

**Jamaica Plain Neighborhood Development
Corporation and Affiliates**

**Consolidated Financial Statements
and Supplemental Information**

December 31, 2021

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

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December 31, 2021

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Independent Auditor's Report

To the Board of Directors of
Jamaica Plain Neighborhood Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Jamaica Plain Neighborhood Development Corporation (a nonprofit organization) and Affiliates, (the Company), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the changes in their net assets and their 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 the Company 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. The financial statements of Church Square SRO LLC, 61 Heath LLC, Centre Creighton Apartments LLC, CWL Housing LLC, JP Scattered Site LLC, Walnut Avenue Apartments LP, 75 Amory Apartments LLC and Angela Westover Housing Corporation were not audited in accordance with *Government Auditing Standards*.

2020 Financial Statements Restated

The consolidated financial statements of the Company as of and for the year ended December 31, 2020, before the restatement described in Note 19, were audited by another auditor whose report dated May 4, 2021, expressed a qualified opinion on those statements. As part of our audit of the December 31, 2021 consolidated financial statements, we also audited the adjustments described in Note 19 that were applied to restate the 2020 consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2020 consolidated financial statements of the entity other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2020 consolidated financial statements as a whole.

Responsibilities of Management for the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Supplemental Information on pages 56 to 59, 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 assurance on it. The supplementary consolidating schedules have been restated to reflect the restatement adjustments described in Note 19 to these consolidated financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2023, on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

Braintree, Massachusetts
June 13, 2023

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
Jamaica Plain Neighborhood Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Jamaica Plain Neighborhood Development Corporation (a nonprofit organization) and Affiliates, (the Company), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 13, 2023. The financial statements of Church Square SRO LLC, 61 Heath LLC, Centre Creighton Apartments LLC, CWL Housing LLC, JP Scattered Site LLC, Walnut Avenue Apartments LP, 75 Amory Apartments LLC and Angela Westover Housing Corporation, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these entities.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial 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*.

The Company's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Company's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Company's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Braintree, Massachusetts
June 13, 2023

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Consolidated Statement of Financial Position

As of December 31, 2021

Assets

Current Assets	
Cash and cash equivalents	\$ 9,898,832
Accounts receivable, net	1,236,271
Pledges receivable, net	326,733
Due from affiliates, current portion	3,107
Prepaid expenses	99,711
Development fee receivable, current portion	175,305
Total Current Assets	11,739,959
Fixed Assets	
Fixed Assets	201,684,220
Less: Accumulated depreciation	(50,435,447)
Fixed Assets, net	151,248,773
Other Assets	
Restricted cash	12,270,774
Tenant security deposits	303,362
Deferred rent receivable	619,692
Pledges receivable, net	50,000
Other deposits and fees, net	494,303
Notes and interest receivable	908,890
Investments in real estate developments	400,900
Real estate development	23,267,018
Total Other Assets	38,314,939
Total Assets	\$ 201,303,671

Liabilities and Net Assets

Current Liabilities	
Notes and mortgages payable, amortizing, current portion	\$ 1,817,976
Accounts payable	565,610
Development costs payable	2,209,309
Accrued expenses	1,291,425
Accrued interest, current portion	141,669
Due to affiliates, current portion	61,026
Deferred rent, current portion	504,866
Deferred revenue, current portion	269,655
Fiscal agency liability	258,261
Total Current Liabilities	7,119,797
Long-Term Obligations	
Notes and mortgages payable, amortizing, net of current portion	45,974,008
Notes and mortgages payable, nonamortizing	93,012,826
Less: Unamortized debt issuance costs	(1,947,955)
Notes and mortgages payable, net of current portion and unamortized debt issuance costs	137,038,879
Accrued interest, net of current portion	4,192,901
Due to affiliates, net of current portion	74,750
Deferred revenue, net of current portion	555,752
Tenant security deposits	497,064
Total Long-Term Obligations	142,359,346
Total Liabilities	149,479,143
Net Assets	
Without donor restrictions, controlling	14,226,657
Without donor restrictions, noncontrolling	36,191,143
Total Net Assets Without Donor Restrictions	50,417,800
With donor restrictions, controlling	1,406,728
Total Net Assets	51,824,528
Total Liabilities and Net Assets	\$ 201,303,671

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

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Consolidated Statement of Activities

For the Year Ended December 31, 2021

Change in Net Assets Without Donor Restrictions

Operating Revenue

Rental	\$ 15,673,802
Childcare program	3,452,085
Development fees	3,529,825
Grants	1,032,368
Contributions	185,605
Tax credit exchange grant	238,180
Income from partnership investment	305,348
Administrative, project and asset management fees	54,448
Government contracts and grants	255,343
Other	191,671
Interest	10,390
Net assets released from time restrictions	100,000
Total Operating Revenue	<u>25,029,065</u>

Operating Expenses

Program services	23,661,581
General and administrative	596,127
Fundraising	268,267
Total Operating Expenses	<u>24,525,975</u>

Operating Income (Loss) 503,090

Non-Operating Activities

Loss on write-off of predevelopment costs	(254,083)
Grant revenue specified for real estate development	725,000
Grant expense specified for real estate development	(725,000)
Loss from sales of real estate development	(2,006,074)
Non-Operating Income (Loss)	<u>(2,260,157)</u>

Change in net assets without donor restrictions (1,757,067)

Change in Net Assets with Donor Restrictions

Restricted support for construction of Equity & Prosperity Center	715,251
Net assets released from time restrictions	(100,000)

Change in net assets with donor restrictions 615,251

Total Change in Net Assets \$ (1,141,816)

Change in net assets attributable to controlling interests	\$ 1,807,281
Change in net assets attributable to noncontrolling interests	<u>(2,949,097)</u>

Total Change in Net Assets \$ (1,141,816)

Controlling Interest in Net Assets, Beginning of Year \$ 15,030,436

Restatement (1,189,330)

Controlling interest in net assets, beginning of year, as restated	13,841,106
Change in net assets attributable to controlling interests	1,807,281
Distributions	<u>(15,002)</u>

Controlling Interest in Net Assets, End of Year 15,633,385

Noncontrolling Interest in Net Assets, Beginning of Year -

Restatement 13,825,725

Noncontrolling interest in net assets, beginning of year, as restated	13,825,725
Change in net assets attributable to noncontrolling interests	(2,949,097)
Distributions	(27,759)
Capital contributions	<u>25,342,274</u>

Noncontrolling Interest in Net Assets, End of Year 36,191,143

Total Net Assets, End of Year \$ 51,824,528

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

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2021

Operating Activities Cash Flows

Change in net assets	\$ (1,141,816)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Loss from sales of real estate development	2,006,074
Loss on write off of predevelopment costs	254,083
Deferred rent receivable	414,312
Contributions restricted for construction of long-lived asset	(715,251)
Depreciation	5,198,154
Amortization	3,138
Amortization of debt issuance costs included in interest and financial	193,488
Decrease (increase) in assets:	
Accounts receivable, net	110,715
Pledges receivable, net	17,298
Due from affiliates	231,425
Prepaid expenses	(38,491)
Tenant security deposits asset	(12,829)
Other deposits and fees	(28,010)
Increase (decrease) in liabilities:	
Accounts payable	(81,110)
Accrued expenses	(43,062)
Fiscal agency liability	122,723
Due to affiliates	1,822,603
Deferred rent	(621,745)
Deferred revenue	(245,803)
Tenant security deposits liability	1,544
Net cash provided by operating activities	<u>7,447,440</u>

Investing Activities Cash Flows

Advances (to) from affiliates	(1,302,755)
Purchases of fixed assets	(4,539,533)
Other deposits and fees	(100,103)
Cash paid for real estate development	(14,053,434)
Cash received for developer fees	1,116,619
Cash received on notes and interest receivable	382,142
Investments in partnership	(167,026)
Net cash used in investing activities	<u>(18,664,090)</u>

Financing Activities Cash Flows

Proceeds from notes and mortgages payable	15,675,503
Repayments of notes and mortgages payable	(24,943,783)
Contributions restricted for construction of long-lived asset	715,251
Capital Contributions	25,342,274
Distributions	(42,761)
Net cash provided by financing activities	<u>16,746,484</u>

Net Increase in Cash and Cash Equivalents 5,529,834

Cash, Restricted Cash, and Cash Equivalents, Beginning of Year 16,639,772

Cash, Cash Equivalents and Restricted Cash, End of Year \$ 22,169,606

Cash and Cash Equivalents \$ 9,898,832

Restricted Cash 12,270,774

Cash, Cash Equivalents and Restricted Cash, End of Year \$ 22,169,606

Supplemental Disclosure on Cash Flows and Non-Cash Investing and Financing Transactions - See Note 15.

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

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program Services										
	Jamaica Plain Neighborhood Development Corporation			Real Estate			Total Program Services	General and Administrative	Fundraising	Eliminations	Total
	Economic Development	Real Estate Development	Community Organizing	Residential	Commercial	Development					
Salary and related expenses	\$ 736,403	\$ 807,170	\$ 323,586	\$ 2,094,908	\$ 198,834	\$ -	\$ 4,160,901	\$ 397,607	\$ 230,151	\$ -	\$ 4,788,659
Contracted services	2,671,723	206,942	5,560	-	-	-	2,884,225	113,219	3,955	-	3,001,399
Depreciation and amortization	12,539	10,822	4,338	4,472,697	716,515	-	5,216,911	5,329	3,086	-	5,225,326
Repairs and maintenance	45,613	39,367	15,782	2,221,989	399,908	2,418	2,725,077	14,472	11,225	-	2,750,774
Interest and financial	37	32	13	2,699,989	350,486	-	3,050,557	1,067	9	-	3,051,633
Real estate taxes	-	-	-	483,368	451,280	7,934	942,582	-	-	-	942,582
Rent	-	-	-	251,756	-	-	251,756	-	-	(251,756)	-
Condominium fees	-	-	-	125,305	18,324	-	143,629	-	-	-	143,629
Utilities	6,282	5,422	2,174	1,368,358	62,373	14,500	1,459,109	2,671	1,546	-	1,463,326
Insurance	8,034	6,934	2,780	691,412	111,574	2,431	823,165	3,416	1,977	-	828,558
Office supplies and expense	33,942	25,707	10,305	454,530	4,137	891	529,512	16,535	7,330	-	553,377
Consultants and professional fees	-	-	-	481,501	225,013	1,644	708,158	33,928	-	(62,306)	679,780
Program supplies and expense	56,828	94,545	12,815	1,746	-	-	165,934	-	3,512	-	169,446
Bad debt expense	2,243	-	-	24,418	282,876	-	309,537	-	-	-	309,537
Meetings	3,357	1,608	886	-	-	-	5,851	442	409	-	6,702
Management fees	-	-	-	744,731	461,698	-	1,206,429	-	-	(655,870)	550,559
Staff training and travel	1,961	4,244	1,190	505	-	-	7,900	425	1,006	-	9,331
Contributions	2,221	1,508,758	-	72,644	-	-	1,583,623	-	-	(1,581,402)	2,221
Dues and subscriptions	12,059	11,434	4,112	-	-	-	27,605	5,052	2,924	-	35,581
Advertising and marketing	4,619	3,987	1,598	250	-	-	10,454	1,964	1,137	-	13,555
Total functional expenses	\$ 3,597,861	\$ 2,726,972	\$ 385,139	\$ 16,190,107	\$ 3,283,018	\$ 29,818	\$ 26,212,915	\$ 596,127	\$ 268,267	\$ (2,551,334)	\$ 24,525,975

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

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(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 Jamaica Plain Neighborhood Development Corporation (JPNDC) and Affiliates (the Company) in the preparation of these consolidated financial statements:

(a) Nature of Operations

The Company was formed to promote equitable development and equal opportunity in the Jamaica Plain neighborhood of Boston, Massachusetts (JP) and adjacent neighborhoods through affordable housing, organizing and economic opportunity initiatives that improve the lives of low and moderate income people and create a better community for all.

The Company is organized into the following programs:

Rental Properties - The Rental Properties program oversees the operation of various residential affordable housing developments and commercial space through its affiliates. During the year ended December 31, 2021, Rental Properties activities accounted for approximately 75% of total program expenditures.

Economic Development - The Economic Development program reaches into the community to serve individuals, families and businesses in need of support and assistance. The types of services include, but are not limited to, a home-based child care program, job search and placement assistance, technical assistance for small businesses and financial stability programs for families. During the year ended December 31, 2021, Economic Development activity accounted for approximately 14% of total program expenditures.

Real Estate Development - The Real Estate Development program reaches into the community, with citizen involvement, to provide affordable housing for qualified individuals. Affordable housing is being created through the development of multiple sites in and around JP. While the Company's primary goal is to provide affordable housing, development activities also include market rate housing, commercial and retail space in order to revitalize the community in a comprehensive manner. These real estate development projects are either wholly-owned by the Company or are being developed together with various joint venture partners. During the year ended December 31, 2021, Real Estate Development activity accounted for approximately 10% of total program expenditures all of which was included with JPNDC on the consolidated statement of functional expenses.

Community Organizing - The Community Organizing program reaches into the community to provide citizen assistance in an effort to empower the community. Services include, but are not limited to, training community leaders, housing advocacy, safety initiatives and preservation of cultural and economic diversity. During the year ended December 31, 2021, Community Organizing activity accounted for approximately 1% of total program expenditures.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(b) Basis of Consolidation

The consolidated financial statements include the accounts of JPNDC, its wholly-owned subsidiaries, eight affiliated sponsored entities and seven affiliated not-for-profit corporations that are controlled by JPNDC through common board members. All material intercompany transactions and accounts have been eliminated in consolidation.

Jamaica Plain Neighborhood Development Corporation

JPNDC is a Massachusetts not-for-profit corporation formed in 1977 that was organized as a Neighborhood Development Corporation to work closely with neighborhood residents, organizations and businesses committed to planning and carrying out community development projects to benefit low income residents of JP.

