

Just-A-Start Corporation and Affiliates

**Consolidated Financial Statements
and Supplemental Information**

December 31, 2021 and 2020

JUST-A-START CORPORATION AND AFFILIATES

Index

December 31, 2021 and 2020

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Independent Auditor's Report

To the Board of Directors of
Just-A-Start Corporation and Affiliates

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Just-A-Start Corporation and Affiliates (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Just-A-Start Corporation and Affiliates as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 Just-A-Start Corporation and Affiliates 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.

Prior Year Consolidated Financial Statements

The consolidated financial statements of Just-A-Start Corporation and Affiliates for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on June 9, 2021.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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

Just-A-Start Corporation and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 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 Just-A-Start Corporation and Affiliates' 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 Just-A-Start Corporation and Affiliates' 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplemental information on pages 46-52, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected

to the auditing procedures applied in the audit of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2022 on our consideration of Just-A-Start Corporation and Affiliates' 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 Just-A-Start Corporation and Affiliates' 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 Just-A-Start Corporation and Affiliates' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CohnReznick LLP".

Braintree, Massachusetts
September 23, 2022

JUST-A-START CORPORATION AND AFFILIATES

 Consolidated Statements of Financial Position
 December 31, 2021 and 2020

Assets	2021	2020
Current Assets:		
Cash and cash equivalents	\$ 13,245,493	\$ 11,937,744
Rent receivable	694,002	351,045
Escrows	392,242	1,434,567
Current portion of accounts and grants receivable	906,161	1,207,155
Current portion of notes receivable	92,594	264,050
Prepaid expenses and other	396,894	307,752
Current portion of projects under development	2,747,003	1,974,303
Total current assets	<u>18,474,389</u>	<u>17,476,616</u>
Other Assets:		
Restricted deposits	9,697,905	9,948,730
Investments in marketable securities	5,281,533	4,744,055
Accounts and grants receivable, net of current portion	389,896	-
Notes receivable, net of current portion	3,532,539	3,207,161
Projects under development, net of current portion	18,464,535	28,251,458
Capitalized costs, net	207,956	704,011
Total other assets	<u>37,574,364</u>	<u>46,855,415</u>
Property and Equipment, net	<u>134,303,629</u>	<u>112,641,274</u>
Total assets	<u>\$ 190,352,382</u>	<u>\$ 176,973,305</u>
Liabilities, Net Assets and Non-Controlling Interests		
Current Liabilities:		
Current portion of long-term debt	\$ 3,648,710	\$ 2,476,116
Current portion of accounts payable, accrued expenses and other	<u>3,541,922</u>	<u>4,843,125</u>
Total current liabilities	<u>7,190,632</u>	<u>7,319,241</u>
Long-term Liabilities:		
Accounts payable, accrued expenses and other, net of current portion	227,659	206,249
Long-term debt, net	78,423,066	66,444,343
Lines of credit	4,634,125	2,504,500
Contractual advances	3,552,139	3,577,187
Contingent debt and deferred interest	38,937,689	40,112,286
Total long-term liabilities	<u>125,774,678</u>	<u>112,844,565</u>
Total liabilities	<u>132,965,310</u>	<u>120,163,806</u>
Net Assets and Non-Controlling Interests:		
Without donor restrictions	22,149,238	20,406,737
With donor restrictions	<u>1,165,299</u>	<u>709,520</u>
Total Just-A-Start and Affiliates' net assets	<u>23,314,537</u>	<u>21,116,257</u>
Non-controlling interests	<u>34,072,535</u>	<u>35,693,242</u>
Total net assets and non-controlling interests	<u>57,387,072</u>	<u>56,809,499</u>
Total liabilities, net assets and non-controlling interests	<u>\$ 190,352,382</u>	<u>\$ 176,973,305</u>

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

JUST-A-START CORPORATION AND AFFILIATES

 Consolidated Statements of Activities
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net Assets Without Donor Restrictions:		
Operating revenues:		
Rental income	\$ 12,536,781	\$ 12,318,040
Government contracts	2,831,442	2,556,824
Grants and contributions	1,097,741	711,965
Developer and other service fees	1,115,570	449,614
Interest income and other	346,334	264,815
Net assets released from purpose restriction	203,705	145,867
	<u>18,131,573</u>	<u>16,447,125</u>
Operating expenses:		
Education and training	2,016,514	2,025,373
Housing resources	1,569,459	1,519,234
Real estate development	1,038,923	803,599
Rental housing	9,669,976	9,146,076
General and administrative	1,205,897	1,119,743
Fundraising	274,213	268,340
	<u>15,774,982</u>	<u>14,882,365</u>
Total operating expenses before interest - amortization and depreciation and amortization	15,774,982	14,882,365
Interest - amortization	119,512	438,049
Depreciation and amortization	4,446,746	4,048,232
	<u>20,341,240</u>	<u>19,368,646</u>
Total operating expenses	20,341,240	19,368,646
Changes in net assets without donor restrictions from operations	<u>(2,209,667)</u>	<u>(2,921,521)</u>
Other income (expense):		
Provision for affiliate financing	-	2,369,303
Gain on sale of tax credits	564,200	1,469,760
Investment gain	528,744	353,292
Forgiveness of debt	114,117	224,999
Deferred interest	(720,364)	(580,103)
Total other income (expense)	<u>486,697</u>	<u>3,837,251</u>
Changes in net assets without donor restrictions	<u>(1,722,970)</u>	<u>915,730</u>
Net Assets With Donor Restrictions:		
Grants and contributions	659,484	230,741
Net assets released from purpose restrictions	(203,705)	(145,867)
Changes in net assets with donor restrictions	<u>455,779</u>	<u>84,874</u>
Changes in net assets	<u>\$ (1,267,191)</u>	<u>\$ 1,000,604</u>

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

JUST-A-START CORPORATION AND AFFILIATES

Consolidated Statements of Changes in Net Assets
For the Years Ended December 31, 2021 and 2020

	Net assets without donor restrictions			Net assets with donor restrictions	Net assets
	Controlling Interest	Non-Controlling Interest	Total	Controlling Interest	Total
Net Assets, December 31, 2019	\$ 16,707,812	\$ 15,548,288	\$ 32,256,100	\$ 624,646	\$ 32,880,746
Capital contributions	-	22,940,829	22,940,829	-	22,940,829
Changes in net assets	3,698,925	(2,783,195)	915,730	84,874	1,000,604
Distributions	-	(12,680)	(12,680)	-	(12,680)
Net Assets, December 31, 2020	20,406,737	35,693,242	56,099,979	709,520	56,809,499
Capital contributions	-	1,868,352	1,868,352	-	1,868,352
Changes in net assets	1,742,501	(3,465,471)	(1,722,970)	455,779	(1,267,191)
Distributions	-	(23,588)	(23,588)	-	(23,588)
Net Assets, December 31, 2021	<u>\$ 22,149,238</u>	<u>\$ 34,072,535</u>	<u>\$ 56,221,773</u>	<u>\$ 1,165,299</u>	<u>\$ 57,387,072</u>

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

JUST-A-START CORPORATION AND AFFILIATES

 Consolidated Statement of Functional Expenses
 For the Year Ended December 31, 2021

	Just-A-Start							Total
	Program Services			Supporting Services		Just-A-Start Total	Rental Properties	
	Education and Training	Housing Resources	Real Estate Development	General and Administrative	Fundraising			
Personnel and Related:								
Salaries	\$ 1,173,370	\$ 682,802	\$ 607,699	\$ 525,434	\$ 173,479	\$ 3,162,784	\$ -	\$ 3,162,784
Contract labor	132,638	107,512	30,730	732	-	271,612	1,694,306	1,965,918
Employee benefits	145,556	88,213	52,136	67,775	21,036	374,716	-	374,716
Payroll taxes	114,132	69,993	55,121	35,249	18,889	293,384	-	293,384
Total personnel and related	1,565,696	948,520	745,686	629,190	213,404	4,102,496	1,694,306	5,796,802
Occupancy:								
Interest	-	-	-	-	-	-	2,293,606	2,293,606
Utilities	11,714	2,441	4,329	2,569	-	21,053	1,393,537	1,414,590
Contracted services	-	-	10,087	-	-	10,087	1,328,839	1,338,926
Real estate taxes	-	-	19,450	-	-	19,450	461,810	481,260
Insurance	14,054	-	410	34,191	-	48,655	502,194	550,849
Repairs and maintenance	2,013	500	12,779	6,083	-	21,375	448,938	470,313
Rents	112,444	8,331	52,391	8,964	-	182,130	4,976	187,106
Total occupancy	140,225	11,272	99,446	51,807	-	302,750	6,433,900	6,736,650
Other Expenses:								
Professional fees	50,050	6,545	89,603	385,347	38,100	569,645	208,893	778,538
Program and client expenses	115,278	545,101	412	4,485	240	665,516	-	665,516
Management fees	-	-	-	-	-	-	590,411	590,411
Office and other	91,381	32,442	18,302	77,958	13,072	233,155	176,516	409,671
Telephone and communications	44,626	17,203	13,767	38,287	8,090	121,973	71,899	193,872
Bad debts	-	5,459	16,583	-	-	22,042	228	22,270
Miscellaneous	9,258	2,917	55,124	18,823	1,307	87,429	493,823	581,252
Total other expenses	310,593	609,667	193,791	524,900	60,809	1,699,760	1,541,770	3,241,530
Total expenses before interest - amortization and depreciation and amortization	2,016,514	1,569,459	1,038,923	1,205,897	274,213	6,105,006	9,669,976	15,774,982
Interest - Amortization	-	-	-	-	-	-	119,512	119,512
Depreciation and Amortization	49,626	-	-	42,439	-	92,065	4,354,681	4,446,746
Total operating expenses	\$ 2,066,140	\$ 1,569,459	\$ 1,038,923	\$ 1,248,336	\$ 274,213	\$ 6,197,071	\$ 14,144,169	20,341,240

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

JUST-A-START CORPORATION AND AFFILIATES

 Consolidated Statement of Functional Expenses
 For the Year Ended December 31, 2020

	Just-A-Start							Rental Properties	Total
	Program Services			Supporting Services		Just-A-Start Total			
	Education and Training	Housing Resources	Real Estate Development	General and Administrative	Fundraising				
Personnel and Related:									
Salaries	\$ 1,176,201	\$ 649,557	\$ 452,312	\$ 489,005	\$ 175,830	\$ 2,942,905	\$ -	\$ 2,942,905	
Contract labor	93,830	83,858	38,935	731	-	217,354	1,487,231	1,704,585	
Employee benefits	180,437	77,796	62,550	90,788	22,344	433,915	-	433,915	
Payroll taxes	103,555	61,414	44,803	33,803	16,291	259,866	-	259,866	
Total personnel and related	1,554,023	872,625	598,600	614,327	214,465	3,854,040	1,487,231	5,341,271	
Occupancy:									
Interest	-	484	-	-	-	484	2,643,036	2,643,520	
Utilities	12,304	2,642	2,923	3,124	-	20,993	1,209,132	1,230,125	
Contracted services	-	-	-	-	-	-	1,179,554	1,179,554	
Real estate taxes	-	-	-	-	-	-	454,246	454,246	
Insurance	13,618	-	505	25,250	-	39,373	412,064	451,437	
Repairs and maintenance	780	-	-	9,737	-	10,517	435,245	445,762	
Rents	104,574	3,159	41,159	22,248	50	171,190	26,027	197,217	
Total occupancy	131,276	6,285	44,587	60,359	50	242,557	6,359,304	6,601,861	
Other Expenses:									
Professional fees	70,369	15,071	92,603	308,388	35,440	521,871	235,789	757,660	
Program and client expenses	124,280	565,709	-	2,237	41	692,267	-	692,267	
Management fees	-	-	-	-	-	-	580,641	580,641	
Office and other	85,338	23,079	18,365	75,063	11,733	213,578	163,276	376,854	
Telephone and communications	49,995	23,317	14,410	30,424	5,634	123,780	64,842	188,622	
Bad debts	-	-	12,062	-	-	12,062	166,234	178,296	
Miscellaneous	10,092	13,148	22,972	28,945	977	76,134	88,759	164,893	
Total other expenses	340,074	640,324	160,412	445,057	53,825	1,639,692	1,299,541	2,939,233	
Total expenses before interest - amortization and depreciation and amortization	2,025,373	1,519,234	803,599	1,119,743	268,340	5,736,289	9,146,076	14,882,365	
Interest - Amortization	-	-	-	-	-	-	438,049	438,049	
Depreciation and Amortization	60,460	-	-	42,439	-	102,899	3,945,333	4,048,232	
Total operating expenses	\$ 2,085,833	\$ 1,519,234	\$ 803,599	\$ 1,162,182	\$ 268,340	\$ 5,839,188	\$ 13,529,458	\$ 19,368,646	

