

BHP COMMUNITY LAND TRUST, INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023



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FINANCIAL STATEMENTS



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
BHP Community Land Trust, Inc.
Fort Lauderdale, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of BHP Community Land Trust, Inc. ("BHPCLT"), (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of BHPCLT as of December 31, 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 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 the Financial Statements section of our report. We are required to be independent of BHPCLT 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 opinions.

Responsibilities 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.

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 BHPCLT's ability to continue as a going concern within one year after the date that the 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 BHPCLT'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 BHPCLT's ability to continue as a going concern for a reasonable period of time.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025, on our consideration of BHPCLT'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 BHPCLT'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 BHPCLT's internal control over financial reporting and compliance.

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.

Miami, Florida

May 27, 2025

BHP COMMUNITY LAND TRUST, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

Assets	2024	2023
Current assets		
Cash and cash equivalents	\$ 1,865,106	\$ 2,695,268
Grants and other receivables	-	258,473
Deposits and other assets	375,570	85,101
Reimbursable Expenses From Other Entities	8,950	8,950
Total current assets	<u>2,249,626</u>	<u>3,047,792</u>
Non-current assets		
Restricted cash	78,308	87,958
Development in progress	2,231,808	1,637,931
Property and equipment, net	17,147,761	16,229,611
Real estate held for sale	305,786	305,786
Loan receivable	799,500	799,500
Total non-current assets	<u>20,563,163</u>	<u>19,060,786</u>
Total assets	<u>\$ 22,812,789</u>	<u>\$ 22,108,578</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 63,183	\$ 8,740
Deferred revenue	281,465	7,922
Tenant deposit	78,308	87,958
Line of credit	-	240,000
Total current liabilities	<u>422,956</u>	<u>344,620</u>
Long term liabilities		
SBA loan	150,000	150,000
SELF loan	4,600,000	4,600,000
Florida Community Loan Fund	4,750,000	4,750,000
Total Non-current liabilities	<u>9,500,000</u>	<u>9,500,000</u>
Total liabilities	<u>9,922,956</u>	<u>9,844,620</u>
Net Assets		
Without donor restriction		
Undesignated	910,359	284,484
With donor restrictions		
Purpose restricted	<u>11,979,474</u>	<u>11,979,474</u>
Total net assets	<u>12,889,833</u>	<u>12,263,958</u>
Total liabilities and net assets	<u>\$ 22,812,789</u>	<u>\$ 22,108,578</u>

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

BHP COMMUNITY LAND TRUST, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Rental Income	\$ 1,008,037	\$ -	\$ 1,008,037
Ground Lease Fees	7,332	-	7,332
Developer Fees	487,476	-	487,476
Grants and Contributions	817,810	-	817,810
Investments	38,862	-	38,862
Total public support and Revenues	<u>2,359,517</u>	<u>-</u>	<u>2,359,517</u>
Total revenues	<u>\$ 2,359,517</u>	<u>\$ -</u>	<u>\$ 2,359,517</u>
Expenses:			
Program services:			
Rental	\$ 1,068,152	\$ -	\$ 1,068,152
Homeownership	104,291	-	104,291
Development	263,527	-	263,527
Empowerment	208,582	-	208,582
Total program services	<u>1,644,552</u>	<u>-</u>	<u>1,644,552</u>
Support services			
General and administrative	89,090	-	89,090
Total support services	<u>89,090</u>	<u>-</u>	<u>89,090</u>
Total expenses	<u>1,733,642</u>	<u>-</u>	<u>1,733,642</u>
Change in Net Assets	<u>\$ 625,875</u>	<u>\$ -</u>	<u>\$ 625,875</u>

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

BHP COMMUNITY LAND TRUST, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Public Support:			
Rental income	\$ 1,037,978	\$ -	\$ 1,037,978
Contributions and public support	424,122	-	424,122
Total public support	1,462,100	-	1,462,100
Total Net Assets Released from Restrictions	-	-	-
Total revenues	1,462,100	-	1,462,100
Expenses:			
Program services:			
Rental	\$ 722,672	\$ -	\$ 722,672
Lease purchase	82,700	-	82,700
Development	199,582	-	199,582
Empowerment	166,652	-	166,652
Total program services	1,171,606	-	1,171,606
Support services			
General and administrative	111,388	-	111,388
Total support services	111,388	-	111,388
Total expenses	1,282,994	-	1,282,994
Change in Net Assets	\$ 179,106	\$ -	\$ 179,106

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

BHP COMMUNITY LAND TRUST, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
Net assets, December 31, 2023	\$ 284,484	\$ 11,979,474	\$ 12,263,958
Increase in net assets without donor restrictions	625,875	-	625,875
Net assets, December 31, 2024	<u>\$ 910,359</u>	<u>\$ 11,979,474</u>	<u>\$ 12,889,833</u>

