in management fees paid to the Housing Authority.

NOTE M - RELATED PARTY TRANSACTIONS (Continued)

The Organization utilizes employees of the Housing Authority. Expenses for the salaries and benefits are reimbursed by the Organization. In prior years, the Organization made a prepayment of salaries and benefits totaling $119,043 that is included in prepaid expenses. Additionally, the Organization has shared expenses with the Housing Authority for office, insurance and maintenance expenses that are reimbursed by the Organization.

The Organization rents office space at its Landmark property and its Bridge Street property to the Housing Authority.

For fiscal years ended June 30, 2024 and 2023, the related party transactions were:

	2024	2023
Expenses:		
Management fees	**$ 230,445**	$ 284,985
Salaries/benefits, office, insurance and maintenance expenses	**1,400,291**	1,239,797
Revenues:		
Office rental income	**$ 54,819**	$ 53,075
Construction company income	**2,635**	13,600
Accounts payable and accrued expenses:		
Management fees	**$ 141,041**	$ 102,971
Salaries/benefits, office, insurance and maintenance expenses	**748,428**	677,054
Prepaid expenses, salaries/benefits	**$ 119,043**	$ 119,043

The Executive Director of the South Carolina Regional Housing Authority #3 is also the Executive Director of the Southeastern Housing and Community Development. There was no additional compensation paid for this position.

NOTE N - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Organization owns various apartment complexes whose operations are concentrated in the multifamily real estate market. In addition, due to their Section 8 contracts, the apartment complexes operate in a heavily regulated environment. The operations are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD.

NOTE O - LITIGATION AND SUBSEQUENT EVENTS

During the year ended June 30, 2018, the Organization filed a complaint against South Carolina State Housing Finance and Development Authority and South Carolina Housing Corporation related to the Organization's involvement in the Neighborhood Initiative Program. On June 28, 2024, the trial concluded and awarded $277,297 to the Organization.

NOTE O - LITIGATION AND SUBSEQUENT EVENTS (Continued)

Subsequently after the year ended June 30, 2024, the Organization filed a motion for attorney's fees and expenses, requesting an award of $225,498 and a motion for an award of $160,356 for prejudgment interest. Additionally, the South Carlina Housing Corporation filed a motion for a new trial and requesting the court overturn the verdict including the award of $277,297 to the Organization. These post trial motions were heard on December 12, 2024 and the parties have until January 25, 2025 to file any orders related to these motions. As of the date the consolidated financial statements were available to be issued, the outcomes of the post trial motions are not known. As of June 30, 2024, the Organization had $73,283 of accrued legal expenses included in accounts payable and accrued expenses which were paid as of the date the consolidated financial statements were available to be issued.

NOTE P - CONCENTRATIONS, COMMITMENTS AND CONTINGENCIES

The Organization maintains its cash in financial institutions in the United States, insured by the Federal Deposit Insurance Corporation. The Organization from time to time may have amounts on deposit in excess of the insured limits. As of June 30, 2024 and 2023, the Organization exceeded these insured amounts by $1,073,233 and $1,494,277, respectively.

SUPPLEMENTARY INFORMATION

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Financial Position - by Property
June 30, 2024 and 2023

June 30, 2024	Barnwell Arms	Allendale	Blackville	Branchville	Denmark
Assets					
Cash and cash equivalents	$ 13,695	$ 19,389	$ 16,685	$ 16,880	$ 15,071
Due from (to)	1,071,037	785,005	827,160	(24,489)	442,839
Investments	-	-	-	-	-
Tenant security deposits	7,605	3,958	4,443	3,707	5,907
Reserve for replacements	-	-	-	-	-
Accounts receivable, net	7,729	1,582	8,021	1,657	1,706
Grant receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Contracts in progress	-	-	-	-	-
Intercompany receivable	-	-	-	-	-
Property and equipment, net	602,890	198,458	682,021	252,308	567,791
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
	$ 1,702,956	$ 1,008,392	$ 1,538,330	$ 250,063	$ 1,033,314
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 31,657	$ 16,196	$ 25,078	$ 13,909	$ 26,793
Accrued interest payable	73	25	30	27	44
Intercompany payable	527	182	219	191	321
Prepaid rents	5,062	167	3,608	2,109	3,055
Deferred revenue	-	-	-	-	-
Tenant security deposits	7,605	3,958	4,443	3,707	5,907
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	32,830	11,356	357,971	11,917	19,969
Less debt issuance costs, unamortized	(967)	(335)	(401)	(351)	(589)
Total liabilities	76,787	31,549	390,948	31,509	55,500
Net assets (deficit)	1,626,169	976,843	1,147,382	218,554	977,814
Total liabilities and net assets	$ 1,702,956	$ 1,008,392	$ 1,538,330	$ 250,063	$ 1,033,314

June 30, 2023	Barnwell Arms	Allendale	Blackville	Branchville	Denmark
Assets					
Cash and cash equivalents	$ 21,667	$ 37,345	$ 96,579	$ 46,831	$ 30,035
Due from (to)	982,401	683,231	720,642	(98,933)	420,716
Investments	-	-	-	-	-
Tenant security deposits	7,574	3,793	4,561	3,658	5,886
Reserve for replacements	-	-	-	-	-
Accounts receivable, net	7,414	12,349	5,713	2,361	3,534
Grant receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Contracts in progress	-	-	-	-	-
Intercompany receivable	-	-	-	-	-
Property and equipment, net	666,938	230,604	727,168	280,500	625,857
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
	$ 1,685,994	$ 967,322	$ 1,554,663	$ 234,417	$ 1,086,028
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 36,314	$ 15,980	$ 18,792	$ 13,006	$ 22,136
Accrued interest payable	199	69	83	72	121
Intercompany payable	-	-	-	-	-
Prepaid rents	10,850	479	4,858	2,414	2,577
Deferred revenue	-	-	-	-	-
Tenant security deposits	7,170	3,793	4,561	3,658	5,886
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	89,467	30,948	401,645	32,475	54,420
Less debt issuance costs, unamortized	(1,934)	(669)	(803)	(702)	(1,177)
Total liabilities	142,066	50,600	429,136	50,923	83,963
Net assets (deficit)	1,543,928	916,722	1,125,527	183,494	1,002,065
Total liabilities and net assets	$ 1,685,994	$ 967,322	$ 1,554,663	$ 234,417	$ 1,086,028

June 30, 2024	Fairfax	Williston	Bamberg	Hampton	Beech Island
Assets					
Cash and cash equivalents	**$ 15,421**	**$ 18,176**	**$ 16,237**	**$ 75,725**	**$ 32,857**
Due from (to)	**568,182**	**931,108**	**1,733,905**	**996,325**	**(574,630)**
Investments	-	-	-	-	-
Tenant security deposits	**3,669**	**5,021**	**8,916**	**8,408**	**11,917**
Reserve for replacements	-	-	-	-	-
Accounts receivable, net	**3,098**	**3,379**	**6,697**	**20,675**	**1,442**
Grant receivable	-	-	-	-	-
Prepaid expenses	-	-	**4,448**	-	**189**
Contracts in progress	-	-	-	-	-
Intercompany receivable	-	-	-	-	-
Property and equipment, net	**193,510**	**494,053**	**700,961**	**505,202**	**247,448**
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
	$ 783,880	**$ 1,451,737**	**$ 2,471,164**	**$ 1,606,335**	**$ (280,777)**
Liabilities and Net Assets					
Accounts payable and accrued expenses	**$ 10,815**	**$ 47,244**	**$ 37,682**	**$ 31,949**	**$ 550**
Accrued interest payable	**20**	**30**	**67**	**55**	**41**
Intercompany payable	**146**	**219**	**480**	**400**	**1,945**
Prepaid rents	**391**	**1,929**	**6,604**	**3,448**	**1,390**
Deferred revenue	-	-	-	-	-
Tenant security deposits	**3,669**	**5,021**	**8,916**	**8,408**	**11,917**
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	**9,085**	**13,627**	**29,880**	**24,895**	**18,347**
Less debt issuance costs, unamortized	**(267)**	**(401)**	**(880)**	**(733)**	**(541)**
Total liabilities	**23,859**	**67,669**	**82,749**	**68,422**	**33,649**
Net assets (deficit)	**760,021**	**1,384,068**	**2,388,415**	**1,537,913**	**(314,426)**
Total liabilities and net assets	**$ 783,880**	**$ 1,451,737**	**$ 2,471,164**	**$ 1,606,335**	**$ (280,777)**

