



BEAUFORT
JASPER HOUSING
TRUST

BEAUFORT JASPER HOUSING TRUST

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

**BEAUFORT JASPER HOUSING TRUST
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JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beaufort Jasper Housing Trust

Opinion

We have audited the accompanying financial statements of Beaufort Jasper Housing Trust (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beaufort Jasper Housing Trust as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Beaufort Jasper Housing Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Beaufort Jasper Housing Trust'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 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 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.

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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 Beaufort Jasper Housing Trust'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 Beaufort Jasper Housing Trust's ability to continue as a going concern for a reasonable period of time.

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



Crowley Wechsler & Associates LLC
Beaufort, South Carolina
August 20, 2025

BEAUFORT JASPER HOUSING TRUST
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025

ASSETS

CURRENT ASSETS

Cash	\$ 4,422,425
Accounts receivable	31,870
Total current assets	<u>4,454,295</u>

OTHER ASSETS

Loans receivable	500,000
Total other assets	<u>500,000</u>

TOTAL ASSETS

<u>\$ 4,954,295</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 174
Total current liabilities	<u>174</u>

NET ASSETS

Without donor restrictions	4,954,121
Total net assets	<u>4,954,121</u>

TOTAL LIABILITIES AND NET ASSETS

<u>\$ 4,954,295</u>

The notes to the financial statements are an integral part of this statement.

**BEAUFORT JASPER HOUSING TRUST
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

WITHOUT DONOR RESTRICTIONS

Revenues and Support	
Local and state grants	\$ 1,138,250
Interest income	162,482
Total revenues and support	<u>1,300,732</u>
Expenses	
Program services	1,610,802
General and administrative	70,761
Total expenses	<u>1,681,563</u>
Changes in net assets without donor restrictions	(380,831)
Net assets, beginning of the year	<u>5,334,952</u>
Net assets, end of the year	<u><u>\$ 4,954,121</u></u>

The notes to the financial statements are an integral part of this statement.

BEAUFORT JASPER HOUSING TRUST
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

		<u>Supporting Services</u>	
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total (Memorandum Only)</u>
Advertising/marketing	\$ 27,732	\$ 6,088	\$ 33,820
Bank charges	-	702	702
Board expenses	-	3,144	3,144
Cell phone	984	216	1,200
Dues and subscriptions	3,534	776	4,310
Insurance	2,157	473	2,630
Occupancy	1,833	402	2,235
Office expenses	9,420	2,068	11,488
Professional fees	247,788	54,392	302,180
Sponsorships/community support	-	200	200
Travel and meals	3,354	736	4,090
Professional development	-	1,564	1,564
Home buyer program	235,000	-	235,000
Home repair program	1,079,000	-	1,079,000
Total functional expenses	<u>\$ 1,610,802</u>	<u>\$ 70,761</u>	<u>\$ 1,681,563</u>

The notes to the financial statements are an integral part of this statement.

BEAUFORT JASPER HOUSING TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (380,831)
(Increase) decrease in:	
Accounts receivable	447,606
Increase (decrease) in:	
Accounts payable	<u>(3,200)</u>
Net cash provided by operating activities	<u>63,575</u>
Net increase (decrease) in cash and cash equivalents	63,575
Cash and cash equivalents at beginning of year	<u>4,358,850</u>
Cash and cash equivalents at end of year	<u><u>\$ 4,422,425</u></u>
Summary of cash accounts	
Unrestricted cash	<u>\$ 4,422,425</u>
Total cash	<u><u>\$ 4,422,425</u></u>

The notes to the financial statements are an integral part of this statement.

BEAUFORT JASPER HOUSING TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Beaufort Jasper Housing Trust (Trust) is a nonprofit corporation that was incorporated on May 31, 2023. The purpose of the Trust is to create new housing units, rehabilitate existing housing units, and provide workforce housing for the Beaufort and Jasper counties. The Beaufort and Jasper counties entered into an intergovernmental agreement with several surrounding towns and cities with the purpose being to identify problems and opportunities that are currently facing the entire lowcountry. State and local grants are the primary sources of funding for the Trust.