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

BHP COMMUNITY LAND TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Program Expenses				Total Program Expenses	Supporting Expenses	
	Rental	Homeownership	Development	Empowerment		Administrative Expenses	Total Expenses
Professional fees	\$ 21,687	\$ 21,687	\$ 50,603	\$ 43,374	\$ 137,352	\$ 7,229	\$ 144,581
Salaries, wages and related expenses	82,604	82,604	170,599	165,208	501,015	27,535	528,549
Depreciation and amortization	199,604	-	-	-	199,604	-	199,604
Bank charges	-	-	-	-	-	-	-
Interest expense	-	-	22,143	-	22,143	-	22,143
Management fees	36,943	-	-	-	36,943	-	36,943
Memberships dues	-	-	-	-	-	-	-
Education & outreach	-	-	-	-	-	-	-
Professional development	-	-	-	-	-	7,088	7,088
Insurance & general liability	12,037	-	-	-	12,037	502	12,539
Other related costs	-	-	20,182	-	20,182	-	20,182
Office supplies	32,339	-	-	-	32,339	-	32,339
Rental Expense	586,300	-	-	-	586,300	30,858	617,158
Utilities expense	62,369	-	-	-	62,369	13,691	76,060
Repairs and maintenance	34,268	-	-	-	34,268	2,187	36,455
	<u>\$ 1,068,152</u>	<u>\$ 104,291</u>	<u>\$ 263,527</u>	<u>\$ 208,582</u>	<u>\$ 1,644,552</u>	<u>\$ 89,090</u>	<u>\$ 1,733,642</u>

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

BHP COMMUNITY LAND TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

Description	Program Expenses				Total Program Expenses	Supporting Expenses	Total Expense
	Rental	Homeownership	Development	Empowerment		General & Administrative Expenses	
Professional fees	\$ 12,402	\$ 12,402	\$ 28,939	\$ 24,805	\$ 78,548	\$ 4,134	\$ 82,682
Salaries, wages and related expenses	60,472	60,472	141,101	120,944	382,989	20,157	403,146
Depreciation and amortization	202,422	-	-	-	202,422	-	202,422
Bank charges	1,170	-	-	-	1,170	-	1,170
Interest expense	9,826	9,826	22,926	19,651	62,229	3,275	65,504
Management fees	102,533	-	-	-	102,533	-	102,533
Memberships dues	-	-	-	-	-	1,214	1,214
Education & outreach	-	-	-	1,252	1,252	-	1,252
Professional development	-	-	-	-	-	74	74
Insurance & general liability	110,054	-	-	-	110,054	4,586	114,640
Other related costs	-	-	6,616	-	6,616	-	6,616
Office supplies	14,625	-	-	-	14,625	-	14,625
Office rent	-	-	-	-	-	55,874	55,874
Utilities expense	70,832	-	-	-	70,832	15,549	86,381
Repairs maintenance	102,228	-	-	-	102,228	6,525	108,753
Business tax license	36,108	-	-	-	36,108	-	36,108
	<u>\$ 722,672</u>	<u>\$ 82,700</u>	<u>\$ 199,582</u>	<u>\$ 166,652</u>	<u>\$ 1,171,606</u>	<u>\$ 111,388</u>	<u>\$ 1,282,994</u>

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

BHP COMMUNITY LAND TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 625,875	\$ 179,106
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	199,604	202,422
Changes in operating assets:		
Restricted cash	9,650	(39,563)
Grants and other receivables	258,473	(213,898)
Deposit and other assets	(290,469)	420,277
Reimbursable Expenses From Other Entities	-	71,927
Changes in operating liabilities:		
Accounts payable and accruals	54,443	(28,524)
Deferred revenue	273,543	(95,203)
Tenant security deposits	(9,650)	39,561
Net cash from Operating Activities	<u>1,121,469</u>	<u>536,105</u>
Cash Flows From Investing Activities:		
Loans to subsidiaries	-	(799,500)
Developments in progress	(593,877)	(145,490)
Purchases of property	(1,117,754)	(5,842,868)
Net cash used for Investing Activities	<u>(1,711,631)</u>	<u>(6,787,858)</u>
Cash Flows From Financing Activities:		
Proceed from Line of Credit	(240,000)	220,000
Proceeds from SBA loan	-	537
Proceeds from SELF loan	-	5,158,592
Proceeds from FCLF loan	-	1,000,000
Net cash from (used for) Financing Activities	<u>(240,000)</u>	<u>6,379,129</u>
Net Change in Cash & Cash Equivalents	(830,162)	127,376
Cash and cash equivalents, beginning of year	2,695,268	2,567,892
Cash and cash equivalents, end of year	<u>\$ 1,865,106</u>	<u>\$ 2,695,268</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 22,143	\$ 65,504

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

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – ORGANIZATION AND PURPOSE

BHP Community Land Trust, Inc. (“BHPCLT”, “Organization”) is a Florida nonprofit corporation established in 2006 to provide and preserve quality, sustainable, affordable housing for underserved populations in South Florida.

BHPCLT is committed to providing a permanent source of affordable housing through both rental housing and community land trust homes. A community land trust (CLT) provides an affordable alternative for homebuyers who may not be able to purchase a home on their own. The CLT model lowers the cost of a house by separating the value of the land from the building. The nonprofit holds title to the land and offers long term (99-year) ground leases to the buyer. The sales price and property taxes are then reduced to the cost of the house. From the standpoint of the local government, society and funders providing subsidies, and affordable housing advocates in general, the CLT provides a way of creating permanent housing stock with a single subsidy.

Current and recent development projects include:

350 Overtown: A partnership with adjacent landowner – the YWCA of South Florida – makes it possible for SFCLT and partners to redevelop an entire city block in the iconic Overtown community. As envisioned, the 350 Overtown project will entail a multi-faceted mixed-use and mixed-income development with 228 affordable housing units and a vibrant hub of commercial spaces. The project is SFCLT’s largest to date. It is located three blocks from Miami Central, a multi-modal transportation nexus in downtown Miami.