June 30, 2023	Fairfax	Williston	Bamberg	Hampton	Beech Island
Assets					
Cash and cash equivalents	$ 40,375	$ 41,129	$ 41,190	$ 73,609	$ 58,787
Due from (to)	492,639	889,679	1,716,974	1,015,876	(634,235)
Investments	-	-	-	-	-
Tenant security deposits	3,865	6,018	9,398	8,463	11,377
Reserve for replacements	-	-	-	-	-
Accounts receivable, net	2,521	7,798	7,962	19,019	19,948
Grant receivable	-	-	-	-	-
Prepaid expenses	-	-	4,207	-	394
Contracts in progress	-	-	-	-	-
Intercompany receivable	-	-	-	-	-
Property and equipment, net	218,493	542,985	769,021	565,639	273,770
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
	$ 757,893	$ 1,487,609	$ 2,548,752	$ 1,682,606	$ (269,959)
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 11,741	$ 23,558	$ 32,576	$ 29,053	$ (1,626)
Accrued interest payable	55	83	181	151	111
Intercompany payable	-	-	-	-	-
Prepaid rents	599	1,885	6,918	3,209	19,561
Deferred revenue	-	-	-	-	-
Tenant security deposits	3,865	6,018	9,398	8,692	11,377
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	24,758	37,137	81,429	67,844	49,999
Less debt issuance costs, unamortized	(535)	(803)	(1,760)	(1,466)	(1,081)
Total liabilities	40,483	67,878	128,742	107,483	78,341
Net assets (deficit)	717,410	1,419,731	2,420,010	1,575,123	(348,300)
Total liabilities and net assets	$ 757,893	$ 1,487,609	$ 2,548,752	$ 1,682,606	$ (269,959)

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Financial Position - by Property (Continued)
June 30, 2024 and 2023

June 30, 2024	Holly Hill	North	Estill	Deer Run	Westside Manor
Assets					
Cash and cash equivalents	$ 16,075	$ 15,127	$ 40,052	$ 10,904	$ 34,773
Due from (to)	(249,434)	(440,668)	266,072	-	(1,188,513)
Investments	-	-	-	-	-
Tenant security deposits	4,903	4,597	5,480	13,193	7,032
Reserve for replacements	-	-	-	114,499	-
Accounts receivable, net	2,477	21,980	1,668	11,508	10,563
Grant receivable	-	-	-	-	-
Prepaid expenses	-	-	448	497	607
Contracts in progress	-	-	-	-	-
Intercompany receivable	-	-	-	8,396	724
Property and equipment, net	749,255	505,381	266,386	525,637	588,751
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
	$ 523,276	$ 106,417	$ 580,106	$ 684,634	$ (546,063)
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 22,021	$ 26,510	$ 2,315	$ 17,947	$ 5,857
Accrued interest payable	28	29	29	1,428	48
Intercompany payable	203	207	1,782	-	-
Prepaid rents	1,490	1,212	1,059	2,560	1,687
Deferred revenue	-	-	-	-	-
Tenant security deposits	4,903	4,597	5,480	12,868	6,683
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	370,727	12,859	12,861	947,398	21,562
Less debt issuance costs, unamortized	(375)	(379)	(378)	-	(886)
Total liabilities	398,997	45,035	23,148	982,201	34,951
Net assets (deficit)	124,279	61,382	556,958	(297,567)	(581,014)
Total liabilities and net assets	$ 523,276	$ 106,417	$ 580,106	$ 684,634	$ (546,063)

June 30, 2023	Holly Hill	North	Estill	Deer Run	Westside Manor
Assets					
Cash and cash equivalents	$ 21,048	$ 21,100	$ 38,697	$ 9,868	$ 71,343
Due from (to)	(252,824)	(264,500)	227,099	-	(1,169,870)
Investments	-	-	-	-	-
Tenant security deposits	4,161	3,091	5,235	13,553	7,282
Reserve for replacements	-	-	-	104,394	-
Accounts receivable, net	1,733	11,338	2,678	8,160	5,778
Grant receivable	-	-	-	-	-
Prepaid expenses	-	-	378	932	1,401
Contracts in progress	-	-	-	-	-
Intercompany receivable	-	(1,000)	-	-	-
Property and equipment, net	795,118	535,072	300,669	574,828	628,328
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
	$ 569,236	$ 305,101	$ 574,756	$ 711,735	$ (455,738)
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 25,981	$ 21,090	$ 813	$ 21,136	$ 21,717
Accrued interest payable	77	78	78	1,428	131
Intercompany payable	-	-	-	(7,012)	(1,071)
Prepaid rents	1,656	5,623	587	2,033	2,215
Deferred revenue	-	-	-	-	-
Tenant security deposits	4,211	3,091	5,235	13,553	7,282
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	412,150	35,044	35,047	958,267	58,761
Less debt issuance costs, unamortized	(747)	(758)	(757)	-	(1,774)
Total liabilities	443,328	64,168	41,003	989,405	87,261
Net assets (deficit)	125,908	240,933	533,753	(277,670)	(542,999)
Total liabilities and net assets	$ 569,236	$ 305,101	$ 574,756	$ 711,735	$ (455,738)

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Financial Position - by Property (Continued)
June 30, 2024 and 2023

June 30, 2024	Landmark	Single Family	Springside	University Parkway	Briarcliff
Assets					
Cash and cash equivalents	$ 15,370	$ -	$ -	$ -	$ -
Due from (to)	(932,618)	(378,238)	-	-	(103,646)
Investments	-	-	-	-	-
Tenant security deposits	13,605	7,154	-	-	-
Reserve for replacements	-	-	-	-	-
Accounts receivable, net	4,817	3,302	-	-	-
Grant receivable	-	-	-	-	-
Prepaid expenses	1,872	16,261	-	-	-
Contracts in progress	-	-	-	-	-
Intercompany receivable	-	6,343	-	-	-
Property and equipment, net	221,062	669,524	-	-	70,000
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
	$ (675,892)	$ 324,346	$ -	$ -	$ (33,646)
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 25,448	$ 708	$ -	$ -	$ -
Accrued interest payable	32	182	-	-	-
Intercompany payable	229	48,071	-	-	-
Prepaid rents	2,787	2,342	-	-	-
Deferred revenue	-	-	-	-	-
Tenant security deposits	13,600	7,154	-	-	-
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	14,247	194,106	-	-	-
Less debt issuance costs, unamortized	(419)	-	-	-	-
Total liabilities	55,924	252,563	-	-	-
Net assets (deficit)	(731,816)	71,783	-	-	(33,646)
Total liabilities and net assets	$ (675,892)	$ 324,346	$ -	$ -	$ (33,646)