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

JUST-A-START CORPORATION AND AFFILIATES

 Consolidated Statements of Cash Flows
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (1,267,191)	\$ 1,000,604
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Interest - amortization	119,512	438,049
Depreciation and amortization	4,446,746	4,048,232
Bad debts	-	178,296
Forgiveness of debt	(114,117)	(224,999)
Deferred interest	720,364	580,103
Net realized and unrealized gain on investments	(482,068)	(314,730)
Gain on sale of tax credits	(564,200)	(1,469,760)
Donated securities	(8,734)	-
Provision for affiliate financing	-	(2,369,303)
Changes in operating assets and liabilities:		
Rent receivable	(342,957)	(319,139)
Accounts and grants receivable	(88,902)	11,164
Prepaid expenses and other	(89,142)	(12,158)
Accounts payable, accrued expenses and other	(336,168)	393,691
Net cash provided by operating activities	<u>1,993,143</u>	<u>1,940,050</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(990,880)	(7,897,124)
Proceeds from sale of property	1,314,898	-
Proceeds from sale of investments	882,293	1,260,227
Purchase of projects under development	(18,344,320)	(8,993,622)
Purchase of investments	(928,969)	(1,318,035)
Net change in notes receivable	(153,922)	(166,787)
Net cash used in investing activities	<u>(18,220,900)</u>	<u>(17,115,341)</u>
Cash Flows from Financing Activities:		
Proceeds from long-term debt and contingent debt	39,510,941	13,802,520
Proceeds from sale of tax credits	564,200	1,469,760
Proceeds from lines of credit	2,129,625	2,504,500
Decrease in contractual advance	(25,048)	27,763
Principal payments of long-term debt and contingent debt	(27,716,999)	(21,273,539)
Capitalized costs	(65,127)	(42,348)
Capital contributions	1,868,352	20,655,087
Distributions	(23,588)	(12,680)
Net cash provided by financing activities	<u>16,242,356</u>	<u>17,131,063</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	14,599	1,955,772
Cash, Cash Equivalents and Restricted Cash:		
Beginning of year	<u>23,321,041</u>	<u>21,365,269</u>
End of year	<u>\$ 23,335,640</u>	<u>\$ 23,321,041</u>
Cash, Cash Equivalents and Restricted Cash:		
Cash and cash equivalents	\$ 13,245,493	\$ 11,937,744
Escrows	392,242	1,434,567
Restricted deposits	9,697,905	9,948,730
Total cash, cash equivalents and restricted cash	<u>\$ 23,335,640</u>	<u>\$ 23,321,041</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u>\$ 3,356,234</u>	<u>\$ 2,643,520</u>
Supplemental Disclosure of Non-Cash Investing and Financing Transactions:		
Long-term debt converted to equity	<u>\$ -</u>	<u>\$ 2,285,742</u>
Property and equipment financed with accounts payable, accrued expenses and other	<u>\$ -</u>	<u>\$ 943,625</u>

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

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies

The following is the nature of operations and summary of significant accounting policies followed by Just-A-Start Corporation (JAS) and Affiliates (the Company) in the preparation of these consolidated financial statements:

(a) Nature of Operations

Founded in 1968, JAS is a Massachusetts nonprofit community development corporation dedicated to building the housing security and economic stability of low-to moderate-income people in Cambridge, Massachusetts and nearby communities. Through innovative, comprehensive, and integrated programs, JAS provides and preserves affordable housing, offers education and workforce training for youth and adults, and builds community engagement. JAS's vision is a better future for all of its constituents - a secure home, a sustaining career and engagement in the community.

JAS's goals are for all of its constituents to have access to:

A Secure Home: Increase housing stability for low-to moderate-income individuals and families. JAS is committed to expanding housing opportunities as a developer and owner of quality affordable housing. JAS also seeks to help local families stabilize and sustain affordable housing and enhance housing safety and quality for long-term housing security.

A Sustainable Career: Build economic resiliency and mobility for low-to moderate-income individuals and families. JAS helps people develop knowledge and marketable skills to take advantage of opportunities for a better future and attain economic stability.

An Engaged Community: Expand leadership opportunities and community engagement for low-to-moderate-income individuals and families. JAS empowers people to use their voices and capabilities to strengthen their communities.

The Company is organized into the following programs:

Affordable Rental Housing

Rental Properties

JAS develops, maintains, and owns affordable rental housing for low- to moderate-income tenants in Cambridge and Somerville.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

Education and Training

JAS Youth Build

Following the national YouthBuild model, this comprehensive youth development program for out-of-school youth provides education leading to a high school credential, career exploration and employment, and life skills training in a safe, supportive environment. Students in the program spend half their time in educational programs, including counseling and leadership development activities and half of their time learning construction and customer service skills working on professionally-supervised housing renovation projects and retail enterprises.

Summer Youth Program

In partnership with the Cambridge's Mayor's Summer Youth Employment Program, JAS provides high school youth and recent graduates with awareness of and preparation for future sustainable career pathways. Through community service and leadership workshops, youth spend six weeks learning about career and educational options while earning an hourly wage.

Biomedical Careers Program

This tuition-free, nine-month training prepares low- to moderate-income adults for entry level jobs in the biotechnology, life sciences, and medical research industries. Training includes chemistry, biology, medical terminology, digital literacy, and laboratory skills. Students receive job readiness training and follow up services until they are placed in relevant employment.

IT Careers Program

This program trains adults for careers in information technology (IT) in Help Desk User Support roles. Through the nine-month training, students can obtain stackable industry recognized credentials as well as a Bunker Hill Community College certificate worth 16 college credits. Support services include interview and job-search coaching, financial literacy, and connection to community resources.

Housing Resources

Home Improvement Program

Assists income-qualified Cambridge homeowners and small landlords to undertake and finance essential home improvement projects, including correction of code violations, de-leading, energy efficiency, and modifications for accessibility.

Housing Stabilization and Mediation Services

To avoid evictions, prevent homelessness, and stabilize housing, JAS provides at-risk individuals in Cambridge and surrounding communities with mediation, emergency rental assistance, legal education, and Rapid Re-Housing services. JAS also offers advisory services on finances, management, conflict resolution, and compliance to affordable condo associations in Cambridge.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

Resident Services

Resident Service Coordinators provide residents of JAS's affordable rental properties with the services and connections to help them thrive in their housing.

Financial Opportunity Program

Offers financial education to residents, students, and community members through workshops, one-on-one financial coaching, and free tax preparation.

Families Moving Forward

This program works intensively with families and pairs them with a Mobility Mentor to empower them to meet their goals related to financial and housing stability and improved health and wellness.

Real Estate Development

Asset Management

While the portfolio is managed by third-party property management companies, JAS has established an asset management department. This department is responsible for overseeing the property management companies to ensure the physical and financial health of the portfolio and corporate facilities.

Homeownership Development

JAS develops homes, usually condominiums, for sale to first-time homebuyers. These units are generally affordable to families earning 60% to 80% of the area's median income. All of these units are sold under an Affordable Housing Agreement with the City of Cambridge (the City), allowing the City to repurchase the units at the time of a future sale at a restricted resale price.

Condo Resale Program

There are more than 550 homeownership units in the City currently subject to Affordable Housing restrictions, including many developed by JAS. JAS manages the preservation, rehab, and resale when an owner decides to sell their unit. New buyers are selected from the Homeownership Resale Pool, which is administered by the City's Housing Division.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(b) Basis of Consolidation

The accompanying consolidating financial statements include the accounts of JAS, its wholly owned and majority-owned subsidiaries, and certain controlled limited partnerships (LPs), limited liability corporations (LLCs), and nonprofit organizations (NPOs) that own and operate real estate developments sponsored by JAS. Included in JAS is pre-development costs for Rindge Commons (see Note 19). All material intercompany transactions and accounts have been eliminated in consolidation. Non-controlling interests on the accompanying consolidated financial statements reflect the proportional share of equity and operations that is not attributable to the Company's interest in these entities, such as unrelated investors.

Just-A-Start Operating

JAS Affordable Housing LLC (JAS Affordable), a Massachusetts limited liability company, formed during February 2012 to acquire and develop affordable housing projects. JAS is the sole member of JAS Affordable, which has elected to be treated as a disregarded entity for tax purposes. Costs associated with predevelopment activity are recorded in JAS Affordable and are generally recovered once the property is sold to a new ownership entity controlled by JAS.

JAS Homeownership LLC (JAS Homeownership), a Massachusetts limited liability company, formed in April 2014 to acquire deed-restricted condominiums in Cambridge under an agreement with the City. JAS is the sole member of JAS Homeownership, which has elected to be treated as a disregarded entity for tax purposes. The units are purchased and rehabilitated with funds advanced by the City and resold to qualified buyers provided by the City.

Broadway Park Apartments LLC, a Massachusetts limited liability company, formed to acquire, hold, develop, manage, operate, invest in interests in real property, including projects located in Cambridge, in its capacity as a member or partner in any limited liability company or limited partnership organized. Next Step Housing Corporation is the sole member of Broadway Park Apartments LLC. The project is in pre-development. When complete, the project is projected to have 15 units of affordable housing.

24 Webster Land LLC, a Massachusetts limited liability company, formed to acquire, hold, develop, manage, operate and invest in interests in real property. JAS is the sole member of 24 Webster Land LLC. The project is in pre-development. When complete, the project is projected to have 40-50 units of affordable housing.

Just-A-Start Holdings LLC, a Massachusetts limited liability company, formed to acquire, hold, develop, manage, operate, invest in, and deal with interests in real property, including projects located in Cambridge, in its capacity as a member or partner in any limited liability company or limited partnership organized. JAS owns 100% of Just-A-Start Holdings LLC.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

General Partner Entities - JAS has other combined wholly-owned and majority-owned subsidiaries that serve as the general partners and managing members of the LPs and LLCs, which operate various low-income and subsidized housing projects, which were developed by JAS. The following wholly-owned and majority-owned general partners of JAS are included in the consolidating financial statements:

- **JASCDC, Inc.**, general partner of Close Building Associates Limited Partnership.
- **Elm Place/JAS, Inc.**, general partner of Elm Place/JAS Limited Partnership.
- **Bishop Allen JAS, LLC**, managing member of Bishop Allen Apartments LLC.
- **Rindge Tower Apartments JAS, LLC**, managing member of Rindge Tower Apartments LLC.
- **JAS Consolidated MM LLC**, managing member of JAS Consolidated Properties LLC (JAS Consolidated).
- **The Close Building MM LLC**, managing member of The Close Building LLC.
- **Squirrelwood JAS LLC**, managing member of Squirrelwood LLC.

Rental Properties

Next Step Housing Corporation (Next Step), a Massachusetts not-for-profit corporation, which operates three units of transitional housing and three units of affordable housing located in Somerville, Massachusetts. Residents are subject to income limitations as prescribed by the lenders. Next Step and JAS are commonly controlled through common directors and management.

JAS owns directly 30 units of affordable residential housing on Hovey Street and Scouting Way, known collectively as JAS Properties.

JAS controls each of the syndicated for profit rental properties through its general partner entity or direct ownership:

Operating

- **Close Building Associates Limited Partnership**, 61 residential units, ground lessor
- **Elm Place/JAS Limited Partnership**, 19 residential units and 1 commercial unit
- **Bishop Allen Apartments LLC**, 32 residential units
- **Bishop Allen Land LLC**, ground lessor
- **Rindge Tower Apartments LLC**, 273 residential units
- **JAS Consolidated**, 112 residential units and 1 commercial unit
- **The Close Building LLC (TCBLLC)**, 61 residential units, ground lessee

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

- **Squirrelwood LLC**, 88 units

In Development

- **52 New Street Land LLC**, operating/demo/new construction, 107 units

(c) *Method of Accounting*

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

(d) *Income Taxes*

JAS and Next Step qualify as organizations formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and are generally not subject to income tax. However, income from certain activities not directly related to the organizations' tax-exempt purpose is subject to taxation as unrelated business income. In addition, these organizations were not determined to be private foundations.

JAS Affordable Housing LLC, JAS Homeownership LLC, Broadway Park Apartments LLC, Just-A-Start Holding LLC, 52 New Street Land LLC and 24 Webster Land LLC are limited liability companies with JAS or Next Step as their sole member and, consequently are disregarded entities, having no tax status. These entities are consolidated and filed with JAS/Next Step's nonprofit tax return.

Bishop Allen Land LLC is a limited liability company with Bishop Allen Apartments LLC as its sole member and, consequently is a disregarded entity, having no tax status. This entity is consolidated and filed with Bishop Allen Apartments LLC tax return.

Unless chosen to file as a corporation the LP/LLC's are limited partnerships/limited liability companies and all taxable income and losses are allocated to the partners/members.

The general partners are Subchapter C corporations, or LLCs that have elected to be taxed as a corporation, that are subject to taxation at the federal and state levels. Deferred taxes are computed based on the difference between the financial statements and income tax bases of assets and liabilities using enacted marginal tax rates. As of December 31, 2021, the tax expense, deferred taxes and valuation allowances were immaterial.

Generally, the Company's information or tax returns remain open for possible federal income tax examination for three years after the filing date. The Company is not currently under examination by any taxing jurisdiction.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(e) Basis of Presentation

The consolidated statement of activities and changes in net assets reports all changes in consolidated net assets, including changes in consolidated net assets without donor restriction from operating and non-operating activities. Operating revenues consist of money received and other contributions attributable to the Company's ongoing efforts. Non-operating activities include capital and investment activity. Gains and losses on investments in affiliates are reported as non-operating revenue because such assets are managed for long-term stabilization of the Company's activities. The Company recognizes non-operating revenue and expense separately in the consolidated statement of activities and changes in net assets as an increase and a decrease, respectively, in consolidated net assets without donor restriction.

(f) Standards of Accounting and Reporting

The Company's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The consolidated statement of financial position present two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the consolidated statement of activities display the changes in each of those classes of net assets. The classes of net assets applicable to the Company are as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Contributions that are restricted by the donor for which the restrictions are met in the same period as the contributions are received are reported as without donor restrictions.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Company and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Capital restricted net assets include restricted grant funds that have been invested into the projects under development which are in process (see Note 11). To achieve an appropriate matching of revenues with related costs and expenses, it is JAS's policy to release these net assets from donor restriction, not when initially spent on project costs, but upon placement in service or final sale or disposition of the particular project.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(g) Revenue Recognition

Rental Income - Rental income is recognized as rentals become due and are accounted for under Leases (Topic 840). Therefore, adoption of ASU 2014-09 (ASC 606) had no impact on the recognition of rental revenue during the periods presented. Rental revenue is derived from commercial and residential tenant rent. All leases between the Company and its tenants are operating leases. Rental revenue is recognized on a straight-line basis over the rented lease terms. Deferred revenue represents the excess of rent reported on the straight-line basis over rental payments required under current, non-cancelable leases.