Place Louverture: Soon to become the first land trust and homeownership condo development in Miami-Dade County history, Place Louverture brings 13 for-sale townhomes and condo units to Little Haiti on a site previously owned by the Haitian American CDC, which remains a partner in marketing the homes to first-time homebuyers. SFCLT is proud to announce the approval of a \$750,000 investment by the Little Haiti Revitalization Trust, along with a new investment by Miami Homes for all, that complete the project’s capital stack. Other project funders include Miami Dade County, the City of Miami, and the Citi Community Foundation. Pre-development funding was supported by a JPMorgan Chase grant to South Florida Housing Link partners, facilitated by Florida Community Fund and Solar Energy Loan Fund.

Sky Dania: The Sky Dania project was made possible by SFCLT’s largest scattered site acquisition to date, encompassing 31 operable housing units across seven properties. The properties are centrally located near an international airport and seaport, just one block from the Dania Beach City Hall. Further enhancing their viability, the homes are located within specially designated areas targeted for redevelopment efforts, including a CRA and an Opportunity Zone, and the neighborhood was recently up-zoned as part of local officials efforts to densify housing. The acquisition was supported by \$5.5 million in funding from Broward County toward its aggressive plans to invest in affordable housing. Already underway, Phase 1 of our work will entail health-enhancing and sustainable renovations to the 31 homes, creating the added benefit of reducing renters’ monthly energy bills.

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BHPCLT’s significant accounting policies are consistently applied in the preparation of the accompanying financial statements as follows:

(a) Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) within the scope of Topic 958, *Presentation of Financial Statements for Not-for-Profit Organizations*. Under ASC 2016-14, the organization is required to report information regarding its financial position and activities according to the two classes of net assets as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time.

Principles of consolidation

The consolidated financial statements include the accounts of the BHP Community Land Trust and its wholly owned subsidiary 350 LLC and Sky Dania, LLC. These projects provide low-income housing in the form of rental and residential communities.

All significant inter-company accounts and transactions have been eliminated in the consolidation.

(b) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

(c) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Expenses have been allocated by function among program and supporting service classifications either directly or on the basis of estimates made by management.

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash to be unrestricted cash in banking institutions and certificates of deposit with initial maturities of three months or less to be cash equivalents.

(e) Restricted Cash

Restricted cash represents amounts held in escrow for tenant security deposits and recorded as such in the accompanying financial statements.

(f) Developments in Progress

BHPCLT incurs costs during the predevelopment and construction of each affordable housing project undertaken.

The Organization capitalizes these costs as assets (developments in progress) and the costs are usually recoverable from the projects either from grant proceeds, loan proceeds or net cash flows from project operations.

Funds expended on projects that do not go beyond the development stage are recorded as expenses.

(g) Deferred Revenue

BHPCLT is the recipient of contributions to aid in its mission in the form of grants and subject to certain conditions as described in the grant agreement. Contributions received in advance of satisfying those conditions are recorded as deferred revenue.

(h) Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restriction.

(i) Functional Allocation of Expenses

The costs of programmatic and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses that are identified with a specific program or support service are charged directly to the appropriate function. Other shared costs have been allocated among the programs and supporting services benefited based on management's estimate of the relative effort expended for the related functions.

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(j) Income Taxes

BHPCLT is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the financial statements. However, the Organization's Form 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally, for three years after they are filed.

(k) Credit Risks

The Organization's credit risks primarily relate to cash, cash equivalents, and investments. The Organization maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to an aggregate of \$250,000. The Organization has not experienced any such losses and management believes the Organization is not exposed to significant credit risk pertaining to cash.

(l) Fair Value of Financial Instrument

The Organization has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-01, which requires equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income.

(m) Impairment of Assets

Management reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. No adjustments have been made in the financial statements for the years ended December 31, 2024 and 2023.

NOTE 3 – RESTRICTED CASH

Restricted cash is comprised of rental security deposits collected from tenants and held in escrow of \$78,308 and \$87,958, as of December 31, 2024 and 2023, respectively.

NOTE 4 – DEPOSITS AND OTHER ASSETS

Deposits and other assets are comprised of the following at December 31:

Details	2024	2023
Rent deposits	\$ 3,125	\$ 3,125
Other assets	372,445	81,976
	<u>\$ 375,570</u>	<u>\$ 85,101</u>

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Rental land	\$ 6,481,478	\$ 6,481,478
Rental Building	11,180,837	11,413,353
Land held in trust	515,690	515,690
Development in progress	3,282,252	1,637,931
Furniture, fixtures and equipment	-	5,960
Total	<u>21,460,257</u>	<u>20,054,412</u>
Less: accumulated depreciation	<u>(2,080,688)</u>	<u>(1,881,084)</u>
Property and equipment, net	<u>\$ 19,379,569</u>	<u>\$ 18,173,328</u>

Depreciation and amortization expenses for the years ended December 31, 2024, and 2023 were approximately \$199,604 and \$202,422, respectively.

As of December 31, 2024 and 2023, properties held for sale comprise land valued at approximately \$306,000. These amounts are excluded from the amount noted within property and equipment but are denoted in the financial statements as real estate held for sale. Also see Note 7.

NOTE 6 – DEVELOPMENT IN PROGRESS

The development in progress was as follows as of December 31:

	<u>2024</u>	<u>2023</u>
SFCLT 350 LLC.	\$ 1,024,416	\$ 652,442
BHP Community Land Trust Inc.	1,026,936	323,270
Sky Dania, LLC.	1,230,900	734,340
	<u>\$ 3,282,252</u>	<u>\$ 1,710,052</u>

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 – REAL ESTATE HELD FOR SALE/LONG-TERM LIABILITIES

At December 31, 2024, and 2023, real estate held for sale was \$305,786 and consisted of one (1) parcel of land in Little Haiti, Miami, planned for a multifamily homeownership project.

