STATUS: HOME, INC.

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Warren Averett
CPAs AND ADVISORS
www.warrenaverett.com

The report accompanying this deliverable was issued by Warren Averett, LLC.

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Warren Averett
CPAs AND ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Status: Home, Inc.

Opinion
We have audited the accompanying financial statements of Status: Home, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Warren Averett, LLC

Atlanta, Georgia
January 26, 2026

STATUS: HOME, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash	$ 2,150,874	$ 2,102,014
Government grants receivable	1,656,224	5,510,709
Unconditional promises to give, net	261,400	314,481
Accounts receivable, net	808,847	576,192
Prepaid expenses and other current assets	176,306	220,585
Property and equipment, net	23,441,161	21,595,242
Operating lease right-of-use assets, net	1,076,090	1,384,577
TOTAL ASSETS	$ 29,570,902	$ 31,703,800
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	$ 465,842	$ 683,405
Deferred revenue	-	65,000
Security deposits	-	6,725
Operating lease liabilities	1,127,405	1,431,641
HOPWA advance	1,096,471	1,096,471
Notes payable, net	4,207,794	4,250,000
TOTAL LIABILITIES	6,897,512	7,533,242
NET ASSETS		
Without donor restrictions		
Undesignated	21,808,249	22,959,713
Board designated	262,650	165,341
Total net assets without donor restrictions	22,070,899	23,125,054
With donor restrictions		
Restricted by purpose or time	602,491	1,045,504
Total net assets with donor restrictions	602,491	1,045,504
TOTAL NET ASSETS	22,673,390	24,170,558
TOTAL LIABILITIES AND NET ASSETS	$ 29,570,902	$ 31,703,800

See notes to the financial statements.

STATUS: HOME, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(with comparative totals for 2024)

	2025			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**2024 Total**
PUBLIC SUPPORT AND REVENUE				
Federal financial assistance	$ 8,118,298	$ -	$ 8,118,298	$ 17,956,132
Other governmental assistance	14,691	-	14,691	14,007
Community group contributions	25,046	-	25,046	36,251
Corporate contributions	118,426	-	118,426	428,403
Faith community contributions	6,695	-	6,695	6,100
Foundations and trusts	181,712	443,888	625,600	355,323
In-kind contributions	143	-	143	-
Special events	162,608	-	162,608	220,255
Individuals, memorials and bequests	116,845	-	116,845	152,781
Program service fees	594,212	-	594,212	654,512
Other income	173,558	-	173,558	216,825
Net assets released from restrictions	886,901	(886,901)	-	-
Total public support and revenue	10,399,135	(443,013)	9,956,122	20,040,589
EXPENSES				
Program services:				
The Program for Single Adults	1,072,017	-	1,072,017	1,289,184
The Family Program	1,776,074	-	1,776,074	988,313
Scattered Site Program I	910,693	-	910,693	733,831
Scattered Site Program II	4,122,242	-	4,122,242	5,060,817
Tenant Based Rental Assistance	1,533,175	-	1,533,175	1,101,804
Capital Acquisition Program	1,014,377	-	1,014,377	1,572,990
Supporting services:				
Management and general	291,745	-	291,745	707,482
Fundraising	732,967	-	732,967	432,757
Total expenses	11,453,290	-	11,453,290	11,887,178
CHANGE IN NET ASSETS	(1,054,155)	(443,013)	(1,497,168)	8,153,411
NET ASSETS AT				
BEGINNING OF YEAR	23,125,054	1,045,504	24,170,558	16,017,147
END OF YEAR	$ 22,070,899	$ 602,491	$ 22,673,390	$ 24,170,558

See notes to the financial statements.

STATUS: HOME, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
PUBLIC SUPPORT AND REVENUE			
Federal financial assistance	$ 17,956,132	$ -	$ 17,956,132
Other governmental assistance	14,007	-	14,007
Community group contributions	36,251	-	36,251
Corporate contributions	63,403	365,000	428,403
Faith community contributions	6,100	-	6,100
Foundations and trusts	355,323	-	355,323
Special events	220,255	-	220,255
Individuals, memorials and bequests	152,781	-	152,781
Program service fees	654,512	-	654,512
Other income	216,825	-	216,825
Net assets released from restrictions	50,000	(50,000)	-
Total public support and revenue	19,725,589	315,000	20,040,589
EXPENSES			
Program services:			
The Program for Single Adults	1,289,184	-	1,289,184
The Family Program	988,313	-	988,313
Scattered Site Program I	733,831	-	733,831
Scattered Site Program II	5,060,817	-	5,060,817
Tenant Based Rental Assistance	1,101,804	-	1,101,804
Capital Acquisition Program	1,572,990	-	1,572,990
Supporting services:			
Management and general	707,482	-	707,482
Fundraising	432,757	-	432,757
Total expenses	11,887,178	-	11,887,178
CHANGE IN NET ASSETS	7,838,411	315,000	8,153,411
NET ASSETS AT			
BEGINNING OF YEAR	15,286,643	730,504	16,017,147
END OF YEAR	$ 23,125,054	$ 1,045,504	$ 24,170,558

See notes to the financial statements.

