

Just A Start Corporation and Affiliates

**Consolidated Financial Statements
and Supplemental Information**

December 31, 2023 and 2022

JUST A START CORPORATION AND AFFILIATES

Index

December 31, 2023 and 2022

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Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Just A Start Corporation and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Just A Start Corporation and Affiliates as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("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 Consolidated Financial Statements section of our report. We are required to be independent of Just A Start Corporation and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Bishop Allen Apartments LLC, Elm Place/JAS Limited Partnership and Squirrelwood LLC were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Just A Start Corporation and Affiliates' 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 Consolidated Financial Statements

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

In performing an audit in accordance with 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 Just A Start Corporation and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Just A Start Corporation and Affiliates' ability to continue as a going concern for a reasonable period of time.

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

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplemental information on pages 49-55, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and accordingly, we do not express an opinion or provide any assurance on it.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of Just A Start Corporation and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Just A Start Corporation and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Just A Start Corporation and Affiliates' internal control over financial reporting and compliance.



Braintree, Massachusetts
June 14, 2024

JUST A START CORPORATION AND AFFILIATES

Consolidated Statements of Financial Position
December 31, 2023 and 2022

Assets	2023	2022
Current Assets:		
Cash and cash equivalents	\$ 13,677,202	\$ 9,463,339
Rent receivable	1,098,244	925,571
Escrows	720,686	563,535
Current portion of accounts and grants receivable	2,101,940	2,077,570
Current portion of notes receivable	129,360	85,059
Prepaid expenses and other	495,777	441,841
Current portion of projects under development	1,712,246	2,083,952
Total current assets	<u>19,935,455</u>	<u>15,640,867</u>
Other Assets:		
Restricted deposits	17,127,103	25,835,954
Investments in marketable securities	5,149,808	4,629,966
Accounts and grants receivable, net of current portion	974,940	1,416,010
Notes receivable, net of current portion	13,059,747	12,897,569
Projects under development, net of current portion	58,324,166	27,682,779
Capitalized costs, net	171,554	189,755
Total other assets	<u>94,807,318</u>	<u>72,652,033</u>
Property and Equipment, net	<u>125,204,140</u>	<u>129,526,553</u>
Total assets	<u>\$ 239,946,913</u>	<u>\$ 217,819,453</u>
Liabilities, Net Assets and Non-Controlling Interests		
Current Liabilities:		
Current portion of long-term debt	\$ 8,163,091	\$ 2,604,234
Current portion of accounts payable, accrued expenses and other	11,149,510	6,195,583
Total current liabilities	<u>19,312,601</u>	<u>8,799,817</u>
Long-term Liabilities:		
Accounts payable, accrued expenses and other, net of current portion	1,587,771	1,155,420
Long-term debt, net	103,477,379	92,807,498
Lines of credit	4,129,011	4,129,011
Contractual advances	3,813,222	3,569,106
Contingent debt and deferred interest	42,179,378	40,970,469
Total long-term liabilities	<u>155,186,761</u>	<u>142,631,504</u>
Total liabilities	<u>174,499,362</u>	<u>151,431,321</u>
Net Assets and Non-Controlling Interests:		
Without donor restrictions	20,278,936	19,922,212
With donor restrictions	5,495,275	3,785,330
Total Just A Start and Affiliates' net assets	<u>25,774,211</u>	<u>23,707,542</u>
Non-controlling interests	39,673,340	42,680,590
Total net assets and non-controlling interests	<u>65,447,551</u>	<u>66,388,132</u>
Total liabilities, net assets and non-controlling interests	<u>\$ 239,946,913</u>	<u>\$ 217,819,453</u>