June 30, 2023	Landmark	Single Family	Springside	University Parkway	Briarcliff
Assets					
Cash and cash equivalents	$ 21,345	$ -	$ -	$ -	$ -
Due from (to)	(771,281)	(283,367)	-	-	(101,450)
Investments	-	-	-	-	-
Tenant security deposits	15,810	7,154	-	-	-
Reserve for replacements	-	-	-	-	-
Accounts receivable, net	16,214	4,687	-	-	-
Grant receivable	-	-	-	-	-
Prepaid expenses	1,833	7,220	-	-	-
Contracts in progress	-	-	-	-	-
Intercompany receivable	1,000	910	-	-	-
Property and equipment, net	221,631	657,128	-	-	70,000
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-
	$ (493,448)	$ 393,732	$ -	$ -	$ (31,450)
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 31,543	$ 2,090	$ -	$ -	$ -
Accrued interest payable	86	642	-	-	-
Intercompany payable	-	(3,514)	-	-	-
Prepaid rents	2,488	3,058	-	-	-
Deferred revenue	-	-	-	-	-
Tenant security deposits	15,355	7,154	-	-	-
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	38,825	266,258	-	-	-
Less debt issuance costs, unamortized	(839)	-	-	-	-
Total liabilities	87,458	275,688	-	-	-
Net assets (deficit)	(580,906)	118,044	-	-	(31,450)
Total liabilities and net assets	$ (493,448)	$ 393,732	$ -	$ -	$ (31,450)

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Financial Position - by Property (Continued)
June 30, 2024 and 2023

June 30, 2024	Black's Drive	Blackville Village	East Ervin & 305 Breedin	Bridge Street	Home-ownership
Assets					
Cash and cash equivalents	**$ -**	**$ -**	**$ 1,962**	**$ -**	**$ 30,269**
Due from (to)	**(5,988)**	**189,349**	**72,447**	**(208,180)**	**-**
Investments	**-**	**-**	**-**	**-**	**-**
Tenant security deposits	**-**	**4,377**	**9,445**	**-**	**-**
Reserve for replacements	**-**	**-**	**-**	**-**	**-**
Accounts receivable, net	**-**	**999**	**5,193**	**739**	**120**
Grant receivable	**-**	**-**	**-**	**-**	**6,916**
Prepaid expenses	**-**	**-**	**237**	**-**	**418**
Contracts in progress	**-**	**-**	**-**	**-**	**-**
Intercompany receivable	**-**	**-**	**-**	**-**	**-**
Property and equipment, net	**23,499**	**16,511**	**184,138**	**222,401**	**384,142**
Real estate held for development	**-**	**-**	**-**	**-**	**101,622**
Property held for resale	**-**	**-**	**-**	**-**	**148,404**
Note receivable	**-**	**-**	**-**	**-**	**-**
Accrued interest receivable	**-**	**-**	**-**	**-**	**-**
	$ 17,511	**$ 211,236**	**$ 273,422**	**$ 14,960**	**$ 671,891**
Liabilities and Net Assets					
Accounts payable and accrued expenses	**$ -**	**$ 1,477**	**$ 377**	**$ -**	**$ 116,151**
Accrued interest payable	**-**	**-**	**112**	**349**	**1,423**
Intercompany payable	**-**	**-**	**-**	**302**	**164,946**
Prepaid rents	**-**	**294**	**1,521**	**-**	**-**
Deferred revenue	**-**	**-**	**-**	**-**	**11,000**
Tenant security deposits	**-**	**4,377**	**8,312**	**-**	**-**
Contract liabilities	**-**	**-**	**-**	**-**	**-**
Line of credit	**-**	**-**	**-**	**-**	**395,723**
Notes payable	**-**	**-**	**128,054**	**119,332**	**-**
Less debt issuance costs, unamortized	**-**	**-**	**-**	**-**	**-**
Total liabilities	**-**	**6,148**	**138,376**	**119,983**	**689,243**
Net assets (deficit)	**17,511**	**205,088**	**135,046**	**(105,023)**	**(17,352)**
Total liabilities and net assets	**$ 17,511**	**$ 211,236**	**$ 273,422**	**$ 14,960**	**$ 671,891**

June 30, 2023	Black's Drive	Blackville Village	East Ervin & 305 Breedin	Bridge Street	Home-ownership
Assets					
Cash and cash equivalents	$ -	$ -	$ 1,889	$ -	$ 59,139
Due from (to)	(5,988)	163,896	50,831	(194,148)	-
Investments	-	-	-	-	-
Tenant security deposits	-	4,195	7,179	-	-
Reserve for replacements	-	-	-	-	-
Accounts receivable, net	-	2,850	5,046	(294)	33,867
Grant receivable	-	-	-	-	6,428
Prepaid expenses	-	-	1,078	-	418
Contracts in progress	-	-	-	-	-
Intercompany receivable	-	-	-	(302)	(6,269)
Property and equipment, net	23,499	17,384	147,948	230,981	256,136
Real estate held for development	-	-	-	-	101,623
Property held for resale	-	-	-	-	67,620
Note receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	121
	$ 17,511	$ 188,325	$ 213,971	$ 36,237	$ 519,083
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ -	$ 348	$ 12,490	$ -	$ 20,826
Accrued interest payable	-	-	-	372	956
Intercompany payable	-	-	-	-	107,865
Prepaid rents	-	59	2,380	-	-
Deferred revenue	-	-	-	-	32,000
Tenant security deposits	-	4,195	7,179	-	-
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	273,548
Notes payable	-	-	99,485	127,460	-
Less debt issuance costs, unamortized	-	-	-	-	-
Total liabilities	-	4,602	121,534	127,832	435,195
Net assets (deficit)	17,511	183,723	92,437	(91,595)	83,888
Total liabilities and net assets	$ 17,511	$ 188,325	$ 213,971	$ 36,237	$ 519,083

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Financial Position - by Property (Continued)
June 30, 2024 and 2023

June 30, 2024	Property Management	Saltcatcher Woodworks	Grants	IDA	Saltcatcher Farms
Assets					
Cash and cash equivalents	**$ 54,559**	**$ -**	**$ 181,553**	**$ 138,623**	**$ -**
Due from (to)	**(3,782,319)**	**3,115**	**-**	**-**	**2,179**
Investments	**877,712**	**-**	**-**	**-**	**-**
Tenant security deposits	**6,479**	**-**	**-**	**-**	**-**
Reserve for replacements	**-**	**-**	**-**	**-**	**-**
Accounts receivable, net	**6,215**	**-**	**-**	**-**	**-**
Grant receivable	**-**	**-**	**5,641**	**-**	**-**
Prepaid expenses	**145,108**	**300**	**-**	**-**	**1,914**
Contracts in progress	**-**	**-**	**-**	**-**	**-**
Intercompany receivable	**4,662,936**	**4,083**	**-**	**-**	**-**
Property and equipment, net	**-**	**338,379**	**219,457**	**-**	**7,021**
Real estate held for development	**-**	**-**	**14,363**	**-**	**-**
Property held for resale	**-**	**-**	**-**	**-**	**-**
Note receivable	**34,216**	**-**	**-**	**-**	**-**
Accrued interest receivable	**5,187**	**-**	**-**	**-**	**-**
	$ 2,010,093	**$ 345,877**	**$ 421,014**	**$ 138,623**	**$ 11,114**
Liabilities and Net Assets					
Accounts payable and accrued expenses	**$ 313,516**	**$ 30,274**	**$ 66,205**	**$ -**	**$ 35,125**
Accrued interest payable	**-**	**-**	**-**	**-**	**-**
Intercompany payable	**-**	**2,925,615**	**191,983**	**-**	**1,069,306**
Prepaid rents	**-**	**-**	**-**	**-**	**-**
Deferred revenue	**-**	**-**	**113,801**	**-**	**-**
Tenant security deposits	**-**	**-**	**-**	**-**	**-**
Contract liabilities	**-**	**-**	**-**	**-**	**-**
Line of credit	**-**	**-**	**-**	**-**	**-**
Notes payable	**-**	**31,427**	**77,929**	**-**	**-**
Less debt issuance costs, unamortized	**-**	**-**	**-**	**-**	**-**
Total liabilities	**313,516**	**2,987,316**	**449,918**	**-**	**1,104,431**
Net assets (deficit)	**1,696,577**	**(2,641,439)**	**(28,904)**	**138,623**	**(1,093,317)**
Total liabilities and net assets	**$ 2,010,093**	**$ 345,877**	**$ 421,014**	**$ 138,623**	**$ 11,114**