Real Estate

Residential

One to Four Rehabilitation Corporation (OFRC) is a Massachusetts not-for-profit corporation formed in 1994 to develop and rehabilitate housing for resale to low and moderate income persons and families in JP.

Sumner Hill Rental Apartments, LLC (SHRA) is a Massachusetts limited liability company formed in 2008 to acquire, maintain and resell 20 units of low income housing in JP. OFRC is the sole member of SHRA.

Lorenzovest Holdings LLC (LH) is a Massachusetts limited liability company formed to acquire, maintain and rent 137 units of low-income housing in Roxbury, Massachusetts.

JPSSC Housing Corporation (JPSSC) is a Massachusetts for-profit corporation formed to acquire, maintain and resell 18 units of low-income affordable housing located in four properties in JP. JPSSC and JPNDC share common board members. On February 1, 2013, JPSSC sold its assets to a new entity, JP Scattered Site LLC, in order to consummate a refinancing with an investment of equity through the low-income housing tax credit program.

Rockvale Community Housing Corporation (Rockvale) is a Massachusetts not-for-profit corporation formed in 2000 to prevent dislocation of low- and moderate-income JP residents by acquiring, developing and maintaining 15 units of affordable housing in JP.

Church Square SRO, LLC (SRO) is a Massachusetts limited liability company formed in 2008 to rehabilitate the former Blessed Sacrament convent into 28 single room occupancy units plus one live-in responder unit that will serve low income individuals in JP.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(b) Basis of Consolidation - continued

Real Estate - continued

Residential - continued

61 Heath LLC was formed as a limited liability company under the laws of the Commonwealth of Massachusetts on June 13, 2016, for the purpose of constructing, owning and operating an affordable housing apartment building consisting of 47 units of residential housing, of which 40 are to be leased to low-income tenants, and also contains approximately 824 square feet of commercial space on the first floor. The project is located in Jamaica Plain, Massachusetts and is currently operating under the name of Hattie Kelton Apartments.

JPNDC Pitts LLC is a limited liability company formed under the laws of the Commonwealth of Massachusetts on January 17, 2018, for the purpose of acquiring, rehabilitating and operating a rental housing project. The project consists of 201 low-income residential rental housing units in 21 buildings located in the Roxbury and Dorchester neighborhoods of Boston, Massachusetts operating under the name of Pitts Portfolio Apartments.

Nate Smith Housing Corporation (NSHC) was organized as a non-profit corporation under the laws of the Commonwealth of Massachusetts to acquire an interest in real property. NSHC received \$3,949,800 from HUD to rehabilitate, own and operate 45 units of low-income housing for the elderly located in Jamaica Plain, Massachusetts.

Angela Westover Housing Corporation (AWHC) was organized as a non-profit corporation under the laws of the Commonwealth of Massachusetts to provide housing to low income elderly and handicapped persons. AWHC owns and operates an 11 unit congregate housing facility known as The Angela Westover House in Jamaica Plain, Massachusetts.

Bickford Street Elderly Housing Corporation (BSEHC) was organized as a non-profit corporation under the laws of the Commonwealth of Massachusetts to acquire an interest in real property. BSEHC received capital advances from HUD to construct, own and operate 56 units, which includes one rent-free manager unit, of low income housing for the elderly, located in Jamaica Plain, Massachusetts.

Centre Creighton Apartments LLC (CCA) is one of four companies organized in 2007 for the purpose of acquiring and rehabilitating three existing buildings that are part of a seven building complex located in Jamaica Plain, Massachusetts that are being developed/rehabilitated to provide affordable housing, market rate housing, commercial and retail space. CCA was formed to rehabilitate, lease, maintain and operate the upper floors of the above-mentioned buildings into 36 affordable rental units for occupancy by low and extremely-low income tenants.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(b) Basis of Consolidation - continued

Real Estate - continued

Residential - continued

Pondview JP LP (Pondview) is a Massachusetts limited partnership formed to acquire, rehabilitate, own, maintain and operate 60 units of mixed income housing located in Boston, Massachusetts.

CWL Housing LLC (CWL) was organized in 2006 for the purpose of acquiring land and constructing 30 affordable housing units and commercial and retail space located in Jamaica Plain, Massachusetts.

JP Scattered Site LLC was organized on May 22, 2012 for the purpose of investing in real property and the provision of low-income housing through the acquisition, rehabilitation, operation and leasing of 18 affordable rental units in Jamaica Plain, Massachusetts, which was substantially completed as of December 31, 2013. The project consists of four buildings (Walden, Buckley, Spring Park and Chestnut).

Walnut Avenue Apartments LP (Walnut) was formed on October 15, 2010 for the purpose of investing in real property through the acquisition, rehabilitation, operation and leasing of 31 affordable rental units in a single building located in Jamaica Plain, Massachusetts.

75 Amory Apartments LLC (75 Amory) was formed on August 6, 2014 for the purpose of investing in real property through the acquisition, construction, operation and leasing of 39 affordable rental units in a single 4-story building located in Jamaica Plain, Massachusetts.

Commercial

Brewery Development Company of Jamaica Plain (BDC) is a Massachusetts not-for-profit corporation formed in 1983 to create new employment opportunities for low income persons and to carry out commercial real estate rehabilitation and development in JP. BDC owns and manages commercial buildings and land known as the Brewery Small Business Center in JP for rental to commercial tenants.

Centre Street Retail, LLC (CSR) is a Massachusetts limited liability company formed in 2007 to acquire and construct the first floor of 2 new buildings into approximately 13,000 square feet of retail space, all of which was placed in service as of December 31, 2013. After the assignment by JHCI noted below, CSR is owned 99.99% by BDC and 0.01% by JPNDCC.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(b) Basis of Consolidation - continued

Real Estate - continued

Development

Call Carolina, LLC (CALL) is a Massachusetts limited liability company formed in 2019 to acquire land on Call Street and Carolina Avenue in JP for the purpose of constructing 8 new affordable homes in JP.

CheneySchuyler, LLC (CHSCH) is a Massachusetts limited liability company formed in 2019 to acquire building and land at Cheney Street and Schuyler Street in Dorchester, Massachusetts with the intention of demolishing the building and constructing a 55-unit Low Income Housing Tax Credit (LIHTC) affordable housing complex.

25 Amory Street Apartments, LLC (25 Amory) is a Massachusetts limited liability company formed in 2019 to acquire and construct a 44-unit affordable housing apartment complex in JP.

3371 Washington Street Apartments, LLC (3371 Washington) is a Massachusetts limited liability company formed in 2020 to acquire and construct a 38-unit affordable housing apartment complex in JP.

The consolidated statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating and non-operating activities. Operating revenues consist of those monies received and other contributions attributable to the Company's ongoing efforts. Investments in and grants received for housing development projects and development cost write-offs and sales are reported as non-operating revenue because the related assets are developed over periods greater than one year.

(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

JPNDC, BDC, OFRC, Rockvale, NSHC, AWHC and BSEHC 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.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(d) Income Taxes - continued

SRO, Centre-Creighton Apartments MM LLC, JPNDC Consulting LLC, JPNDC Pitts Corp. LLC, 25 Amory MM LLC, 3371 Washington Manager LLC, 3371 Washington Developer LLC, 25 Amory, CALL, CHSCH and 3371 Washington are limited liability companies with JPNDC as their sole member and, consequently are disregarded entities, having no tax status. These entities are consolidated and filed with JPNDC's nonprofit tax return.

SHRA and LH are limited liability companies / limited partnership with OFRC as its sole member and, consequently are disregarded entities, having no tax status. These entities are consolidated and filed with OFRC's nonprofit tax return.

CSR, Centerwise Lamartine LLC, 61 Heath LLC, JPNDC Pitts LLC, CCA, Pondview, CWL, JP Scattered Site LLC, Walnut and 75 Amory are limited liability companies and all taxable income and losses are allocated to the members.

Additional subsidiaries or affiliates of JPNDC or BDC, namely, JPSSC, Pondview JP, Inc., JP Scattered Site MM LLC, 75 Amory Apartments MM LLC, 61 Health MM LLC, JPNDC Pitts MM LLC, and Walnut Avenue Apartments GP LLC 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. While no income tax returns are currently being examined by the IRS, tax years since 2018 remain open.

(e) 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:

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(e) *Standards of Accounting and Reporting - continued*

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.

(f) *Revenue Recognition*

Project Management, Administrative and Asset Management Fees - Project management, administrative and asset management fees revenue is recognized based upon the period of service as specified in the agreement.

Tax Credit Exchange Grant - Tax Credit Exchange (TCX) grant revenue is recognized straight-line over the term of the 15-year tax credit compliance period.

Rental - Rental revenue is recognized as rentals become due and are accounted for under *Leases* (Topic 840). 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 rent receivable represents the excess of rent reported on the straight-line basis over rental payments required under current, non-cancelable leases.

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.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(f) Revenue Recognition - continued

Contributions without donor restrictions 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.

Development Fees - Development fees are generated primarily from services rendered in connection with the development of affordable housing entities. Revenue is recognized using output method measurements which include a combination of items that provide reasonable measures of progress toward transferring the services to the customer. In general, the Company considers performance service obligations when determining revenue recognition. In accordance with the accounting guidance of ASU 2014-09 (ASC 606), development fee revenue is recognized when earned over time, based on outputs as well as management's assessment of future collectability based on projected cash flows of the property. In general, the Company considers 5 output measurements when determining revenue recognition which are:

- Output measurement 1: Occurs upon construction closing of the underlying affordable housing entity.
- Output measurement 2: Occurs as qualifying units are constructed or improved.
- Output measurement 3: Occurs when the affordable housing entity achieves substantial completion.
- Output measurement 4: Occurs when the completed list of tasks associated with the final closing is completed.
- Output measurement 5: Occurs when the 8609's are issued by the Department of Housing and Community Development.

In measuring revenue and determining the consideration the Company is entitled to as part of the development service agreement, the Company takes into account the related elements of variable consideration, such as development cost overruns and deferred development fees. The Company adjusts the amount and/or timing of revenue to be recognized, as appropriate.

Government Contracts and Childcare Program Revenue (Program Service Fees) - 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 restrictions, 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.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(f) Revenue Recognition - continued

Grants - Unconditional grants, including capital grants, are recorded as revenue in the period to which the grant relates as specified by the grantor and are accounted for in accordance with contributions, as noted above. Conditional grants that contain a performance barrier and a right of return or a right of release are only recognized as revenue if and when the specified conditions are met.

Deferred revenue includes development fees and rent, which have been paid to the Company pursuant to certain agreements, but have not yet been earned.

(g) 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.

(h) Cash, Cash Equivalents and Restricted Deposits and Funded Reserves

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. 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.

Restricted deposits and funded reserves required by regulatory and loan agreements are included in restricted cash and cash equivalents. In addition, tax and insurance escrows required by the loan agreement are also included in restricted cash. See Note 4 for the detail of restricted cash.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(i) Accounts Receivable

The Company carries all of its accounts receivable at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Accounts and contracts 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. As of January 1, 2021, accounts receivable totaled \$788,545. 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, the allowance for doubtful accounts was immaterial.

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 and contracts receivable are due from its activities in Massachusetts. As of December 31, 2021, the Company's accounts receivable consisted of approximately 66% from governmental agencies, 24% from corporations and 10% from individuals.

(j) Development Fees, Notes and Interest Receivable

Development fees, notes receivable and related accrued interest are recorded at estimated net realizable amounts. On a periodic basis, the Company evaluates its development fees and 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 development fees and notes receivable are due from entities, which it develops, syndicates and/or manages in Massachusetts.

(k) Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(k) Promises to Give - continued

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of December 31, 2021, management has determined any allowance would be immaterial.

Conditional promises to give are not recognized in the consolidated financial statements until the conditions are substantially met. As of December 31, 2021, conditional promises to give expected to be received in future years totaled \$200,000.

(l) Fixed Assets

Fixed assets 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>
Buildings and improvements	20-40
Site improvements	10-20
Leasehold improvements	5-40
Furniture and equipment	3-10

(m) Real Estate Development

Real estate 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. Management believes these projects could take anywhere from one to two years to develop, sell and/or rent. All properties are located in JP and other neighborhoods of Boston, Massachusetts.

(n) Impairment

The Company reviews its land, buildings and equipment, investments in real estate developments and real estate development costs 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 real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(n) Impairment - continued

If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property.

(o) Investments in Real Estate Developments

Investments in real estate developments are accounted for under the equity method. The Company's share of income or loss is included in other revenue (expense) on the consolidated statement of activities.

(p) Debt Issuance Costs

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable 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.

(q) Prepaid Asset Management Fees

SRO has prepaid certain asset management fees in the original amount of \$53,863. The fees are being charged to asset management fee expense on a straight-line basis over the TCX compliance period of 15 years. Estimated future expense for asset management fees which were prepaid at December 31, 2021 is \$3,591 for each of the next five years and is included in other deposits and fees, net on the consolidated statement of financial position.

(r) Fundraising

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

(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.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

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

(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.

(u) Contributed Services and Gifts In-Kind

Gifts in-kind are reported as contributions in the financial statements at their estimated fair values at the time of receipt. Contributed services are similarly reported when specialized services are performed which would otherwise have been purchased or performed by Company personnel.

(v) 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.

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*. The amendments in this update address presentation and disclosure of contributed nonfinancial assets. The ASU is effective for annual periods beginning after June 15, 2021. The Company is currently evaluating the impact the adoption of this new standard will have on its consolidated financial statements.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(2) Availability and Liquidity

Financial assets available for general expenditures within one year of the consolidated statement of financial position date comprise the following:

Cash and cash equivalents	\$	9,898,832
Accounts receivable, net		1,236,271
Pledges receivable, net		326,733
Due from affiliates, current portion		3,107
Development fee receivable, current portion		175,305
Total financial assets available for general expenditures within one year		<u>11,640,248</u>
Less: financial assets not available for general expenditure:		
Donor-restricted for programmatic purposes		(42,500)
Affordable housing projects		(10,000)
Deferred grant revenue		-
Fiscal sponsorship liability		(258,261)
Donor-restricted for building construction		<u>(1,354,228)</u>
Total financial assets available for general expenditures within one year	\$	<u>9,975,259</u>

As part of the Company's liquidity management plan, the Company invests cash in excess of daily requirements in money market funds. In the event of an unanticipated liquidity need, the Company has an available line of credit with the Life Insurance Community Investment Initiative to utilize; see Note 11(a).