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

JUST A START CORPORATION AND AFFILIATES

Consolidated Statements of Activities
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net Assets Without Donor Restrictions:		
Operating revenues:		
Rental income	\$ 14,316,643	\$ 13,553,476
Government contracts	2,971,032	2,911,198
Grants and contributions	1,587,015	1,045,276
Developer fees	535,830	238,887
Interest income and other	586,335	311,791
Net assets released from purpose restriction	458,019	285,089
	<u>20,454,874</u>	<u>18,345,717</u>
Operating expenses:		
Education and training	2,525,375	2,169,884
Housing resources	1,711,501	1,657,362
Real estate development	1,577,402	1,350,002
Rental properties	11,011,588	10,362,162
General and administrative	1,493,811	1,440,295
Fundraising	575,607	427,208
	<u>18,895,284</u>	<u>17,406,913</u>
Total operating expenses before interest - amortization and depreciation and amortization	18,895,284	17,406,913
Interest - amortization	59,541	365,581
Depreciation and amortization	<u>4,789,514</u>	<u>4,810,176</u>
Total operating expenses	<u>23,744,339</u>	<u>22,582,670</u>
Changes in net assets without donor restrictions from operations	<u>(3,289,465)</u>	<u>(4,236,953)</u>
Other income (expense):		
Project costs	(82,000)	(430,000)
Gain on sale of assets	1,157,652	-
Investment (loss) gain	519,688	(666,051)
Deferred interest	(583,812)	(704,530)
Total other income (expense)	<u>1,011,528</u>	<u>(1,800,581)</u>
Changes in net assets without donor restrictions	<u>(2,277,937)</u>	<u>(6,037,534)</u>
Net Assets With Donor Restrictions:		
Grants and contributions	2,167,964	2,905,120
Net assets released from purpose restrictions	<u>(458,019)</u>	<u>(285,089)</u>
Changes in net assets with donor restrictions	<u>1,709,945</u>	<u>2,620,031</u>
Changes in net assets	<u>\$ (567,992)</u>	<u>\$ (3,417,503)</u>

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

JUST A START CORPORATION AND AFFILIATES

Consolidated Statements of Changes in Net Assets
For the Years Ended December 31, 2023 and 2022

	Net assets without donor restrictions			Net assets with donor restrictions	Net assets
	Controlling Interest	Non-Controlling Interest	Total	Controlling Interest	Total
Net Assets, December 31, 2021	\$ 22,149,238	\$ 34,072,535	\$ 56,221,773	\$ 1,165,299	\$ 57,387,072
Capital contributions	-	12,452,536	12,452,536	-	12,452,536
Changes in net assets	(2,212,412)	(3,825,122)	(6,037,534)	2,620,031	(3,417,503)
Distributions	<u>(14,614)</u>	<u>(19,359)</u>	<u>(33,973)</u>	-	<u>(33,973)</u>
Net Assets, December 31, 2022	19,922,212	42,680,590	62,602,802	3,785,330	66,388,132
Capital contributions	100	39,398	39,498	-	39,498
Changes in net assets	762,915	(3,040,852)	(2,277,937)	1,709,945	(567,992)
Distributions	<u>(406,291)</u>	<u>(5,796)</u>	<u>(412,087)</u>	-	<u>(412,087)</u>
Net Assets, December 31, 2023	<u>\$ 20,278,936</u>	<u>\$ 39,673,340</u>	<u>\$ 59,952,276</u>	<u>\$ 5,495,275</u>	<u>\$ 65,447,551</u>