Basis of Presentation

The financial statements of the Trust have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). The accounting policies have been designed to conform to US GAAP as applicable to nonprofits.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Trust. These net assets may be used at the discretion of the Trust's management and the board of directors.

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 Trust or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

Contributions are received from individuals, foundations, corporations, and governmental entities in support of the Trust's mission. Contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, the Trust may receive a promise to give that has certain conditions such as meeting specific performance-related barriers or limiting the Trust's discretion on use of funds. Such conditional promises are recognized when the conditions are substantially met.

Contributions of cash that must be used to acquire property and equipment or used for specific programs are reported as donor restricted support. Absent donor stipulations regarding how long those assets must be maintained, the Trust reports expirations of donor restriction when the acquired assets are placed in service or used for program expenses as instructed by the donor. The Trust reclassifies donor restricted net assets to net assets without donor restrictions at that time.

Nonfinancial assets contributed with explicit restrictions regarding their use and contributions of cash and other financial assets that must be used for an explicit reason are reported as restricted contributions. Absent donor stipulations regarding how long those contributed nonfinancial assets must be maintained, the Trust reports expirations of donor restrictions when the contributed or acquired nonfinancial assets are placed in service as instructed by the donor. The Trust reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

BEAUFORT JASPER HOUSING TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

Deposits of the Trust are maintained in demand deposit accounts at one financial institution. For the purposes of collateralizing deposits, the Trust utilizes a combination of Insured Cash Sweep (ICS) accounts and Federal Deposit Insurance Corporation (FDIC) coverage.

For the purposes of the statement of cash flows, the Trust considers all highly liquid investments available for current use with a maturity of three months or less to be cash equivalents. No income taxes or interest were paid during the year.

Income Taxes

The Trust is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Management has determined that the Trust does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Trust's tax return will not be challenged by taxing authorities and that the Trust will not be subject to additional tax, penalties and interest as a result of such challenge. Generally, the Trust's tax returns remain open for three years subsequent to their filing for examination by government authorities.

Advertising

The Trust expenses advertising costs as they are incurred. For the year ended June 30, 2025, advertising expense was \$33,820.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to program or supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses and general administration expenses are allocated on the basis of time and effort.

Use of Estimates and Assumptions

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

**BEAUFORT JASPER HOUSING TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 AVAILABILITY AND LIQUIDITY

The following represents the Trust's financial assets at June 30, 2025:

	<u>2025</u>
Financial assets at year end:	
Cash and cash equivalents	\$ 4,422,425
Accounts receivable	<u>31,870</u>
Total financial assets	<u>4,454,295</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u><u>\$ 4,454,295</u></u>

NOTE 3 INTERGOVERNMENTAL AGREEMENT

The Trust has partnered with local governments through an intergovernmental agreement to create and preserve workforce and affordable housing in Beaufort and Jasper Counties. This agreement calls for \$7,269,662 to be funded over a ten-year period by the local governments.

Accounts receivable consists of grants promised by various local municipalities as part of an intergovernmental agreement regarding affordable housing. At June 30, 2025, the balance in accounts receivable was \$31,870. Management has reviewed the accounts receivable and determined all to be collectible.

NOTE 4 LOAN RECEIVABLE

The Trust entered into a creditor participation agreement with CommunityWorks in December 2023. As part of the agreement, the Trust provided \$500,000 to CommunityWorks to be utilized as part of a promissory note to a third party. Repayment will be made over a period of fifteen years after the conversion of the promissory note to a permanent financing loan. The conversion date will be no later than July 1, 2026. Management has reviewed the loan receivable and determined all to be collectible.

NOTE 5 SUBSEQUENT EVENTS

Management has reviewed subsequent events through August 20, 2025, the date at which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.