STATUS: HOME, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(with comparative totals for 2024)

	2025									
	Program Services						Supporting Services			
	The Program for Single Adults	The Facility Program	Scattered Site Program I	Scattered Site Program II	Tenant Based Rental Assistance	Capital Acquisition Program	Management and General	Fund-Raising	Total	2024 Total
Salaries and wages	$ 341,061	$ 548,403	$ 215,914	$ 1,186,489	$ 264,028	$ 141,717	$ 133,512	$ 322,920	$ 3,154,044	$ 3,303,734
Workers' compensation insurance	1,696	4,261	1,332	10,283	-	-	3,831	2,072	23,475	26,525
Payroll taxes	22,737	36,075	14,257	81,840	17,650	10,395	14,900	22,228	220,082	243,962
Employee benefits	80,867	129,739	77,409	309,461	78,181	24,812	27,687	72,500	800,656	816,569
Total salaries and related expenses	446,361	718,478	308,912	1,588,073	359,859	176,924	179,930	419,720	4,198,257	4,390,790
Apartment leases	-	-	348,646	1,377,027	985,722	-	-	-	2,711,395	2,936,948
Apartment utilities	52,671	196,233	68,854	362,054	44	22,488	-	-	702,344	718,224
Apartment furnishings and supplies	-	27,625	1,046	-	-	89,033	-	-	117,704	263,105
Maintenance and repairs	51,398	319,415	1,092	9,374	2,948	52,570	2,882	384	440,063	381,438
Insurance	101,898	107,943	52,680	83,320	-	13,298	-	1,154	360,293	70,066
Occupancy	4,946	4,827	16,107	109,792	2,257	30,089	5,027	9,362	182,407	421,384
Communications	43,126	31,538	19,303	102,770	13,727	1,414	2,380	7,396	221,654	344,614
Professional services	18,057	31,917	14,723	104,402	26,374	24,676	45,951	26,989	293,089	253,072
Special events	-	-	-	-	-	-	-	159,219	159,219	46,467
Contract personnel	241,574	15,683	2,262	-	-	99,674	-	-	359,193	437,210
Supportive services	20,006	160,832	14,187	93,256	30,564	13,823	-	-	332,668	469,670
Mileage	1,001	2,685	169	7,095	1,184	21	12	233	12,400	33,609
Other	62,162	155,550	62,707	285,051	110,485	64,994	55,559	108,508	905,016	843,384
Total expenses before depreciation	1,043,200	1,772,726	910,688	4,122,214	1,533,164	589,004	291,741	732,965	10,995,702	11,609,981
Depreciation	28,817	3,348	5	28	11	425,373	4	2	457,588	277,197
TOTAL EXPENSES	$ 1,072,017	$ 1,776,074	$ 910,693	$ 4,122,242	$ 1,533,175	$ 1,014,377	$ 291,745	$ 732,967	$ 11,453,290	$ 11,887,178

See notes to the financial statements.