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

JUST A START CORPORATION AND AFFILIATES

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2023

	Just A Start							Total
	Program Services			Supporting Services		Just A Start Total	Rental Properties	
	Education and Training	Housing Resources	Real Estate Development	General and Administrative	Fundraising			
Personnel and Related:								
Salaries	\$ 1,343,552	\$ 992,550	\$ 576,397	\$ 819,863	\$ 302,387	\$ 4,034,749	\$ -	\$ 4,034,749
Contract labor	119,131	-	-	-	-	119,131	2,128,234	2,247,365
Employee benefits	182,134	122,714	64,204	121,023	21,959	512,034	-	512,034
Payroll taxes	132,329	80,477	42,777	37,353	23,849	316,785	-	316,785
Total personnel and related	1,777,146	1,195,741	683,378	978,239	348,195	4,982,699	2,128,234	7,110,933
Occupancy:								
Interest	-	-	530,595	-	-	530,595	2,577,810	3,108,405
Utilities	12,545	3,594	4,071	2,715	-	22,925	1,604,538	1,627,463
Contracted services	-	-	10,200	-	-	10,200	1,575,061	1,585,261
Real estate taxes	-	-	43,255	-	-	43,255	511,335	554,590
Insurance	50,440	6,000	3,889	29,542	1,719	91,590	606,751	698,341
Repairs and maintenance	2,001	204	11,709	1,531	-	15,445	636,806	652,251
Rents	120,629	15,602	46,838	9,698	86	192,853	21,278	214,131
Total occupancy	185,615	25,400	650,557	43,486	1,805	906,863	7,533,579	8,440,442
Other Expenses:								
Professional fees	46,200	5,689	79,274	287,245	74,022	492,430	278,678	771,108
Program and client expenses	380,101	415,059	81	-	106,786	902,027	-	902,027
Management fees	-	-	-	-	-	-	673,105	673,105
Office and other	45,338	40,650	11,067	92,979	32,566	222,600	203,224	425,824
Telephone and communications	48,635	19,096	12,861	61,180	5,977	147,749	85,059	232,808
Bad debts	-	-	-	-	-	-	2,436	2,436
Miscellaneous	39,299	9,866	140,184	30,682	6,256	226,287	107,273	333,560
Vehicle	3,041	-	-	-	-	3,041	-	3,041
Total other expenses	562,614	490,360	243,467	472,086	225,607	1,994,134	1,349,775	3,343,909
Total expenses before interest - amortization and depreciation and amortization	2,525,375	1,711,501	1,577,402	1,493,811	575,607	7,883,696	11,011,588	18,895,284
Interest - Amortization	-	-	13,750	-	-	13,750	45,791	59,541
Depreciation and Amortization	48,949	-	-	27,519	-	76,468	4,713,046	4,789,514
Total operating expenses	\$ 2,574,324	\$ 1,711,501	\$ 1,591,152	\$ 1,521,330	\$ 575,607	\$ 7,973,914	\$ 15,770,425	\$ 23,744,339

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

JUST A START CORPORATION AND AFFILIATES

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022

	Just A Start							Total
	Program Services			Supporting Services		Just A Start Total	Rental Properties	
	Education and Training	Housing Resources	Real Estate Development	General and Administrative	Fundraising			
Personnel and Related:								
Salaries	\$ 1,159,637	\$ 829,698	\$ 576,049	\$ 605,116	\$ 261,422	\$ 3,431,922	\$ -	\$ 3,431,922
Contract labor	97,733	50,020	38,110	-	-	185,863	1,863,376	2,049,239
Employee benefits	148,286	96,756	53,930	103,695	18,463	421,130	-	421,130
Payroll taxes	118,577	80,009	52,355	23,917	24,384	299,242	-	299,242
Total personnel and related	1,524,233	1,056,483	720,444	732,728	304,269	4,338,157	1,863,376	6,201,533
Occupancy:								
Interest	-	-	274,612	-	-	274,612	2,847,261	3,121,873
Utilities	15,477	2,759	6,148	2,904	-	27,288	1,427,201	1,454,489
Contracted services	-	-	14,010	-	-	14,010	1,496,594	1,510,604
Real estate taxes	-	-	19,393	-	-	19,393	450,887	470,280
Insurance	15,448	-	460	44,140	-	60,048	528,231	588,279
Repairs and maintenance	1,167	-	13,705	1,209	-	16,081	503,912	519,993
Rents	115,958	9,667	52,135	13,914	52	191,726	2,510	194,236
Total occupancy	148,050	12,426	380,463	62,167	52	603,158	7,256,596	7,859,754
Other Expenses:								
Professional fees	46,716	6,231	125,106	475,495	91,680	745,228	141,413	886,641
Program and client expenses	279,711	444,008	2,912	923	1,945	729,499	-	729,499
Management fees	-	-	-	-	-	-	635,001	635,001
Office and other	124,565	42,414	16,291	76,773	26,592	286,635	202,780	489,415
Telephone and communications	36,359	15,931	11,941	48,334	2,290	114,855	83,420	198,275
Bad debts	-	-	-	-	-	-	26,759	26,759
Miscellaneous	10,250	79,869	92,845	43,875	380	227,219	152,817	380,036
Total other expenses	497,601	588,453	249,095	645,400	122,887	2,103,436	1,242,190	3,345,626
Total expenses before interest - amortization and depreciation and amortization	2,169,884	1,657,362	1,350,002	1,440,295	427,208	7,044,751	10,362,162	17,406,913
Interest - Amortization	-	-	6,875	-	-	6,875	358,706	365,581
Depreciation and Amortization	48,935	-	-	36,875	-	85,810	4,724,366	4,810,176
Total operating expenses	\$ 2,218,819	\$ 1,657,362	\$ 1,356,877	\$ 1,477,170	\$ 427,208	\$ 7,137,436	\$ 15,445,234	\$ 22,582,670