The Company has approximately \$9,975,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. None of that amount is subject to donor or other contractual restrictions that make it unavailable for general expenditures within one year of the financial position date.

In addition, the Company operates in a heavily regulated environment. As such, Projects are required to fund escrows/reserves as outlined in Note 3. These serve as a mechanism to assist the Projects with managing their availability of funds for general operating expenditures. The reserves/escrows are closely monitored by lenders and management to ensure they are adequately funded to meet future expenditures in accordance with the respective agreements. In the event of an unanticipated liquidity need, the Projects may seek financial support from the Company.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(3) Pledges Receivable

Pledges receivable consist of the following as of December 31, 2021:

	<u>Gross Promise</u>	<u>Allowance</u>	<u>Net Promise</u>	<u>Unamortized Discount</u>	<u>Total</u>
Receivable less than 1 year	\$ 326,733	\$ -	\$ 326,733	\$ -	\$ 326,733
Receivable in 1 to 5 years	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
	<u>\$ 376,733</u>	<u>\$ -</u>	<u>\$ 376,733</u>	<u>\$ -</u>	<u>\$ 376,733</u>

There is no discount applied to long-term promises to give as of December 31, 2021, as the effect to the consolidated financial statements would not be material.

(4) Restricted Cash

(a) SHRA

In accordance with an agreement with Eastern Bank, SHRA established a reserve for capital improvements with proceeds from the sale of units during 2013. The reserve can only be drawn upon with permission from Eastern Bank. For the year ended December 31, 2021, SHRA made no deposits or withdrawals and the account earned interest of \$47. As of December 31, 2021, the balance in the reserve totaled \$136,227.

(b) BDC

In accordance with the Amended, Restated and Consolidated Loan Agreement with The Life Insurance Community Investment Initiative, LLC, BDC is required to establish an interest reserve account to serve as collateral for the loan; see Note 11(d). The initial deposit shall be equal to three months debt service on the loan to be held by Eastern Bank and governed by an Account Pledge and Control Agreement. The reserve shall be subject to the control and direction of The Life Insurance Community Investment Initiative, LLC. BDC shall maintain the required balance in the reserve equal to three month's debt service at all times. Any approved withdrawals must be promptly replenished by BDC. For the year ended December 31, 2021, BDC made no deposits or withdrawals and the account earned interest of \$37. As of December 31, 2021, the balance in the interest reserve totaled \$106,168.

In accordance with the First Amendment to Management Agreement with JPND, BDC is required to deposit \$200,000 annually into a separate interest bearing account to be used for significant repairs and replacement. For the year ended December 31, 2021, BDC made deposits of \$625,000, made no withdrawals and the account earned interest of \$317. As of December 31, 2021, the balance in the replacement reserve totaled \$1,290,119.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(4) Restricted Cash - continued

(c) CSR

In accordance with the Real Estate Level Consolidated Operating Proforma (Proforma), CSR was required to establish a replacement reserve to be used for significant repairs and replacement. The replacement reserve funds are held in a financial institution in Massachusetts. For the year ended December 31, 2021, CSR made no deposits, made withdrawals of \$65,000 and the account earned interest of \$8. As of December 31, 2021, the balance in the replacement reserve totaled \$10,287.

In accordance with the Consolidated Loan Agreement with The Life Insurance Community Investment Initiative, LLC, CSR is required to establish an interest reserve account to serve as collateral for the loan; see Note 11(g). The initial deposit shall be equal to three months debt service on the loan to be held by Eastern Bank and governed by an Account Pledge and Control Agreement. The reserve shall be subject to the control and direction of The Life Insurance Community Investment Initiative, LLC. CSR shall maintain the required balance in the reserve equal to three months' debt service at all times. Any approved withdrawals must be promptly replenished by CSR. For the year ended December 31, 2021, CSR made no deposits or withdrawals and the account earned interest of \$12. As of December 31, 2021, the balance in the interest reserve totaled \$34,090.

(d) SRO

In accordance with the Management Agreement, SRO was required to establish a replacement reserve to be used for capital repairs and replacements other than those associated with normal unit turnover and wear and tear of public areas. Annual contributions are required based on each year's operating budget, increasing annually by 3% per year, \$961 per month for 2021. The reserve funds are held with Eastern Bank and can only be drawn upon with permission of the member. For the year ended December 31, 2021, SRO made deposits totaling \$12,230, made no withdrawals and the account earned interest of \$25. As of December 31, 2021, the balance in the replacement reserve totaled \$80,212.

In accordance with the Management Agreement, SRO was required to establish an operating deficit reserve in an initial amount of \$500,000 to only fund operating expenses not contemplated by the approved budget or operating deficits, as approved by JPND. The account is required to be in a separate interest bearing account. The reserve was funded from development cash. During the year ended December 31, 2021, SRO made no deposits or withdrawals and the account earned interest of \$855. As of December 31, 2021, the balance in the operating deficit reserve totaled \$472,730.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(4) Restricted Cash - continued

(e) Rockvale

In accordance with their loan agreement with the Massachusetts Property and Casualty Insurance Company Community and Economic Development Initiative LLC (PCI), Rockvale is required to maintain an account established for repair and replacement. Beginning in 2004, Rockvale is required to fund an initial \$6,000 into the account, increased by 3% annually. The annual deposit requirements for the year ended December 31, 2021 was \$9,917. The reserve can only be drawn upon with permission from PCI. For the year ended December 31, 2021, Rockvale made deposits of \$28,806, made no withdrawals and the account earned interest of \$20. As of December 31, 2021, the replacement reserve was underfunded by \$720. The Company is currently in negotiations with PCI to retroactively waive the 3% annual increase. As of December 31, 2021, the balance in the replacement reserve totaled \$92,763.

In accordance with the loan agreement with PCI, Rockvale is required to maintain an account established for payment of debt service due to operating shortfalls, if any. Rockvale was required to fund an initial \$80,000 into the account. The reserve can only be drawn upon with permission from PCI. For the year ended December 31, 2021, Rockvale made no deposits or withdrawals and the account earned interest of \$68. As of December 31, 2021, the balance in the debt service reserve totaled \$89,191.

In accordance with their loan agreement with PCI, Rockvale is required to maintain accounts established for future real estate tax and insurance payments in amounts acceptable to the lender. For the year ended December 31, 2021, Rockvale made deposits of \$22,056, made withdrawals of \$18,732 and the account earned interest of \$10. As of December 31, 2021, the balance in the real estate tax and insurance escrows totaled \$26,231.

Rockvale's Board of Directors established a reserve account to be used to support funding of resident services. Rockvale initially deposited \$5,000 into the account. The reserve can only be drawn upon with permission from the Board of Directors. For the year ended December 31, 2021, Rockvale made no deposits or withdrawals and the account earned interest of \$3. As of December 31, 2021, the balance in the resident service reserve totaled \$5,575.

(f) *Affiliated sponsored entities, NSHC, AWHC and BSEHC*

In accordance with their respective loan, regulatory, partnership and operating agreements, the eight affiliated sponsored entities, NSHC, AWHC and BSEHC are required to maintain accounts established for future real estate tax and insurance payments, repair and replacement costs, operating deficits, residual receipts and resident services. For the year ended December 31, 2021, all accounts were materially maintained in accordance with their respective agreements. As of December 31, 2021, the balance in these restricted cash accounts totaled \$9,927,181.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(5) Fixed Assets

Fixed assets are summarized as follows as of December 31, 2021:

Buildings and improvements	\$ 183,004,477
Land and site improvements	14,494,150
Furniture and equipment	3,821,541
Leasehold improvements	<u>364,052</u>
Total fixed assets	\$ <u>201,684,220</u>

(6) Investments in Real Estate Developments

(a) Jackson Square LLC (Jackson Square)

JPNDC has a 45% member interest in Jackson Square. The remaining members of Jackson Square are Urban Edge Housing Corporation (Urban Edge) who also has a 45% member interest and Hyde Square Task Force who has a 10% affiliate member interest. Jackson Square was formed to acquire, develop and sell land located in the Jackson Square area of JP. The operating agreement provides all profits and losses to be allocated equally between JPNDC and Urban Edge.

As of December 31, 2021, included in other assets on the consolidated statement of financial position is \$180,000, which represents JPNDC's equity investment in Jackson Square.

The following summarizes the unaudited financial condition of Jackson Square as of December 31, 2021:

Total Assets	\$ <u>5,445,058</u>
Liabilities	\$ 3,132,102
Equity	<u>2,312,906</u>
Total Liabilities and Equity	\$ <u>5,445,058</u>
Revenue	\$ 700,663
Expense	<u>1,449,398</u>
Net Income	\$ (<u>748,735</u>)

(b) Hyde Square Cooperative Housing Corporation (HSCHC)

JPNDC is a 20.8% owner of stock in HSCHC who is the general partner in an entity that owns a housing complex for low to moderate income tenants. It is the intent of JPNDC to redeem its equity interest after the respective cooperative's members are trained in ownership and certain development benchmarks are met. As of December 31, 2021, included in other assets on the consolidated statement of financial position is \$20,800, representing JPNDC's equity investment in HSCHC. The financial condition of HSCHC is not material.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(6) Investments in Real Estate Developments - continued

(c) Centre Creighton Apartments LLC (CCA)

Through an affiliate, JPNDC currently owns 0.005% as the managing member and 0.005% as the Co-op member. As of December 31, 2021, included with other assets, before eliminations, on the consolidated statement of financial position is their equity investment in CCA of \$26,450, which has been eliminated in consolidation.

(d) Other Investments

JPNDC and OFRC have equity investments in two additional LLCs that total \$200,100 and is included with other assets on the consolidated statement of financial position. The financial condition of these LLCs is not material.

(7) Related Party Transactions

The Company sponsors several affordable housing projects and has investments in other housing corporations to which it has provided development, project management, partnership management, asset management and accounting services. Substantially all amounts are eliminated in consolidation. As of December 31, 2021, \$3,107 was due and is included in due from affiliates on the consolidated statement of financial position.

As of December 31, 2021, prior year advances of \$74,750 due to Hyde Square Limited Partnership (HSLP) from OFRC are included in due to affiliates, net of current portion on the consolidated statement of financial position.

Reimbursable insurance and other operating costs due to several affordable housing projects amounted to \$61,026, as of December 31, 2021 and is included in due to affiliates, current portion on the consolidated statement of financial position.

(8) Notes and Interest Receivable

JPNDC has a note receivable from HSLP in the original amount of \$300,000, which accrued interest at a simple rate of 1% per annum through December 31, 1999 and is non-interest bearing thereafter. There are no required cash payments on the note, except due to sale or refinancing of the project or to the extent of available cash flow from the property, if any, until maturity, December 2041. This note is secured by a sixth mortgage on property known as the Hyde Square Cooperative. As of December 31, 2021, the note and accrued interest are recorded at \$103,667 and are included in other assets on the consolidated statement of financial position.

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Notes to Consolidated Financial Statements

December 31, 2021

(8) Notes and Interest Receivable - continued

JPNDC had a non-interest bearing note receivable from HSLP in the original amount of \$312,467, which was secured by a second mortgage on the property in JP known as the Hyde Square Cooperative. There was no required cash payments on the note, except due to sale or refinancing of the project or to the extent of available cash flow from the property, if any, until maturity, April 2022. This note was security on JPNDC's note payable to the Federal Home Loan Bank of Boston in the same amount; see Note 11(a). During the year ended December 31, 2021, the related liability was forgiven by the lender and this note receivable was reduced to zero.

JPNDC has a non-interest bearing note receivable from the Catherine H. Gallagher Cooperative Housing Corporation (CHG) in the original amount of \$173,250, which is secured by a junior mortgage on the property known as CHG and is due July 1, 2042. This note is security on JPNDC's note payable to MassDevelopment in the same amount; see Note 11(a). As of December 31, 2021, the note is recorded at \$173,250 and is included in other assets on the consolidated statement of financial position.

JPNDC has a non-interest bearing note receivable from CHG in the original amount of \$574,000, secured by a junior mortgage on the property known as CHG, and is due July 1, 2042. This note is security on JPNDC's note payable to the City of Boston Neighborhood Housing Trust Fund (NHT) in the same amount; see Note 11(a). As of December 31, 2021, the note is recorded at \$574,000 and is included in other assets on the consolidated statement of financial position.

The Company has several notes receivable from various entities JPNDC controls directly or indirectly through a subsidiary. As of December 31, 2021, the notes were fully reserved or eliminated in consolidation.

During 2018, GCT and LH entered into two notes receivable with JPNDC Pitts LLC in the aggregate amount of \$25,137,696. The notes bear simple interest at 5% per annum and are payable from net cash flow, as defined by JPNDC Pitts LLC operating agreement. The notes are secured by a seventh mortgage on the property and mature on October 31, 2058, at which time all principal and interest are due. As of December 31, 2021, the notes were fully reserved.

As of December 31, 2021, other notes receivable totaling \$57,973 remain outstanding. The other notes receivable bear no interest with maturity dates through 2059.

For the year ended December 31, 2021, there was no interest income on notes receivable.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(9) Real Estate Development Costs

Real estate development costs consist of the following as of December 31, 2021:

25 Amory	\$ 16,245,695
Call Carolina	682,796
Cheney Schuyler	3,263,410
3371 Washington	2,642,758
Corps Refi	112,471
21-23 Greenville	116,493
Mildred Hailey	51,689
Stonley-Brookley	151,016
91 Minden	<u>690</u>
Total real estate development costs	\$ <u>23,267,018</u>

All real estate development costs are included in other assets on the consolidated statement of financial position. JPNDC has primarily funded the real estate development costs either through use of their line of credit and/or pre-development loans, as outlined in Note 11.