STATUS: HOME, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services						Supporting Services		
	The Program for Single Adults	The Family Program	Scattered Site Program I	Scattered Site Program II	Tenant Based Rental Assistance	Capital Acquisition Program	Management and General	Fund-Raising	Total
Salaries and wages	$ 411,273	$ 437,103	$ 180,239	$ 1,315,992	$ 297,597	$ 290,503	$ 162,591	$ 208,436	$ 3,303,734
Workers' compensation insurance	3,502	5,467	1,949	7,717	-	-	6,723	1,167	26,525
Payroll taxes	31,504	32,009	12,612	95,380	22,488	22,130	12,418	15,421	243,962
Employee benefits	97,503	98,622	56,580	324,558	64,641	36,776	97,632	40,257	816,569
Total salaries and related expenses	543,782	573,201	251,380	1,743,647	384,726	349,409	279,364	265,281	4,390,790
Apartment leases	-	-	305,893	1,927,028	704,027	-	-	-	2,936,948
Apartment utilities	51,242	35,787	43,078	563,717	55	24,345	-	-	718,224
Apartment furnishings and supplies	25,176	2,029	-	234,550	-	1,350	-	-	263,105
Maintenance and repairs	193,211	20,400	1,551	2,852	-	160,999	2,425	-	381,438
Insurance	22,091	22,063	11,032	14,708	-	172	-	-	70,066
Occupancy	7,661	7,661	17,783	105,032	-	177,514	65,185	40,548	421,384
Communications	79,526	61,168	19,730	91,576	2,723	1,282	82,945	5,664	344,614
Professional services	25,156	25,568	15,387	36,984	4,022	38,416	67,410	40,129	253,072
Special events	-	-	-	-	-	-	-	46,467	46,467
Contract personnel	263,020	123,945	88	-	-	50,157	-	-	437,210
Supportive services	40,737	70,515	56,060	256,623	41	44,733	961	-	469,670
Mileage	1,458	3,358	1,562	25,128	992	287	503	321	33,609
Other	10,704	42,618	10,287	56,184	5,218	475,901	208,125	34,347	843,384
Total expenses before depreciation	1,263,764	988,313	733,831	5,058,029	1,101,804	1,324,565	706,918	432,757	11,609,981
Depreciation	25,420	-	-	2,788	-	248,425	564	-	277,197
TOTAL EXPENSES	$ 1,289,184	$ 988,313	$ 733,831	$ 5,060,817	$ 1,101,804	$ 1,572,990	$ 707,482	$ 432,757	$ 11,887,178

See notes to the financial statements.

STATUS: HOME, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (1,497,168)	$ 8,153,411
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	457,588	277,197
Noncash operating lease expense	475,308	601,905
Loss on disposal of property and equipment	2,410	-
Gain on extinguishment of debt	(8,246)	-
(Increase) decrease in operating assets:		
Accounts receivable, net	(232,655)	(241,285)
Government grants receivable	3,854,485	5,855,631
Unconditional promises to give, net	53,081	(239,066)
Prepaid expenses and other current assets	44,279	(124,072)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued liabilities	(217,563)	291,881
Deferred revenue	(65,000)	32,427
Security deposits	(6,725)	(50,429)
Payments on operating lease liabilities	(471,057)	(607,036)
Net cash provided by operating activities	2,388,737	13,950,564
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,305,917)	(10,190,536)
Net cash used in investing activities	(2,305,917)	(10,190,536)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	3,533,751
Proceeds from forgivable loan	3,216,040	-
Payments on long-term debt	(3,250,000)	(9,888,381)
Loan origination fee	-	(48,985)
Net cash used in financing activities	(33,960)	(6,403,615)
NET INCREASE (DECREASE) IN CASH	48,860	(2,643,587)
CASH AT BEGINNING OF YEAR	2,102,014	4,745,601
CASH AT END OF YEAR	$ 2,150,874	$ 2,102,014
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
Cash paid during the year for:		
Interest paid	$ 269,522	$ 341,524
Additions to right-of-use lease assets in exchange for new operating lease liabilities	$ 166,821	$ 1,405,411

See notes to the financial statements.

1. ORGANIZATION

Jerusalem House, Inc. (the Organization) was incorporated in the state of Georgia on August 2, 1988, as a nonprofit corporation. Effective, April 3, 2023, the name of the Organization was changed from Jerusalem House, Inc. to Status: Home, Inc.

Since inception in 1988, the Organization's programs have been fulfilling its vision to provide access to safe, stable housing and wraparound supportive services that improve health outcomes and enhance the quality of life for those affected by HIV/AIDS. The Organization remains Atlanta's oldest and largest permanent supportive housing provider for homeless and low-income individuals and families affected by HIV/AIDS and has served thousands of Atlanta's most vulnerable and marginalized inhabitants. The Organization is staffed by a 44-person team well versed in HIV/AIDS programming and services, as well as the public health, economic, and social disparities affecting its clients.

The Organization serves an average of 400 individuals and families and manages more than 250 housing units each day. The Organization accomplishes this through a three-tiered model of residential housing, community-based housing and vouchers. The Organization ensures that its residents have a safe home, supportive services that expand their access to essential resources, and ongoing case management to guide them on their path towards self-sufficiency. The Organization provides a caring community that empowers residents to take ownership of their lives, fostering improved self-worth and a pathway to independence. The comprehensive support the Organization provides empowers residents to thrive by providing strategic tools that enable them to own their story, utilize their voice, and engage in self-advocacy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities at year-end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

Board Designated – Assets designated by the Board of Directors (the Board) to be held for other specified purposes. The Board can elect to remove these designations in the future.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition
Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenues received, which are purpose restricted, are reported as increases in net assets with donor restrictions and subsequently released as the donor-stipulated time restriction ends or purpose restriction is accomplished. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor time restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Contributions subject to donor-imposed restrictions that the corpus is maintained in perpetuity are recognized as increases in net assets with donor restrictions.