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

JUST A START CORPORATION AND AFFILIATES

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (567,992)	\$ (3,417,503)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Interest - amortization	59,541	365,581
Depreciation and amortization	4,789,514	4,810,176
Deferred interest	583,812	704,530
Net realized and unrealized loss (gain) on investments	(427,898)	719,535
Donated securities	(10,443)	(14,484)
Changes in operating assets and liabilities:		
Rent receivable	(172,673)	(231,569)
Accounts and grants receivable	416,700	(2,197,523)
Prepaid expenses and other	(53,936)	(44,947)
Accounts payable, accrued expenses and other	473,545	175,077
Net cash provided by operating activities	<u>5,090,170</u>	<u>868,873</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(492,506)	(390,590)
Proceeds from sale of property	1,578,906	2,306,171
Proceeds from sale of investments	1,201,864	1,010,773
Purchase of projects under development	(26,892,248)	(7,079,328)
Purchase of investments	(1,283,365)	(1,064,257)
Net change in notes receivable	(206,479)	(9,357,495)
Net cash used in investing activities	<u>(26,093,828)</u>	<u>(14,574,726)</u>
Cash Flows from Financing Activities:		
Proceeds from long-term debt and contingent debt	20,742,324	30,211,941
Debt issuance costs	-	(129,009)
Decrease in contractual advance	244,116	16,967
Principal payments of long-term debt and contingent debt	(3,948,030)	(15,780,307)
Principal payments on lines of credit	-	(505,114)
Capital contributions	39,498	12,452,536
Distributions	(412,087)	(33,973)
Net cash provided by financing activities	<u>16,665,821</u>	<u>26,233,041</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	(4,337,837)	12,527,188
Cash, Cash Equivalents and Restricted Cash:		
Beginning of year	<u>35,862,828</u>	<u>23,335,640</u>
End of year	<u>\$ 31,524,991</u>	<u>\$ 35,862,828</u>
Cash, Cash Equivalents and Restricted Cash:		
Cash and cash equivalents	\$ 13,677,202	\$ 9,463,339
Escrows	720,686	563,535
Restricted deposits	17,127,103	25,835,954
Total cash, cash equivalents and restricted cash	<u>\$ 31,524,991</u>	<u>\$ 35,862,828</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest, net of capitalized interest	<u>\$ 3,073,872</u>	<u>\$ 3,084,405</u>
Supplemental Disclosure of Non-Cash Investing and Financing Transactions:		
Project under development financed with accounts payable, accrued expenses and other	<u>\$ 4,912,733</u>	<u>\$ 3,406,345</u>
Disposal of fully depreciated fixed assets	<u>\$ 146,015</u>	<u>\$ -</u>

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

JUST A START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

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

Nature of Operations

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

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

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

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

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

The Company is organized into the following programs:

Rental Properties

Affordable Rental Housing

JAS develops, maintains, and owns affordable rental housing for people with low to moderate incomes in Cambridge and Somerville.