Government Contracts - The Company receives funding from federal and state governmental agencies for direct and indirect program costs associated with specific programs and projects as defined by the agreement. Various agreements are subject to certain conditions, which are often met by incurring qualifying expenses for the particular program or project that is funded by the award. Revenue from such awards is recognized when the funds have been expended on activities stipulated in the agreement. For unconditional awards, revenue is recognized as contribution revenue that increases net assets with donor restrictions at the time the award is received or pledged, and the funds are released from restriction when the restriction has been met.

Grants and Contributions - In accordance with ASC Sub Topic 958-605, *Revenue Recognition*, the Company must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Company should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional contributions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(g) Revenue Recognition - continued

Developer and Other Service Fees - Most developer fees earned are paid from the project's equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period beginning when the project is assured of being constructed, as evidenced by the admission of an equity partner, and concluding with the approval of the cost certification of the respective housing credit agency.

The Company estimates whether it will be entitled to variable consideration under the terms of the development agreement and includes its estimate of variable consideration in the total developer fee amount when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur in accordance with the accounting guidance in ASC Topic 606, Revenue from Contracts with Customers, on constraining estimates of variable consideration, which typically includes the following factors:

- The susceptibility of the consideration amount to factors outside the project's influence, including sufficient equity and debt proceeds at the completion of the construction of the project.
- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.
- The Company's experience with similar types of agreements.
- Whether the Company expects to offer changes to payment terms.
- The range of possible consideration amounts.

The cumulative amount of developer fees earned over the development agreement is updated at each reporting period based on the Company's estimate of the variable consideration using available information at the reporting date. Deferred developer fees payable from property surplus cash are recognized at such time as there is available surplus cash.

Partnership management fees, asset management fees and resident service revenue are generally provided on an annual basis incident to separate agreements that renew annually at the election of the parties or under aspects of the operating agreements that govern the operations of the affiliate. These agreements specify the compensation for each annual period. Each service is considered a single performance obligation as each service is distinct. The performance obligations under these agreements are satisfied evenly over the year as the affiliate receives the benefits provided as JAS performs. Service fees are generally recognized in one calendar year. Compensation is generally fixed under the relevant agreement, but may contain variable components in the case of certain partnership management services. Certain fees are only earned and/or payable subject to the availability of net cash flow from the affiliate's operations and are only recognized as revenue when collection is assured.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(h) Functional Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statement of activities and in the consolidated statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function, including occupancy, payroll and related costs are allocated to programs and supporting services based on labor reported by staff. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Company.

(i) Fundraising

Fundraising relates to the activities of raising general and specific contributions to the Company and promoting special events.

(j) Cash, Cash Equivalents, Escrows and Restricted Deposits

The Company considers all highly liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

The Company maintains its cash balances at several financial institutions located in Massachusetts. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2021 and 2020.

Restricted deposits and escrows are required by regulatory and loan agreements. See Note 2 for the detail of restricted deposits.

(k) Accounts and Grants Receivable

The Company carries all of its accounts and grants receivable at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Accounts and grants receivable outstanding for thirty days or more are deemed delinquent. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs, collections and current credit conditions. Contracts receivable are written off upon notification by the governmental agency or when deemed uncollectible.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(k) Accounts and Grants Receivable - continued

The Company does not have a policy to accrue interest on accounts receivable or to require collateral, except for security deposits on tenant receivables. As of December 31, 2021 and 2020, the allowance for doubtful accounts was immaterial. For the years ended December 31, 2021 and 2020, bad debt was immaterial.

Promises to give are recognized as revenue and as assets, net of allowances, in the period in which the contributions are made. Unconditional contributions receivable are recorded, in the year received, at the present value of estimated future cash flows using a risk-adjusted discount rate. Amortization of the discount is included in contribution revenue. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the contributions become unconditional. As of December 31, 2021, unconditional contributions receivable net of discount amounted to \$439,896, of which \$50,000 are expected to be received in less than one year and the remaining balance is expected to be received \$50,000 each year through year 2030. As of December 31, 2021, the long-term portion has been discounted by \$10,104, using the 52-weeks Daily Treasury Bill Rate as of December 31, 2021. As of December 31, 2020, there were no contributions receivable.

The Company has a policy to collect security deposits of up to one month's rent from tenants. The security deposits can be used to pay for damages caused by the tenant or used against unpaid receivables. Substantially all of the Company's accounts receivable are due from its activities in Massachusetts. As of December 31, 2021, the Company's accounts receivable consisted of approximately 56% from governmental agencies, 22% from private sources, 17% from residential and commercial tenants and 5% from other sources. As of December 31, 2020, the Company's accounts receivable consisted of approximately 69% from governmental agencies, 19% from other sources and 12% from residential and commercial tenants.

(l) Notes Receivable

Notes receivable and related accrued interest are recorded at estimated net realizable amounts. On a periodic basis, the Company evaluates its notes receivable and estimates collectability, based on a history of past write-offs and collections, cash flow analysis and current credit conditions. Interest accrues in accordance with the agreements. The Company has no policies requiring collateral or other security. Substantially all of the Company's notes receivable are due from income-qualified Cambridge homeowners and small landlords who are participating in the City of Cambridge's Home Improvement Program (HIP). The City of Cambridge provides HIP assistance with Community Development Block Grant (CDBG) funding which is made available to support community development (see Note 3).

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(m) Projects Under Development

Projects under development is recorded on the cost method. Costs associated with the acquisition, development and construction of real estate development including property taxes, interest and insurance are capitalized as a cost of the property. Costs expected to be realized within one year from the consolidated statements of financial position date are classified as current. Other costs are classified as non-current. Management believes these projects could take anywhere from one to two years to develop, sell and/or rent. All properties are located in Massachusetts.

(n) Investments in Marketable Securities

Investments in marketable securities are recorded in the consolidating financial statements at fair value using Level 1 and 2 inputs. Level 1 fair value is based on the daily closing price last traded on the exchange as of the balance sheet date. Level 2 fair value is based on observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data. Level 3 fair value is based on prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. There were no transfers between levels during the years ended December 31, 2021 and 2020.

Investment income consists of interest, dividends and realized and unrealized gains and losses on investments, net of investment fees. Realized gains and losses on investment transactions are recorded based on the average cost method. Unrealized gains and losses are recognized based on market value changes during the period. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date.

(o) Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the consolidated statement of activities. The Company computes depreciation using the straight-line method over the following estimated lives:

	<u>Years</u>
Land improvements	15
Buildings and improvements	10-40
Equipment and furniture	3-10

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(p) Impairment

The Company reviews its projects under development, investment in marketable securities and property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated by the asset and any estimated proceeds from the eventual disposition. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such asset.

(q) Capitalized Costs

Capitalized costs consist of deferred tax credit and leasing fees which have been capitalized and are amortized on the straight-line basis over the term of the tax credit compliance period or lease term, as applicable.

(r) Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the debt to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the effective interest method on the related loan.

(s) Accounting Estimates

In preparing the Company's consolidated financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(t) Below Market Loans

Governmental agencies, having a similar agenda to foster low income housing and revitalize low income communities, have lent monies to the Company at advantageous terms. The Company has not discounted these below market loans as they were made at arm's length.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(1) Nature of Operations and Summary of Significant Accounting Policies - continued

(u) Recent Accounting Standards

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU was set to be effective on January 1, 2021, with early adoption permitted. The effective date was extended to fiscal years beginning after December 15, 2021. The Company is currently evaluating the impact the adoption of this new standard will have on its financial statements.

In July 2018, FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases* and ASU 2018-11, *Leases (Topic 842), Targeted Improvements*. In December 2018, FASB issued ASU 2018-20, *Leases (Topic 842), Narrow-Scope Improvements for Lessors*. Adoption of these ASUs will run concurrent with the Company's adoption of ASU 2016-02.

(V) Reclassification

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(2) Escrows and Restricted Deposits

	<u>2021</u>	<u>2020</u>
Escrows:		
Real estate and insurance escrows	\$ 392,242	\$ 350,512
Other escrow	-	1,084,055
Total escrows	<u>\$ 392,242</u>	<u>\$ 1,434,567</u>
Restricted deposits:		
Construction escrow	\$ -	\$ 2,030,223
Operating reserves	4,394,568	3,698,223
Replacement reserves	4,163,483	3,062,609
Home improvement program fund (see Note 3)	682,300	862,358
Other restricted deposits	457,554	295,317
Total restricted deposits	<u>\$ 9,697,905</u>	<u>\$ 9,948,730</u>

Under the provisions of mortgage and partnership agreements, the Company is required to maintain operating reserves to fund potential future operating deficits and maintain replacement reserves to fund future capital improvements. Real estate and insurance escrows are maintained by the properties to ensure timely payment of all real estate taxes and insurance premiums.

The other escrow consists of construction proceeds held by MassHousing on behalf of TCBLLC. This escrow was released to TCBLLC in January 2021.

The construction escrow is held by JAS on behalf of JAS Consolidated for development costs. During 2021, the funds were used for payments on developer fee and partial loan repayments.

Other restricted deposits consist of an interest reserve account held by JAS pursuant to the loan agreement for the 24 Webster Property, construction and rent transition reserve for Squirrelwood LLC and a debt service reserve held by JAS Consolidated.

(3) Note Receivable

Home Improvement Program

JAS, in collaboration with the City, operates the Home Improvement Program (HIP) where JAS provides low-interest (servicing notes) and deferred payment home improvement loans to income-eligible homeowners to make necessary repairs to their homes.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(3) Note Receivable - continued

Home Improvement Program - continued

JAS had the following notes receivable outstanding under HIP as of December 31:

<u>Type</u>	<u>Interest Rates</u>	<u>2021</u>		<u>2020</u>	
		<u># of Notes</u>	<u>Principal Balance</u>	<u># of Notes</u>	<u>Principal Balance</u>
City of Cambridge:					
Servicing notes	0%-4.5%	68	\$ 1,683,681	66	\$ 1,826,287
Deferred payment	0-3%	71	<u>1,656,937</u>	68	<u>1,337,280</u>
			3,340,618		3,163,567
Other servicing notes	3%	15	224,079	19	250,543
Interest receivable			42,261		38,926
Other			<u>18,175</u>		<u>18,175</u>
Total notes receivable			3,625,133		3,471,211
Less - current portion			<u>92,594</u>		<u>264,050</u>
			<u>\$ 3,532,539</u>		<u>\$ 3,207,161</u>

Servicing notes require monthly payments of principal and interest ranging from \$15 to \$653 and are typically required to be repaid over a term of thirty years. Deferred payment loans do not require monthly payments and are due in full upon the sale or transfer of the homeowners' property. These notes are secured by the homeowners' properties. The Company maintains a segregated reserve account for funds not yet disbursed to borrowers and principal repayments received. All funds received from the City for the loan program, less grants made to homeowners, are due to the City upon completion of the loan program and are recorded as contractual advances (see below).

Estimated maturities of notes receivable over the next five years are as follows:

2022	\$ 92,594
2023	92,265
2024	106,636
2025	82,771
2026	84,173

Contractual Advances

As of December 31, 2021 and 2020, contractual advances consist of \$3,552,139 and \$3,577,187, respectively, which represent the aggregate amount of home improvement loan pool funds advanced by and subject to recall by the City. Advances from the City are not formal loans, however, JAS and the City mutually agree that this funding represents a liability. Proceeds from these advances are used to fund homeowner loans under HIP. There are no formal repayment terms and payments are not typically made in the event a homeowner loan is paid in full.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(4) Investments in Marketable Securities

The following is a summary of the fair value of JAS's investments in marketable securities as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 712,095	\$ -	\$ -	\$ 712,095
Fixed income - government	741,982	-	-	741,982
Fixed income - corporate bonds	-	747,348	-	747,348
Mortgage-backed securities	-	326,370	-	326,370
Equities	2,753,739	-	-	2,753,739
Total investments in marketable securities	\$ 4,207,816	\$ 1,073,718	\$ -	\$ 5,281,534

The following is a summary of the fair value of JAS's investments in marketable securities as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 910,913	\$ -	\$ -	\$ 910,913
Fixed income - government	830,018	-	-	830,018
Fixed income - corporate bonds	-	673,930	-	673,930
Mortgage-backed securities	-	67,963	-	67,963
Equities	2,261,231	-	-	2,261,231
Total investments in marketable securities	\$ 4,002,162	\$ 741,893	\$ -	\$ 4,744,055

Investments are not insured and are subject to on-going market fluctuations. Investments in marketable securities include funds held by JAS for long-term purposes and generally are not used for operations. Accordingly, these investments in marketable securities have been classified as non-current assets in the accompanying consolidated statements of financial position regardless of maturity or liquidity.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(5) Projects Under Development

Projects under development include development costs for condos that JAS acquires and develops for sale to individual homeowners and other development costs related to rehabilitation of rental projects. Costs considered to be recoverable are capitalized. Recoverable costs expected to be realized within one year from the consolidating statements of financial position date are classified as current. Other recoverable costs are classified as non-current. Non-recoverable costs are expensed as incurred. At December 31, 2021 and 2020, projects under development consist of the following:

	<u>2021</u>	<u>2020</u>
Current:		
Condo Repurchase Program	\$ 2,747,003	\$ 1,974,303
Long-term:		
Squirrelwood	-	11,880,114
52 New Street	10,841,821	9,922,345
24 Webster	4,115,130	3,966,886
Condo Repurchase Program	1,778,076	1,293,970
Rindge Commons (see Note 19)	1,389,588	950,280
Other Projects	339,920	237,863
Total long-term	<u>18,464,535</u>	<u>28,251,458</u>
Total Projects under development	<u>\$ 21,211,538</u>	<u>\$ 30,225,761</u>

Condo Repurchase Program

JAS Homeownership, in collaboration with the City, buy and sell deed-restricted condominium units located throughout Cambridge. These condominiums are deed restricted to be purchased by low- to moderate-income residents. JAS Homeownership purchase condominium units, rehabilitate the units as deemed necessary, and sell the units to qualified residents. The City determines the sale price and reimburses JAS Homeownership for rehabilitation costs incurred. These units are secured by debt held by the City (see Note 8). In connection with the Condo Repurchase Program, JAS is entitled to receive a developer fee ranging between \$6,000 and \$10,000 for each condominium unit that is purchased and sold.