Federal grants are primarily reimbursement basis grants, and revenue is recognized as expenditures are made and related work progresses.

An allowance for credit losses is provided based on management's evaluation of potential uncollectible promises receivable at year-end. Management does not consider any amounts to be uncollectible at June 30, 2025 and 2024.

Contributions
Contributions, which include unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give depend on the occurrence of a specified future and uncertain event to bind the promises. Conditional pledges, if received, are not recognized until the conditions on which they depend are substantially met, there is no right of return of the assets received, and no indications of barriers imposed by the donor, that is, when a conditional promise becomes unconditional. Contributions or assets other than cash are recorded at estimated fair value at the date of the gift, as determined by independent appraisal or other valuation methods as deemed appropriate by management. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured at the present value of future cash flows with discounts computed using risk adjusted rates commensurate with associated risks. Discounts on contributions receivable are amortized and recorded as additional contribution revenue in accordance with any donor-imposed restriction. An allowance for uncollectible contributions receivable is provided based upon management's judgment and consideration of various factors including prior collection history, type of contribution and nature of fundraising activity.

Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in restricted support at the time of receipt and as net assets released from restrictions upon satisfaction of the donor restriction.

Program Service Fees
Program service fees represent rent paid by residents in accordance with Section 3(a)(1) of the U.S. Housing Act of 1937. The amount of rent charged to each resident is based on the family's monthly adjusted income. Adjusted income is determined in accordance with HUD guidelines and is adjusted at least annually. Fees collected are required to be used to offset program expenses. Program service fees are recognized as services are delivered. Accounts receivable

represent program service fees that are due from residents at year-end. The Organization uses credit losses to determine uncollectible receivables. Credit losses is based on prior years' experience, management's analysis of specific promises received and reasonable expectations of future collections. Accounts are considered past due after 30 days. It is management's policy to write off accounts receivable when management determines the receivable will not be collectible. A credit loss of $89,872 and $159,206 was recorded at June 30, 2025 and 2024, respectively.

In-Kind Contributions

The Organization utilizes in-kind contributions to carry out the mission of the Organization. All in-kind contributions received during the years ended June 30, 2025 and 2024, were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management. The Organization values in-kind contributed services and rent based on current market rates for comparable services and rental facilities. In-kind contributions are included in support revenue and program expense in the accompanying statements of activities.

<u>Donated Materials</u>: Donated materials are reflected as contributions at their estimated value at date of receipt. Generally donated materials are received for use in special events. None were received during the years ended June 30, 2025 and 2024.

<u>Contributed Services</u>: Contributed services are recognized if the services received: (1) create or enhance nonfinancial assets, or (2) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services meeting these criteria for the years ended June 30, 2025 and 2024, were not significant.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities which is not valued in the financial statements.

Financial Instruments and Credit Risk

Financial instruments, principally cash, receivables, line of credit and accounts payable are reported at values which the Organization believes are not significantly different from fair values. At times, cash in the bank is in excess of the Federal Deposit Insurance Corporation's insured limits. The Organization believes no significant credit risk exists with respect to any of its financial instruments.

Property and Equipment

The Organization capitalizes all expenditures for property, furniture, fixtures and equipment in excess of $5,000. Property and equipment are recorded at cost or fair value, if donated, and are depreciated using straight-line methods ranging from three to forty years based upon their estimated useful lives.

Right-of-Use Assets and Lease Liabilities

Effective July 1, 2022, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, *Leases* (Topic 842). Under Topic 842, a lessee is required to recognize a lease liability and a right-of-use lease asset on the statements of financial position.

In accordance with Topic 842, at lease commencement, the Organization initially measures the lease liability at the present value of payments expected to be made during the lease term. The right-of-use lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs.

Key estimates and judgments related to leases include how the Organization determines: (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Organization uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Organization generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease, as well as expected renewal terms. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The Organization monitors changes in circumstances that would require a remeasurement of its leases and will remeasure right-of-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability.