JUST A START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Education and Training

JAS Youth Build

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

Biomedical Careers Program

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

IT Careers Program

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

Housing Resources

Home Improvement Program

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

Housing Stabilization and Mediation Services

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

JUST A START CORPORATION AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Resident Services

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

Financial Opportunity Program

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

Families Moving Forward

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

Real Estate Development

Asset Management

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

Homeownership Development

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

Condo Resale Program

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

Basis of Consolidation

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

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Just A Start Operating

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

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

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

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

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

Rindge Commons North 4 LLC (North 4 LLC), a Massachusetts limited liability company, formed in January 2022 for the purpose of investing in real property through the acquisition, construction, rehabilitation, development and maintenance of rental housing units in Cambridge, Massachusetts, which are for occupancy by income-eligible households. JAS is the sole member of the managing member of North 4 LLC.

North 4 LLC has qualified and been allocated Low Income Housing Tax Credits (LIHTC) pursuant to Internal Revenue Code (IRC) Section 42, which regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each building of the Project must meet the provisions of these regulations during each of 15 consecutive years in order to continue to qualify to receive the LIHTC.

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Failure to comply with occupant eligibility and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken LIHTC plus interest. Such potential noncompliance may require an adjustment to the contributed capital by its members.

North 4 LLC has received a reservation of LIHTC, under Section 42 of the IRC, in the annual amount of \$885,906. The credits are expected to commence in 2024 for a period of 10 years. North 4 LLC's LIHTC are contingent on its ability to maintain compliance with Section 42 of the Internal Revenue Code.

Rindge Commons North Land Owner LLC (RC Land Owner), a Massachusetts limited liability company, formed for the purpose of holding title to a parcel of land known as Rindge Commons in Cambridge, Massachusetts, which will be developed into a mixed-use project combining affordable residential rental and commercial rental space. JAS is the sole member of Rindge Commons North Land Owner LLC.

Rindge Commons North Support Corporation (North Support), a not-for profit organization sharing common board members with JAS, formed for the purpose of investing in real property through acquisition, development and operation of commercial space to be financed with a combination of New Market Tax Credits (NMTC), conventional debt and JAS contributions. North Support will operate in a manner intended to enable it to qualify as a qualified low-income community business for the purpose of the NMTCs.

The NMTC program offers credits against federal income taxes over a seven-year period (the compliance period) for Qualified Equity Investments (QEIs) in certified Community Development Entities pursuant to Section 45(d) of the Internal Revenue Code (IRC). To claim the NMTC, the Community Development Entities must use substantially all of the proceeds of the QEIs to make a loan and/or an equity investment, which are qualified low-income community investments (QLICI), as defined in Section 45(d) of the IRC, to a Qualified Active Low-Income Community Business (QALICB). North Support is a QALICB within the meaning of Section 45(d) of the IRC.

COCRF Investor 213, LLC made QEIs in LIIF Sub-CDE LIV, LLC and COCRF SubCDE 111, LLC (collectively, the "CDEs"). The CDEs used the proceeds of the QEIs to provide loans to North Support (see Note 9).

Projects in development (see Note 6)

- **52 New Street Land LLC**, operating/demo/new construction, 106 units
- **52 New Street Owner** (construction entity for above)
- **37 Brookline**, operating/demo/new construction, 13 affordable apartments

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

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owned general partners of JAS are included in the consolidating financial statements:

- **JASDCDC, Inc.**, general partner of Close Building Associates Limited Partnership.
- **Elm Place/JAS, Inc.**, general partner of Elm Place/JAS Limited Partnership.
- **Bishop Allen JAS, LLC**, managing member of Bishop Allen Apartments LLC.
- **Rindge Tower Apartments JAS, LLC**, managing member of Rindge Tower Apartments LLC.
- **JAS Consolidated MM LLC**, managing member of JAS Consolidated Properties LLC (JAS Consolidated).
- **The Close Building MM LLC**, managing member of The Close Building LLC.
- **Squirrelwood JAS LLC**, managing member of Squirrelwood LLC.
- **Rindge Commons North 4 JAS LLC**, managing member of North 4 LLC.