Squirrelwood

During 2018, JAS incurred predevelopment costs in connection with combining two existing JAS projects for the rehabilitation of sixty-five units and construction of twenty-three new units of affordable housing. Construction began in 2019 and was completed in October 2021.

52 New Street

During 2020, 52 New Street Land LLC purchased a site containing an existing building located at 52 New Street, Cambridge for \$9,300,000. The development plan is to demolish the existing building and construct an affordable housing rental development on the site. The acquisition was financed with a loan from Cambridge Affordable Housing Trust (CAHT) (see Note 8). Construction is anticipated to commence in 2022.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(5) Projects Under Development - continued

24 Webster Avenue

During 2020, 24 Webster Land LLC purchased a site containing an existing building located at 24 Webster Avenue, Somerville for \$3,900,000. The development plan is to demolish the existing building and construct an affordable housing rental development on the site. The acquisition was financed with a line of credit to JAS from Cambridge Savings Bank (see Note 9) and an unrelated sellers note (see Note 8). The existing building is leased to unrelated third parties under month-to-month lease agreements. Construction is anticipated to commence in 2024.

(6) Capitalized Costs

Capitalized costs consist of costs prepaid financing fees and tax credit fees related to certain rental properties as of December 31:

	<u>2021</u>	<u>2020</u>
Prepaid financing fees	\$ -	\$ 542,981
Tax credit fees	<u>273,021</u>	<u>207,894</u>
	273,021	750,875
Less: accumulated depreciation	<u>65,065</u>	<u>46,864</u>
Total capitalized costs, net	<u>\$ 207,956</u>	<u>\$ 704,011</u>

In a prior year, the Company prepaid financing costs related to a project in development. During 2021, the financing was secured and the prepaid financing fees were applied against the applicable loan and is included in debt issuance costs.

Amortization expense for the years ended December 31, 2021 and 2020, was \$18,201 and \$15,111, respectively. Annual amortization expense for the next five years is expected to be \$18,201.

(7) Property and Equipment

Property and equipment are summarized as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 11,298,552	\$ 11,298,552
Land improvements	2,694,495	2,568,631
Buildings and improvements	163,468,376	138,118,565
Equipment and furniture	<u>4,844,175</u>	<u>4,244,898</u>
Total property and equipment	182,305,598	156,230,646
Less: accumulated depreciation	<u>48,001,969</u>	<u>43,589,372</u>
Total property and equipment, net	<u>\$ 134,303,629</u>	<u>\$ 112,641,274</u>

Depreciation expense for the years ended December 31, 2021 and 2020, totaled \$4,428,545 and \$4,033,121, respectively.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(8) Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Condo Repurchase Program		
JAS has a non-interest bearing notes payable to the City of Cambridge. No payments are required until the sale of the mortgaged property (see Note 5) or until maturity. These notes mature at various dates through December 2023 and are secured by mortgages on the properties.	\$4,172,602	\$3,027,380
Linwood Court		
JAS has a 4% note payable to CAHT for \$329,000. Interest and principal are due and payable annually in an amount equal to 50% of rent received under the ground lease with Squirrelwood. Accrued interest as of December 31, 2021 and 2020, totaled \$227,659 and \$206,249, respectively, which is included in accounts payable, accrued expenses and other, net of current portion in the accompanying consolidated statements of financial position. The note is secured by a shared fourth mortgage priority on the property and matures in May 2069.	329,000	329,000
24 Webster Avenue		
24 Webster Avenue has a 2% note payable to the seller of the property for \$2,000,000 in connection with the acquisition of the property, which matured on February 26, 2021. The note was secured by a second mortgage on the property. In February 2021, the note was repaid using proceeds from the Cambridge Savings Bank line of credit and accordingly, is presented as long-term in the accompanying 2020 consolidated statements of financial position.	-	2,000,000
Paycheck Protection Program (PPP)		
JAS received a PPP loan during the year ended December 31, 2020 in the amount of \$118,275 with a maturity date of April 28, 2022. The loan bore interest at a rate of 1%, which was deferred for the first 6 months. The Small Business Administration (SBA) had disclosed criteria for forgiveness which include but are not limited to maintaining the full-time equivalent number of employees over a certain time period and expending the funds on eligible expenses over the covered period. JAS recognized forgiveness of the loan during the year ended December 31, 2021.	-	114,117
	-	114,117

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(8) Long-Term Debt - continued

Total long-term debt before rental properties, net of debt issuance cost and related amortization	<u>4,501,602</u>	<u>5,470,497</u>
Total rental properties (see Note 20), net of debt issuance cost and related amortization	<u>77,570,174</u>	<u>63,449,962</u>
Total long-term debt	83,691,291	70,027,412
Less: debt issuance cost net of related amortization	(1,619,515)	(1,106,953)
Less: current portion	<u>(3,648,710)</u>	<u>(2,476,116)</u>
Total long-term, net	<u>\$78,423,066</u>	<u>\$66,444,343</u>

Minimum principal payments on long-term debt are as follows:

<u>Year Ending</u>	
2022	\$ 3,648,710
2023	25,364,385
2024	743,452
2025	775,350
2026	809,798
Thereafter	<u>52,349,596</u>
Total	\$ <u>83,691,291</u>

Certain notes have certain financial and non-financial covenants with which the Company must comply.

As of December 31, 2021 and 2020, debt issuance costs related to the various notes payable totaling \$2,103,512 and \$2,250,131, respectively, are shown net of accumulated amortization of \$483,997 and \$1,143,178, respectively (see Note 20). During the years ended December 31, 2021 and 2020, interest - amortization of debt issuance costs amounted to \$119,512 and \$438,049, respectively. Net debt issuance costs are reported in the consolidated statements of financial position as a direct reduction of the face amount of the related long-term debt.

(9) Line of Credit

During 2019, JAS entered into a revolving line of credit agreement with Capital One, National Association, which allows for borrowing up to \$500,000. Interest on this note is at 1% and is due in quarterly payments, beginning on April 1, 2020. All unpaid interest and outstanding principal are due on January 1, 2023. The line of credit is unsecured. As of December 31, 2021 and 2020, the balance was \$500,000.

During 2020, JAS entered into a revolving line of credit agreement with Cambridge Savings Bank, which allows for borrowings up to \$5,000,000. Interest on this note is the lower of prime less 50 basis points or 2.75% (currently 2.75%) and is due in monthly payments, beginning on January 15, 2021. All unpaid interest and outstanding principal are due on December 15, 2025. The line of credit is secured by a first mortgage on the 24 Webster Avenue property. As of December 31, 2021 and 2020, the balance was \$4,134,125 and \$2,004,500, respectively.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(10) Contingent Debt and Deferred Interest

The Company has received contingent loans from various organizations to help in the development of its housing and other projects. These loans generally are not required to be repaid unless the project fails to maintain its status as low-income housing or the Company fails to comply with other conditions. It is the intention of the Board of Directors and the management of the Company to maintain these properties as low-income housing and to meet other conditions.

Certain contingent loans state that interest shall accrue from the date of disbursement through maturity, at which point the entire principal balance and accrued interest shall be forgiven provided the underlying property is maintained as affordable housing. For contingent notes where the accrued interest will be forgiven at maturity, no deferred interest has been recorded as management intends to maintain the properties as affordable housing. As of December 31, 2021 and 2020, unrecorded deferred interest on forgivable contingent loans totaled approximately \$4,300,000 and \$4,114,000, respectively. As of December 31, 2021 and 2020, contingent debt and deferred interest was \$38,937,689 and \$40,112,286, respectively.

The notes have certain financial and non-financial covenants with which the Company must comply.

(11) Net Assets with Donor Restrictions

Resources with donor-imposed stipulations that may or will be met, either by actions of the Company and/or passage of time are classified as net assets with donor restrictions. Net assets with donor restrictions consist of the following at December 31:

	<u>2021</u>	<u>2020</u>
Loan capital	\$ 513,040	\$ 448,355
Other purpose restricted	163,863	212,665
Capital	48,500	48,500
Restricted due to timing	<u>439,896</u>	<u>-</u>
	<u>\$ 1,165,299</u>	<u>\$ 709,520</u>

During the years ended December 31, 2021 and 2020, net assets were released from restrictions as follows:

	<u>2021</u>	<u>2020</u>
Purpose restriction	\$ 203,705	\$ 145,867

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(12) Developer Fees

JAS, in its role as sponsor and developer, earns developer fees from each project undergoing rehabilitation. JAS earned developer fees from the projects noted below, which are included in developer and other service fees in the accompanying consolidated statements of activities. In addition to the developer fees noted below, there are management, resident service and other fees of \$609,790 and \$590,373 for the years ended December 31, 2021 and 2020, respectively, which were fully eliminated in consolidation.

<u>Project</u>	<u>Total Contract</u>	<u>Recognized Prior to 2020</u>	<u>Recognized During 2020</u>	<u>Recognized During 2021</u>	<u>Remaining Contract Balance</u>
Squirrelwood Condo Repurchase Program (see Note 5)	\$ 3,061,975	\$ 1,013,812	\$ 983,593	\$ 1,064,570	\$ -
			58,000	51,000	-
			1,041,593	1,115,570	-
Less:	eliminations		(591,979)	-	
			<u>\$ 449,614</u>	<u>\$ 1,115,570</u>	

(13) Retirement Plan

JAS maintains a 401K retirement plan. New employees are subject to a six-month waiting period. JAS will contribute 3% of the employee's salary regardless of whether the employee contributes to the plan. JAS's contributions totaled \$84,712 and \$80,635 for the years ended December 31, 2021 and 2020, respectively, which are included in employee benefits in the accompanying consolidated statements of functional expenses.

(14) Management Fee Expense

The Company has agreements with an independent management company to carry on the day-to-day operations of the rental properties. The management company receives management fees ranging from 3.15% to 6% of total residential collections, as defined in the agreements. The agreements can be terminated by either party with ninety days written notice. The Company incurred management fees totaling \$594,444 and \$580,641 for the years ended December 31, 2021 and 2020, respectively, which are reflected as management fees in the accompanying consolidated statements of functional expenses.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(15) Operating Lease Obligations

As Lessee

JAS leases commercial space under a lease agreement that expired in February 2022. Monthly base rent under this lease was \$4,235 and \$4,049 for 2021 and 2020, respectively. Subsequent to year end, the commercial space lease was renewed through February 2024 with monthly rent ranging from \$4,363 to \$4,494. JAS also leases program space under a lease agreement that was set to expire in April 2023. Monthly base rent under this lease was \$8,320 and \$8,177 for 2021 and 2020, respectively. JAS is responsible for its proportionate share of condominium fees and real estate taxes.

Future minimum lease payments under the lease agreements are as follows:

2022	\$ 155,389
2023	88,668
2024	8,988

Elm Place leases office space to an unrelated commercial tenant under a noncancelable lease that is set to expire on August 31, 2023. 52 New Street leases space to an unrelated commercial tenant under a noncancelable lease for \$21,375 a month through September 30, 2022.

Future minimum lease payments under the lease agreements are as follows:

2022	\$ 217,679
2023	17,200

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(16) Liquidity and Availability of Resources

The following reflects the Company's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 13,245,493	\$ 11,937,744
Rent receivable	694,002	351,045
Escrows	392,242	1,434,567
Accounts and grants receivable	906,161	1,207,155
Total	<u>15,237,898</u>	<u>14,930,511</u>
Less amounts unavailable for general expenditures within one year, due to:		
Security deposits	373,021	360,057
Restricted by passage of time	389,896	-
Restricted by donors for specific purposes	775,403	709,520
Total	<u>1,538,320</u>	<u>1,069,577</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>13,699,578</u>	\$ <u>13,860,934</u>

The Company is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Company must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Company'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.

As part of the Company's liquidity management plan, the Company invests cash in excess of daily requirements in investment in marketable securities, see Note 4. In the event of an unanticipated liquidity need, the Company has an available line of credit to utilize (see Note 9).

In addition, the Company operates in a heavily regulated environment. As such, the rental properties are required to fund escrows as outlined in Note 2. These serve as a mechanism to assist the rental properties with managing their availability of funds for general operating expenditures. The escrows are closely monitored by lenders and management to ensure they are adequately funded to meet future expenditures in accordance with the respective agreement(s). In the event of an unanticipated liquidity need, the rental properties may seek financial support from the Company.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(17) Conditional Awards

During the years ended December 31, 2021, and 2020, JAS was awarded a number of conditional grants from different funders that are contingent upon certain factors as specified in the grant agreements, including achieving agreed upon performance benchmark and incurring certain costs. Accordingly, the revenue recognized from these grants is recorded when earned. Since the remaining balances of these grants are conditional, they are not reflected in the accompanying consolidated financial statements.