Special Events
Special events revenue is shown net of cost of direct benefit to donors, which amounted to zero for each of the years ended June 30, 2025 and 2024, respectively. Deferred revenue at June 30, 2024, relates to event sponsorships that were recognized as revenue when the event took place during the subsequent year.

Functional Allocation of Expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs, and supporting services benefited, and personnel costs have been allocated based on estimates of time and effort.

Income Taxes
The Organization is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC) and is classified as an organization, which is not a private foundation under Section 509(a) of the IRC. The Organization qualifies for the charitable contribution deduction.

Subsequent Events
Management has evaluated events and transactions that occurred between June 30, 2025, and January 26, 2026, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

3. PROPERTY AND EQUIPMENT

As of June 30, 2025 and 2024, property and equipment, net consisted of:

	2025	2024
Land	$ 4,180,500	$ 4,180,500
Buildings and land improvements	17,260,387	17,260,387
Building and leasehold improvements	2,627,990	338,462
Furniture, fixtures and equipment	138,570	127,606
	24,207,447	21,906,955
Less accumulated depreciation	(766,286)	(311,713)
	$ 23,441,161	$ 21,595,242

Depreciation expense of $457,588 and $277,197 was recorded for the years ended June 30, 2025 and 2024, respectively.

4. NOTES PAYABLE

In December 2021, the Organization obtained a $1,000,000 Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL). The loan bears 2.75% interest and provides for monthly principal and interest payments beginning in December 2023 through its December 2051 maturity date. The COVID-19 EIDL program was designed to provide funding to small businesses that were hurt economically during the COVID-19 pandemic. The loan is collateralized by the residential housing facility located at 831 Briarcliff Road, and has restrictions on the use of the funds.

In September 2022, the Organization obtained a bridge loan of up to $2,000,000. The loan bore 6% interest and matured in March 2024 at which time any balance would immediately become due in full. The loan was collateralized by substantially all of the Organization’s assets and had restrictions on the use of the funds. During 2024, the loan was paid in full.

In May 2023, the Organization obtained two additional acquisition bridge loans in the amounts of up to $5,210,000 (Loan A) and $3,100,000 (Loan B) to acquire certain real properties. The loans bore interest at a floating rate of term Secured Overnight Financing Rate (SOFR) plus 2.25% with a floor of 6% and no ceiling, and matured in June 2024, at which time any balance would immediately become due in full. The loans were collateralized by the assets acquired with these loans and had restrictions on the use of the funds. During 2024, both loans were paid in full.

In June 2024, the Organization obtained an additional acquisition bridge loan in the amount of $3,250,000 (Loan C) to acquire certain real property. The loan bears interest at a floating rate of term SOFR plus 2.25% with a floor of 6% and no ceiling (7.58% at June 30, 2024), and matures in March 2025 at which time any balance will immediately become due in full. The loan is collateralized by the asset acquired with the loan and has restrictions on the use of the funds. As of June 30, 2024, the balance on Loan C was $3,250,000. During 2025, the loan was paid in full.

On May 15, 2025, the Organization entered into a $3,216,040 forgivable loan with a lender. Under the agreement, the lender forgave the loan advances received if eligibility and other criteria were met related to use of the funds. The portion of the proceeds received that was not forgiven, if any, was converted to a term note payable in equal installments, including interest at 5%, though April 30, 2090. The lender will forgive a portion of the loan on an annual basis over 65 years. Consequently, each year a portion of the loan is converted from a liability to support.

The following is a reconciliation of notes payable to the statements of financial position at June 30, 2025 and 2024:

	2025	2024
EIDL loan	$ 1,000,000	$ 1,000,000
Forgivable loan	3,207,794	-
Acquisition (Loan C)	-	3,298,985
Less loan costs	-	(48,985)
	$ 4,207,794	$ 4,250,000

Future principal payments are as follows:

Year Ending June 30,	
2026	$ 75,783
2027	76,515
2028	77,268
2029	78,042
2030	78,838
Thereafter	3,821,348
	$ 4,207,794

5. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2025, are due as follows:

Year Ending June 30,	
2026	$ 161,400
2027	50,000
2028	50,000
Total unconditional promises to give	$ 261,400

6. COMPOSITION OF NET ASSETS

Net assets with donor restrictions were available for the following purposes at June 30, 2025 and 2024:

	2025	2024
Subject to expenditures for specific purpose:		
Capital campaign	$ 144,885	$ 222,719
Maintenance and repairs	63,930	493,930
Client support	84,283	84,283
Expansion support	204,533	139,712
Furnishings	12,307	12,307
Supportive services	71,247	71,247
Resident medical costs	15,306	15,306
College tour expenses	6,000	6,000
	$ 602,491	$ 1,045,504

Net assets with donor restrictions released from restrictions during the years ended June 30, 2025 and 2024, were as follows:

	2025	2024
Maintenance and repairs	$ 115,000	$ 50,000
Expansion support	99,067	-
Capital campaign	672,834	-
	$ 886,901	$ 50,000

Total Board designated net assets as of June 30, 2025 and 2024, amounted to $262,650 and $165,341, respectively, and are included as net assets without restrictions. The amounts are designated for programs.