(10) Development Fee Receivable

JPNDC, the Boston Housing Authority (BHA) and The Community Builders, Inc. (TCB) (collectively, the Developers) entered into a development services agreement with New 125 Amory Street LLC. For services performed in accordance with the agreement, the Developers are entitled to earn development fees and overhead in the amount of \$4,889,842 of which BHA will receive 25% and TCB/JPNDC will split the remaining amount 75%/25%, respectively. Estimated deferred fees of \$1,490,139 can only be repaid from available cash flow until maturity. For the year ended December 31, 2021, \$336,530 of development and overhead fees were earned and payments of \$267,727 were received. As of December 31, 2021, development and overhead fees of \$175,305 remain unpaid and are included in development fee receivable on the consolidated statement of financial position.

JPNDC and 61 Heath LLC entered into a development services agreement. For services performed in accordance with the agreement, JPNDC is entitled to earn development fees and overhead in the amount of \$1,691,000. Any deferred fees can only be repaid from available cash flow until maturity on December 31 of the year in which the fourteenth anniversary of Substantial Completion occurs. For the year ended December 31, 2021, JPNDC earned development and overhead fees of \$236,740 and was paid \$723,162 from capital contributions and loan draws in accordance with the development services agreement. As of December 31, 2021, no development and overhead fees remain unpaid.

JPNDC and Walnut entered into a development services agreement. For services performed in accordance with the agreement, JPNDC is entitled to earn development fees and overhead in the amount of \$788,940. Any deferred fees can only be repaid from available cash flow until maturity on December 31, 2026. For the year ended December 31, 2021, the total amount has been earned and no development fees and overhead were paid. As of December 31, 2021, development fees of \$6,000 remain unpaid, and are eliminated in consolidation.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(10) Development Fee Receivable - continued

JPNDC and JPNDC Pitts LLC entered into a development services agreement. For services performed in accordance with the agreement, JPNDC is entitled to earn development fees and overhead in the amount of \$4,620,000. Any deferred fees can only be repaid from available cash flow until maturity on December 31 of the year in which the fourteenth anniversary of Substantial Completion occurs. For the year ended December 31, 2021, JPNDC earned development and overhead fees of \$2,772,000 and was paid \$1,240,919. As of December 31, 2021, development fees of \$2,224,081 remain unpaid, and are eliminated in consolidation.

JPNDC entered into a development services agreements with two entities, HSLP and JP Scattered Site LLC. For services performed in accordance with the agreements, JPNDC earned development fees and overhead. As of December 31, 2021, the deferred balance of \$561,500 can only be repaid from available cash flow until paid in full (HSLP) or maturity on December 31, 2027 (JP Scattered Site LLC). As of December 31, 2021, the notes were fully reserved.

(11) Notes and Mortgages Payable

	<u>Current</u>	<u>Long-term</u>
(a) JPNDC		
JPNDC had a non-interest bearing note payable with the Federal Home Loan Bank of Boston in the amount of \$312,467. No payments were required until maturity on April 22, 2022. This agreement was secured by the Company's note receivable from HSLP in the same amount, which was forgiven; see Note 8.	\$ -	\$ -
JPNDC has a non-interest bearing note payable with NHT in the amount of \$574,000 for development costs related to CHG. No payments of principal are required until maturity on July 1, 2042. This note is secured by the Company's note receivable from CHG in the same amount; see Note 8.	-	574,000
JPNDC has a non-interest bearing note payable with the Massachusetts Development Finance Agency (MDFA) in the amount of \$173,250 for environmental remediation costs of CHG. No payments of principal are required until maturity on July 1, 2042. This note is secured by the Company's note receivable from CHG in the same amount; see Note 8.	-	173,250
JPNDC has an unsecured note payable with the Boston Department of Neighborhood Development (DND) in the amount of \$100,000 for the development of property located at 270 Centre Street, JP. Interest accrues at a rate of 1%, compounded annually. No payments of principal or interest are required until maturity on December 10, 2059. As of December 31, 2021, accrued interest was \$12,458.	-	100,000

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(a) JPNDC - continued		
<p>JPNDC has a line of credit note payable with the Life Insurance Community Investment Initiative, LLC in an amount of up to \$1,500,000 to be used for real estate development costs. Interest accrues at a rate of 6% per annum. Interest only payments are required until maturity on May 24, 2023. During 2019, JPNDC drew down \$483,032 on the note. The note is secured by JPNDC's development fees and reimbursable developer overhead on several of its development projects.</p>	-	465,535
<p>JPNDC received a recoverable grant payable in the amount of up to \$36,000 to the Mass Development Brownfields Redevelopment Fund, which was obtained to cover site assessment costs associated with the property known as General Heath Square. The Grant is recoverable to the extent a triggering event occurs by October 2020 (the maturity date), as outlined in the Memorandum of Agreement for Site Assessment Grant.</p>	-	35,961
<p>JPNDC entered into two lines of credit with the Massachusetts Housing Partnership (MHP) under the Housing Reserve Assurance Program (RAP) for the benefit of CWL and CCA in amounts of up to \$150,560 and \$128,078, respectively. During the first year following a draw, interest-only will be payable in arrears at a rate of prime plus 4%. Thereafter, in addition to the interest, monthly principal payments will be made equal to 3% of the outstanding principal balance of each draw. All remaining principal and interest will be due at maturity on August 31, 2029. In accordance with the RAP agreements, JPNDC must meet certain debt covenants. As of December 31, 2021, no funds have been drawn on either line of credit.</p>	-	-
<p>JPNDC entered into a note payable agreement with CEDAC in the amount of up to \$600,000, to be funded in two tranches of up to \$300,000 each, for predevelopment costs related to the property known as JP Scattered Site II. Interest accrues at a rate of 7% annually and is to be repaid using funds received from permanent financing. During the year ended December 31, 2021, JPNDC drew \$68,283 on this loan and repaid \$33,132. The remainder is expected to be drawn during 2022.</p>	38,151	-

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(a) JPNDC - continued		
<p>JPNDC received a recoverable grant from MDFA for up to \$120,000 to be used for environmental remediation work on the Call Carolina development project. The Grant is recoverable to the extent a triggering event occurs, as outlined in the recoverable grant agreement. The recoverable grant matures in June 2050. The full amount has been advanced as of December 31, 2020.</p>	-	120,000
(b) OFRC		
<p>OFRC has three non-interest bearing notes payable with the Estates in the aggregate amount of \$1,540,000 as partial payment for the acquisition of GCT and LH. Repayment on the notes is to be made in conjunction with the equity installments from the tax credit investor of JPNDC Pitts LLC as outlined in the Omnibus Agreement. The note is secured by a mortgage on the properties. During 2018, a payment of \$106,000 was made at syndication close. JPNDC has guaranteed payment on these notes and has granted a security interest to all payments due to JPNDC under its development services agreement with JPNDC Pitts LLC; see Note 10.</p>	550,000	-
(c) SHRA		
<p>SHRA entered into a note payable agreement with Eastern Bank in the amount of \$485,000. The note bears interest at 6.36% per annum. Commencing January 21, 2017, monthly payments of \$3,050 including principal and interest based on a 30 year amortization schedule are due. All outstanding principal and interest is due at maturity on December 21, 2036, including a balloon payment of \$270,834. In accordance with the agreement, SHRA shall require written consent from Eastern Bank prior to the sale of any of the units and shall remit to Eastern Bank 100% of the proceeds from the sale of these units. In accordance with the agreement, SHRA must also meet certain covenants. The note is secured by a first mortgage on the 11 remaining unsold units located at 70-86 Elm Street, Boston including an assignment of leases and rents. As of December 31, 2021, accrued interest was \$798. As of December 31, 2021, unamortized debt issuance costs totaled \$25,842.</p>	7,566	444,310
<p>SHRA has a note payable with DND under their Housing Preservation Program in the amount of \$246,160.</p>		

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(c) SHRA - continued		
The proceeds are to be used by SHRA to pay for rehabilitation costs assessed on the remaining 11 unsold units owned by SHRA. The note is non-interest bearing and no payments are required until maturity on December 21, 2046. The note is secured by a second mortgage on the 11 remaining unsold units located at 70-86 Elm Street, Boston including an assignment of leases and rents. During 2021, no funds were drawn on the note.	-	239,457
SHRA entered into a note payable with the City of Boston in the amount of \$31,496. The note is non-interest bearing and forgivable 5 years from the last date of completion of the project related to lead paint abatement.	-	31,496
(d) BDC		
BDC has a second allonge to the amended, restated and consolidated note agreement with The Life Insurance Community Investment Initiative, LLC for up to \$8,500,000. Interest accrues at a rate of 4.5%. Principal and interest payments are due based on a 20 year amortization period. In accordance with the agreement, BDC must also meet certain covenants. The note is secured by property at 31 Germania Street, JP. JPNDC unconditionally guarantees full payment and performance under the agreement. As of December 31, 2021, accrued interest was zero. As of December 31, 2021, unamortized debt issuance costs totaled \$22,201.	236,028	4,008,071
BDC has an unsecured note payable with DND in the amount of \$100,000 to fund Main Block rehabilitation costs. The note bears interest at 2% per annum. Interest only payments are required quarterly through October 1, 2016. Commencing October 1, 2016, payments of principal and interest will be made quarterly, escalating on a yearly basis from \$2,150 to \$2,500 with a final lump sum payment due at maturity in 2022 in the amount of \$58,293.	59,486	-
(e) Rockvale		
Rockvale had a note payable with PCI in the amount of \$530,000 secured by a shared first mortgage on properties located at Rockvale Circle, JP. The note bore interest at 6.875% per annum and was due in monthly payments of \$3,747 including principal and interest. All outstanding principal and interest, if any, was due at maturity on June 1, 2019, which was extended to July 1, 2021. During 2021, Rockvale repaid the note and all accrued interest.	-	-

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(e) <i>Rockvale - continued</i>		
<p>Rockvale had a note payable with the Local Initiatives Support Corporation in the amount of \$360,000 secured by a shared first mortgage on properties located at Rockvale Circle, JP. The note bore interest at 3.5% per annum and was due in monthly payments of \$2,088 including principal and interest. All outstanding principal and interest, if any, were due in June 2024. During the year ended December 31, 2021, Rockvale refinanced this note with a new note with the Local Initiatives Support Corporation in the amount of \$380,000 secured by a shared first mortgage on properties located at Rockvale Circle, JP. The note bears interest at 4.5% per annum and is due in monthly payments of \$3,938 including principal and interest. All outstanding principal and interest, if any, are due in September 2031. As of December 31, 2021, accrued interest was \$1,397. As of December 31, 2021, unamortized debt issuance costs totaled \$25,418.</p>	31,143	341,289
<p>Rockvale has a note payable with DND in the amount of \$680,500. The note is secured by a shared second mortgage on properties located at Rockvale Circle, JP. The note accrues interest at a rate of 1% compounded annually. Annual payments of principal and interest are due in an amount equal to 50% of available net cash flow with the total of any unpaid principal and accrued interest due at maturity on November 1, 2031. As of December 31, 2021, accrued interest was \$90,627.</p>	-	680,500
<p>Rockvale has a non-interest-bearing note payable with the Massachusetts Department of Housing and Community Development (DHCD) in the amount of \$750,000. The note is secured by a shared second mortgage on properties located at Rockvale Circle, JP. Total unpaid principal is due at maturity on March 1, 2032.</p>	-	750,000
(f) <i>SRO</i>		
<p>SRO has a non-interest bearing first mortgage note payable with DND in the amount of \$1,385,366 under the HOME Investment Partnership Program. Due to cost savings, DND has elected to reduce the note to \$1,367,222. All unpaid principal shall be due at maturity on March 10, 2040. As of December 31, 2021, unamortized debt issuance costs totaled \$11,202.</p>	-	1,367,222

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(f) SRO - continued		
<p>SRO has a non-interest bearing shared second mortgage note payable with DHCD in the amount of \$750,000 under the Affordable Housing Trust Fund administered by MassHousing. Due to cost savings, DHCD has elected to reduce the note to \$731,856. The note is secured by a first mortgage on the property located at 35 Creighton Street, JP, including an assignment of leases and rents. Total unpaid principal is due at maturity on January 10, 2041.</p>	-	731,856
<p>SRO has a non-interest bearing shared second mortgage note payable with DHCD in the amount of \$750,000 under the HOME Investments Partnerships program. Due to cost savings, DHCD has elected to reduce the note to \$731,856. The note is secured by a first mortgage on the property located at 35 Creighton Street, JP, including an assignment of leases and rents. Total unpaid principal is due at maturity on January 10, 2041.</p>	-	731,856
<p>SRO has a non-interest bearing shared second mortgage note payable with the Boston Redevelopment Authority in the amount of \$500,000 under the Inclusionary Development Program (IDP). The note is secured by a first mortgage on the property located at 35 Creighton Street, JP, including an assignment of leases and rents. Total unpaid principal is due at maturity on March 10, 2060.</p>	-	500,000
(g) CSR		
<p>CSR has a note payable with Life Insurance Community Investment Initiative, LLC in the amount of \$2,140,000. The note accrues interest at a rate of 4% per annum. Commencing February 1, 2017, principal and interest payments were due based on a 25-year amortization schedule. CSR entered into an allonge to the note on July 16, 2020 whereby interest only payments are required from August 2020 through July 2021. Commencing August 2021, principal and interest payments are due based on 25-year amortization schedule on the then outstanding balance. All outstanding principal and interest is due at maturity on December 30, 2026. In accordance with the agreement, CSR must also meet certain covenants. The note is secured by a first mortgage on the property located at 270 and 363 Centre Street, JP, including an assignment of leases and rents. This note is guaranteed by BDC. As of December 31, 2021, unamortized debt issuance costs totaled \$68,893.</p>	47,237	1,902,329