As of December 31, 2021, and 2020, JAS has \$2,221,522 and \$1,796,009 of conditional contributions that are expected to be received in a future period relating to government contract agreements.

Future payments to be received are expected as follows as of December 31, 2021:

2022	\$ 1,694,522
2023	527,000

(18) Commitments and Contingencies

Right of First Refusal

JAS has been granted a continuing right of first refusal with certain syndicated rental properties to purchase the respective properties in the event that a syndicated rental property proposes to sell, transfer, or assign the property. JAS would be required to continue to maintain the properties as low-income housing under these agreements.

General Partner/Managing Member and Sponsor Obligations

JAS has acted as sponsor and developer for various low-income and affordable housing developments. Most of these developments have received various forms of funding through JAS from federal, state, and local sources. The terms of these funding agreements generally require that the projects maintain affordable housing and low-income eligibility status, as defined. If such status is not maintained, JAS may be obligated to remedy any defaults in the requirements and may be liable to repay certain amounts to the funders.

JAS, as the sponsor of various projects, has, in some cases, agreed to advance funds to the projects as a guarantor of the general partners/managing members' obligation to fund operating deficits, Housing Assistance Payment contract shortfalls, development cost overruns, payments for reduced tax benefits to limited partner investors, and other circumstances affecting the projects, as defined in the partnership/operating agreements. As of the date of this report, there were no liabilities accrued.

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

(18) Commitments and Contingencies - continued

Coronavirus

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. As described in Note 8, the Company received a PPP loan. As described in Note 9, the Company has access to a line of credit. Further, the Company's liquidity as of December 31, 2021 is documented at Note 16. The Company is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. If the length of the outbreak and related effects on the Company's operations continue for an extended period of time the Company may have to seek alternative measures to finance its operations. The Company does not believe that the impact of COVID-19 would have a material adverse effect on its financial condition or liquidity.

(19) Subsequent Events

The Company has performed an evaluation of subsequent events through September 23, 2022 which is the date the Company's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2021 that required recognition or disclosure, other than the events below.

JAS is creating a mixed use development in North Cambridge known as Rindge Commons. The project includes an integrated workforce training center to house JAS' Education and Training Department, an early childhood education facility and 24 units of affordable housing. The commercial space is expected to be financed with a combination of New Market Tax Credits, conventional debt and JAS equity. The affordable housing will be funded through low income housing tax credits. On June 28, 2022, JAS, Rindge Commons North Support Corporation (North Support) and Rindge Commons North 4 LLC (North 4 LLC) closed on financing for the Rindge Commons project, which resulted in the following loan agreements entered in:

JUST-A-START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

<u>Entity</u>	<u>Note</u>	<u>Lender</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
JAS	Source Loan	Low Income Investment Fund	\$11,000,000	4.80%	6/28/2030
North Support	COCRF Note A	COCRF SUBCDE 111, LLC,	699,700	3.00%	12/31/2056
North Support	COCRF Note B	COCRF SUBCDE 111, LLC,	300,300	3.00%	12/31/2056
North Support	LIIF Note A	LIIF SUB-CDE LIV, LLC	9,096,100	3.00%	12/31/2056
North Support	LIIF Note B	LIIF SUB-CDE LIV, LLC	3,513,900	3.00%	12/31/2056
North 4 LLC	Construction Loan	Citizens Bank	9,000,000	Greater of 1% or the Daily Simple SOFR rate and the Daily Simple SOFR Margin	12/27/2024
North 4 LLC	Perm Loan Tranche A	MHFA	3,025,000	30 Year MMD plus 240 basis points	40 Years upon conversion
North 4 LLC	Perm Loan Tranche B	MHFA	400,000	4.17%	40 Years upon conversion
North 4 LLC	CAHT	City of Cambridge	3,706,658	3.00%	6/30/2072
North 4 LLC	CBH	DHCD	499,000	2.00%	12/28/2053
North 4 LLC	AHTF	DHCD	800,000	2.00%	6/1/2065
North 4 LLC	HSF	DHCD	800,000	2.00%	12/28/2073

Rindge Tower Apartments donated a portion of it's land valued at \$327,558 to North Support. Rindge Tower Apartments also sold a portion of its land to Rindge Commons North 4 LLC in the form of a seller's note for \$227,625, bearing interest at 3.11%.

JUST-A-START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

20. Long-Term Debt - Rental Properties

Lender	Interest	Security	Payment Terms	Outstanding Principal	
				2021	2020
JAS Properties					
<i>JAS for Scouting Way</i>					
Cambridge Savings Bank	4.83%	First mortgage on the property and an assignment of rents and leases.	Due in monthly principal and interest installments of \$8,684, through maturity in March 2034.	\$ 1,410,054	\$ 1,444,189
Squirrelwood LLC					
MassHousing	4.29%	First mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$8,200,000. Monthly principal and interest installments of \$35,765 are required through maturity in January 2062.	8,200,000	-
MassHousing	3.83%	Second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$13,600,000. Payment of interest-only installments are due monthly in arrears. All outstanding principal balance and accrued interest are due at maturity in January 2023.	13,600,000	-
Mass Housing	0.00%	Third mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal balance is payable upon maturity in January 2062.	1,000,000	-
Santander Bank, N.A.	Variable (1.95% and 3.54% at December 31, 2020 and 2019, respectively)	First mortgage on the property and an assignment of rents and leases. The note is guaranteed by JAS.	Construction loan which allowed for borrowings up to \$22,000,000. Payment of interest-only was due through maturity in May 2021 which was extended to February 2022. During 2021, the construction loan was paid in full in connection with permanent loan closing.	-	7,820,053
				<u>22,800,000</u>	<u>7,820,053</u>

JUST-A-START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

20. Long-Term Debt - Rental Properties - continued

Lender	Interest	Security	Payment Terms	Outstanding Principal	
				2021	2020
Elm Place/JAS Limited Partnership					
Cambridge Savings Bank	5.82%	First mortgage on the property and an assignment of rents and leases.	Due in monthly principal and Interest installments of \$5,761 through maturity in December 2027. A balloon payment of \$680,561 is due at maturity.	\$ 826,311	\$ 846,047
CEDAC	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Payments of principal are due annually to the extent that gross cash receipts exceed 105% of gross cash expenditures, as defined in the agreement. Outstanding principal is due in June 2041 and may be extended for additional ten-year period at the discretion of CEDAC.	525,000	525,000
				<u>1,351,311</u>	<u>1,371,047</u>
Bishop Allen Apartments LLC					
Boston Private Bank and Trust Company	3.76%	First mortgage on the property and an assignment of rents and leases.	Due in monthly principal and Interest installments of \$21,791 through maturity on June 30, 2034. A balloon payment of \$2,452,500 is due at maturity.	<u>4,106,947</u>	<u>4,209,761</u>
The Close Building LLC					
MassHousing	4.69%	First mortgage on the property and an assignment of rents and leases. This note is insured by HUD.	Interest-only payments were due monthly through March 1, 2020. Monthly installments of principal and interest of \$44,867 are due through maturity on March 1, 2060.	<u>9,155,750</u>	<u>9,239,623</u>
Next Step Housing Corporation					
Winter Hill Bank	4.75%	First mortgage on the property and an assignment of rents and leases.	Due in monthly principal and interest installments of \$2,165, through maturity on September 1, 2035.	262,031	275,116
Somerville Affordable Housing Trust	2.50%	Second mortgage on the property and an assignment of rents and leases.	The loan is being repaid over a twenty-year term in annual installments of \$6,415. The loan matures on October 1, 2025.	<u>15,071</u>	<u>21,485</u>
				<u>277,102</u>	<u>296,601</u>

JUST-A-START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

20. Long-Term Debt - Rental Properties - continued

Lender	Interest	Security	Payment Terms	Outstanding Principal	
				2021	2020
Rindge Tower Apartments LLC					
MassHousing	4.25%	First mortgage on the property and an assignment of rents and leases. This note is insured by HUD.	Monthly principal and interest payments of \$91,494 are due through maturity on July 1, 2058.	\$ 20,361,641	\$ 20,588,931
JAS Consolidated Properties LLC					
MassHousing	4.67%	Shared first mortgage on the property, a conditional assignment of tax credits, and a conditional pledge of capital contributions. This note is Insured by HUD.	Commencing on February 1, 2020, monthly installments of principal and interest of \$46,515 are due through maturity on January 1, 2060.	9,926,884	10,019,133
52 New Street Land LLC					
CAHT	3.00%	First mortgage on the property.	Acquisition loan maturing on the earlier of January 7, 2023, or the closing date of construction financing, at which time all outstanding principal and accrued interest are due and payable.	9,800,000	9,567,577
Total long-term debt - Rental Properties				79,189,689	64,556,915
Less: debt issuance costs net of accumulated amortization				(1,619,515)	(1,106,953)
Total long-term debt - Rental Properties, net (see Note 8)				\$ 77,570,174	\$ 63,449,962

JUST-A-START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

21. Contingent Debt And Deferred Interest

Lender	Interest	Security	Payment Terms	2021		2020	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
JAS Properties							
JAS for Hovey Street							
CAHT	8%, Simple	Shared second mortgage on the property and an assignment of rents and leases.	No payments are due provided the property is maintained as affordable housing. The note matures in February 2050, at which time the outstanding principal balance and accrued interest shall be forgiven.	\$ 1,129,200	\$ -	\$ 1,129,200	\$ -
The City	0.00%	Third mortgage on the property and an assignment of rents and leases.	No payments are due provided the property is maintained as affordable housing. The note matures in February 2050, at which time the outstanding principal balance shall be	250,000	-	250,000	-
MHP	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal balance is due in February 2030.	250,000	-	250,000	-
				<u>1,629,200</u>	<u>-</u>	<u>1,629,200</u>	<u>-</u>
JAS for Scouting Way							
The City	8%, Simple	Shared second mortgage on the property and an assignment of rents and leases.	No payments are due provided the property is maintained as affordable housing. The note matures in March 2054, at which time the outstanding principal balance and accrued interest shall be forgiven.	650,000	-	650,000	-
MHP	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal is due in April 2054. The maturity date may be extended for an additional fifty years with the approval from MHP. During March 2019, a payment of \$5,000 was made from the proceeds from the CSB refinance	545,000	-	545,000	-
CAHT	8%, Simple	Shared second mortgage on the property and an assignment of rents and leases.	No payments are due provided the property is maintained as affordable housing. The note matures in May 2055, at which time the outstanding principal balance and accrued interest shall be forgiven.	540,000	-	540,000	-
DHCD	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal is due at maturity in March 2034.	400,000	-	400,000	-
				<u>2,135,000</u>	<u>-</u>	<u>2,135,000</u>	<u>-</u>
	Total JAS Properties			<u>3,764,200</u>	<u>-</u>	<u>3,764,200</u>	<u>-</u>

JUST-A-START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

21. Contingent Debt And Deferred Interest - continued

Lender	Interest	Security	Payment Terms	2021		2020	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
Squirrelwood LLC							
JAS	2.74%	Shared fourth mortgage on the property and an assignment of rents and leases.	Two notes payable to JAS. Outstanding principal and accrued interest are due at maturity in June 2059.	2,174,994	160,459	2,174,994	98,174
CAHT	2.74%	Shared second mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal and accrued interest are payable upon maturity on May 31, 2069.	4,115,456	218,550	4,115,456	102,965
MHP	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$4,782,500. Outstanding principal due at maturity in November 2062.	4,304,250	-	4,304,250	-
The City	2.74%	Shared second mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal and accrued interest are payable upon maturity in May 2069.	1,121,795	82,760	1,121,795	50,635
DHCD	2.74%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity in May 2062.	440,000	826,633	440,000	792,396
MassHousing	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal is due at maturity in May 2054.	120,677	-	120,677	-
MassHousing	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal is due at maturity in May 2054.	111,848	-	111,848	-
JAS	5.00%	Shared Fourth mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$637,000. The note provides for annual payments based on net cash flow. Outstanding principal and accrued interest are payable upon maturity in January 2069.	564,200	77	-	-
JAS	2.74%	Shared fourth mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$140,000. The note provides for annual payments based on net cash flow. Outstanding principal and accrued interest are payable upon maturity in	70,000	751	-	-

JUST-A-START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

21. Contingent Debt And Deferred Interest - continued

Lender	Interest	Security	Payment Terms	2021		2020	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
Squirrelwood LLC (continued)							
MassHousing	0.00%	Third mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$1,000,000. The note provides for annual payments based on net cash flow. The note will have a term of forty years, at which time all unpaid principal	-	-	-	-
MHP	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$550,000. The note provides for annual payments based on net cash flow. Outstanding principal is due at a maturity in November 2070.	-	-	-	-
CEDAC	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$494,676. The note provides for annual payments based on net cash flow. Outstanding principal is due at a maturity in November 2050.	-	-	-	-
CRA	2.74%	Shared second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$300,000. Outstanding principal and interest are due at maturity in January 2062.	-	-	-	-
				<u>13,023,220</u>	<u>1,289,230</u>	<u>12,389,020</u>	<u>1,044,170</u>
Elm Place/JAS Limited Partnership							
CAHT	2.25%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal and accrued interest are due at maturity in July 2061.	994,872	497,775	994,872	469,426
DHCH	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal is due at maturity in June 2041. The maturity date may be extended for an additional thirty-one years with the approval of DHCD.	905,828	-	905,828	-
CAHT	2.25%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal and accrued interest are due at maturity in July 2061.	757,572	225,592	757,572	203,957
DHCD	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal is due at maturity in June 2061. The maturity date may be extended for an additional thirty-one years with the approval of DHCD.	393,019	-	393,019	-
				<u>3,051,291</u>	<u>723,367</u>	<u>3,051,291</u>	<u>673,383</u>