7. CONTRIBUTION OF LAND AND BUILDING

During 1990 the Organization purchased land and a building for its operations. Title to the land and building was subsequently transferred to Community Foundation for Greater Atlanta (CFGA). The Organization leased the land and building for $1 per year. During the year ended June 30, 1992, leasehold improvements and capitalized construction costs related to the 1992 renovation of an addition to the building were contributed to CFGA. The Organization has made cumulative contributions of $2,100,976 to CFGA. The contributions were made to enhance fund raising as well as to ensure that the property will consistently be used for the community good. CFGA has committed to leasing the property to the Organization indefinitely provided the Organization's use of the property does not significantly change. During 2023, the Title to the land and building was transferred back to the Organization by CFGA. See Note 2 – In-Kind Contributions.

8. RIGHT-OF-USE LEASE ASSETS AND LEASE LIABILITIES

The Organization leases its administrative offices and certain office equipment under noncancelable operating leases. In addition, the Organization leases apartments for its scattered site programs under annual renewable leases.

Right-of-use assets and liabilities are classified as follows on the statements of financial position as of June 30, 2025 and 2024:

	2025	2024
Operating Lease		
Operating lease right-of-use assets, net	$ 1,076,090	$ 1,384,577
Operating lease liabilities	$ 1,127,405	$ 1,431,641

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2025 and 2024:

	2025	2024
Weighted Average Remaining Lease Term		
Operating leases	5.52 years	5.81 years
Weighted Average Discount Rate		
Operating leases	2.97%	3.35%

Future maturities of the lease liability as of June 30, 2025, are as follows:

Year Ending June 30,	
2026	$ 286,387
2027	230,949
2028	228,532
2029	129,011
2030	133,206
Thereafter	243,174
Total lease payments	1,251,259
Less interest	(123,854)
Present value of lease liabilities	$ 1,127,405

The following is a summary of lease expense recorded in the statement of activities for the years ended June 30, 2025 and 2024:

	2025	2024
Operating lease expense included in:		
The Program for Single Adults	$ 4,946	$ 4,946
The Family Program	4,827	3,815
Scattered Site Program I	16,107	16,107
Scattered Site Program II	307,808	519,819
Tenant Based Rental Assistance	2,257	2,257
Capital Acquisition Program	30,089	30,089
Management and general	5,027	5,027
Fundraising	9,362	9,362
	$ 380,423	$ 591,422

Not included in the amounts above are leases with an initial term of 12 months or less. Expenses for these type leases were $2,419,221 and $2,456,149 for the years ended June 30, 2025 and 2024, respectively.

9. EMPLOYEE BENEFIT PLAN

Effective July 2010, the Organization adopted a 403(b) Employee Benefit Plan (the Plan) for those employees who meet the eligibility requirements set forth in the Plan. All Plan participants are allowed to contribute any amount up to the legal maximum allowed. The Organization matches 100% of the first 3% of a participants' compensation and 50% of each additional 1% of a participants' compensation deferred to the Plan, with a maximum match of 4%. Employer contributions amounted to $89,327 and $73,335 for the years ended June 30, 2025 and 2024, respectively.

10. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	2025	2024
Financial assets:		
Cash	$ 2,150,874	$ 2,102,014
Government grants receivable	1,656,224	5,510,709
Unconditional promises to give, net	261,400	314,481
Accounts receivable, net	808,847	576,192
Financial assets, at year-end	4,877,345	8,503,396
Less assets unavailable for general expenditures within one year:		
Net assets with donor purpose or time restrictions	602,491	1,045,504
Board designations	262,650	165,341
Adjusted for long-term pledges	100,000	150,000
Financial assets available to meet cash needs for general expenditures within one year	$ 3,912,204	$ 7,142,551

The Organization is substantially supported by federal awards and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to donors. Therefore, certain financial assets may not be available for general expenditures within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Additionally, the Organization has Board designated amounts that could be made available if necessary.