Rental Properties

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

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

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

Operating

- **Close Building Associates Limited Partnership** - the ground lessor/ **The Close Building LLC (TCBLLC)** - the ground lessee, 61 residential units
- **Elm Place/JAS Limited Partnership**, 19 residential units and 1 commercial unit
- **Bishop Allen Apartments LLC**, 32 residential units
- **Bishop Allen Land LLC**, ground lessor
- **Rindge Tower Apartments LLC**, 273 residential units
- **JAS Consolidated**, 112 residential units and 1 commercial unit
- **Squirrelwood LLC**, 88 units

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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).

Income Taxes

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

JAS Affordable Housing LLC, JAS Homeownership LLC, Broadway Park Apartments LLC, Just-A-Start Holding LLC, 52 New Street Land LLC, 24 Webster Land LLC, North 4 LLC and RC Land Owner are limited liability companies of which JAS is the controlling owner, either directly or indirectly through an affiliate. Consequently, these are disregarded entities having no tax status. These entities are consolidated and filed with JAS/Next Step's nonprofit tax return.

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

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

The general partners are Subchapter C corporations, or LLCs that have elected to be taxed as a corporation, that are subject to taxation at the federal and state levels. Deferred taxes are computed based on the difference between the financial statements and income tax bases of assets and liabilities using enacted marginal tax rates. As of December 31, 2023, 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 2020 remain open.

Basis of Presentation

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

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Notes to Consolidated Financial Statements

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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 statements of financial position present two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the consolidated statements of activities display the changes in each of those classes of net assets.

The classes of net assets applicable to the Company are as follows:

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

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

Capital restricted net assets include restricted grant funds that have been invested into the projects under development which are in process (see Note 13). To achieve an appropriate matching of revenues with related costs and expenses, it is JAS's policy to release these net assets from donor restriction, not when initially spent on project costs, but upon placement in service or final sale or disposition of the particular project.

Revenue Recognition

Rental Income - Rental income is recognized as rentals become due and is derived from commercial and residential tenant rent. All leases between the Company and its tenants are operating leases. Rental revenue is recognized on a straight-line basis over the rented lease terms. Deferred revenue represents the excess of rent reported on the straight-line basis over rental payments required under current, non-cancelable leases.

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

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time the award is received or pledged, and the funds are released from restriction when the restriction has been met.

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

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

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

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

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

The cumulative amount of developer fees earned over the development agreement is updated at each reporting period based on the Company's estimate of the variable consideration using available information at the reporting date. Deferred developer fees

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payable from property surplus cash are recognized at such time as there is available surplus cash.

Partnership management fees, asset management fees and resident service revenue are generally provided on an annual basis incident to separate agreements that renew annually at the election of the parties or under aspects of the operating agreements that govern the operations of the affiliate. These agreements specify the compensation for each annual period. Each service is considered a single performance obligation as each service is distinct. The performance obligations under these agreements are satisfied evenly over the year as the affiliate receives the benefits provided as JAS performs. Service fees are generally recognized in one calendar year.

Compensation is generally fixed under the relevant agreement, but may contain variable components in the case of certain partnership management services. Certain fees are only earned and/or payable subject to the availability of net cash flow from the affiliate's operations and are only recognized as revenue when collection is assured.

Functional Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements 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.

Fundraising

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

Cash, Cash Equivalents, Escrows and Restricted Deposits

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

The Company maintains its cash balances at several financial institutions. 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, 2023 and 2022.

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

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Notes to Consolidated Financial Statements

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Accounts and Grants Receivable

The Company carries all of its accounts and grants receivable at an amount equal to uncollected but earned revenue less allowances for credit losses. Accounts and grants receivable outstanding for thirty days or more are deemed delinquent under the aging method. It is the Company's policy to charge off uncollectable receivables when management determines the receivable will not be collected.

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, 2023 and 2022, the allowance for credit losses was immaterial. For the years ended December 31, 2023 and 2022, bad debt was immaterial.

Promises to give are recognized as revenue and as assets, net of allowances, in the period in which the contributions are made. Unconditional contributions receivable are recorded, in the year received, at the present value of estimated future cash flows using a risk-adjusted discount rate. Amortization of the discount is included in contribution revenue. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the contributions become unconditional.