June 30, 2023	Property Management	Saltcatcher Woodworks	Grants	IDA	Saltcatcher Farms
Assets					
Cash and cash equivalents	$ 258,198	$ -	$ 115,630	$ 138,588	$ -
Due from (to)	(3,590,720)	15	-	-	3,317
Investments	1,431,701	-	-	-	-
Tenant security deposits	5,374	-	-	-	-
Reserve for replacements	-	-	-	-	-
Accounts receivable, net	(1,212)	-	-	-	(140)
Grant receivable	-	-	61,271	-	-
Prepaid expenses	149,851	1,555	-	-	2,509
Contracts in progress	-	-	-	-	-
Intercompany receivable	3,951,595	4,083	-	-	-
Property and equipment, net	-	358,645	219,457	-	7,753
Real estate held for development	-	-	-	-	-
Property held for resale	-	-	-	-	-
Note receivable	30,185	-	-	-	-
Accrued interest receivable	4,173	-	-	-	-
	$ 2,239,145	$ 364,298	$ 396,358	$ 138,588	$ 13,439
Liabilities and Net Assets					
Accounts payable and accrued expenses	$ 274,660	$ 22,538	$ 153,243	$ -	$ 41,685
Accrued interest payable	-	211	-	-	-
Intercompany payable	-	2,576,128	188,994	-	835,883
Prepaid rents	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Tenant security deposits	-	-	-	-	-
Contract liabilities	-	-	-	-	-
Line of credit	-	-	-	-	-
Notes payable	-	44,576	77,929	-	-
Less debt issuance costs, unamortized	(256)	-	-	-	-
Total liabilities	274,404	2,643,453	420,166	-	877,568
Net assets (deficit)	1,964,741	(2,279,155)	(23,808)	138,588	(864,129)
Total liabilities and net assets	$ 2,239,145	$ 364,298	$ 396,358	$ 138,588	$ 13,439

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Financial Position - by Property (Continued)
June 30, 2024 and 2023

June 30, 2024	Supportive Services	SE Construction	Colony West	Williston Elderly	Subtotal	Eliminations	Total
Assets							
Cash and cash equivalents	**$ 16,003**	**$ 30,058**	**$ 141,191**	**$ 132,445**	**$ 1,099,100**	**$ -**	**$ 1,099,100**
Due from (to)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Investments	**-**	**-**	**-**	**-**	**877,712**	**-**	**877,712**
Tenant security deposits	**-**	**-**	**12,493**	**6,308**	**158,617**	**-**	**158,617**
Reserve for replacements	**-**	**-**	**-**	**358,097**	**472,596**	**-**	**472,596**
Accounts receivable, net	**-**	**-**	**5,834**	**11,069**	**142,470**	**-**	**142,470**
Grant receivable	**-**	**-**	**-**	**-**	**12,557**	**-**	**12,557**
Prepaid expenses	**-**	**1,282**	**1,097**	**578**	**175,256**	**-**	**175,256**
Contracts in progress	**-**	**196,342**	**-**	**-**	**196,342**	**-**	**196,342**
Intercompany receivable	**4,665**	**14,107**	**5,392**	**-**	**4,706,646**	**(4,706,646)**	**-**
Property and equipment, net	**-**	**-**	**1,146,501**	**303,938**	**10,886,625**	**(11,245)**	**10,875,380**
Real estate held for development	**-**	**-**	**-**	**-**	**115,985**	**-**	**115,985**
Property held for resale	**-**	**-**	**-**	**-**	**148,404**	**-**	**148,404**
Note receivable	**-**	**-**	**-**	**-**	**34,216**	**-**	**34,216**
Accrued interest receivable	**-**	**-**	**-**	**-**	**5,187**	**-**	**5,187**
	$ 20,668	**$ 241,789**	**$ 1,312,508**	**$ 812,435**	**$ 19,031,713**	**$ (4,717,891)**	**$ 14,313,822**
Liabilities and Net Assets							
Accounts payable and accrued expenses	**$ 6,460**	**$ 64,936**	**$ 2,873**	**$ 1,194**	**$ 981,267**	**$ -**	**$ 981,267**
Accrued interest payable	**-**	**-**	**33,196**	**-**	**37,268**	**-**	**37,268**
Intercompany payable	**-**	**173,579**	**-**	**125,793**	**4,706,646**	**(4,706,646)**	**-**
Prepaid rents	**-**	**-**	**2,226**	**271**	**45,212**	**-**	**45,212**
Deferred revenue	**-**	**-**	**-**	**-**	**124,801**	**-**	**124,801**
Tenant security deposits	**-**	**-**	**12,493**	**6,308**	**150,326**	**-**	**150,326**
Contract liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Line of credit	**-**	**-**	**-**	**-**	**395,723**	**-**	**395,723**
Notes payable	**-**	**-**	**1,242,087**	**563,151**	**4,265,617**	**-**	**4,265,617**
Less debt issuance costs, unamortized	**-**	**-**	**(20,832)**	**-**	**(28,734)**	**-**	**(28,734)**
Total liabilities	**6,460**	**238,515**	**1,272,043**	**696,717**	**10,678,126**	**(4,706,646)**	**5,971,480**
Net assets (deficit)	**14,208**	**3,274**	**40,465**	**115,718**	**8,353,587**	**(11,245)**	**8,342,342**
Total liabilities and net assets	**$ 20,668**	**$ 241,789**	**$ 1,312,508**	**$ 812,435**	**$ 19,031,713**	**$ (4,717,891)**	**$ 14,313,822**