JUST-A-START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

21. Contingent Debt And Deferred Interest - continued

Lender	Interest	Security	Payment Terms	2021		2020	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
Bishop Allen Apartments LLC							
CAHT	2.61%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity in June 2065.	4,244,501	920,268	4,244,501	787,115
JAS	3.14%, simple	Shared third mortgage on the property and an assignment of rents and leases.	Due in annual installments of principal and interest of \$80,605 subject to available cash flow, as defined in the agreement. Outstanding principal and accrued interest are due at maturity in June 2054.	1,083,000	205,435	1,083,000	171,429
DHCD	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal is due at maturity in March 2055. The maturity date may be extended for an additional forty years with the approval of DHCD.	1,000,000	-	1,000,000	-
DHCD	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal is due at maturity in March 2045. The maturity date may be extended for an additional forty years with the approval of DHCD.	1,000,000	-	1,000,000	-
The City	3.14%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity in June 2065.	535,000	135,994	535,000	115,291
CAHT	3.14%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity in June 2065.	265,866	70,338	265,866	60,102
JAS	3.14%, simple	Shared third on the property and an assignment of rents and leases.	Due in annual installments of principal and interest of \$11,486 subject to available cash flow, as defined in the agreement. Outstanding principal and accrued interest are due at maturity in June 2054.	140,000	29,280	140,000	24,823
				<u>8,268,367</u>	<u>1,361,315</u>	<u>8,268,367</u>	<u>1,158,760</u>

JUST-A-START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2021 and 2020

21. Contingent Debt And Deferred Interest - continued

Lender	Interest	Security	Payment Terms	2021		2020	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
The Close Building LLC							
JAS	7.66%	Fourth mortgage on the property.	Outstanding principal and accrued interest are due at maturity on January 29, 2070.	2,043,325	408,970	2,043,325	231,744
JAS	7.66%	Shared third mortgage on the property	Annual payments are due from net cash flow. Outstanding principal and accrued interest are due at maturity in January 2070.	226,000	17,552	226,000	-
				<u>2,269,325</u>	<u>426,522</u>	<u>2,269,325</u>	<u>231,744</u>
Next Step Housing Corporation							
CEDAC	0.00%	Third mortgage on the proper and an assignment of rents and leases.	Annual payments are required to the extent that gross cash receipts exceed 105% of gross cash expenditures. In any event, the unpaid principal is due in full on May 12, 2024.	562,873	-	562,873	-
Rindge Tower Apartments LLC							
MassHousing		Second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity on July 1, 2058.	1,505,971	143,612	1,505,971	101,068
JAS Consolidated Properties LLC							
DHCD	2.60%	Shared second mortgage on the property and an assignment of rents and leases.	Five notes to DHCD. All outstanding principal and accrued interest are due at maturity in December 2059.	1,352,490	101,507	1,749,774	148,251
The City	2.50%	Shared second mortgage on the property and an assignment of rents and leases.	Three notes payable to the City. All outstanding principal and accrued interest are due at maturity in November 2067.	7,351,809	267,532	8,139,338	663,751
JAS	4.00%	Fourth mortgage on the property and an assignment of rents and leases.	Annual payments of principal and Interest are due from and to the extent of available cash. Outstanding principal and accrued interest are due at maturity in December 2067.	7,371,919	1,083,408	7,371,919	758,203
Cambridge Redevelopment	2.60%	Seventh mortgage on the property and an assignment of rents and leases.	All outstanding principal and accrued interest are due at maturity in December 2059.	540,000	59,101	540,000	44,489
				<u>16,616,218</u>	<u>1,511,548</u>	<u>17,801,031</u>	<u>1,614,694</u>
Totals				<u>\$ 49,061,465</u>	<u>\$ 5,455,594</u>	<u>\$ 49,612,078</u>	<u>\$ 4,823,819</u>
Total contingent debt and accrued interest before eliminations						54,517,059	54,435,897
Less: eliminations						#####	#####
Total consolidated contingent debt and accrued interest (see Note 10)						<u>\$ 38,937,689</u>	<u>\$ 40,112,286</u>

Supplemental Information

JUST-A-START CORPORATION AND AFFILIATES

Consolidating Statements of Financial Position (Unaudited)
AS of December 31, 2021 and 2020

Assets	2021				2020			
	Just-A-Start Operating	Rental Properties	Eliminations	Total	Just-A-Start Operating	Rental Properties	Eliminations	Total
Current Assets:								
Cash and cash equivalents	\$ 7,287,293	\$ 5,958,200	\$ -	\$ 13,245,493	\$ 6,716,889	\$ 5,220,855	\$ -	\$ 11,937,744
Rent receivable	30,560	663,442	-	694,002	-	351,045	-	351,045
Escrows	-	392,242	-	392,242	-	1,434,567	-	1,434,567
Current portion of accounts and grants receivable	997,501	-	(91,340)	906,161	1,207,155	-	-	1,207,155
Current portion of notes receivable	92,594	-	-	92,594	264,050	-	-	264,050
Current portion of due from affiliates	582,005	846,638	(1,428,643)	-	3,101,909	-	(3,101,909)	-
Prepaid expenses and other	197,015	199,879	-	396,894	158,763	148,989	-	307,752
Current portion of projects under development	2,747,003	-	-	2,747,003	1,974,303	-	-	1,974,303
Total current assets	11,933,971	8,060,401	(1,519,983)	18,474,389	13,423,069	7,155,456	(3,101,909)	17,476,616
Other Assets:								
Restricted deposits	800,344	8,897,561	-	9,697,905	2,997,087	6,951,643	-	9,948,730
Investments in marketable securities	5,281,533	-	-	5,281,533	4,744,055	-	-	4,744,055
Accounts and grants receivable, net of current portion	389,896	-	-	389,896	-	-	-	-
Due from affiliates, net of current portion	3,547,017	-	(3,547,017)	-	1,388,381	2,030,223	(3,418,604)	-
Notes receivable, net of current portion	3,532,539	-	-	3,532,539	3,207,161	-	-	3,207,161
Projects under development, net of current portion	7,622,714	10,841,821	-	18,464,535	6,448,999	21,802,459	-	28,251,458
Capitalized costs, net	-	207,956	-	207,956	-	704,011	-	704,011
Total other assets	21,174,043	19,947,338	(3,547,017)	37,574,364	18,785,683	31,488,336	(3,418,604)	46,855,415
Property and Equipment, net	670,465	138,738,771	(5,105,607)	134,303,629	734,030	116,569,807	(4,662,563)	112,641,274
Total assets	\$ 33,778,479	\$ 166,746,510	\$ (10,172,607)	\$ 190,352,382	\$ 32,942,782	\$ 155,213,599	\$ (11,183,076)	\$ 176,973,305
Liabilities, Net Assets and Non-Controlling Interests								
Current Liabilities:								
Current portion of long-term debt	\$ 2,977,845	\$ 670,865	\$ -	\$ 3,648,710	\$ 1,890,851	\$ 585,265	\$ -	\$ 2,476,116
Current portion of accounts payable, accrued expenses and other	729,117	3,361,677	(548,872)	3,541,922	661,640	4,181,485	-	4,843,125
Current portion of due to affiliates	846,638	582,005	(1,428,643)	-	-	3,101,909	(3,101,909)	-
Total current liabilities	4,553,600	4,614,547	(1,977,515)	7,190,632	2,552,491	7,868,659	(3,101,909)	7,319,241
Long-term Liabilities:								
Accounts payable, accrued expenses and other, net of current portion	227,659	-	-	227,659	206,249	-	-	206,249
Long-term debt, net	1,523,757	76,899,309	-	78,423,066	3,579,646	62,864,697	-	66,444,343
Lines of credit	4,634,125	-	-	4,634,125	2,504,500	-	-	2,504,500
Contractual advances	3,552,139	-	-	3,552,139	3,577,187	-	-	3,577,187
Due to affiliates, net of current portion	-	4,056,960	(4,056,960)	-	2,030,223	922,681	(2,952,904)	-
Contingent debt and deferred interest	-	54,517,059	(15,579,370)	38,937,689	-	54,435,897	(14,323,611)	40,112,286
Total long-term liabilities	9,937,680	135,473,328	(19,636,330)	125,774,678	11,897,805	118,223,275	(17,276,515)	112,844,565
Total liabilities	14,491,280	140,087,875	(21,613,845)	132,965,310	14,450,296	126,091,934	(20,378,424)	120,163,806
Net Assets and Non-Controlling Interests:								
Without donor restrictions:	18,121,900	26,658,635	11,441,238	22,149,238	17,782,966	29,121,665	(26,497,894)	20,406,737
With donor restrictions	1,165,299	-	-	1,165,299	709,520	-	-	709,520
Total Just-A-Start and Affiliates' net assets	19,287,199	26,658,635	11,441,238	23,314,537	18,492,486	29,121,665	(26,497,894)	21,116,257
Non-controlling interests	-	-	-	34,072,535	-	-	35,693,242	35,693,242
Total net assets and non-controlling interests	19,287,199	26,658,635	11,441,238	57,387,072	18,492,486	29,121,665	9,195,348	56,809,499
Total liabilities, net assets and non-controlling interests	\$ 33,778,479	\$ 166,746,510	\$ (10,172,607)	\$ 190,352,382	\$ 32,942,782	\$ 155,213,599	\$ (11,183,076)	\$ 176,973,305

See Independent Auditor's Report.

JUST-A-START CORPORATION AND AFFILIATES

Consolidating Statements of Activities (Unaudited)
For the Years Ended December 31, 2021 and 2020

	2021				2020			
	Just-A-Start Operating	Rental Properties	Eliminations	Total	Just-A-Start Operating	Rental Properties	Eliminations	Total
Net Assets Without Donor Restrictions:								
Operating revenues:								
Rental income	\$ 111,775	\$ 12,425,006	\$ -	\$ 12,536,781	\$ 5,147	\$ 12,312,893	\$ -	\$ 12,318,040
Government contracts	2,831,442	-	-	2,831,442	2,556,824	-	-	2,556,824
Grants and contributions	1,097,741	-	-	1,097,741	711,965	-	-	711,965
Developer and other service fees	870,623	-	244,947	1,115,570	1,631,966	-	(1,182,352)	449,614
Interest income and other	96,359	249,975	-	346,334	87,955	176,860	-	264,815
Net assets released from purpose restriction	203,705	-	-	203,705	145,867	-	-	145,867
Total operating revenues	5,211,645	12,674,981	244,947	18,131,573	5,139,724	12,489,753	(1,182,352)	16,447,125
Operating expenses:								
Education and training	2,016,514	-	-	2,016,514	2,025,373	-	-	2,025,373
Housing resources	1,569,459	-	-	1,569,459	1,519,234	-	-	1,519,234
Real estate development	1,637,223	-	(598,300)	1,038,923	803,599	-	-	803,599
Rental housing	-	10,397,338	(727,362)	9,669,976	-	9,762,169	(616,093)	9,146,076
General and administrative	1,205,897	-	-	1,205,897	1,119,743	-	-	1,119,743
Fundraising	274,213	-	-	274,213	268,340	-	-	268,340
Total operating expenses before interest - amortization and depreciation and amortization	6,703,306	10,397,338	(1,325,662)	15,774,982	5,736,289	9,762,169	(616,093)	14,882,365
Interest - amortization	-	119,512	-	119,512	-	438,049	-	438,049
Depreciation and amortization	92,065	4,489,068	(134,387)	4,446,746	102,899	4,064,886	(119,553)	4,048,232
Total operating expenses	6,795,371	15,005,918	(1,460,049)	20,341,240	5,839,188	14,265,104	(735,646)	19,368,646
Changes in net assets without donor restrictions from operations	(1,583,726)	(2,330,937)	1,704,996	(2,209,667)	(699,464)	(1,775,351)	(446,706)	(2,921,521)
Other income (expense):								
Provision for affiliate financing	-	-	-	-	(918,600)	-	3,287,903	2,369,303
Gain on sale of tax credits	564,200	-	-	564,200	1,469,760	-	-	1,469,760
Investment gain	528,744	-	-	528,744	353,292	-	-	353,292
Forgiveness of debt	114,117	-	-	114,117	-	224,999	-	224,999
Loss on investment in affiliates	-	-	-	-	(48,754)	-	48,754	-
Deferred interest	-	(1,261,258)	540,894	(720,364)	-	(1,089,375)	509,272	(580,103)
Total other income (expense)	1,207,061	(1,261,258)	540,894	486,697	855,698	(864,376)	3,845,929	3,837,251
Changes in net assets without donor restrictions	(376,665)	(3,592,195)	2,245,890	(1,722,970)	156,234	(2,639,727)	3,399,223	915,730
Net Assets With Donor Restrictions:								
Grants and contributions	659,484	-	-	659,484	230,741	-	-	230,741
Net assets released from purpose restrictions	(203,705)	-	-	(203,705)	(145,867)	-	-	(145,867)
Changes in net assets with donor restrictions	455,779	-	-	455,779	84,874	-	-	84,874
Changes in net assets	\$ 79,114	\$ (3,592,195)	\$ 2,245,890	\$ (1,267,191)	\$ 241,108	\$ (2,639,727)	\$ 3,399,223	\$ 1,000,604

See Independent Auditor's Report.