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Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(g) CSR - continued		
<p>CSR has an amended and restated QLICI B Tranche A note payable with DND in the amount of \$2,385,000. The note accrues interest at a rate of 2.25% per annum. Commencing January 6, 2017, CSR is required to make monthly payments of principal and interest of \$5,000 through December 6, 2020, increasing to \$6,000 from January 6, 2021 through December 6, 2025 and further increasing to \$7,500 from January 6, 2021 through maturity on December 30, 2049 at which time all unpaid principal and accrued interest shall be due. In accordance with the agreement, CSR must also meet certain debt covenants. The note is secured by a second mortgage on the property located at 270 and 363 Centre Street, JP, including an assignment of leases and rents.</p>	13,305	2,295,178
(h) CALL		
<p>Call Carolina has a non-interest-bearing note payable with DND in the amount of \$500,000 under the Community Preservation Act Program. All outstanding principal and interest are due at maturity on December 28, 2035. In accordance with the note agreement, Call Carolina must meet certain debt covenants. The note is secured by a shared second mortgage on the property and an assignment of leases and rents.</p>	-	475,000
<p>Call Carolina has a non-interest bearing shared second mortgage note payable with DND in the amount of \$830,000 under the IDP Program. All outstanding principal and interest are due at maturity on December 28, 2035. In accordance with the note agreement, Call Carolina must meet certain debt covenants. The note is secured by a shared second mortgage on the property and an assignment of leases and rents. As of December 31, 2021, \$788,500 has been drawn on this note.</p>	-	788,500
<p>Call Carolina has a first mortgage construction note payable with Century Bank in the amount of \$2,000,000. Interest accrues on the note at the prime rate per annum. All outstanding principal and interest are due at maturity on April 8, 2022. The note is secured by a mortgage on the property, fixtures and an assignment of leases and rents.</p>	211,894	-

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Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(i) CHSCH		
Cheney Schuyler has a predevelopment note payable with CEDAC in the amount of \$400,000. The note accrues interest at a rate of 7% per annum. All outstanding principal and interest are due at maturity at the time of construction financing, which is expected to occur in 2023. In accordance with the agreement, Cheney Schuyler must also meet certain covenants. The note is secured by a mortgage on the property and an assignment of leases and rents.	-	331,648
Cheney Schuyler has an acquisition note payable with CEDAC in the amount of \$2,300,000. The note accrues interest at a rate of 4.5% per annum. All outstanding principal and interest are due at maturity on March 1, 2023. The note is secured by a mortgage on the property and an assignment of leases and rents.	-	2,300,000
(j) 3371 Washington		
3371 Washington has an acquisition note payable with CEDAC in the amount of \$2,155,000. The note accrues interest at a rate of 4.5% per annum. All outstanding principal and interest are due at maturity which will occur either three years after the closing date or the date of the initial advance of money (January 2024). The note is secured by a mortgage on the property and an assignment of leases and rents.	-	2,155,000
3371 Washington has an acquisition note payable with CEDAC to cover loan carrying costs in the amount of \$400,000. The note is not interest bearing. All outstanding principal and interest are due at maturity, which will occur either three years after the closing date or the date of the initial advance of money (January 2024). The note is secured by a mortgage on the property and an assignment of leases and rents. As of December 31, 2021, \$221,161 has been drawn on this note.	-	221,161
3371 Washington has a predevelopment note payable with CEDAC in the amount of \$400,000. The note accrues interest at a rate of 7% per annum. All outstanding principal and interest are due at maturity, which will occur either three years after the closing date or the date of the initial advance of money (January 2024). The note is secured by a mortgage on the property and an assignment of leases and rents. As of December 31, 2021, \$237,122 has been drawn on this note.	-	237,122

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(k) 25 Amory		
25 Amory has a non-interest bearing shared second mortgage note payable with DHCD in the amount of \$1,000,000 under the Massachusetts Facilities Consolidation Fund (FCF) program. The note is secured by a mortgage on the property, including an assignment of leases and rents. Total unpaid principal is due at maturity on September 23, 2052.	-	950,000
25 Amory has a non-interest bearing shared second mortgage note payable with DHCD in the amount of \$1,000,000 under the Massachusetts Affordable Housing Trust Fund (AHTF) program. The note is secured by a mortgage on the property, including an assignment of leases and rents. Total unpaid principal is due at maturity on September 23, 2052.	-	1,000,000
25 Amory has a non-interest bearing shared second mortgage note payable with DHCD in the amount of \$543,047 under the Massachusetts Housing Stabilization Fund (HSF) program. The note is secured by a mortgage on the property, including an assignment of leases and rents. Total unpaid principal is due at maturity on September 23, 2052.	-	488,858
25 Amory has a non-interest bearing third mortgage note payable with Hudson Capital in the amount of \$1,455,154. The note is secured by a mortgage on the property, including an assignment of leases and rents. Total unpaid principal is due at maturity on September 23, 2052.	-	1,455,154
25 Amory has a construction note payable with Capital One in the amount of \$10,475,241. The construction note is secured by a first mortgage on the property, including an assignment of leases and rents. The note bears interest at LIBOR plus 2%. Total unpaid principal is due at maturity on September 1, 2022. As of December 31, 2020, \$8,117,979 has been drawn on this note. The balance is included in long-term as it was paid off from a permanent financing closing subsequent to year end (see Note 20).	-	8,117,979
25 Amory has a non-interest bearing shared second mortgage note payable with DHCD in the amount of \$500,000 under the HOME program. The note is secured by a mortgage on the property, including an assignment of leases and rents. Total unpaid principal is due at maturity on September 23, 2052.	-	445,000

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(k) 25 Amory - continued		
25 Amory has a non-interest bearing shared second mortgage note payable with MHP in the amount of \$542,498 under the Commercial Area Transit Node Housing (CATNH) program. The note is secured by a mortgage on the property, including an assignment of leases and rents. Total unpaid principal is due at maturity on September 23, 2052.	-	488,248
25 Amory has a non-interest bearing note payable with the Massachusetts Clean Energy Center in the amount of \$129,516. Total unpaid principal is due at maturity on September 23, 2072.	-	24,750
25 Amory has a shared second mortgage note payable with DND in the amount of \$1,495,425 under the HOME program. The note is secured by a mortgage on the property, including an assignment of leases and rents. The note bears interest at 1.86%. Total unpaid principal is due at maturity on September 23, 2052.	-	1,420,654
25 Amory has a non-interest bearing shared second mortgage note payable with DND in the amount of \$750,000 under the Neighborhood Housing Trust Linkage program. The note is secured by a mortgage on the property, including an assignment of leases and rents. Total unpaid principal is due at maturity on September 23, 2052.	-	712,500
(l) 61 Heath LLC		
61 Health LLC obtained construction and permanent financing from Eastern Bank in the amount of \$9,400,000. The Eastern Bank financing is being provided through the issuance of tax exempt bonds by MDFA. The Multifamily Housing Revenue Bonds Series 2018A ("Series 2018A bonds") in the amount of \$7,800,000 was paid in full on November 15, 2020, the maturity date. The Multifamily Housing Revenue Bonds Series 2018B ("Series 2018B bonds") in the amount of \$1,600,000 bore interest at the initial rate of 3.89% per annum and required monthly payments of interest-only through the permanent loan conversion date (construction loan period). Commencing December 15, 2020, principal and interest are payable in monthly installments of \$8,442 through maturity based on a 30-year amortization schedule. The mortgage loan bears interest at 4.78% and matures May 15, 2040 (permanent loan period).		

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(l) 61 Heath LLC - continued		
<p>All outstanding principal and any accrued interest are due and payable on the maturity date. A balloon payment due at maturity is estimated to be \$828,580. As of December 31, 2021, unamortized debt issuance costs totaled \$269,015.</p>	25,856	1,547,676
<p>61 Health LLC has a note payable with DHCD in the original principal amount of \$1,367,344 secured by a shared second priority mortgage on the project through the AHTF program. The loan does not bear interest and matures on August 15, 2059; however, the maturity date may be extended in accordance with the terms of the promissory note. Payments on the loan are deferred until maturity. During the year ended December 31, 2021, \$49,010 was paid back to the lender to reflect the Project cost savings and reduce the loan to \$1,318,334.</p>	-	1,318,334
<p>61 Health LLC has a note payable with MHP in the original principal amount of \$700,000 secured by a shared second priority mortgage on the project. The loan was made with funds available through the CATNH Program. The loan does not bear interest and matures on August 15, 2059; however, the maturity date may be extended in accordance with the terms of the promissory note. Payments on the loan are deferred until maturity. The project experienced cost savings and the loan was reduced by \$22,581 to \$677,419. During the year ended December 31, 2021, \$47,419 was advanced to 61 Health LLC.</p>	-	677,419
<p>61 Health LLC has a note payable with DHCD in the original principal amount of \$1,000,000 secured by a shared second priority mortgage on the project. The loan was made with funds available through the Housing Stabilization and Investment Trust Fund Statute program, and is payable to MHP, as agent for the Commonwealth and DHCD. The loan does not bear interest and matures on August 15, 2069; however, the maturity date may be extended in accordance with the terms of the promissory note. Payments on the loan are deferred until maturity. The project experienced cost savings and the loan was reduced by \$32,259 to \$967,741. During the year ended December 31, 2021, \$67,741 was advanced to the project.</p>	-	967,741

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

Current Long-term

(i) 61 Heath LLC - continued

61 Health LLC has a note payable with DND in the original principal amount of \$1,500,000 secured by a shared second priority mortgage on the project. Funding for this loan is provided under the HOME Program. The loan bears interest at 1% per annum, compounded annually, and matures on December 31, 2059; however, the maturity date may be extended in accordance with the terms of the promissory note. Commencing on December 31, 2019, and continuing on each anniversary date thereafter, until and including December 31, 2049, the Company shall make principal and interest payments in an amount equal to 50% of the amount by which Gross Cash Receipts for the fiscal year just ended exceed Gross Cash Expenditures as defined in the promissory note. Such amounts paid shall be applied first to any accrued and unpaid interest and then to advanced principal. The project experienced cost savings and the loan was reduced by \$5,755 to \$1,494,245. During the year ended December 31, 2021, \$68,245 was advanced to the project. As of December 31, 2021, the accrued interest was \$7,808.

- 1,421,029

61 Health LLC has a note payable with CEDAC in the original principal amount of \$365,000 secured by a shared second priority mortgage on the project. The loan was made with funds available through the FCF program. The loan does not bear interest and matures on August 15, 2049; however, the maturity date may be extended in accordance with the terms of the promissory note. Payments on the loan are deferred until maturity. The project experienced cost savings and the loan was reduced by \$12,428 to \$352,572. During the year ended December 31, 2021, \$5,822 was advanced to the project.

- 352,572

61 Health LLC has a note payable with DND in the original principal amount of \$939,660 secured by a shared second priority mortgage on the project. Funding for this loan is being provided by the IDP program. The loan bears interest at 1% per annum, compounded annually, and matures on December 31, 2059; however, the maturity date may be extended in accordance with the terms of the promissory note. Commencing on December 31, 2019, and continuing on each anniversary date thereafter, until and including December 31, 2049, 61 Health LLC shall make principal and interest payments in an amount equal to 50% of the amount by which Gross Cash Receipts for the fiscal year just ended exceed Gross Cash Expenditures as defined in the promissory note.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(l) 61 Heath LLC - continued		
Such amounts paid shall be applied first to any accrued and unpaid interest and then to advanced principal. The project experienced cost savings and the loan was reduced by \$3,602 to \$936,058. During the year ended December 31, 2021, \$43,381 was advanced to the project. As of December 31, 2021, the accrued interest was \$3,994.	-	891,681
61 Health LLC has a note payable with DND in the original principal amount of \$750,000 secured by a shared second priority mortgage on the project. The loan was made with funds available through the Neighborhood Housing Trust Linkage program. The loan does not bear interest and matures on December 31, 2059; however, the maturity date may be extended in accordance with the terms of the promissory note. Payments on the loan are deferred until maturity. The project experienced cost savings and the loan was reduced by \$2,875 to \$747,125. During the year ended December 31, 2021, \$34,625 was advanced to the project.	-	747,125
61 Health LLC has a note payable with the Urban Edge Housing Corporation (UEH), an unrelated party, in the original principal amount of \$3,850,000. Funding of this loan was provided by UEH's sale of the project's state low-income housing tax credits. The loan is secured by a fourth priority mortgage on the project and bears no interest. All outstanding principal shall be due and payable on July 10, 2049, the maturity date; however, the maturity date may be extended in accordance with the terms of the promissory note. The note may be prepaid in accordance with the terms of the promissory note.	-	3,850,000
(m) JPNDC Pitts LLC		
JPNDC Pitts LLC has a note payable with MassHousing in the amount of \$26,000,000. The note is secured by a first mortgage on the project. The note accrues interest at a rate of 4.54% per annum. Monthly payments of principal and interest of \$117,556 are due. The note matures on April 1, 2061. As of December 31, 2021, accrued interest was \$97,778. As of December 31, 2021, unamortized debt issuance costs totaled \$1,095,549.	243,249	25,601,191

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(m) JPNDC Pitts LLC - continued		
JPNDC Pitts LLC has a note payable with MassHousing in the amount of \$1,700,000. The note is secured by a mortgage on the project. The note accrues interest at a rate of 2.99% per annum. No loan payments are required prior to maturity. The note matures on April 1, 2061. As of December 31, 2021, accrued interest was \$32,169.	-	1,700,000
JPNDC Pitts LLC has a note payable with HUD in the amount of \$5,050,000. The note is secured by a mortgage on the project. The note accrues interest at a rate of 1% per annum. Payments of principal and accrued interest on the note shall be made from distributable cash flow as set forth in the priorities in the operating agreement. The note matures on April 1, 2061. As of December 31, 2021, accrued interest was \$157,365.	-	4,824,347
JPNDC Pitts LLC has a note payable with PM 2006 Massachusetts Historic Tax Credit Fund, LLC in the amount of \$4,022,200. The note is secured by a mortgage on the project. The note accrues interest at a rate of .01% per annum. Payments of principal and accrued interest on the note shall be made from distributable cash flow as set forth in the priorities in the operating agreement. The note matures on October 31, 2068.	-	4,824,347
JPNDC Pitts LLC has a note payable with DND made pursuant to the Acquisition Opportunity Program in the amount of \$1,500,000. The note is secured by a mortgage on the project and bears no interest. No loan payments are required prior to maturity. The note matures on June 8, 2068.	-	1,500,000
(n) NSHC		
NSHC has a note payable with DND in the amount of \$496,123. The note is secured by a second mortgage on the project and bears no interest. No loan payments are required prior to maturity in November, 2036.	-	494,832
NSHC has a note payable with CEDAC acting as a financial intermediary for DHCD made pursuant to the HIF program in the amount of \$440,100. The note is secured by a third mortgage on the project and bears no interest. No loan payments are required prior to maturity in June, 2027, which may be extended in ten year increments by the lender.	-	440,100