NOTE 8 – FAIR VALUE MEASUREMENTS

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction in the most advantageous market at the measurement date. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities the Organization has the ability to access.
- Level 2 - Inputs (other than quoted prices within Level 1) such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that can be corroborated by observable market data.
- Level 3 - Unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to management's assessment of the quality, risk, or liquidity profile of the asset or liability.

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 –NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists primarily of forgivable debt acquired as part of an agreement with Broward County, Florida for the acquisition and redevelopment of its multi-family rental housing properties through the U.S. Department of Housing and Urban Development (HUD).

At December 31, 2024 and 2023, the composition of obligations classified as net assets with donor restrictions were as follows:

	<u>2024</u>	<u>2023</u>
A thirty-year interest free promissory note payable to Broward County, Florida for property acquisition and construction/rehabilitation of the Sunland Terrace low-income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- NSP 1)	\$ 1,576,572	\$ 1,576,572
A fifteen-year interest free promissory note payable to BB&T (funded by Federal Home Loan Bank) for the property construction & rehabilitation of Sunland Terrace. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- Affordable Housing Program)	600,000	600,000
A thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of the Como Apartments low-income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- NSP 1 and DRI)	1,300,500	1,300,500
A thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of the Tam O’Shanter low- income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- NSP 3 and DRI)	1,001,457	1,001,457

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 –NET ASSETS WITH DONOR RESTRICTIONS (Cont’d)

<p>A thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of a Duplex at the SW 7th Street low-income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- NSP 3)</p>	196,257	196,257
<p>A thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of a Duplex at the NE 3rd Street low-income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- NSP 3)</p>	312,116	312,116
<p>A thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of a Duplex at the NE 8th Street low-income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- NSP 3)</p>	254,067	254,067
<p>A thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of a Duplex at the SW 14th Street low- income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- NSP 3)</p>	428,975	428,975
<p>A thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of a single-family homes at the NE 40th Court low- income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- NSP 3)</p>	120,516	120,516

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (Cont'd)

A forgivable thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of Sky Dania for low- income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- CDBG and CDBG-CV)	5,361,014	0
A thirty-year interest free promissory note payable to Broward County, Florida for the property acquisition and construction/rehabilitation of a single-family homes at the NW 7 th Court low- income rental housing. Loan is forgivable upon the Organization’s compliance with certain covenants. (Funding Source- CHDO)	<u>828,000</u>	<u>828,000</u>
Total net assets with donor restrictions	<u>\$ 11,979,474</u>	<u>\$ 6,618,460</u>

NOTE 10 – FUNCTIONAL EXPENSES

Expenses are presented in the functional classifications noted below in accordance with the Financial Accounting Standards Board’s (FASB) codification No. ASC 958-720-45-2 to help understand the service effort of the Organization. Program services represent 95% and 93% of the total expenses for the years ended December 31, 2024, and 2023, respectively. A breakdown of functional expenses is noted below:

Program Services	\$ 1,644,552	\$ 1,117,502	
General and administrative	<u>89,090</u>	<u>94,960</u>	
Total	<u>\$ 1,733,642</u>	<u>\$ 1,212,462</u>	

NOTE 11 – LINE OF CREDIT

The Organization utilizes one line of credit obtained through a local financial institution that is used to fund development projects throughout the year. The balance of the line of credit was \$ 0 and \$240,000 at December 31, 2024, and 2023, respectively.

Interest rates vary at the prime rate plus 0%, accordingly. Interest expense for the years ended December 31, 2024, and 2023 was \$22,143 and \$ 36,812, respectively. The line of credit is collateralized by the assets of the Organization. The general line of credit with PNC Bank, National Bank Association, in the amount of \$240,000 was renewed through February 26, 2026.

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 12 - SMALL BUSINESS ADMINISTRATION LOAN

BHPCLT obtained a loan in the amount of \$150,000 on April 20, 2020, from the SBA, an Agency of the U.S. Government, on the following terms:

- 1) The interest rate is 2.75% per annum and will accrue only on funds actually advanced from the date(s) of each advance.
- 2) The loan is secured by a security interest in all tangible and intangible personal property, including, but not limited to: (a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including healthcare insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software, and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code.
- 3) The security interest Borrower grants includes all accessions, attachments, accessories, parts, supplies, and replacements for the collateral, all products, proceeds, and collections thereof, and all records and data relating thereto. The loan is repayable in installment payments, including principal and interest, of \$614 monthly and will begin twelve (12) months from the date of the promissory note. The balance of principal and interest will be payable thirty (30) years from the date of the promissory note. At December 31, 2024, the aggregate amount of principal repayment over the ensuing five years and thereafter is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 7,416	\$ 7,416
2026	-	7,416	7,416
2027	-	7,416	7,416
2028	-	7,416	7,416
Thereafter	150,000	163,152	313,152
	<u>\$ 150,000</u>	<u>\$ 192,816</u>	<u>\$ 342,816</u>

BHP COMMUNITY LAND TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The Organization leases office space under an operating lease agreement. Lease expenses for the years ended December 31, 2024, and 2023 were \$30,858 and \$36,330, respectively.

NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,865,106	\$ 2,695,268
Accounts receivables	-	258,473
Deposits and other assets	<u>375,570</u>	<u>85,101</u>
Total Financial Assets	2,240,676	3,038,842
Less:		
Donor Restricted for Period Beyond One Year	<u>(78,308)</u>	<u>(87,958)</u>
Total Financial Assets Available Within One Year	<u>\$ 2,318,984</u>	<u>\$ 3,126,800</u>

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through May 27, 2025, the date this report was available to be issued. Except as noted below, there are no subsequent events to report.

- (a) The general line of credit of \$240,000 with PNC Bank, National Bank Associations, was renewed through February 26, 2026.



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

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

To the Board of Directors of
BHP Community Land Trust, Inc.
Fort Lauderdale, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of BHP Community Land Trust, Inc. ("BHPCLT"), (a nonprofit organization),, which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated related statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 27, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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.

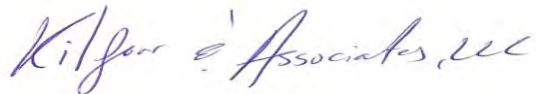
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 BHP Community Land Trust'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



Miami, Florida
May 27, 2025

BHP COMMUNITY LAND TRUST, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Federal Agency/ Pass Through Agency	Federal Program	Through Agency Identifying Number	Expenditures			Passed Through to Sub- Receipts
			From Pass Through Awards	From Direct Awards	Total	
United States Department of Housing and Urban Development						
Broward County, Florida (FL)	CDBG Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants (Neighborhood Stabilization Program (NSP3) (Loan)	14.218/None	\$ 2,951,892	\$ -	\$ 2,951,892	\$ -
	Community Development Block Grants/Entitlement Grants (Neighborhood Stabilization Program (NSP1 & NSP3) (Loan) (CDBG and CDBG-CV(Loan))	14.218/None	6,247,095	-	6,247,095	-
			9,198,987	-	9,198,987	-
Broward County, Florida (FL)	CDBG Disaster Recovery Grants - Pub. L. No. 113-2 Community Development Block Grants/State's Program and Non-Entitlement Grant In Hawaii (State's CDBG Program) (Disaster Recovery Initiative (DRI)) (Loan) Total Cluster	14.228/None	400,000	-	400,000	-
Broward County, Florida (FL)	Home Investment Partnerships Program (Community Housing Development Organization (CHDO)) (Loan #1)	14.239/None	347,504	-	347,504	-
	(Community Housing Development Organization (CHDO)) (Loan #2)	14.239/None	828,000	-	828,000	-
	(Community Housing Development Organization (CHDO)) (Loan #3)	14.239/None	385,262	-	385,262	-
			1,560,766	-	1,560,766	-
Broward County, Florida (FL)	Neighborhood Stabilization Program (Recovery Act Funded)(NSP 3) (Loan)	14.256/11-HFCD-038-NSP3	1,976,000	-	1,976,000	-
	Total Federal Awards Expended		\$ 13,135,753	\$ -	\$ 13,135,753	\$ -

See notes to Schedule of Expenditures of Federal Awards

BHP COMMUNITY LAND TRUST, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1 - Bases of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of BHPCLT under programs of the federal government for the year ended December 31st, 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), (formerly OMB Circular A-133). Because the Schedule presents only a selected portion of the operations of BHPCLT, it is not intended to and does not present the financial position, changes in net assets or cash flows of BHPCLT.

Note 2 - 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 limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

BHPCLT has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for certain grants that allow the use of the 10% de minimis indirect cost rate.

Note 4 – Major Federal Program

BHPCLT had one major federal program audited during the year ended December 31, 2024, as follows:

<u>Federal Program Description</u>	<u>CFDA #</u>	<u>Expenditures</u>
Community Development Block Grant	14.218	\$6,247,095

Note 5 – Contingency

The grant/contract revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor/contracting agencies as a result of such an audit, any claim for reimbursement to the grantor/contracting agencies would become a liability of BHPCLT. In the opinion of management, all grant expenditures are in compliance with the terms of the grant/contract agreements and applicable Federal and state laws and other applicable regulations.



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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required By the Uniform Guidance

To the Board of Directors
BHP Community Land Trust, Inc.
Fort Lauderdale, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited BHP Community Land Trust, Inc. (BHPCLT) 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 each of BHPCLT's major federal programs for the year ended December 31st, 2024. BHPCLT's major federal program is identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, BHPCLT complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31st, 2024.

Basis for Opinion on Each 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 BHPCLT 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 each major federal program. Our audit does not provide a legal determination of BHPCLT's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management of BHPCLT 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 BHPCLT's federal programs.

Independent Auditors' Report

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 BHPCLT'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 BHPCLT'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 BHPCLT'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 BHPCLT'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 BHPCLT'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

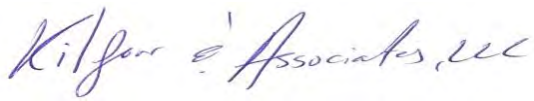
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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.

Independent Auditors' Report

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.

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.



May 27, 2025
Miami, Florida

BHP COMMUNITY LAND TRUST, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? ___ Yes X No
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? ___ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a) of Uniform Guidance?

___ Yes X No

Identification of Major Programs:

CFDA Numbers

Name of Federal Program or Cluster

U.S. Department of Housing and Urban Development (HUD):

14.218 Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes ___ No

**BHP COMMUNITY LAND TRUST, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION II – FINANCIAL STATEMENTS FINDINGS

There are no financial statement findings for the year ended December 31, 2024.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There are no federal award findings or questioned costs for the year ended December 31, 2024.