JUST-A-START CORPORATION AND AFFILIATES

Consolidating Statement of Financial Position - Rental Properties (Unaudited)
As of December 31, 2020
(With Summarized Comparative Totals as of December 31, 2020)

Assets	2021										2020	
	Squirrelwood LLC	Elm Place LP	Bishop Allen Apartments LLC	Close Building Associates/ The Close Building LLC	Next Step Housing Corporation	Rindge Tower Apartments LLC	JAS Consolidated LLC	JAS Properties	52 New Street Land LLC	Total	Total	
Current Assets:												
Cash and cash equivalents	\$ 2,766,651	\$ 124,699	\$ 305,573	\$ 630,770	\$ 19,428	\$ 1,355,810	\$ 523,280	\$ 217,680	\$ 14,309	\$ 5,958,200	\$ 5,220,855	
Rent receivable	257,451	20,189	58,333	43,229	8,434	35,673	189,008	51,125	-	663,442	351,045	
Escrows	37,568	-	-	79,456	-	67,133	200,764	7,321	-	392,242	1,434,567	
Current portion of due from affiliates	-	-	-	846,638	-	-	-	-	-	846,638	-	
Prepaid expenses and other	45,735	5,012	11,673	23,736	2,062	55,124	48,965	7,572	-	199,879	148,989	
Total current assets	<u>3,107,405</u>	<u>149,900</u>	<u>375,579</u>	<u>1,623,829</u>	<u>29,924</u>	<u>1,513,740</u>	<u>962,017</u>	<u>283,698</u>	<u>14,309</u>	<u>8,060,401</u>	<u>7,155,456</u>	
Other Assets:												
Restricted deposits	1,469,043	374,073	600,348	515,934	52,356	3,366,346	1,859,104	660,357	-	8,897,561	6,951,643	
Due from affiliates	-	-	-	-	-	-	-	-	-	-	2,030,223	
Projects under development	-	-	-	-	-	-	-	-	10,841,821	10,841,821	21,802,459	
Capitalized costs, net	64,565	4,829	11,368	36,702	-	43,883	46,609	-	-	207,956	704,011	
Total other assets	<u>1,533,608</u>	<u>378,902</u>	<u>611,716</u>	<u>552,636</u>	<u>52,356</u>	<u>3,410,229</u>	<u>1,905,713</u>	<u>660,357</u>	<u>10,841,821</u>	<u>19,947,338</u>	<u>31,488,336</u>	
Property and Equipment, net	<u>34,020,381</u>	<u>5,190,128</u>	<u>13,742,398</u>	<u>17,100,566</u>	<u>934,229</u>	<u>37,587,947</u>	<u>27,143,380</u>	<u>3,019,742</u>	<u>-</u>	<u>138,738,771</u>	<u>116,569,807</u>	
Total assets	<u>\$ 38,661,394</u>	<u>\$ 5,718,930</u>	<u>\$ 14,729,693</u>	<u>\$ 19,277,031</u>	<u>\$ 1,016,509</u>	<u>\$ 42,511,916</u>	<u>\$ 30,011,110</u>	<u>\$ 3,963,797</u>	<u>\$ 10,856,130</u>	<u>\$ 166,746,510</u>	<u>\$ 155,213,599</u>	
Liabilities and Net Assets												
Current Liabilities:												
Current portion of long-term debt	\$ 72,227	\$ 20,920	\$ 97,983	\$ 87,892	\$ 20,984	\$ 237,141	\$ 96,651	\$ 37,067	\$ -	\$ 670,865	\$ 585,265	
Accounts payable, accrued expenses and other	917,919	60,788	132,918	204,528	37,129	518,980	450,259	121,991	917,165	3,361,677	4,181,485	
Current portion of due to affiliates	209,883	20,934	120,726	63,161	-	-	131,231	-	36,070	582,005	3,101,909	
Total current liabilities	<u>1,200,029</u>	<u>102,642</u>	<u>351,627</u>	<u>355,581</u>	<u>58,113</u>	<u>756,121</u>	<u>678,141</u>	<u>159,058</u>	<u>953,235</u>	<u>4,614,547</u>	<u>7,868,659</u>	
Long-term Liabilities:												
Long-term debt, net	22,135,392	1,310,391	3,924,874	8,846,707	256,118	19,675,372	9,577,468	1,372,987	9,800,000	76,899,309	62,864,697	
Due to affiliates, net of current portion	4,037,020	-	7,928	-	-	-	12,012	-	-	4,056,960	922,681	
Contingent debt and deferred interest	14,312,450	3,774,658	9,629,682	2,695,847	562,873	1,649,583	18,127,766	3,764,200	-	54,517,059	54,435,897	
Total long-term liabilities	<u>40,484,862</u>	<u>5,085,049</u>	<u>13,562,484</u>	<u>11,542,554</u>	<u>818,991</u>	<u>21,324,955</u>	<u>27,717,246</u>	<u>5,137,187</u>	<u>9,800,000</u>	<u>135,473,328</u>	<u>118,223,275</u>	
Total liabilities	<u>41,684,891</u>	<u>5,187,691</u>	<u>13,914,111</u>	<u>11,898,135</u>	<u>877,104</u>	<u>22,081,076</u>	<u>28,395,387</u>	<u>5,296,245</u>	<u>10,753,235</u>	<u>140,087,875</u>	<u>126,091,934</u>	
Net Assets:												
Without donor restrictions:	<u>(3,023,497)</u>	<u>531,239</u>	<u>815,582</u>	<u>7,378,896</u>	<u>139,405</u>	<u>20,430,840</u>	<u>1,615,723</u>	<u>(1,332,448)</u>	<u>102,895</u>	<u>26,658,635</u>	<u>29,121,665</u>	
Total liabilities and net assets	<u>\$ 38,661,394</u>	<u>\$ 5,718,930</u>	<u>\$ 14,729,693</u>	<u>\$ 19,277,031</u>	<u>\$ 1,016,509</u>	<u>\$ 42,511,916</u>	<u>\$ 30,011,110</u>	<u>\$ 3,963,797</u>	<u>\$ 10,856,130</u>	<u>\$ 166,746,510</u>	<u>\$ 155,213,599</u>	

JUST-A-START CORPORATION AND AFFILIATES

Consolidating Statement of Financial Position - Rental Properties (Unaudited)
As of December 31, 2020

	Squirrelwood LLC	Elm Place LP	Bishop Allen Apartments LLC	Close Associates/ The Close Building LLC	Next Step Housing Corporation	Rindge Tower Apartments LLC	JAS Consolidated LLC	JAS Properties	52 New Street Land LLC	Total
Assets										
Current Assets:										
Cash and cash equivalents	\$ 936,499	\$ 180,833	\$ 208,082	\$ 1,420,468	\$ 15,943	\$ 1,330,701	\$ 766,510	\$ 297,789	\$ 64,030	\$ 5,220,855
Rent receivable	75,526	16,607	61,292	32,134	3,619	42,974	109,579	9,314	-	351,045
Escrows	-	-	-	1,155,643	-	165,439	106,199	7,286	-	1,434,567
Prepaid expenses and other	18,977	4,423	10,331	14,368	1,848	50,603	41,741	6,698	-	148,989
Total current assets	<u>1,031,002</u>	<u>201,863</u>	<u>279,705</u>	<u>2,622,613</u>	<u>21,410</u>	<u>1,589,717</u>	<u>1,024,029</u>	<u>321,087</u>	<u>64,030</u>	<u>7,155,456</u>
Other Assets:										
Restricted deposits	-	311,644	569,152	249,595	52,101	3,157,561	1,799,716	811,874	-	6,951,643
Due from affiliates	-	-	-	-	-	-	2,030,223	-	-	2,030,223
Projects under development	11,880,114	-	-	-	-	-	-	-	9,922,345	21,802,459
Capitalized costs, net	547,031	5,902	12,789	39,525	-	48,271	50,493	-	-	704,011
Total other assets	<u>12,427,145</u>	<u>317,546</u>	<u>581,941</u>	<u>289,120</u>	<u>52,101</u>	<u>3,205,832</u>	<u>3,880,432</u>	<u>811,874</u>	<u>9,922,345</u>	<u>31,488,336</u>
Property and Equipment, net	8,763,780	5,333,710	14,014,443	17,491,001	957,341	38,890,100	28,105,912	3,013,520	-	116,569,807
Total assets	<u>\$ 22,221,927</u>	<u>\$ 5,853,119</u>	<u>\$ 14,876,089</u>	<u>\$ 20,402,734</u>	<u>\$ 1,030,852</u>	<u>\$ 43,685,649</u>	<u>\$ 33,010,373</u>	<u>\$ 4,146,481</u>	<u>\$ 9,986,375</u>	<u>\$ 155,213,599</u>
Liabilities and Net Assets										
Current Liabilities:										
Current portion of long-term debt	\$ 6,450	\$ 19,725	\$ 102,473	\$ 83,872	\$ 18,973	\$ 227,290	\$ 92,249	\$ 34,233	\$ -	\$ 585,265
Accounts payable, accrued expenses and other	2,470,153	54,067	108,363	158,494	25,343	548,603	358,624	72,066	385,772	4,181,485
Current portion of due to affiliates	181,522	20,634	13,756	2,377,104	-	-	500,000	3,750	5,143	3,101,909
Total current liabilities	<u>2,658,125</u>	<u>94,426</u>	<u>224,592</u>	<u>2,619,470</u>	<u>44,316</u>	<u>775,893</u>	<u>950,873</u>	<u>110,049</u>	<u>390,915</u>	<u>7,868,659</u>
Long-term Liabilities:										
Long-term debt, net	7,768,027	1,327,663	4,017,101	8,929,071	277,628	19,900,208	9,667,466	1,409,956	9,567,577	62,864,697
Due to affiliates, net of current portion	-	-	111,731	360,000	-	-	450,950	-	-	922,681
Contingent debt and deferred interest	13,433,190	3,724,674	9,427,127	2,501,069	562,873	1,607,039	19,415,725	3,764,200	-	54,435,897
Total long-term liabilities	<u>21,201,217</u>	<u>5,052,337</u>	<u>13,555,959</u>	<u>11,790,140</u>	<u>840,501</u>	<u>21,507,247</u>	<u>29,534,141</u>	<u>5,174,156</u>	<u>9,567,577</u>	<u>118,223,275</u>
Total liabilities	<u>23,859,342</u>	<u>5,146,763</u>	<u>13,780,551</u>	<u>14,409,610</u>	<u>884,817</u>	<u>22,283,140</u>	<u>30,485,014</u>	<u>5,284,205</u>	<u>9,958,492</u>	<u>126,091,934</u>
Net Assets:										
Without donor restrictions:										
Operating	(46,259)	308,798	472,317	1,581,508	(3,933)	3,103,195	1,114,610	835,841	58,887	7,424,964
Property and equipment	(1,591,156)	397,558	623,221	4,411,616	149,968	18,299,314	1,410,749	(1,973,565)	(31,004)	21,696,701
Total net assets without donor restrictions	<u>(1,637,415)</u>	<u>706,356</u>	<u>1,095,538</u>	<u>5,993,124</u>	<u>146,035</u>	<u>21,402,509</u>	<u>2,525,359</u>	<u>(1,137,724)</u>	<u>27,883</u>	<u>29,121,665</u>
Total liabilities and net assets	<u>\$ 22,221,927</u>	<u>\$ 5,853,119</u>	<u>\$ 14,876,089</u>	<u>\$ 20,402,734</u>	<u>\$ 1,030,852</u>	<u>\$ 43,685,649</u>	<u>\$ 33,010,373</u>	<u>\$ 4,146,481</u>	<u>\$ 9,986,375</u>	<u>\$ 155,213,599</u>

JUST-A-START CORPORATION AND AFFILIATES

Consolidating Statement of Activities - Rental Properties (Unaudited)
 For the Year Ended December 31, 2021
 (With Summarized Comparative Totals for the Year Ended December 31, 2020)

	2021									2020	
	Squirrelwood LLC	Elm Place LP	Bishop Allen Apartments LLC	Close Building Associates/ The Close Building LLC	Next Step Housing Corporation	Rindge Tower Apartments LLC	JAS Consolidated LLC	JAS Properties	52 New Street Land LLC	Total	Total
Operating Revenues:											
Rental income	\$ 1,186,533	\$ 406,074	\$ 840,412	\$ 1,962,967	\$ 118,104	\$ 4,690,799	\$ 2,636,825	\$ 492,292	\$ 91,000	\$ 12,425,006	\$ 12,312,893
Interest income and other	707	20,692	36,966	3,028	16,273	81,019	79,702	11,588	-	249,975	176,860
Total operating revenues	1,187,240	426,766	877,378	1,965,995	134,377	4,771,818	2,716,527	503,880	91,000	12,674,981	12,489,753
Operating Expenses:											
Personnel and related:											
Contract labor	216,517	65,537	103,321	201,184	20,070	652,142	341,033	94,502	-	1,694,306	1,487,231
Occupancy:											
Interest	195,727	50,254	161,430	481,032	12,841	946,576	477,948	75,349	-	2,401,157	2,670,156
Utilities	168,323	23,327	84,582	170,210	8,900	632,707	248,353	57,135	-	1,393,537	1,209,132
Contracted services	297,685	64,950	95,449	190,113	27,516	539,257	520,493	105,765	-	1,841,228	1,662,614
Real estate taxes	68,200	22,354	32,866	36,654	5,237	149,662	119,894	26,943	-	461,810	454,246
Insurance	49,158	12,211	28,967	46,150	5,735	204,337	118,358	22,202	15,076	502,194	412,064
Repairs and maintenance	87,729	23,726	24,597	40,286	5,406	138,346	110,151	17,785	912	448,938	435,245
Rents	-	-	-	-	-	4,976	-	-	-	4,976	26,027
Total occupancy	866,822	196,822	427,891	964,445	65,635	2,615,861	1,595,197	305,179	15,988	7,053,840	6,869,484
Other expenses:											
Professional fees	33,318	14,024	16,969	51,792	6,786	38,815	28,665	18,524	-	208,893	235,789
Management fees	47,461	45,298	50,776	94,476	6,570	266,499	145,069	41,684	-	697,833	686,554
Office and other	23,637	7,283	10,351	23,229	3,526	59,104	41,195	8,191	-	176,516	163,276
Telephone and communication	13,457	6,126	2,402	8,301	471	18,761	20,106	2,275	-	71,899	64,842
Bad debts	-	-	-	-	-	228	-	-	-	228	166,234
Miscellaneous	311,545	1,001	9,992	40,661	602	15,088	110,496	4,438	-	493,823	88,759
Total other expenses	429,418	73,732	90,490	218,459	17,955	398,495	345,531	75,112	-	1,649,192	1,405,454
Total operating expenses before interest - amortization and depreciation and amortization	1,512,757	336,091	621,702	1,384,088	103,660	3,666,498	2,281,761	474,793	15,988	10,397,338	9,762,169
Interest - amortization	85,269	3,659	6,097	5,529	-	12,305	6,653	-	-	119,512	438,049
Depreciation and amortization	791,656	194,441	326,980	518,270	37,347	1,306,541	1,090,022	223,811	-	4,489,068	4,064,886
Total operating expenses	2,389,682	534,191	954,779	1,907,887	141,007	4,985,344	3,378,436	698,604	15,988	15,005,918	14,265,104
Changes in net assets without donor restrictions from operations	(1,202,442)	(107,425)	(77,401)	58,108	(6,630)	(213,526)	(661,909)	(194,724)	75,012	(2,330,937)	(1,775,351)
Forgiveness of Debt	-	-	-	-	-	-	-	-	-	-	224,999
Deferred Interest	(183,223)	(49,984)	(202,555)	(177,226)	-	(42,544)	(605,726)	-	-	(1,261,258)	(1,089,375)
Changes in net assets without donor restrictions	\$ (1,385,665)	\$ (157,409)	\$ (279,956)	\$ (119,118)	\$ (6,630)	\$ (256,070)	\$ (1,267,635)	\$ (194,724)	\$ 75,012	\$ (3,592,195)	\$ (2,639,727)