June 30, 2023	Supportive Services	SE Construction	Colony West	Williston Elderly	Subtotal	Eliminations	Total
Assets							
Cash and cash equivalents	$ 50,852	$ 18,480	$ 166,825	$ 128,663	$ 1,609,212	$ -	$ 1,609,212
Due from (to)	-	-	-	-	-	-	-
Investments	-	-	-	-	1,431,701	-	1,431,701
Tenant security deposits	-	-	12,441	6,000	156,068	-	156,068
Reserve for replacements	-	-	-	343,573	447,967	-	447,967
Accounts receivable, net	2,616	2,033	7,725	11,811	203,509	-	203,509
Grant receivable	-	-	-	-	67,699	-	67,699
Prepaid expenses	-	3,194	2,024	612	177,606	-	177,606
Contracts in progress	-	172,015	-	-	172,015	-	172,015
Intercompany receivable	7,500	(5,893)	-	(119,929)	3,831,695	(3,831,695)	-
Property and equipment, net	-	-	1,163,350	312,823	11,421,725	-	11,421,725
Real estate held for development	-	-	-	-	101,623	-	101,623
Property held for resale	-	-	-	-	67,620	-	67,620
Note receivable	-	-	-	-	30,185	-	30,185
Accrued interest receivable	-	-	-	-	4,294	-	4,294
	$ 60,968	$ 189,829	$ 1,352,365	$ 683,553	$ 19,722,919	$ (3,831,695)	$ 15,891,224
Liabilities and Net Assets							
Accounts payable and accrued expenses	$ 8,692	$ 25,455	$ 8,372	$ 2,705	$ 896,914	$ -	$ 896,914
Accrued interest payable	-	-	32,421	-	37,605	-	37,605
Intercompany payable	-	163,573	(29,151)	-	3,831,695	(3,831,695)	-
Prepaid rents	-	-	2,419	107	75,975	-	75,975
Deferred revenue	-	-	-	-	32,000	-	32,000
Tenant security deposits	-	-	11,941	6,000	149,614	-	149,614
Contract liabilities	-	-	-	-	-	-	-
Line of credit	-	-	-	-	273,548	-	273,548
Notes payable	-	-	1,286,957	587,677	4,898,558	-	4,898,558
Less debt issuance costs, unamortized	-	-	(24,304)	-	(40,365)	-	(40,365)
Total liabilities	8,692	189,028	1,288,655	596,489	10,155,544	(3,831,695)	6,323,849
Net assets (deficit)	52,276	801	63,710	87,064	9,567,375	-	9,567,375
Total liabilities and net assets	$ 60,968	$ 189,829	$ 1,352,365	$ 683,553	$ 19,722,919	$ (3,831,695)	$ 15,891,224

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Activities and Changes in Net Assets - by Property
Years Ended June 30, 2024 and 2023

YEAR ENDED JUNE 30, 2024	Barnwell Arms	Allendale	Blackville	Branchville	Denmark
Revenue and Other Support:					
Housing assistance payments	**$ 358,955**	**$ 234,162**	**$ 256,737**	**$ 166,081**	**$ 255,810**
Rental income, net	**109,127**	**20,483**	**47,102**	**35,639**	**62,996**
Grant proceeds	**-**	**-**	**-**	**-**	**-**
Interest income	**28**	**43**	**106**	**48**	**36**
Other income	**4,860**	**5,051**	**18,430**	**1,952**	**3,588**
Total revenue and other support	**472,970**	**259,739**	**322,375**	**203,720**	**322,430**
Expenses:					
General and administrative	**101,779**	**44,778**	**75,294**	**57,497**	**87,540**
Management fees	**26,685**	**15,120**	**18,405**	**12,645**	**20,610**
Utilities	**62,569**	**15,097**	**37,348**	**19,658**	**42,520**
Insurance	**27,022**	**15,715**	**19,011**	**11,207**	**18,231**
Property taxes	**-**	**-**	**-**	**-**	**2,870**
Maintenance	**105,680**	**75,743**	**102,108**	**38,393**	**115,053**
Depreciation	**64,048**	**32,146**	**45,147**	**28,191**	**58,065**
Loss on acquisition	**-**	**-**	**-**	**-**	**-**
Interest	**1,979**	**685**	**2,806**	**718**	**1,204**
Interest - amortized debt issuance costs	**967**	**334**	**401**	**351**	**588**
Total expenses	**390,729**	**199,618**	**300,520**	**168,660**	**346,681**
Change in net assets	**82,241**	**60,121**	**21,855**	**35,060**	**(24,251)**
Net assets, beginning	**1,543,928**	**916,722**	**1,125,527**	**183,494**	**1,002,065**
Net assets, ending	**$ 1,626,169**	**$ 976,843**	**$ 1,147,382**	**$ 218,554**	**$ 977,814**

YEAR ENDED JUNE 30, 2023	Barnwell Arms	Allendale	Blackville	Branchville	Denmark
Revenue and Other Support:					
Housing assistance payments	$ 344,952	$ 215,182	$ 253,095	$ 141,847	$ 234,869
Rental income, net	91,944	45,250	50,990	38,357	62,808
Grant proceeds	-	-	-	-	-
Interest income	35	32	87	103	24
Other income	3,679	5,121	14,485	1,990	2,748
Total revenue and other support	440,610	265,585	318,657	182,297	300,449
Expenses:					
General and administrative	91,616	48,637	66,740	43,458	84,393
Management fees	25,830	15,705	18,855	11,790	20,115
Utilities	72,424	28,720	24,474	24,989	46,367
Insurance	22,130	13,115	15,560	9,391	14,856
Property taxes	-	-	-	-	2,870
Maintenance	148,512	68,288	82,606	83,340	109,731
Depreciation	63,669	32,146	44,397	27,321	58,065
Loss on acquisition	-	-	-	-	-
Interest	3,835	1,327	3,653	1,392	2,333
Interest - amortized debt issuance costs	967	334	401	351	588
Total expenses	428,983	208,272	256,686	202,032	339,318
Change in net assets	11,627	57,313	61,971	(19,735)	(38,869)
Net assets, beginning	1,532,301	859,409	1,063,556	203,229	1,040,934
Net assets, ending	$ 1,543,928	$ 916,722	$ 1,125,527	$ 183,494	$ 1,002,065

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Activities and Changes in Net Assets - by Property (Continued)
Years Ended June 30, 2024 and 2023

YEAR ENDED JUNE 30, 2024	Fairfax	Williston	Bamberg	Hampton	Beech Island
Revenue and Other Support:					
Housing assistance payments	**$ 141,890**	**$ 259,278**	**$ 469,382**	**$ 328,424**	**$ -**
Rental income, net	**55,146**	**29,467**	**69,753**	**34,456**	**176,484**
Grant proceeds	**-**	**-**	**-**	**-**	**-**
Interest income	**46**	**47**	**47**	**116**	**49**
Other income	**1,359**	**9,880**	**11,351**	**13,451**	**3,256**
Total revenue and other support	**198,441**	**298,672**	**550,533**	**376,447**	**179,789**
Expenses:					
General and administrative	**34,498**	**81,841**	**143,789**	**124,830**	**16,493**
Management fees	**12,735**	**17,235**	**30,960**	**23,715**	**15,795**
Utilities	**30,802**	**31,500**	**95,760**	**67,142**	**10,984**
Insurance	**8,145**	**18,840**	**61,354**	**24,983**	**11,293**
Property taxes	**-**	**-**	**4,200**	**-**	**-**
Maintenance	**43,850**	**134,765**	**175,324**	**110,316**	**63,381**
Depreciation	**24,984**	**48,932**	**68,060**	**60,437**	**26,323**
Loss on acquisition	**-**	**-**	**-**	**-**	**-**
Interest	**548**	**821**	**1,801**	**1,501**	**1,106**
Interest - amortized debt issuance costs	**268**	**401**	**880**	**733**	**540**
Total expenses	**155,830**	**334,335**	**582,128**	**413,657**	**145,915**
Change in net assets	**42,611**	**(35,663)**	**(31,595)**	**(37,210)**	**33,874**
Net assets, beginning	**717,410**	**1,419,731**	**2,420,010**	**1,575,123**	**(348,300)**
Net assets, ending	**$ 760,021**	**$ 1,384,068**	**$ 2,388,415**	**$ 1,537,913**	**$ (314,426)**