SECTION IV – FINANCIAL STATEMENT FINDINGS OF PRIOR YEAR FINDINGS

There are no financial statement findings for the prior year ended December 31, 2023.

SECTION V – FEDERAL AWARDS SUMMARY OF PRIOR AUDIT FINDINGS

There are no federal award findings or questioned costs for the prior year ended December 31, 2023.

M&T Realty Capital Corporation

Letter of Support for BHP Community
Land Trust, Inc., a 501c3 nonprofit
developer doing business as South
Florida Community Land Trust, Inc.

in partnership with

the City of Hollywood

July 15, 2025

July 15, 2025

Ms. Mandy Bartle
President and CEO

BHP Community Land Trust, Inc., a 501c3 nonprofit developer doing business as South Florida
Community Land Trust, Inc.
mandy@southfloridact.org

RE: City of Hollywood; BHP Community Land Trust, Inc., a 501c3 nonprofit developer doing business
as South Florida Community Land Trust, Inc. ("SFCLT")
2030-2034 Dewey Street, Hollywood, Florida

Dear Ms. Bartle,

Your team has made us aware of BHP Community Land Trust, Inc., a 501c3 nonprofit developer doing
business as South Florida Community Land Trust, Inc. ("SFCLT") intent to partner with the City of
Hollywood. We are well aware of SFCLT's history of conscientious development practices that benefit
the community at large given our existing relationship. After review of your financials and on behalf of
M&T Realty Capital Corporation ("MTRCC"), we are pleased to submit this proposal to serve as
Permanent Lender/Service for the Golden Acres Redevelopment. We feel that our expertise of the
national multifamily housing industry; our unparalleled/extensive Fannie Mae, Freddie Mac, and FHA
experience; and our history of RAD executions combined with FHA financing uniquely qualifies us to
provide the financing for these projects. MTRCC welcome the opportunity to assist your financing needs
should you be awarded the opportunity to develop the subject. Additionally, we have the ability to bring
in trusted partners with a proven track record in syndication services as well as asset and portfolio
management.

You may use this letter to inform City of Hollywood of our willingness to serve as your equity and/or
debt partner.

Nationally Recognized Expert in Affordable Housing Finance

M&T Realty Capital Corporation® (www.mtrcc.com) is a wholly-owned subsidiary of M&T Bank—one of
the 20 largest US-headquartered commercial bank holding companies. As a full-service mortgage
banking company, MTRCC specializes in providing competitive financing nationwide for commercial real
estate. MTRCC is a fully licensed Fannie Mae DUS® lender, a Freddie Mac Optigo® lender, an approved
FHA/HUD MAP and LEAN lender, and also offers life insurance company, CMBS, and debt fund financing
through correspondent relationships. MTRCC currently services a ~25 billion portfolio.

We believe truly optimum financing solutions are best delivered by an industry finance specialist.
MTRCC specializes in providing comprehensive capital solutions through FHA lending, limited Bond
Underwriting, Fannie Mae DUS®, Freddie Mac Optigo®. In addition to the full range of products from
Agency, FHA, Life Company, and CMBS. We have a proven track record of success, and strong
understanding of the applicable lending requirements. Additionally, as an affiliate of a publicly traded

and supervised entity, M&T Bank-stock symbol MTB, MTRCC enjoys a competitive advantage and is a financially strong partner.

MTRCC and/or the Staff to be assigned to this Project have completed numerous Affordable, mixed finance transactions with Section 8 Rental Assistance, 4% & 9% Low Income Housing tax credit transactions, coupled with tax exempt bonds and other forms of subordinate financing, e.g. Tax Credit Equity, Bridge loans, Seller Notes, Federal Home Loan Bank products, CDBG, City & County loans.

Very often the ownership structures contemplate a lease of the land and improvements or land only. Frequently, there are complicated tax abatements and payment in lieu of tax structures, resulting in the need for multiple tranches of debt. and many support staff in processing, closing, construction management, servicing, and asset management, we truly have a best-in-class team to cater to your affordable housing needs. We are committed to communicating the true risks and mitigants of a project to decision makers in the Fannie, Freddie, and HUD offices to get fair outcomes. We have been identified as thought leader and actively speak at industry conferences on financing options.

Examples of successful recent LIHTC and/or affordable transactions:

- | | | | | |
|----|----------------------|--------------|-----------------------------|------------------|
| 1. | 85-unit MF property | \$9,048,000 | Freddie Mac 9% Forward TEL | Bronx, NY |
| 2. | 393-unit MF property | \$67,750,000 | Fannie Mae Preservation | Union, NJ |
| 3. | 229-unit MF property | \$19,780,000 | Fannie Mae MTEB Forward | Washington, DC |
| 4. | 180-unit MF property | \$37,999,700 | Fannie Mae Preservation | Milford, CT |
| 5. | 40-unit MF property | \$6,000,000 | Fannie Mae Preservation | Poughkeepsie, NY |
| 6. | 122-unit MF property | \$17,257,000 | Freddie Mac TEL Acquisition | Lake Placid, NY |
| 7. | 200-unit MF property | \$29,144,000 | Freddie Mac Preservation | Amherst, MA |
| 8. | 104-unit MF property | \$8,100,000 | Bridge Loan Financing | Buffalo, NY |

M&T Bank

M&T Bank Corporation is a financial holding company headquartered in Buffalo, New York. Trust-related services are provided by M&T's Wilmington Trust-affiliated companies and by M&T Bank. M&T Bank is a diversified, community-focused banking franchise with approximately \$240 billion in assets. It has been long recognized for its community commitments and longstanding support of civic organizations. Over the past decade, M&T, through The M&T Charitable Foundation, has donated \$263.7 million to over 2,800 nonprofit organizations across eight states and the District of Columbia. M&T Bank has been awarded the highest possible Community Reinvestment Act rating on every examination since 1982 from the Federal Reserve Bank of New York.