JUST-A-START CORPORATION AND AFFILIATES

Consolidating Statement of Activities - Rental Properties (Unaudited)
For the Year Ended December 31, 2020

	Squirrelwood LLC	Elm Place LP	Bishop Allen Apartments LLC	Close Building Associates/ The Close Building LLC	Next Step Housing Corporation	Ridge Tower Apartments LLC	JAS Consolidated LLC	JAS Properties	52 New Street Land LLC	Total
Operating Revenues:										
Rental income	\$ 1,130,556	\$ 414,821	\$ 792,908	\$ 1,934,353	\$ 118,104	\$ 4,570,309	\$ 2,615,959	\$ 562,758	\$ 173,125	\$ 12,312,893
Interest income and other	37,894	14,684	3,173	1,802	449	102,570	13,260	3,028	-	176,860
Total operating revenues	1,168,450	429,505	796,081	1,936,155	118,553	4,672,879	2,629,219	565,786	173,125	12,489,753
Operating Expenses:										
Personnel and related:										
Contract labor	167,888	52,143	82,978	173,311	15,673	613,175	306,971	75,092	-	1,487,231
Occupancy:										
Interest	70,230	50,590	168,128	722,791	13,381	956,888	616,359	71,789	-	2,670,156
Utilities	129,781	25,095	76,607	118,273	9,840	584,637	208,645	56,254	-	1,209,132
Contracted services	214,678	61,285	90,176	201,880	22,461	527,460	456,351	88,323	-	1,662,614
Real estate taxes	63,379	22,049	31,073	35,028	5,237	137,083	112,757	25,697	21,943	454,246
Insurance	43,397	10,791	25,572	40,758	5,062	159,333	97,771	19,609	9,771	412,064
Repairs and maintenance	75,831	23,501	26,783	68,771	4,499	142,337	69,311	21,222	2,990	435,245
Rents	-	-	-	17,361	-	8,666	-	-	-	26,027
Total occupancy	597,296	193,311	418,339	1,204,862	60,480	2,516,404	1,561,194	282,894	34,704	6,869,484
Other expenses:										
Professional fees	39,738	14,025	20,145	61,173	7,057	39,264	42,069	12,318	-	235,789
Management fees	44,838	45,523	48,328	92,256	6,318	260,778	142,433	43,080	3,000	686,554
Office and other	20,919	5,938	8,861	24,892	1,672	53,922	39,843	7,229	-	163,276
Telephone and communication	8,383	5,715	2,990	7,723	459	15,448	21,516	2,608	-	64,842
Bad debts	9,603	-	-	10,504	-	3,632	27,482	7,513	107,500	166,234
Miscellaneous	18,286	984	8,414	17,793	1,288	21,645	11,669	8,642	38	88,759
Total other expenses	141,767	72,185	88,738	214,341	16,794	394,689	285,012	81,390	110,538	1,405,454
Total operating expenses before interest - amortization and depreciation and amortization	906,951	317,639	590,055	1,592,514	92,947	3,524,268	2,153,177	439,376	145,242	9,762,169
Interest - amortization	21,145	3,659	6,097	58,894	-	12,305	335,949	-	-	438,049
Depreciation and amortization	382,115	195,292	330,037	502,321	37,347	1,309,901	1,084,062	223,811	-	4,064,886
Total operating expenses	1,310,211	516,590	926,189	2,153,729	130,294	4,846,474	3,573,188	663,187	145,242	14,265,104
Changes in net assets without donor restrictions from operations	(141,761)	(87,085)	(130,108)	(217,574)	(11,741)	(173,595)	(943,969)	(97,401)	27,883	(1,775,351)
Forgiveness of Debt	-	-	-	-	224,999	-	-	-	-	224,999
Deferred Interest	(113,659)	(48,883)	(198,418)	(97,221)	-	(40,877)	(590,317)	-	-	(1,089,375)
Changes in net assets without donor restrictions	\$ (255,420)	\$ (135,968)	\$ (328,526)	\$ (314,795)	\$ 213,258	\$ (214,472)	\$ (1,534,286)	\$ (97,401)	\$ 27,883	\$ (2,639,727)

See Independent Auditor's Report.

JUST-A-START CORPORATION AND AFFILIATES

Consolidating Statements of Changes in Net Assets - Rental Properties (Unaudited)
For the Years Ended December 31, 2021 and 2020

	<u>Squirrelwood LLC</u>	<u>Elm Place LP</u>	<u>Bishop Allen Apartments LLC</u>	<u>Close Building Associates/ The Close Building LLC</u>	<u>Next Step Housing Corporation</u>	<u>Ridge Tower Apartments LLC</u>	<u>JAS Consolidated LLC</u>	<u>JAS Properties</u>	<u>52 New Street Land LLC</u>	<u>Total</u>
Net Assets, December 31, 2019	\$ (3,667,737)	\$ 849,700	\$ 1,424,064	\$ (2,747,418)	\$ (67,223)	\$ 22,532,540	\$ (7,534,800)	\$ (1,040,323)	\$ -	\$ 9,748,803
Capital contributions	2,285,742	-	-	9,055,337	-	-	11,599,750	-	-	22,940,829
Changes in net assets	(255,420)	(135,968)	(328,526)	(314,795)	213,258	(214,472)	(1,534,286)	(97,401)	27,883	(2,639,727)
Distributions	-	(7,376)	-	-	-	(915,559)	(5,305)	-	-	(928,240)
Net Assets, December 31, 2020	(1,637,415)	706,356	1,095,538	5,993,124	146,035	21,402,509	2,525,359	(1,137,724)	27,883	29,121,665
Capital contributions	-	-	-	1,504,890	-	-	363,462	-	-	1,868,352
Changes in net assets	(1,385,665)	(157,409)	(279,956)	(119,118)	(6,630)	(256,070)	(1,267,635)	(194,724)	75,012	(3,592,195)
Distributions	(417)	(17,708)	-	-	-	(715,599)	(5,463)	-	-	(739,187)
Net Assets, December 31, 2021	<u>\$ (3,023,497)</u>	<u>\$ 531,239</u>	<u>\$ 815,582</u>	<u>\$ 7,378,896</u>	<u>\$ 139,405</u>	<u>\$ 20,430,840</u>	<u>\$ 1,615,723</u>	<u>\$ (1,332,448)</u>	<u>\$ 102,895</u>	<u>\$ 26,658,635</u>

JUST-A-START CORPORATION AND AFFILIATES

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Labor				
<i>Direct</i>				
YouthBuild	17.274	N/A	\$ -	\$ 394,000
<i>Passed through MassHire Metro North Regional Employment Board</i>				
WIOA Youth Activities (WIOA Cluster)	17.259	JASFY21; JASFY22_WIOA_YOUTH_CHA	-	107,365
Total WIOA Youth Activities (WIOA Cluster)			-	107,365
Total U.S. Department of Labor			-	501,365
U.S. Department of Housing and Urban Development				
<i>Passed Through City of Cambridge</i>				
Continuum of Care	14.267	COC 2020-543	-	58,148
<i>CDBG - Entitlement Grants Cluster</i>				
<i>Passed Through City of Cambridge</i>				
Community Development Block Grants/Entitlement Grants	14.218	1-2021; 1-2022 2-2021; 2-2022 3-2021; 3-2022 31-FY21; 87-2022 OWD/BG-21-27; OWD/BG-22-26	-	1,430,328
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	329,000
<i>Passed Through City of Malden</i>				
Community Development Block Grants/Entitlement Grants	14.218	7/1/20-4/30/21; 7/1/21-4/30/22	-	49,367
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	N/A	-	168,390
<i>Passed Through City of Somerville</i>				
COVID-19 - Community Development Block Grants/Entitlement Grants	14.218	210170	-	50,000
Total CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants			-	2,027,085
<i>Passed Through South Middlesex Opportunity Council</i>				
Emergency Solutions Grant	14.231	ESGBALFY18	-	16,934
<i>Passed Through City of Cambridge</i>				
Home Investment Partnerships Program	14.239	N/A	-	900,000
Total U.S. Department of Housing and Urban Development			-	3,002,167
U.S. Department of Agriculture				
<i>Passed Through University of Massachusetts - Medical School</i>				
Supplemental Nutrition Assistance Program (SNAP Cluster)	10.551	N/A	-	59,523
Total U.S. Department of Agriculture			-	59,523
Total Expenditures of Federal Awards			\$ -	\$ 3,563,055

See Notes to Schedule of Expenditures of Federal Awards.

JUST-A-START CORPORATION AND AFFILIATES

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Just-A-Start Corporation and Affiliates under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Just-A-Start Corporation and Affiliates it is not intended to and does not present the financial position, changes in net assets, or cash flows of Just-A-Start Corporation and Affiliates.

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 are limited as to reimbursement. Just-A-Start Corporation and Affiliates has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3: Loans Outstanding

Home Investment Partnerships Program (14.239) outstanding loan balances was \$900,000 as of December 31, 2021.

Community Development Block Grants/Entitlement Grants (14.218) outstanding loan balances was \$329,000 as of December 31, 2021.

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
Just-A-Start Corporation and Affiliates

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Just-A-Start Corporation and Affiliates (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Just-A-Start Corporation and Affiliates' internal control over financial reporting (internal control) as a basis for designing the 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 Just-A-Start Corporation and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Just-A-Start Corporation and Affiliates' internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Just-A-Start Corporation and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Just-A-Start Corporation and Affiliates' internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Just-A-Start Corporation and Affiliates' internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.



Braintree, Massachusetts
September 23, 2022

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

To the Board of Directors of
Just-A-Start Corporation and Affiliates

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Just-A-Start Corporation and Affiliates' (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Just-A-Start Corporation and Affiliates' major federal program for the year ended December 31, 2021. Just-A-Start Corporation and Affiliates' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Just-A-Start Corporation and Affiliates complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

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 ("GAAS"); 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 Just-A-Start Corporation and Affiliates 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Just-A-Start Corporation and Affiliates' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Just-A-Start Corporation and Affiliates' federal programs.

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 to express an opinion on Just-A-Start Corporation and Affiliates' 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 GAAS, *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 that for 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 Just-A-Start Corporation and Affiliates' compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Just-A-Start Corporation and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of Just-A-Start Corporation and Affiliates' 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 Just-A-Start Corporation and Affiliates' internal control. 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 compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's 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.



Braintree, Massachusetts
September 23, 2022

JUST-A-START CORPORATION AND AFFILIATES

Schedule of Findings and Questioned Costs

December 31, 2021

(1) Summary of Auditor's Results

Financial Statements:

Type of Report the Auditor Issued on Whether the Financial Statements Audited were Prepared in Accordance with US GAAP:

Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified?

___ yes

x no

Significant Deficiency(ies) Identified?

___ yes

x none reported

Noncompliance Material to Financial Statements Noted?

___ yes

x no

Federal Awards:

Internal Control Over Major Federal Programs:

Material Weakness(es) Identified?

___ yes

x no

Significant Deficiency(ies) Identified?

___ yes

x none reported

Type of Auditor's Report Issued on Compliance: for Major Federal Programs:

Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR Section 200.516(a)?

___ yes

x no

Identification of Major Federal Programs:

Assistance Listing Number

Name of Federal Program or Cluster

14.218

CDBG - Entitlement Grants

Cluster: 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

JUST-A-START CORPORATION AND AFFILIATES

Schedule of Findings and Questioned Costs

December 31, 2021

(2) Findings - Financial Statement Audit

No significant deficiencies or material weaknesses reported.

(3) Findings and Questioned Costs - Major Federal Program Audit

No significant deficiencies or material weaknesses reported.



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