The Company has a policy to collect security deposits of up to one month's rent from tenants. The security deposits can be used to pay for damages caused by the tenant or used against unpaid receivables. Substantially all of the Company's accounts receivable are due from its activities in Massachusetts. As of December 31, 2023, the Company's accounts and grants receivable consisted of approximately 46% from private sources, 36% from governmental agencies, 9% from residential and commercial tenants and 9% from other sources. As of December 31, 2022, the Company's accounts receivable consisted of approximately 45% from governmental agencies, 39% from private sources, 11% from residential and commercial tenants, and 4% from other sources.

Notes Receivable

The Company utilizes a loss rate approach in determining its lifetime expected credit losses on its loans to third parties. This method is used for calculating an estimate of losses based primarily on the Company's historical loss experience. In determining its loss rates, the Company evaluates information related to its historical losses, adjusted for current conditions and for the period of time that we can reasonably forecast. For the period of time beyond which the Company can reasonably forecast the Company applies immediate reversion based on the facts and circumstances as of the reporting date. The Company has concluded that it can reasonably support a forecast period of all loan segments for two years after the statement of financial position date.

Interest accrues in accordance with the agreements. The Company has no policies requiring collateral or other security. As of December 31, 2023 and 2022, private sources related to NMTC Project consisted of approximately 74% and 75% of the Company's notes receivable, respectively. As of December 31, 2023 and 2022, Company's notes receivable due from income-qualified Cambridge homeowners and small landlords who are participating in the City of Cambridge's Home Improvement Program (HIP) consisted of

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approximately 26% and 25% of the Company's notes receivable, respectively. The City of Cambridge provides HIP assistance with Community Development Block Grant (CDBG) funding, which is made available to support community development (see Note 4).

Projects Under Development

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

Investments in Marketable Securities

Investments in marketable securities are recorded in the consolidated financial statements at fair value using Level 1 and 2 inputs. Level 1 fair value is based on the daily closing price last traded on the exchange as of the balance sheet date. Level 2 fair value is based on observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data. Level 3 fair value is based on prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. There were no transfers between levels during the years ended December 31, 2023 and 2022.

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

Property and Equipment

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

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

Impairment

The Company reviews its projects under development and investments in marketable securities and property and equipment for impairment whenever events or changes in

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circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated by the asset and any estimated proceeds from the eventual disposition. If the asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such asset.

Capitalized Costs

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

Debt Issuance Costs

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

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.

Below Market Loans

Governmental agencies with similar agendas 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.

New Accounting Pronouncement

On January 1, 2023, the Company adopted Accounting Standards Update No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, and its related amendments. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to a current and expected loss model and adds certain new required disclosures. Under the current and expected loss ("CECL") model, entities recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In accordance with ASC 326, the Company evaluates certain criteria, including aging and historical write-offs, current economic condition of specific customers and future economic conditions to determine the appropriate allowance for credit losses. The adoption of ASC 326 did not have a material impact on the Company's consolidated financial statements for the year ended December 31, 2023.

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Notes to Consolidated Financial Statements

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Reclassifications

Certain prior period amounts in the financial statements related to 2022 have been reclassified to conform to the current period's presentation.

Note 2 - Escrows and Restricted Deposits

	<u>2023</u>	<u>2022</u>
Escrows:		
Real estate and insurance escrows	\$ 720,686	\$ 563,535
Total escrows	\$ 720,686	\$ 563,535
Restricted deposits:		
Construction escrows	\$ 6,027,938	\$ 14,799,260
Operating reserves	4,582,320	4,432,480
Replacement reserves	5,058,630	4,539,442
Home improvement program fund (see Note 4)	1,012,758	1,067,843
Other restricted deposits	445,457	996,929
Total restricted deposits	\$ 17,127,103	\$ 25,835,954

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

The construction escrows consist of loan proceeds that are to be used for the Rindge Commons development (see Note 6). Other restricted deposits consist of interest reserve accounts held by JAS pursuant to the loan agreements for the 24 Webster property and Rindge Commons North development.