YEAR ENDED JUNE 30, 2023	Fairfax	Williston	Bamberg	Hampton	Beech Island
Revenue and Other Support:					
Housing assistance payments	$ 130,885	$ 229,521	$ 464,825	$ 336,060	$ -
Rental income, net	41,977	48,502	80,819	78,387	172,531
Grant proceeds	-	-	-	-	-
Interest income	90	35	36	39	39
Other income	2,171	6,474	7,499	8,230	4,808
Total revenue and other support	175,123	284,532	553,179	422,716	177,378
Expenses:					
General and administrative	38,708	85,489	148,625	120,714	14,812
Management fees	12,150	17,595	31,635	25,425	15,750
Utilities	34,309	32,869	89,218	72,828	9,898
Insurance	6,912	15,799	50,794	20,575	9,258
Property taxes	-	-	4,200	-	-
Maintenance	56,201	109,643	116,178	109,116	43,310
Depreciation	24,861	48,932	75,987	60,437	26,323
Loss on acquisition	-	-	-	-	-
Interest	1,061	1,592	3,490	2,908	2,143
Interest - amortized debt issuance costs	268	401	880	733	540
Total expenses	174,470	312,320	521,007	412,736	122,034
Change in net assets	653	(27,788)	32,172	9,980	55,344
Net assets, beginning	716,757	1,447,519	2,387,838	1,565,143	(403,644)
Net assets, ending	$ 717,410	$ 1,419,731	$ 2,420,010	$ 1,575,123	$ (348,300)

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Activities and Changes in Net Assets - by Property (Continued)
Years Ended June 30, 2024 and 2023

YEAR ENDED JUNE 30, 2024	Holly Hill	North	Estill	Deer Run	Westside Manor
Revenue and Other Support:					
Housing assistance payments	**$ 199,730**	**$ 185,650**	**$ 259,718**	**$ 144,872**	**$ -**
Rental income, net	**52,042**	**16,844**	**32,542**	**135,871**	**231,746**
Grant proceeds	**-**	**-**	**-**	**-**	**-**
Interest income	**27**	**27**	**25**	**55**	**-**
Other income	**14,104**	**13,664**	**5,979**	**8,164**	**14,805**
Total revenue and other support	**265,903**	**216,185**	**298,264**	**288,962**	**246,551**
Expenses:					
General and administrative	**75,942**	**84,882**	**42,778**	**55,133**	**79,153**
Management fees	**18,405**	**17,505**	**18,315**	**24,480**	**19,395**
Utilities	**32,766**	**17,775**	**45,951**	**37,775**	**19,641**
Insurance	**18,615**	**19,144**	**15,837**	**19,467**	**17,297**
Property taxes	**-**	**-**	**-**	**155**	**2,620**
Maintenance	**72,744**	**207,085**	**116,741**	**106,108**	**93,544**
Depreciation	**45,863**	**48,191**	**34,283**	**49,191**	**50,729**
Loss on acquisition	**-**	**-**	**-**	**-**	**-**
Interest	**2,824**	**775**	**775**	**16,550**	**1,300**
Interest - amortized debt issuance costs	**373**	**379**	**379**	**-**	**887**
Total expenses	**267,532**	**395,736**	**275,059**	**308,859**	**284,566**
Change in net assets	**(1,629)**	**(179,551)**	**23,205**	**(19,897)**	**(38,015)**
Net assets, beginning	**125,908**	**240,933**	**533,753**	**(277,670)**	**(542,999)**
Net assets, ending	**$ 124,279**	**$ 61,382**	**$ 556,958**	**$ (297,567)**	**$ (581,014)**

YEAR ENDED JUNE 30, 2023	Holly Hill	North	Estill	Deer Run	Westside Manor
Revenue and Other Support:					
Housing assistance payments	$ 186,895	$ 179,172	$ 225,602	$ 139,380	$ -
Rental income, net	45,867	38,183	44,831	143,218	237,002
Grant proceeds	-	-	-	-	-
Interest income	27	33	32	23	-
Other income	19,328	6,995	3,138	8,234	10,176
Total revenue and other support	252,117	224,383	273,603	290,855	247,178
Expenses:					
General and administrative	57,848	84,299	37,902	53,124	53,459
Management fees	17,775	18,900	16,560	25,155	20,745
Utilities	40,300	16,725	49,498	28,980	13,362
Insurance	15,319	15,614	12,070	15,816	16,523
Property taxes	-	-	-	1,219	2,620
Maintenance	92,878	57,865	91,024	129,522	107,644
Depreciation	45,863	48,191	34,283	49,191	53,236
Loss on acquisition	-	-	-	-	-
Interest	3,615	1,502	(494)	17,109	2,519
Interest - amortized debt issuance costs	373	379	379	-	887
Total expenses	273,971	243,475	241,222	320,116	270,995
Change in net assets	(21,854)	(19,092)	32,381	(29,261)	(23,817)
Net assets, beginning	147,762	260,025	501,372	(248,409)	(519,182)
Net assets, ending	$ 125,908	$ 240,933	$ 533,753	$ (277,670)	$ (542,999)

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Activities and Changes in Net Assets - by Property (Continued)
Years Ended June 30, 2024 and 2023

YEAR ENDED JUNE 30, 2024	Landmark	Single Family	Springside	University Parkway	Briarcliff
Revenue and Other Support:					
Housing assistance payments	$ -	$ -	$ -	$ -	$ -
Rental income, net	162,156	107,675	-	-	-
Grant proceeds	-	-	-	-	-
Interest income	25	-	-	-	-
Other income	44,457	2,105	-	-	-
Total revenue and other support	206,638	109,780	-	-	-
Expenses:					
General and administrative	109,808	5,269	-	-	300
Management fees	16,425	-	-	-	-
Utilities	72,673	9,986	-	-	-
Insurance	48,060	7,886	-	-	-
Property taxes	-	7,822	-	-	1,896
Maintenance	85,192	86,115	-	-	-
Depreciation	24,111	29,210	-	-	-
Loss on acquisition	-	-	-	-	-
Interest	859	9,753	-	-	-
Interest - amortized debt issuance costs	420	-	-	-	-
Total expenses	357,548	156,041	-	-	2,196
Change in net assets	(150,910)	(46,261)	-	-	(2,196)
Net assets, beginning	(580,906)	118,044	-	-	(31,450)
Net assets, ending	$ (731,816)	$ 71,783	$ -	$ -	$ (33,646)

YEAR ENDED JUNE 30, 2023	Landmark	Single Family	Springside	University Parkway	Briarcliff
Revenue and Other Support:					
Housing assistance payments	$ -	$ -	$ -	$ -	$ -
Rental income, net	203,181	110,754	-	-	-
Grant proceeds	-	-	-	-	-
Interest income	31	-	-	-	-
Other income	42,088	2,215	-	-	-
Total revenue and other support	245,300	112,969	-	-	-
Expenses:					
General and administrative	85,154	3,189	2,641	1,882	-
Management fees	21,375	-	-	-	-
Utilities	86,258	9,190	-	-	-
Insurance	23,660	6,615	-	-	-
Property taxes	-	7,894	-	-	1,788
Maintenance	87,470	44,670	-	-	-
Depreciation	23,326	31,249	-	-	-
Loss on acquisition	-	-	-	-	-
Interest	1,664	14,800	-	-	-
Interest - amortized debt issuance costs	420	-	-	-	-
Total expenses	329,327	117,607	2,641	1,882	1,788
Change in net assets	(84,027)	(4,638)	(2,641)	(1,882)	(1,788)
Net assets, beginning	(496,879)	122,682	2,641	1,882	(29,662)
Net assets, ending	$ (580,906)	$ 118,044	$ -	$ -	$ (31,450)