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(o) BSEHC		
BSEHC has a note payable with DND made pursuant to the HOME program in the amount of \$1,218,000. The note is secured by a shared second mortgage on the project and bears interest at 1%, compounded annually. No loan payments are required prior to maturity in December, 2034. As of December 31, 2021, accrued interest was \$223,606.	-	1,218,000
BSEHC has a note payable with DHCD made pursuant to the AHTF program in the amount of \$1,000,000. The note is secured by a shared second mortgage on the project and bears no interest. No loan payments are required prior to maturity in December, 2044.	-	1,000,000
BSEHC has a note payable with DHCD made pursuant to the HSF program in the amount of \$750,000. The note is secured by a shared second mortgage on the project and bears no interest. No loan payments are required prior to maturity in December, 2054.	-	750,000
BSEHC has a note payable with CEDAC made pursuant to the HIF program in the amount of \$750,000. The note is secured by a shared second mortgage on the project and bears no interest. No loan payments are required prior to maturity in December, 2034.	-	750,000
(p) Pondview		
Pondview has a note payable with MHP. The note is secured by a first mortgage on the project and bears interest at 5.35% per annum. The note is payable in monthly installments of \$30,099 until maturity, August 2033. As of December 31, 2021, accrued interest was \$20,631. As of December 31, 2021, unamortized debt issuance costs totaled \$68,393.	116,440	4,511,031
Pondview has a note payable with DND made pursuant to the HOME program. The note is secured by a shared second mortgage on the project and bears interest at 2.8% per annum. Annual payments of principal and interest shall be payable pro-rata between the DND and DHCD in an amount equal to 50% of cash flow as defined in the loan agreement. All remaining unpaid principal and accrued interest are due at maturity, July 25, 2033. As of December 31, 2021, accrued interest was \$803,384.	-	693,929

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(p) Pondview - continued		
Pondview has a note payable with DHCD made pursuant to the HSF program. The note is secured by a shared second mortgage on the project and bears interest at 2.8% per annum. Annual payments of principal and interest shall be payable pro-rata between the DND and DHCD in an amount equal to 50% of cash flow as defined in the loan agreement. All remaining unpaid principal and accrued interest are due at maturity, July 25, 2033. As of December 31, 2021, accrued interest was \$572,485.	-	478,571
(q) AWHC		
AWHC has a note payable with Eastern Bank in the amount of \$1,040,000. The note is secured by a first mortgage on the project and bears interest at 5.42% per annum. The note is payable in monthly installments of \$5,904 until maturity, October 22, 2024. As of December 31, 2021, unamortized debt issuance costs totaled \$11,995.	20,798	899,342
(r) CCA		
CCA has a note payable with MHP in the amount of \$1,925,000. The note is secured by a first mortgage on the project and bears simple interest at 6.61% per annum. The note is payable in monthly installments until maturity, June 23, 2031. As of December 31, 2021, unamortized debt issuance costs totaled \$83,496.	41,869	1,577,902
CCA has received an award of \$6,167,338 under the TCAP. The noninterest-bearing loan is secured by a shared second mortgage note payable from DHCD. All unpaid principal shall be due at maturity on December 29, 2050.	-	6,094,008
CCA has a note payable with DND made pursuant to the HOME program in the amount of \$1,610,769. The note is secured by a shared second mortgage on the project and bears interest at 5%, compounded annually. Annual payments of principal and interest shall be payable pro-rata between the DND and BRA in an amount equal to 50% of cash flow as defined in the loan agreement. All remaining unpaid principal and accrued interest are due at maturity, April 13, 2039. As of December 31, 2021, accrued interest was \$1,020,031.	-	1,610,769
CCA has a note payable with BRA in the amount of \$467,307. The note is secured by a shared second mortgage on the project and bears no interest.		

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(r) CCA - continued		
Annual payments of principal and interest shall be payable pro-rata between the DND and BRA in an amount equal to 50% of cash flow as defined in the loan agreement. All remaining unpaid principal and accrued interest are due at maturity, December 29, 2024.	-	421,029
CCA has a note payable with DND made pursuant to the NHT program in the amount of \$1,000,000. The note is secured by a shared second mortgage on the project and bears interest at 5%, compounded annually. Payments of principal and interest are deferred until maturity, November 25, 2039. As of December 31, 2021, accrued interest was \$715,570.	-	982,500
CCA has a note payable with DHCD made pursuant to the HOME program in the amount of \$750,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 29, 2039.	-	698,100
CCA has a note payable with DHCD made pursuant to the AHT program in the amount of \$1,000,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 29, 2040.	-	1,000,000
CCA has a note payable with CEDAC made pursuant to the HIF program in the amount of \$750,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are due 45 days after the fiscal year end in an amount equal to the amount by which gross cash receipts exceeds 105% of cash expenditures and after certain priority distributions of cash flow pursuant to the operating agreement. Any unpaid principal or other amounts shall be due at maturity on December 29, 2040.	-	750,000
CCA has a note payable with CEDAC made pursuant to the Community Based Housing program in the amount of \$688,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are due 45 days after the fiscal year end in an amount equal to the amount by which gross cash receipts exceeds 105% of cash expenditures and after certain priority distributions of cash flow pursuant to the operating agreement. Any unpaid principal or other amounts shall be due at maturity on December 29, 2040.	-	688,000

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Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(s) CWL		
<p>CWL has a note payable with MHP in the amount of \$584,310. The note is secured by a first mortgage on the project and bears simple interest at 6.61%. The note is payable in monthly installments of \$3,736 until maturity, June 23, 2031. As of December 31, 2021, accrued interest was \$2,725. As of December 31, 2021, unamortized debt issuance costs totaled \$121,436.</p>	12,501	482,209
<p>CWL has received an award of \$5,483,525 under the TCAP. The noninterest-bearing loan is secured by a shared second mortgage note payable from DHCD. All unpaid principal shall be due at maturity on December 29, 2060.</p>	-	5,483,525
<p>CWL has a note payable with DHCD made pursuant to the HOME program in the amount of \$748,971. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 29, 2060.</p>	-	748,971
<p>CWL has a note payable with DND made pursuant to the HOME program in the amount of \$1,668,088. The note is secured by a shared second mortgage on the project and bears interest at 1%, compounded annually. Annual payments of principal and accrued interest shall be due from available cash flow pursuant to the operating agreement. All remaining unpaid principal and accrued interest are due at maturity, December 29, 2059. As of December 31, 2021, accrued interest was \$100,538.</p>	-	1,667,900
<p>CWL has a note payable with DND made pursuant to the NHT program in the amount of \$1,000,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 31, 2061.</p>	-	1,000,000
<p>CWL has a note payable with DHCD made pursuant to the AHT program in the amount of \$550,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 29, 2060.</p>	-	550,000

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(s) CWL - continued		
<p>CWL has a note payable with CEDAC made pursuant to the HIF program in the amount of \$500,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are due 45 days after the fiscal year end in an amount equal to the amount by which gross cash receipts exceeds 105% of cash expenditures and after certain priority distributions of cash flow pursuant to the operating agreement. Any unpaid principal or other amounts shall be due at maturity on December 29, 2040.</p>	-	500,000
<p>CWL has a note payable with CEDAC made pursuant to the FCF program in the amount of \$465,598. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are due 45 days after the fiscal year end in an amount equal to the amount by which gross cash receipts exceeds 105% of cash expenditures and after certain priority distributions of cash flow pursuant to the operating agreement. Any unpaid principal or other amounts shall be due at maturity on December 29, 2040.</p>	-	465,598
<p>CWL has a note payable with MHP made pursuant to the CATNH program in the amount of \$632,634. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 29, 2060.</p>	-	632,634
(t) JP Scattered Site LLC		
<p>JP Scattered Site LLC has a note payable with MDFA in the amount of \$3,360,000. The note is secured by a first mortgage on the project and bears simple interest at 4.51%. The note is payable in monthly installments of \$4,147 until maturity, August 1, 2034. As of December 31, 2021, accrued interest was \$2,782. As of December 31, 2021, unamortized debt issuance costs totaled \$53,995.</p>	17,833	698,627
<p>JP Scattered Site LLC has a note payable with DND made pursuant to the HOME program in the amount of \$1,047,625. The note is secured by a shared second mortgage on the project and bears no interest. Annual payments of principal are due and payable in an amount equal to 28% of net cash flow, if any, as defined in the note. Payments of principal are also due after certain priority distributions of cash flow pursuant to the operating agreement All remaining unpaid principal and accrued interest are due at maturity, February 1, 2053.</p>	-	1,043,969

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Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(t) JP Scattered Site LLC - continued		
<p>JP Scattered Site LLC has a note payable with DND in the amount of \$767,143. The note is secured by a shared second mortgage on the project and bears interest at 2.52%, compounded annually. Annual payments of principal are due and payable in an amount equal to 22% of net cash flow, if any, as defined in the note. Payments of principal are also due after certain priority distributions of cash flow pursuant to the operating agreement All remaining unpaid principal and accrued interest are due at maturity, February 1, 2053. As of December 31, 2021, accrued interest was \$185,268.</p>	-	767,143
<p>JP Scattered Site LLC has a note payable with CEDAC made pursuant to the HIF program in the amount of \$706,068. The note is secured by a shared second mortgage on the project and bears interest at 2.52%, compounded annually. Payments of principal are due 45 days after the fiscal year end in an amount equal to the amount by which gross cash receipts exceeds 105% of cash expenditures and after certain priority distributions of cash flow pursuant to the operating agreement. Any unpaid principal or other amounts shall be due at maturity on January 31, 2053. As of December 31, 2021, accrued interest was \$173,966.</p>	-	706,068
<p>JP Scattered Site LLC has a note payable with CEDAC made pursuant to the HIF program in the amount of \$380,000. The note is secured by a shared second mortgage on the project and bears interest at 2.52%, compounded annually. Payments of principal are due 45 days after the fiscal year end in an amount equal to the amount by which gross cash receipts exceeds 105% of cash expenditures and after certain priority distributions of cash flow pursuant to the operating agreement. Any unpaid principal or other amounts shall be due at maturity on January 31, 2053. As of December 31, 2021, accrued interest was \$93,628.</p>	-	380,000
(u) Walnut		
<p>Walnut has a note payable with CEDAC made pursuant to the HIF program in the amount of \$1,000,000. The note is secured by a shared first mortgage on the project and bears no interest. Payments of principal are due 45 days after the fiscal year end in an amount equal to the amount by which gross cash receipts exceeds 105% of cash expenditures. Any unpaid principal or other amounts shall be due at maturity on December 6, 2045. As of December 31, 2021, unamortized debt issuance costs totaled \$5,879.</p>	-	1,000,000

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Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(u) Walnut - continued		
Walnut has a note payable with MHP made pursuant to the HSF program in the amount of \$450,000. The note is secured by a shared first mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 6, 2065.	-	441,305
Walnut has a note payable with DHCD made pursuant to the HOME program in the amount of \$550,000. The note is secured by a shared first mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 6, 2055.	-	550,000
Walnut has a note payable with DHCD made pursuant to the AHF program in the amount of \$1,300,000. The note is secured by a shared first mortgage on the project and bears no interest. Payments of principal and interest are deferred until maturity, December 6, 2055.	-	1,300,000
Walnut has a note payable with DND in the amount of \$795,000. The note is secured by a shared first mortgage on the project and bears no interest. Payments of principal are deferred until maturity, December 6, 2055.	7,513	787,487
Walnut has a note payable with DND made pursuant to the Leasing the Way program in the amount of \$470,000. The note is secured by a shared first mortgage on the project and bears no interest. Payments of principal are deferred until maturity, December 6, 2055.	-	470,000
Walnut has a note payable with DND made pursuant to the NHT program in the amount of \$750,000. The note is secured by a shared first mortgage on the project and bears no interest. Payments of principal are deferred until maturity, December 6, 2055.	-	750,000
(v) 75 Amory		
75 Amory has a note payable with MHP in the amount of \$1,345,612. The note is secured by a shared first mortgage on the project and bears interest at 4.37% per annum. The note is payable in monthly installments of \$6,714 until maturity, March 2034. As of December 31, 2021, accrued interest was \$4,546. As of December 31, 2021, unamortized debt issuance costs totaled \$84,641.	26,542	1,221,942

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Notes to Consolidated Financial Statements

December 31, 2021

(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(v) 75 Amory - continued		
75 Amory has a note payable with MHP in the amount of \$479,388. The note is secured by a shared first mortgage on the project and bears interest at 5.56% per annum. The note is payable in monthly installments of \$2,740 until maturity, March 2034. As of December 31, 2021, accrued interest was \$2,090.	8,011	442,911
75 Amory has a note payable with CEDAC in the amount of \$600,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are deferred until maturity, September 2046.	-	600,000
75 Amory has a note payable with DHCD made pursuant to the AHF program in the amount of \$934,585. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are deferred until maturity, September 2046.	-	934,585
75 Amory has a note payable with DHCD made pursuant to the CATNH program in the amount of \$750,000. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are deferred until maturity, September 2046.	-	740,190
75 Amory has a note payable with DHCD made pursuant to the HOME program in the amount of \$428,565. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are deferred until maturity, September 2046.	-	428,565
75 Amory has a note payable with MHP through DHCD made pursuant to the HSF program in the amount of \$650,901. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are deferred until maturity, September 2066.	-	585,811
75 Amory has a note payable with DND made pursuant to the HOME program in the amount of \$875,449. The note is secured by a shared second mortgage on the project and bears no interest. The mortgage note is payable to the extent of cash flow in an amount equal to 50% of the amount by which gross cash receipts for any fiscal year exceeds gross cash expenditures. Unpaid principal will be due at maturity in September 2046.	102,554	626,214

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

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(11) Notes and Mortgages Payable - continued

	<u>Current</u>	<u>Long-term</u>
(v) 75 Amory - continued		
75 Amory has a note payable with DND made pursuant to the NHT program in the amount of \$895,361. The note is secured by a shared second mortgage on the project and bears no interest. Payments of principal are deferred until maturity, September 2046.	-	<u>867,580</u>
Total	<u>\$ 1,817,976</u>	<u>\$138,986,834</u>

(w) Maturities and Debt Issuance Costs

Minimum principal payments on the above-mentioned debt are as follows:

Year Ended	
2022	\$ 1,817,976
2023	1,361,389
2024	2,214,581
2025	4,225,142
2026	2,417,404
Thereafter	128,768,318

As of December 31, 2021, the outstanding principal balance of the notes and mortgages payable less net debt issuance costs was \$140,804,810. As of December 31, 2021, debt issuance costs, net of accumulated amortization, totaled \$1,947,955, which consist of unamortized debt issuance costs of \$2,548,879 less accumulated amortization of \$600,924. During the year ended December 31, 2021, amortization included in interest expense was \$193,488.