Industry Experience with RAD

The MTRCC team is experienced with RAD transactions using an FHA Insured Mortgage and low-income housing tax credits. Since that time MTRCC's bankers, underwriters, and analysts have dedicated themselves to develop greater efficiency and understanding of the RAD program. Although the FHA program has been a preferred debt option for RAD transactions, MTRCC team has executed Fannie and Freddie debt options showcasing our ability to pick and execute the right debt option depending on transaction needs.

Examples of successful RAD transactions:

1. City of Santa Barbara CA Housing Authority, 223(f) RAD scattered site conversion, two locations
2. City of Summerville GA Housing Authority, 223(f) RAD scattered site conversion
3. City of Summerville GA Housing Authority, 223(f) RAD conversion, two separate locations
4. Charlotte Housing Authority, 223(f) RAD conversion, two separate locations
5. Cook County, IL Housing Authority, 221(d)(4) SR RAD conversion
6. Cuyahoga County OH Housing Authority, 221(d)(4) SR RAD conversion
7. Vicksburg MS Housing Authority, 221(d)(4) SR RAD scattered site conversion
8. Camden, NJ Housing Authority, 221(d)(4) SR RAD conversion
9. Newark, NJ Housing Authority, 223(f) RAD conversion References and descriptions of similar size and scope projects

All the of projects below are representative examples of RAD conversions. Most of these projects involved either a large repair or extensive rehabilitation Scope of Work, prepared by a Professional Architect and all work was completed by a General Contractor. Various members of the MTRCC staff participated extensively in the Origination, Underwriting, Processing, Lender Committee Approval and final closing of the FHA insured loan(s) while employed with MTRCC or another MAP Lender:

1. Villa Santa Fe Apartments, 167 units, \$18.0 million 223f FHA insured loan, two complexes*
2. Anthony Homes, 274 units, \$3,571,800 million 223f FHA insured loan
3. Bowden Pendleton Homes, 351 units, \$3,972,900 223f FHA insured loan
4. R.H. Floyd Memorial Apartments, 220 units, \$3,261,000 223f FHA insured loan, multiple sites*
5. Southside Homes, 392 units, \$24,126,600, 223f FHA insured loan
6. CHA Towers, 397 units, \$18,000,000, 223f FHA insured loan
7. Evanston Senior Redevelopment, 201 units, \$3,400,000 FHA 221d4 SR insured loan
8. Bohn Tower, 267 units, \$11,000,000 FHA 221d4 SR insured loan
9. Ambleside Tower, 202 units, \$6,720,000 FHA 223f insured loan
10. Severance Tower, 191 units, \$5,989,900 FHA 223f insured loan

*Required scattered site waivers, successfully procured from the HUD Secretary

The MTRCC team strives to offer the services you would expect from your local bank, with the resources and knowledge of a large national lender. By developing a dedicated team, comprised of our trading desk, senior management and ourselves, we can provide a consistent and efficient process.

Please do not hesitate to call with any questions or comments that may arise. Thank you very much for the opportunity to provide our support. We look forward to speaking with you and City of Hollywood through our continuing partnership with SFCLT.

Sincerely,

Chad P. Musgrove

Chad P. Musgrove
Senior Vice President
C: 228-265-2365

July 15, 2025

Ms. Amanda Bartle
Executive Director
BHP Community Land Trust, Inc.
718 NE 2nd Avenue
Fort Lauderdale, FL 33304

Re: Letter of Support for a Construction Loan (the “Loan”) for five scattered sites residential single family homes to be constructed on lots donated by the City of Hollywood, Broward County (the “Project”).

Dear Ms. Bartle:

Thank-you for considering Florida Community Loan Fund (“FCLF”) as a construction lender for development of up to 20 single-family and townhouse affordable homes on lots donated and/or discounted by the City of Hollywood. Based on the information you have shared regarding the economics and purpose of the project, it is consistent with the underwriting guidelines and mission of the Loan Fund. Terms and conditions are proposed as follows:

- Borrower:** BHP Community Land Trust, Inc. or affiliated organization as agreed by the Lender.
- Funding:** Costs for construction will be advanced as work is completed.
- Loan Amount:** \$8,000,000
- Interest Rate:** 7.375%.
- Loan Term:** Twenty four months during which periodic draws will be made to fund construction.
- Payments:** Interest only payments are to be made monthly from an interest reserve established as part of the development budget or from Borrower funds. Repayment of principal will be made through sales of units to eligible homebuyers.
- Fees:** Loan origination fee – 1.0% of the Loan Amount
Customary closing and FCLF legal fees
- Collateral:** First mortgage lien on the Project, superior to any and all liens and restrictions.
- Loan to Value:** 85% of the “as-completed” value of the homes or of the maximum allowable sales price, whichever is less.
- Prepayment:** No prepayment penalty.

- Other Funding:** Other funding sufficient to complete the project shall be reviewed and approved by the Loan Fund.
- Documentation:** All documentation regarding the project including construction documents as well as all grant and loan documents shall be available for review and acceptance by the Loan Fund.
- Third Party Reports:** Required third party reports include an as-completed appraisal and environmental assessment reports prepared by firms acceptable to the Loan Fund.
- Social Purpose:** The project is designed to support affordable for-sale housing for low- and moderate-income families.