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Activities and Changes in Net Assets - by Property (Continued)
Years Ended June 30, 2024 and 2023

YEAR ENDED JUNE 30, 2024	Black's Drive	Blackville Village	East Ervin & 305 Breedin	Bridge Street	Home-ownership
Revenue and Other Support:					
Housing assistance payments	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Rental income, net	**-**	**54,490**	**105,518**	**-**	**-**
Grant proceeds	**-**	**-**	**-**	**-**	**93,050**
Interest income	**-**	**-**	**9**	**-**	**1,237**
Other income	**-**	**1,746**	**11,201**	**19,260**	**27,700**
Total revenue and other support	**-**	**56,236**	**116,728**	**19,260**	**121,987**
Expenses:					
General and administrative	**-**	**9,797**	**8,723**	**3,963**	**112,909**
Management fees	**-**	**-**	**6,480**	**-**	**-**
Utilities	**-**	**986**	**8,744**	**1,235**	**3,945**
Insurance	**-**	**4,889**	**7,088**	**1,688**	**6,214**
Property taxes	**-**	**-**	**1,890**	**4,545**	**9,998**
Maintenance	**-**	**18,326**	**28,535**	**7,730**	**62,984**
Depreciation	**-**	**873**	**7,481**	**8,580**	**-**
Loss on acquisition	**-**	**-**	**-**	**-**	**-**
Interest	**-**	**-**	**5,178**	**4,947**	**27,177**
Interest - amortized debt issuance costs	**-**	**-**	**-**	**-**	**-**
Total expenses	**-**	**34,871**	**74,119**	**32,688**	**223,227**
Change in net assets	**-**	**21,365**	**42,609**	**(13,428)**	**(101,240)**
Net assets, beginning	**17,511**	**183,723**	**92,437**	**(91,595)**	**83,888**
Net assets, ending	**$ 17,511**	**$ 205,088**	**$ 135,046**	**$ (105,023)**	**$ (17,352)**

YEAR ENDED JUNE 30, 2023	Black's Drive	Blackville Village	East Ervin & 305 Breedin	Bridge Street	Home-ownership
Revenue and Other Support:					
Housing assistance payments	$ -	$ -	$ -	$ -	$ -
Rental income, net	-	49,325	94,278	-	550
Grant proceeds	-	-	-	-	155,197
Interest income	-	-	19	-	1,532
Other income	-	1,299	6,652	19,260	82,929
Total revenue and other support	-	50,624	100,949	19,260	240,208
Expenses:					
General and administrative	-	4,143	8,876	2,860	143,778
Management fees	-	-	5,850	-	-
Utilities	-	962	8,480	945	4,207
Insurance	-	3,899	15,471	1,209	5,084
Property taxes	-	-	1,867	4,585	13,263
Maintenance	-	22,862	48,821	2,348	28,523
Depreciation	-	873	5,921	8,580	-
Loss on acquisition	-	-	-	-	-
Interest	-	-	7,725	5,228	23,747
Interest - amortized debt issuance costs	-	-	-	-	-
Total expenses	-	32,739	103,011	25,755	218,602
Change in net assets	-	17,885	(2,062)	(6,495)	21,606
Net assets, beginning	17,511	165,838	94,499	(85,100)	62,282
Net assets, ending	$ 17,511	$ 183,723	$ 92,437	$ (91,595)	$ 83,888

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Activities and Changes in Net Assets - by Property (Continued)
Years Ended June 30, 2024 and 2023

YEAR ENDED JUNE 30, 2024	Property Management	Saltcatcher Woodworks	Grants	IDA	Saltcatcher Farms
Revenue and Other Support:					
Housing assistance payments	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Rental income, net	**-**	**-**	**-**	**-**	**-**
Grant proceeds	**-**	**-**	**76,787**	**-**	**-**
Interest income	**67,798**	**-**	**-**	**35**	**-**
Other income	**18,222**	**11,212**	**-**	**-**	**119,503**
Total revenue and other support	**86,020**	**11,212**	**76,787**	**35**	**119,503**
Expenses:					
General and administrative	**330,782**	**47,784**	**23,533**	**-**	**167,551**
Management fees	**-**	**-**	**-**	**-**	**-**
Utilities	**256**	**15,608**	**-**	**-**	**-**
Insurance	**3,388**	**11,063**	**2,142**	**-**	**8,867**
Property taxes	**-**	**7,791**	**3,098**	**-**	**-**
Maintenance	**19,630**	**260,818**	**53,110**	**-**	**171,540**
Depreciation	**-**	**27,779**	**-**	**-**	**733**
Loss on acquisition	**-**	**-**	**-**	**-**	**-**
Interest	**-**	**2,653**	**-**	**-**	**-**
Interest - amortized debt issuance costs	**128**	**-**	**-**	**-**	**-**
Total expenses	**354,184**	**373,496**	**81,883**	**-**	**348,691**
Change in net assets	**(268,164)**	**(362,284)**	**(5,096)**	**35**	**(229,188)**
Net assets, beginning	**1,964,741**	**(2,279,155)**	**(23,808)**	**138,588**	**(864,129)**
Net assets, ending	**$ 1,696,577**	**$ (2,641,439)**	**$ (28,904)**	**$ 138,623**	**$ (1,093,317)**

YEAR ENDED JUNE 30, 2023	Property Management	Saltcatcher Woodworks	Grants	IDA	Saltcatcher Farms
Revenue and Other Support:					
Housing assistance payments	$ -	$ -	$ -	$ -	$ -
Rental income, net	565	-	-	-	-
Grant proceeds	-	-	34,800	-	11,745
Interest income	35,162	-	-	32	-
Other income	5,895	23,780	(68,151)	-	228,485
Total revenue and other support	41,622	23,780	(33,351)	32	240,230
Expenses:					
General and administrative	227,566	46,953	5,890	-	191,967
Management fees	-	-	-	-	-
Utilities	-	7,994	-	-	80
Insurance	2,956	11,205	2,705	-	5,941
Property taxes	-	7,318	3,336	-	-
Maintenance	24,506	275,689	22,042	-	356,553
Depreciation	-	28,830	-	-	733
Loss on acquisition	-	-	-	-	-
Interest	-	1,962	-	-	-
Interest - amortized debt issuance costs	128	-	-	-	-
Total expenses	255,156	379,951	33,973	-	555,274
Change in net assets	(213,534)	(356,171)	(67,324)	32	(315,044)
Net assets, beginning	2,178,275	(1,922,984)	43,516	138,556	(549,085)
Net assets, ending	$ 1,964,741	$ (2,279,155)	$ (23,808)	$ 138,588	$ (864,129)

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Consolidating Statements of Activities and Changes in Net Assets - by Property (Continued)
Years Ended June 30, 2024 and 2023