For the year ended December 31, 2021, interest incurred before amortization of unamortized debt issuance costs totaled \$3,269,990, of which \$2,858,145 was expensed and \$411,845 was capitalized into real estate development projects.

(12) Operating Lease Obligations

The Company, through BDC and CSR, leases space to commercial tenants under non-cancelable operating leases, which include real estate tax and operating cost escalator clauses, with terms that run from 2021 through 2033, at which time the majority of the tenants will have an option to renew their leases.

NDC also entered into a 99-year ground lease with 61 Heath LLC to lease the land on which the project was built. At the end of the lease term, the land and all building and improvements thereon shall belong to NDC. The lease provides for annual rent payments of \$44,486, commencing in 2020, and continuing each year with a 3% annual increase throughout the remainder of the lease term. Any earned but unpaid rent shall accrue interest a 3.04% compounded annually.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(14) Employee Benefit Programs

The Company has a defined contribution plan that qualifies as a tax-sheltered account under Section 403(b) of the IRC. The plan is eligible to all employees, who may begin to participate in the plan commencing with date of employment. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. Employer contributions incurred by the Company under this plan were not material for the year ended December 31, 2021.

(15) Supplemental Cash Flow Information

(a) Cash Paid For Interest

Cash paid for interest	\$ <u>2,944,299</u>
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(b) Non-Cash Investing and Financing Transactions

During the year ended December 31, 2021, the Company entered into the following non-cash transactions:

Capitalized real estate development costs totaling \$366,308 were acquired and are included in development costs payable as of December 31, 2021.

Capitalized real estate development costs totaling \$11,162,422 were acquired directly from debt proceeds received during the year ended December 31, 2021.

(16) Fiscal Agency Liability

JPNDC entered into an agreement with the City of Boston to construct a playground at the Mildred Hailey Apartments complex owned by the City of Boston to be used for the benefit of Mildred Hailey Apartments tenants as well as the general public. The agreement provides for funding totaling \$498,000 to be remitted to JPNDC by the City of Boston in three installments of \$166,000 to build the playground. JPNDC's role in this transaction is to function as a conduit to facilitate the completion of the project. As of December 31, 2021, JPNDC had received \$258,261 from the City of Boston but had not yet paid any project expenses. Accordingly, the funds received have been reported as a fiscal agency liability and cash and cash equivalents on the statement of financial position as of December 31, 2021.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(17) The Community Investment Tax Credit (CITC)

The CITC is designed to enable local residents and stakeholders to work with and through community development corporations (CDCs), such as JPNDC, to partner with nonprofit, public, and private entities to improve economic opportunities for low and moderate income households and other residents in urban, rural, and suburban communities across the Commonwealth. Businesses and individuals that donate to CDCs can earn tax credits equal to 50% of the value of the money donated. These tax credits are in addition to the deductions on both Federal and State taxes as a result of the charitable contribution. JPNDC was awarded a 2020 CITC allocation of \$200,000 and had carryover credits of \$58,910 from prior years. For the year ended December 31, 2021, JPNDC provided \$58,910 in credits to businesses and individuals and raised \$84,584. Remaining credits to be used in subsequent years as of December 31, 2021 is zero.

(18) Commitments and Contingencies

In connection with the Company's development and financing activities, under certain conditions and agreements, the Company has committed to guarantee repayment on funds advanced to various affiliated entities for the purchase of property and development costs. The Company has currently guaranteed approximately \$63.6 million through 17 entities. In the opinion of management, such guarantees will not have a material effect upon the consolidated financial position of the Company.

A major portion of the Company's activities and revenues are as a result of contracts with governmental agencies. As such, the Company operates in a heavily regulated environment. The operations of the Company are subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, the Massachusetts Department of Early Education and Care (DEEC) and the Massachusetts Operational Services Division (OSD). Such administrative directives and regulations are subject to change by an act of Congress, act of the state legislature or an administrative change mandated by DEEC and OSD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. Additionally, contractual funding may decrease or be withdrawn with little notice. The Company receives a portion of its funding from various agencies of the Commonwealth of Massachusetts. These contracts are subject to audit by the appropriate governmental agencies and could result in the recapture by the agencies of revenue previously reported by the Company. In the opinion of management, the results of such audits, if any, will not have a material effect on the consolidated financial position of the Company as of December 31, 2021, or on its results of consolidated operations for the year then ended.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(18) Commitments and Contingencies - continued

SRO has a grant agreement with the Commonwealth of Massachusetts, DHCD, which provides for a grant of \$3,572,699 under the TCX Program. The grant is secured by a mortgage on the property, which requires repayment only upon the occurrence of an Event of Default. Potential repayment would be calculated based on the number of years remaining in the tax credit compliance period; accordingly, the grant has been recognized as deferred revenue and will be recognized over the credit compliance period. The credit period commenced on March 10, 2010. For the year ended December 31, 2021, \$238,180 of the deferred revenue was recognized. As of December 31, 2021, the deferred revenue balance totaled \$793,932, of which \$238,180 is current.

SRO's TCX Funds are contingent on its ability to maintain compliance with, among other things, its TCX Agreement and applicable sections of Section 42 of the Internal Revenue Code. In the event of default, DHCD reserves the right to exercise the remedies as outlined in the TCX Agreement, including, but not limited to, repayment of all TCX funds provided by DHCD for the Project. Failure to maintain compliance with occupant eligibility, and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of the previously taken tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the member.

As general partners/managing members in various partnerships/LLC's, the Company and other consolidated entities may be subject to other liabilities should an affected partnership's/company's assets become insufficient to meet its obligations.

The Company is involved in various legal actions arising in the normal course of business. In the opinion of the Company's management, the liability, if any, for such contingencies will not have a material effect on the Company's consolidated financial position.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(19) Restatement and Prior Period Adjustment

Management of the Company has restated its opening net assets as of January 1, 2021 to reflect the consolidation of its eight affiliated sponsored entities, in which the Company has controlling interests and NSHC, AWHC and BSEHC. The effects of the restatement adjustment on the December 31, 2020, financial statements are as follows:

	December 31 2020		
	<u>Previously Stated</u>	<u>Adjustment</u>	<u>Restated</u>
Total current assets	\$ 9,503,435	\$ 2,767,987	\$ 12,271,422
Total net fixed assets	\$ 21,471,309	\$ 128,244,976	\$ 149,716,285
Total other assets	\$ 18,698,248	\$ 5,101,979	\$ 23,800,227
Total Assets	\$ 49,672,992	\$ 136,114,942	\$ 185,787,934
Total current liabilities	\$ 8,500,063	\$ 21,031,254	\$ 29,531,317
Total long term liabilities	\$ 26,142,493	\$ 102,447,293	\$ 128,589,786
Total liabilities	\$ 34,642,556	\$ 123,478,547	\$ 158,121,103
Net assets without donor restrictions, controlling	\$ 14,238,959	\$ (1,189,330)	\$ 13,049,629
Net assets without donor restrictions, noncontrolling	\$ -	\$ 13,825,725	\$ 13,825,725
Net assets with donor restrictions, controlling	\$ 791,477	\$ -	\$ 791,477
Total net assets	\$ 15,030,436	\$ 12,636,395	\$ 27,666,831
Total Liabilities and Net Assets	\$ 49,672,992	\$ 136,114,942	\$ 185,787,934
Operating revenue	\$ 10,476,622	\$ 10,414,175	\$ 20,890,797
Operating expenses	\$ 9,465,596	\$ 13,373,288	\$ 22,838,884
Operating Income (Loss)	\$ 1,011,026	\$ (2,959,113)	\$ (1,948,087)
Non-Operating Income (Loss)	\$ 401,960	\$ -	\$ 401,960
Change in net assets without donor restrictions	\$ 1,412,986	\$ (2,959,113)	\$ (1,546,127)
Change in net assets with donor restrictions	\$ 738,977	\$ -	\$ 738,977
Total change in net assets	\$ 2,151,963	\$ (2,959,113)	\$ (807,150)
Change in net assets attributable to controlling interests	\$ 2,151,963	\$ (528,131)	\$ 1,623,832
Change in net assets attributable to noncontrolling interests	\$ -	\$ (2,430,982)	\$ (2,430,982)

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2021

(20) Subsequent Events

The Company has performed an evaluation of subsequent events through June 13, 2023, which is the date the Company's financial statements were available to be issued. No material subsequent events, other than the events disclosed below, have occurred since December 31, 2021 that required recognition or disclosure in these financial statements.

Subsequent to year end, 25 Amory closed on permanent financing.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Schedule of Findings and Responses

December 31, 2021

(1) Findings:

Item #2021-001

Condition: A material adjustment related to prior reporting periods was required in order for the consolidated financial statements to be fairly presented in accordance with generally accepted accounting principles in the United States of America

Criteria: Internal controls over financial reporting should exist to ensure that material misstatements are detected and corrected by management in a timely manner.

Cause: Management did not properly implement controls over financial reporting to ensure all entities requiring consolidation were consolidated into the consolidated financial statements.

Effect or Potential Effect: Management may produce consolidated financial statements that are materially misstated. The total change in net assets previously reported in the 2020 audited consolidated financial statements was overstated by \$2,959,113. The opening net asset balance as of January 1, 2021 was understated by \$12,636,395.

Recommendation: Management should undertake a review of internal controls over financial reporting and ensure that relevant information is properly recorded in the financial records to prevent misstatements from occurring in the future.

Views of Responsible Officials and Planned Corrective Actions: The Company agrees with the findings and has ensured that all entities requiring consolidation are consolidated into the consolidated financial statements.

Supplemental Information

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Financial Position

As of December 31, 2021

	Jamaica Plain Neighborhood Development Corporation					Total
	Residential	Commercial	Development	Eliminations		
Assets						
Current Assets						
Cash and cash equivalents	\$ 4,890,935	\$ 2,885,821	\$ 1,359,076	\$ 763,000	\$ -	\$ 9,898,832
Accounts receivable, net	718,267	337,371	180,880	9,003	(9,250)	1,236,271
Pledges receivable, net	326,733	-	-	-	-	326,733
Due from affiliates, current portion	1,461,182	607,072	124,210	50,000	(2,239,357)	3,107
Prepaid expenses	5,960	93,751	-	-	-	99,711
Development fee receivable, current portion	2,517,671	-	-	-	(2,342,366)	175,305
Total Current Assets	9,920,748	3,924,015	1,664,166	822,003	(4,590,973)	11,739,959
Fixed Assets						
Fixed Assets	1,312,854	173,510,812	28,234,520	-	(1,373,966)	201,684,220
Less: Accumulated depreciation	(537,214)	(36,362,891)	(13,535,342)	-	-	(50,435,447)
Fixed Assets, net	775,640	137,147,921	14,699,178	-	(1,373,966)	151,248,773
Other Assets						
Restricted cash	-	10,830,110	1,440,664	-	-	12,270,774
Tenant security deposits	-	303,362	-	-	-	303,362
Deferred rent receivable	820,974	-	619,692	-	(820,974)	619,692
Pledges receivable, net	50,000	-	-	-	-	50,000
Other deposits and fees, net	96,965	397,338	-	-	-	494,303
Due from affiliates, net of current portion	-	-	1,454,228	-	(1,454,228)	-
Development fee receivable, net of current portion	6,000	-	-	-	(6,000)	-
Notes and interest receivable	2,472,530	730,000	596,414	-	(2,890,054)	908,890
Investments in real estate developments	227,350	200,000	-	-	(26,450)	400,900
Real estate development	431,669	690	-	22,834,659	-	23,267,018
Total Other Assets	4,105,488	12,461,500	4,110,998	22,834,659	(5,197,706)	38,314,939
Total Assets	\$ 14,801,876	\$ 153,533,436	\$ 20,474,342	\$ 23,656,662	\$ (11,162,645)	\$ 201,303,671
Liabilities and Net Assets						
Current Liabilities						
Notes and mortgages payable, amortizing, current portion	\$ 38,151	\$ 1,211,875	\$ 356,056	\$ 211,894	\$ -	\$ 1,817,976
Accounts payable	174,860	295,532	105,066	-	(9,848)	565,610
Development costs payable	57,311	36,350	-	2,115,648	-	2,209,309
Accrued expenses	413,285	835,361	98,412	88	(55,721)	1,291,425
Accrued interest, current portion	-	141,669	-	-	-	141,669
Due to affiliates, current portion	672,763	2,387,407	493,690	941,935	(4,434,769)	61,026
Deferred rent, current portion	8,333	289,518	207,015	-	-	504,866
Deferred revenue, current portion	31,475	238,180	-	-	-	269,655
Fiscal agency liability	258,261	-	-	-	-	258,261
Total Current Liabilities	1,654,439	5,435,892	1,260,239	3,269,565	(4,500,338)	7,119,797
Long-Term Obligations						
Notes and mortgages payable, amortizing, net of current portion	-	37,768,430	8,205,578	-	-	45,974,008
Notes and mortgages payable, nonamortizing	2,198,746	72,888,918	1,396,601	21,731,574	(5,203,013)	93,012,826
Less: Unamortized debt issuance costs	-	(1,856,861)	(91,094)	-	-	(1,947,955)
Notes and mortgages payable, net of current portion and unamortized debt issuance costs	2,198,746	108,800,487	9,511,085	21,731,574	(5,203,013)	137,038,879
Accrued interest, net of current portion	12,458	4,368,395	-	-	(187,952)	4,192,901
Due to affiliates, net of current portion	1,504,231	135,625	-	-	(1,565,106)	74,750
Deferred rent, net of current portion	-	820,974	-	-	(820,974)	-
Deferred revenue, net of current portion	-	555,752	-	-	-	555,752
Tenant security deposits	8,433	258,957	229,674	-	-	497,064
Total Long-Term Obligations	3,723,868	114,940,190	9,740,759	21,731,574	(7,777,045)	142,359,346
Total Liabilities	5,378,307	120,376,082	11,000,998	25,001,139	(12,277,383)	149,479,143
Net Assets						
Without donor restrictions, controlling	9,371,069	(3,033,789)	8,119,116	(1,344,477)	1,114,738	14,226,657
Without donor restrictions, noncontrolling	-	36,191,143	-	-	-	36,191,143
Total Net Assets Without Donor Restrictions	9,371,069	33,157,354	8,119,116	(1,344,477)	1,114,738	50,417,800
With donor restrictions, controlling	52,500	-	1,354,228	-	-	1,406,728
Total Net Assets	9,423,569	33,157,354	9,473,344	(1,344,477)	1,114,738	51,824,528
Total Liabilities and Net Assets	\$ 14,801,876	\$ 153,533,436	\$ 20,474,342	\$ 23,656,662	\$ (11,162,645)	\$ 201,303,671