FCLF is a Community Development Financial Institution (CDFI) with a strong social conscience that shares the mission of borrowers working to improve conditions in both urban and rural low-income communities around the state. We appreciate the opportunity to provide this letter of support for your Project. Given our longstanding relationship, I do not foresee any impediments to obtaining a formal commitment from us.

Sincerely,

James Walker

James Walker
Community Development Loan Officer



AFFORDABLE HOUSING MULTIFAMILY LENDING

FHA/HUD Section 221(d)(4) – Construction to Permanent Financing

REPRESENTATIVE TERMS	
Eligibility:	<ul style="list-style-type: none"> • New construction or substantial rehabilitation of apartment properties • Borrower must be a single asset owner (corporation, general partnership, limited partnership or limited liability company)
Property Types	Apartments (garden, townhouse, mid-rise and high-rise).
Program Description	Financing for new construction or substantial rehabilitation. Retail/Commercial space acceptable (cannot exceed 25% of net rentable area or 15% of effective gross income).
Program Name	221(d)(4) New Construction/SubRehab.
Location	United States, U.S. Virgin Islands, Puerto Rico and Guam.
Loan Amount	Program has no minimums, including during the construction period.
Interest Rate	Fixed, determined by market conditions at time of rate lock.
Recourse	Non-recourse except for acts of malfeasance.
Loan Term	Construction term plus 40-year (fully amortizing) permanent loan.
Maximum Mortgage	<ul style="list-style-type: none"> • At Least 90% PBRA – 1.11 DSCR and 90% LTC. • Affordable Housing – 1.15 DSCR and 87% LTC. • Market Rate Housing - 1.18 DSCR & 85% LTC.
Program Features	Significant equity offset utilizing 10% Builder's and Sponsor's Profit and Risk Allowance (BSPRA) credit when sponsor or related entity acts as general contractor. Loan converts to permanent upon completion of construction, no lease-up required for conversion.
Prepayment	Negotiable.
Agency Fees	<ul style="list-style-type: none"> • FHA Application Fee: 0.30% (may be reduced for Projects in Opportunity Zones to 0.20%). • FHA Inspection Fee: 0.50% of mortgage amount for new; 0.50% of cost of improvements for substantial rehabilitation. • Mortgage Insurance Premium (MIP): At Least 90% Rental Assistance, At Least 90% Affordable with achievable and underwritten tax credit rents at least 10% below comparable market rents, OR Green Certification qualifies for 25 bps MIP Affordable Housing qualifies for 35 bps MIP.

ABOUT US

M&T Realty Capital Corporation is a wholly-owned subsidiary of M&T Bank—one of the 20 largest US-headquartered commercial bank holding companies.

As a full-service mortgage banking company, we specialize in providing competitive financing nationwide for commercial properties, including multifamily, affordable housing, seniors housing, healthcare facilities, and office, industrial, and retail properties.

We are a fully accredited Fannie Mae DUS® and Multifamily Affordable Housing (MAH) lender, a Freddie Mac Optigo® and Targeted Affordable Housing (TAH) Lender, and an approved FHA/HUD MAP and LEAN lender.

For more information contact:

Drew Robison
Senior Vice President
c: 678-978-0989
e: jrobison@mtb.com

1-800-737-2344
mtrcc.com

AFFORDABLE HOUSING MULTIFAMILY LENDING

FHA/HUD Section 221(d)(4) – Construction to Permanent Financing

REPRESENTATIVE TERMS (CONTINUED)

Other Requirements	<ul style="list-style-type: none"> • Application: Phase I ESA; Appraisal; Market Study; Structural/Cost Review, Radon/LPB/ACM Testing. • Construction: Payment of Davis-Bacon wages; cost certification; completion assurance. • Permanent Loan: Audited statements, Tax, Insurance, MIP and Replacement Reserves escrows required; surplus cash distributions limited to 2 times per year. • Initial installment 20% of LIHTC Total Equity; 10% may be funded by a LIHTC EBL. • 37.5% of Net Equity at 65% Completion. • 62.5% of Net Equity at 100% Completion.
Green Certification Incentive	<p>MIP reduction to 0.25% if a) an energy audit is performed on a property, and b) energy improvements are implemented to achieve an Energy Star Benchmarking Score of 75 or greater and Green Certification. All reductions are subject to HUD approval.</p>
Escrows Typically Funded Upon Closing	<ul style="list-style-type: none"> • 2% (Affordable SubReb) or 4% (New Construction) of Loan Amount Working Capital Escrow. • Initial Operating Deficit Escrow, 3% of the Loan Amount or 6 Months Debt Service inclusive of MIP; may be waived for Affordable in lieu of Operating Deficit Escrow required by Syndicator/LIHTC Investor. • Offsite Escrow for Non Mortgageable Costs • 2year Tax Increment Escrow, if applicable

For more information contact:

Chad P. Musgrove
Senior Vice President
c: 228.265.2365
e: cmusgrove@mtb.com

1-800-737-2344
mtrcc.com



All loans, lines of credit and all terms referenced herein are subject to receipt of a completed application, credit approval and other conditions. Other terms, conditions, fees and restrictions may apply. Based on 2020 origination data provided by the U.S. Department of Housing and Urban Development (fiscal year ended 9/30/20).

"DUS" is a registered trademark of Fannie Mae. "Optigo" is a registered trademark of Freddie Mac.

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