YEAR ENDED JUNE 30, 2024	Supportive Services	SE Construction	Colony West	Williston Elderly	Subtotal	Eliminations	Total
Revenue and Other Support:							
Housing assistance payments	**$ -**	**$ -**	**$ 30,319**	**$ 133,550**	**$ 3,424,558**	**$ -**	**$ 3,424,558**
Rental income, net	**-**	**-**	**417,550**	**68,546**	**2,025,633**	**-**	**2,025,633**
Grant proceeds	**-**	**-**	**-**	**-**	**169,837**	**-**	**169,837**
Interest income	**-**	**-**	**-**	**176**	**69,980**	**-**	**69,980**
Other income	**81,700**	**108,412**	**24,382**	**760**	**600,554**	**(186,680)**	**413,874**
Total revenue and other support	**81,700**	**108,412**	**472,251**	**203,032**	**6,290,562**	**(186,680)**	**6,103,882**
Expenses:							
General and administrative	**118,003**	**21,945**	**71,221**	**48,370**	**2,186,185**	**(95,620)**	**2,090,565**
Management fees	**-**	**-**	**28,080**	**12,780**	**355,770**	**-**	**355,770**
Utilities	**-**	**12,314**	**54,062**	**19,872**	**766,969**	**(5,587)**	**761,382**
Insurance	**1,724**	**24,082**	**33,580**	**7,586**	**474,418**	**-**	**474,418**
Property taxes	**-**	**-**	**30,081**	**1,151**	**78,117**	**-**	**78,117**
Maintenance	**41**	**47,598**	**190,021**	**61,000**	**2,653,475**	**(74,228)**	**2,579,247**
Depreciation	**-**	**-**	**40,144**	**8,884**	**832,385**	**-**	**832,385**
Loss on acquisition	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Interest	**-**	**-**	**46,571**	**14,735**	**147,266**	**-**	**147,266**
Interest - amortized debt issuance costs	**-**	**-**	**1,736**	**-**	**9,765**	**-**	**9,765**
Total expenses	**119,768**	**105,939**	**495,496**	**174,378**	**7,504,350**	**(175,435)**	**7,328,915**
Change in net assets	**(38,068)**	**2,473**	**(23,245)**	**28,654**	**(1,213,788)**	**(11,245)**	**(1,225,033)**
Net assets, beginning	**52,276**	**801**	**63,710**	**87,064**	**9,567,375**	**-**	**9,567,375**
Net assets, ending	**$ 14,208**	**$ 3,274**	**$ 40,465**	**$ 115,718**	**$ 8,353,587**	**$ (11,245)**	**$ 8,342,342**

YEAR ENDED JUNE 30, 2023	Supportive Services	SE Construction	Colony West	Williston Elderly	Subtotal	Eliminations	Total
Revenue and Other Support:							
Housing assistance payments	$ -	$ -	$ 31,106	$ 139,303	$ 3,252,694	$ -	$ 3,252,694
Rental income, net	-	-	406,882	62,753	2,148,954	-	2,148,954
Grant proceeds	99,780	-	-	-	301,522	-	301,522
Interest income	-	-	-	77	37,488	-	37,488
Other income	69,820	192,946	15,801	405	728,500	(230,263)	498,237
Total revenue and other support	169,600	192,946	453,789	202,538	6,469,158	(230,263)	6,238,895
Expenses:							
General and administrative	156,468	12,883	93,765	36,888	2,054,727	(73,498)	1,981,229
Management fees	-	-	27,855	12,735	361,800	-	361,800
Utilities	-	2,832	55,293	20,791	781,993	(2,832)	779,161
Insurance	1,566	32,971	25,202	6,793	399,009	-	399,009
Property taxes	-	-	-	458	51,418	-	51,418
Maintenance	2,989	161,420	138,121	50,817	2,672,689	(153,933)	2,518,756
Depreciation	-	-	38,946	8,885	840,245	-	840,245
Loss on acquisition	-	-	-	-	-	-	-
Interest	-	-	65,309	15,540	183,960	-	183,960
Interest - amortized debt issuance costs	-	-	1,736	-	9,765	-	9,765
Total expenses	161,023	210,106	446,227	152,907	7,355,606	(230,263)	7,125,343
Change in net assets	8,577	(17,160)	7,562	49,631	(886,448)	-	(886,448)
Net assets, beginning	43,699	17,961	56,148	37,433	10,453,823	-	10,453,823
Net assets, ending	$ 52,276	$ 801	$ 63,710	$ 87,064	$ 9,567,375	$ -	$ 9,567,375

SOUTHEASTERN HOUSING AND COMMUNITY DEVELOPMENT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-Through to Subrecipients	Expenditures
Federal Awards:			
U.S. Department of Housing and Urban Development:			
Section 8 Project-Based Cluster:			
Section 8 New Construction and Substantial Rehabilitation	14.182	$ -	$ 421,542
Section 8 Housing Assistance Payments Program -			
Special Allocations	14.195	-	2,900,336
Total Section 8 Project-Based Cluster		-	3,321,878
U.S. Department of Housing and Urban Development:			
Housing Counseling Assistance Program	14.169	-	33,217
U.S. Department of Housing and Urban Development:			
Home Investment Partnerships Program	14.239	-	481,155
U.S. Department of Housing and Urban Development:			
Passed through to South Carolina Regional Housing Authority #3			
Resident Opportunity and Supportive Services	14.870	122,388	122,388
Total U.S. Department of Housing and Urban Development		122,388	3,958,638
U.S. Department of Agriculture, Rural Development:			
Rural Rental Housing Loans - Loan balance	10.415	-	1,227,730
Rural Rental Housing Loans - Interest subsidy	10.415	-	48,939
Rural Rental Housing Loans		-	1,276,669
U.S. Department of Agriculture, Rural Development:			
Rural Rental Assistance Payments	10.427	-	278,422
Total U.S. Department of Agriculture, Rural Development		-	1,555,091
Total expenditures of federal awards		$ 122,388	$ 5,513,729

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Southeastern Housing and Community Development, under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southeastern Housing and Community Development, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Southeastern Housing and Community Development.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Southeastern Housing and Community Development has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - LOANS OUTSTANDING

Southeastern Housing and Community Development had the following loan balance outstanding as of June 30, 2024:

Program Title	Assistance Listing Number	Amount Outstanding
Rural Rental Housing Loans	10.415	$ 1,214,283
HOME Investment Partnerships Program	14.239	469,901

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*

To the Board of Directors
Southeastern Housing and Community Development
Barnwell, South Carolina

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 Southeastern Housing and Community Development (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 16, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's consolidated 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 the Organization's 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 statement amounts. 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.*

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
January 16, 2025

Independent Auditor's Report on Compliance
For The Major Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance

To the Board of Directors
Southeastern Housing and Community Development
Barnwell, South Carolina

Report on Compliance for The Major Federal Program

Opinion on Each Major Federal Program

We have audited Southeastern Housing and Community Development's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2024. Southeastern Housing and Community Development's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southeastern Housing and Community Development complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bernard Robinson & Company, L.L.P.

Greensboro, North Carolina
January 16, 2025

Items required to be reported under 2 CFR section 200.515(d):

Section I - Summary of Auditor's Results

Financial Statements

(i)	Type of auditor's report issued:	Unmodified
(ii)	Internal control over financial reporting -	
	(a) Material weakness(es) identified?	____ yes __X__ no
	(b) Significant deficiency(ies) identified?	____ yes __X__ none reported
(iii)	Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

(i)	Internal control over major programs -	
	(a) Material weakness(es) identified?	____ yes __X__ no
	(b) Significant deficiency(ies) identified?	____ yes __X__ none reported
(ii)	Type of auditor's report issued on compliance for major programs:	Unmodified
(iii)	Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	____ yes __X__ no
(iv)	Identification of major programs:	

Assistance Listing Number(s)	Name of Federal Program
10.415	Rural Rental Housing Loans

(v)	Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
(vi)	Auditee qualified as low-risk auditee?	__X__ yes ____ no

Section II - Findings relating to the financial statements which are required to be reported in accordance with generally accepted government auditing standards:

Findings and Questioned Costs:
None reported

Section III - Findings and questioned costs relating to the major programs which are required to be reported as defined by the Uniform Guidance [2 CFR 200.516(a)]:

Findings and Questioned Costs:
None reported

None reported