See Independent Auditor's Report.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Activities

For the Year Ended December 31, 2021

	Jamaica Plain Neighborhood Development Corporation		Real Estate		Eliminations	Total
	Residential	Commercial	Development			
Change in Net Assets Without Donor Restrictions						
Operating Revenue						
Rental	\$ 251,756	\$ 12,273,620	\$ 3,346,768	\$ 53,414	\$ (251,756)	\$ 15,673,802
Childcare program	3,452,085	-	-	-	-	3,452,085
Development fees	3,648,110	-	-	-	(118,285)	3,529,825
Grants	1,032,368	-	-	-	-	1,032,368
Contributions	142,415	-	106,237	50,000	(113,047)	185,605
Tax credit exchange grant	-	238,180	-	-	-	238,180
Income from partnership investment	313,280	300,492	-	-	(308,424)	305,348
Administrative, project and asset management fees	756,373	-	-	-	(701,925)	54,448
Government contracts and grants	255,343	-	-	-	-	255,343
Other	30,080	124,501	37,090	-	-	191,671
Interest	131,151	6,613	709	-	(128,083)	10,390
Net assets released from time restrictions	-	-	100,000	-	-	100,000
Total Operating Revenue	10,012,961	12,943,406	3,590,804	103,414	(1,621,520)	25,029,065
Operating Expenses						
Program services	6,709,972	16,190,107	3,283,018	29,818	(2,551,334)	23,661,581
General and administrative	596,127	-	-	-	-	596,127
Fundraising	268,267	-	-	-	-	268,267
Total Operating Expenses	7,574,366	16,190,107	3,283,018	29,818	(2,551,334)	24,525,975
Operating Income (Loss)	2,438,595	(3,246,701)	307,786	73,596	929,814	503,090
Non-Operating Activities						
Loss on write-off of predevelopment costs	(254,083)	-	-	-	-	(254,083)
Grant revenue specified for real estate development	725,000	-	-	-	-	725,000
Grant expense specified for real estate development	(725,000)	-	-	-	-	(725,000)
Contributions	-	1,395,711	-	-	(1,395,711)	-
Loss from sales of real estate development	-	-	-	(2,006,074)	-	(2,006,074)
Non-Operating Income (Loss)	(254,083)	1,395,711	-	(2,006,074)	(1,395,711)	(2,260,157)
Change in net assets without donor restrictions	2,184,512	(1,850,990)	307,786	(1,932,478)	(465,897)	(1,757,067)
Change in Net Assets with Donor Restrictions						
Restricted support for construction of Equity & Prosperity Center	-	-	715,251	-	-	715,251
Net assets released from time restrictions	-	-	(100,000)	-	-	(100,000)
Change in net assets with donor restrictions	-	-	615,251	-	-	615,251
Total Change in Net Assets	\$ 2,184,512	\$ (1,850,990)	\$ 923,037	\$ (1,932,478)	\$ (465,897)	\$ (1,141,816)
Change in net assets attributable to controlling interests	\$ 2,184,512	\$ 1,098,107	\$ 923,037	\$ (1,932,478)	\$ (465,897)	\$ 1,807,281
Change in net assets attributable to noncontrolling interests	-	(2,949,097)	-	-	-	(2,949,097)
Total Change in Net Assets	\$ 2,184,512	\$ (1,850,990)	\$ 923,037	\$ (1,932,478)	\$ (465,897)	\$ (1,141,816)
Controlling Interest in Net Assets, Beginning of Year						
Restatement	\$ 6,837,175	\$ 428,919	\$ 8,550,307	\$ 588,001	\$ (1,373,966)	\$ 15,030,436
	401,882	(4,198,201)	-	-	2,606,989	(1,189,330)
Controlling interest in net assets, beginning of year, as restated	7,239,057	(3,769,282)	8,550,307	588,001	1,233,023	13,841,106
Change in net assets attributable to controlling interests	2,184,512	1,098,107	923,037	(1,932,478)	(465,897)	1,807,281
Distributions	-	(234,531)	-	-	219,529	(15,002)
Other net asset activity	-	(128,083)	-	-	128,083	-
Controlling Interest in Net Assets, End of Year	9,423,569	(3,033,789)	9,473,344	(1,344,477)	1,114,738	15,633,385
Noncontrolling Interest in Net Assets, Beginning of Year						
Restatement	-	-	-	-	-	-
	-	13,825,725	-	-	-	13,825,725
Noncontrolling interest in net assets, beginning of year, as restated	-	13,825,725	-	-	-	13,825,725
Change in net assets attributable to noncontrolling interests	-	(2,949,097)	-	-	-	(2,949,097)
Distributions	-	(27,759)	-	-	-	(27,759)
Capital contributions	-	25,342,274	-	-	-	25,342,274
Noncontrolling Interest in Net Assets, End of Year	-	36,191,143	-	-	-	36,191,143
Total Net Assets, End of Year	\$ 9,423,569	\$ 33,157,354	\$ 9,473,344	\$ (1,344,477)	\$ 1,114,738	\$ 51,824,528

See Independent Auditor's Report.

JAMAICA PLAIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND AFFILIATES

Consolidating Statement of Cash Flows

For the Year Ended December 31, 2021

	Jamaica Plain Neighborhood Development Corporation					Total
	Residential	Real Estate Commercial		Development	Eliminations	
Operating Activities Cash Flows						
Change in net assets	\$ 2,184,512	\$ (1,850,990)	\$ 923,037	\$ (1,932,478)	\$ (465,897)	\$ (1,141,816)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:						
Loss from sales of real estate development	-	-	-	2,006,074	-	2,006,074
Loss on write off of predevelopment costs	254,083	-	-	-	-	254,083
Deferred rent receivable	(204,600)	-	(202,062)	-	820,974	414,312
Contributions restricted for construction of long-lived asset	-	-	(715,251)	-	-	(715,251)
Depreciation	32,976	4,448,663	716,515	-	-	5,198,154
Amortization	3,138	-	-	-	-	3,138
Amortization of debt issuance costs included in interest and financial	-	178,049	15,439	-	-	193,488
Decrease (increase) in assets:						
Accounts receivable, net	(147,386)	254,340	(3,214)	(2,275)	9,250	110,715
Pledges receivable, net	17,298	-	-	-	-	17,298
Due from affiliates	142,979	(567,904)	35,799	(50,000)	670,551	231,425
Prepaid expenses	(1,492)	(36,999)	-	-	-	(38,491)
Tenant security deposits asset	-	(12,829)	-	-	-	(12,829)
Other deposits and fees	-	13,715	(41,725)	-	-	(28,010)
Increase (decrease) in liabilities:						
Accounts payable	(104,336)	18,672	14,402	-	(9,848)	(81,110)
Accrued expenses	86,007	153,813	38,984	(80,569)	(241,297)	(43,062)
Fiscal agency liability	122,723	-	-	-	-	122,723
Due to affiliates	555,078	1,975,879	93,558	-	(801,912)	1,822,603
Deferred rent	-	90,023	109,206	-	(820,974)	(621,745)
Deferred revenue	(167,737)	(78,066)	-	-	-	(245,803)
Tenant security deposits liability	(5,790)	10,464	(3,130)	-	-	1,544
Net cash provided by (used in) operating activities	<u>2,767,453</u>	<u>4,596,830</u>	<u>981,558</u>	<u>(59,248)</u>	<u>(839,153)</u>	<u>7,447,440</u>
Investing Activities Cash Flows						
Advances (to) from affiliates	1,134,460	47,435	(835,251)	527,906	(2,177,305)	(1,302,755)
Purchases of land, buildings and equipment	(29,432)	(4,371,538)	(138,563)	-	-	(4,539,533)
Other deposits and fees	(100,103)	-	-	-	-	(100,103)
Cash paid for real estate development	(487,207)	(4,803,277)	-	(8,762,950)	-	(14,053,434)
Cash received for developer fees	(1,231,747)	-	-	-	2,348,366	1,116,619
Cash received on notes and interest receivable	(261,311)	(500,000)	-	-	1,143,453	382,142
Investments in partnership	6,524	(200,000)	-	-	26,450	(167,026)
Net cash provided by (used) in investing activities	<u>(968,816)</u>	<u>(9,827,380)</u>	<u>(973,814)</u>	<u>(8,235,044)</u>	<u>1,340,964</u>	<u>(18,664,090)</u>
Financing Activities Cash Flows						
Proceeds from notes and mortgages payable	568,283	7,783,899	-	8,172,744	(849,423)	15,675,503
Repayments of notes and mortgages payable	(360,306)	(24,432,407)	(251,996)	(27,157)	128,083	(24,943,783)
Contributions restricted for construction of long-lived asset	-	-	715,251	-	-	715,251
Capital Contributions	-	25,342,274	-	-	-	25,342,274
Distributions	-	(262,290)	-	-	219,529	(42,761)
Net cash provided by (used in) financing activities	<u>207,977</u>	<u>8,431,476</u>	<u>463,255</u>	<u>8,145,587</u>	<u>(501,811)</u>	<u>16,746,484</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,006,614</u>	<u>3,200,926</u>	<u>470,999</u>	<u>(148,705)</u>	<u>-</u>	<u>5,529,834</u>
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	<u>2,884,321</u>	<u>10,515,005</u>	<u>2,328,741</u>	<u>911,705</u>	<u>-</u>	<u>16,639,772</u>
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 4,890,935</u>	<u>\$ 13,715,931</u>	<u>\$ 2,799,740</u>	<u>\$ 763,000</u>	<u>\$ -</u>	<u>\$ 22,169,606</u>
Cash and Cash Equivalents	<u>\$ 4,890,935</u>	<u>\$ 2,885,821</u>	<u>\$ 1,359,076</u>	<u>\$ 763,000</u>	<u>\$ -</u>	<u>\$ 9,898,832</u>
Restricted Cash	<u>-</u>	<u>10,830,110</u>	<u>1,440,664</u>	<u>-</u>	<u>-</u>	<u>12,270,774</u>
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 4,890,935</u>	<u>\$ 13,715,931</u>	<u>\$ 2,799,740</u>	<u>\$ 763,000</u>	<u>\$ -</u>	<u>\$ 22,169,606</u>

Supplemental Disclosure on Cash Flows and Non-Cash Investing and Financing Transactions - See Note 15.

See independent Auditor's Report.

Jamaica Plain Neighborhood Development Corporation

Department of Neighborhood Development (DND) Net Cash Flow Calculation (Unaudited)

December 31, 2021

Project Name: Rockvale Circle
Owner/Borrower Name: Rockvale Community Housing Corporation
Property Address: 28-43 Rockvale Circle, Jamaica Plain, MA 02130

FUNDS RECEIVED

Residential Rents	367,309
Commercial Rents	-
Investment Income	119
Funds from Reserves or Escrows	-
Other income (Laundry, Parking, etc.)	-
Gross Operating Revenue	367,428

Vacancy/Rent Loss/Bad Debt	(1,839)
TOTAL FUNDS RECEIVED	365,589

FUNDS DISBURSED

Property Management Fee	18,274	5%
Incentive Management Fee	-	
Asset Management Fee	4,070	
Other Management Fees	-	
Subtotal - Management Fees	22,344	
Administrative Expenses	91,915	
Resident Services	-	
Maintenance	75,314	
Capital Improvements	4,320	
Security	-	
Utilities, Water & Sewer	25,118	
Deposits to Reserves	-	
Real Estate Taxes	11,116	
Insurance	12,377	
Subtotal - Admin, O&M	220,160	
Debt Service - Interest	59,762	
Debt Service - Principal	39,704	
Other allowable debt payments	-	
Subtotal - Debt Service	99,466	

TOTAL FUNDS DISBURSED	341,970
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NET CASH FLOW	23,619
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50% NET CASH FLOW TO DND	11,810
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See independent auditor's report.