Note 3 - Promises to Give

The long-term portion of promises to give as of December 31, 2023 and 2022 has been discounted by \$159,261 and \$209,850, respectively, using Treasury Bill Rate as of December 31, 2023 and 2022, respectively.

Promises to give net of discount consist of the following as of December 31, 2023:

	<u>Gross Promise</u>	<u>Unamortized Discount</u>	<u>Net of Discount</u>
Receivable less than 1 year	\$ 916,553	\$ -	\$ 916,553
Receivable in 1 to 5 years	1,034,201	145,219	888,982
Receivable more than 5 years	100,000	14,042	85,958
	\$ 2,050,754	\$ 159,261	\$ 1,891,493

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Promises to give net of discount consist of the following as of December 31, 2022:

	Gross Promise		Unamortized Discount		Net of Discount
Receivable less than 1 year	\$ 593,120	\$	-	\$	593,120
Receivable in 1 to 5 years	1,475,860		190,491		1,285,369
Receivable more than 5 years	150,000		19,359		130,641
	\$ 2,218,980	\$	209,850	\$	2,009,130

As of December 31, 2023 and 2022, promises to give have been included in accounts and grants receivable in the accompanying consolidated statements of financial position.

Note 4 - Notes Receivable

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

Type	Interest Rates	# of Notes	2023		2022	
			Principal Balance	# of Notes	Principal Balance	
Notes receivable - HIP						
City of Cambridge:						
Servicing notes	0%-4.5%	42	\$ 1,224,903	48	\$	1,268,784
Deferred payment	0-3%	77	1,747,491	69		1,674,507
			2,972,394			2,943,291
Other servicing notes	3%	10	355,155	11		179,376
Interest receivable			47,583			45,986
Other			18,175			18,175
Total notes receivable - HIP			3,393,307			3,186,828
Note receivable - COCRF	1%	1	9,795,800	1		9,795,800
Total notes receivable			13,189,107			12,982,628
Less - current portion			129,360			85,059
Notes receivable - LT			\$ 13,059,747		\$	12,897,569

Home Improvement Program

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

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Servicing notes require monthly payments of principal and interest ranging from \$17 to \$653 and are typically required to be repaid over a term of thirty years. Deferred payment loans do not require monthly payments and are due in full upon the sale or transfer of the homeowners' property. These notes are secured by the homeowners' properties. The Company maintains a segregated reserve account for funds not yet disbursed to borrowers and principal repayments received. All funds received from the City for the loan program, less grants made to homeowners, are due to the City upon completion of the loan program and are recorded as contractual advances (see Note 11).

Note Receivable - COCRF

In conjunction with the North Support project, JAS entered into a promissory note receivable in the amount of \$9,795,800 with COCRF Investor 213, LLC. The Note accrues interest at a rate of 1% per annum. Through June 2029, interest-only payments are due quarterly. Commencing July 1, 2029, principal and interest payments of \$125,424 are due quarterly with any outstanding principal and interest due in full on March 31, 2051. As of December 31, 2023 and 2022, the balance due was \$9,795,800 and is included with notes receivable on the consolidated statements of financial position.

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

2024	\$ 129,360
2025	71,749
2026	72,639
2027	65,369
2028	65,893

Notes and Interest Receivable from Affiliates

Project development notes and accrued interest receivable from Affiliates are generally subordinate to mortgages held by banks or government entities on the Affiliates' properties. JAS's ability to realize these assets depends on each affiliate's ability to generate sufficient cash flow from operations or from the sale or refinancing of the respective partnership. Due to the long-term nature of expected realization, JAS has established valuation allowances against most of these balances, including accrued interest, to reflect these assets at expected realizable values. All such activity is eliminated in consolidation.

As certain instruments were created among JAS's Affiliates in controlled transfers, principal and accrued interest on the seller notes for such entities have been characterized as equity in the accompanying supplementary consolidating statements of financial position. Additionally, Close Building Associates Limited Partnership, entered into a ground lease with JAS. Ground lease expense and the related obligation have been characterized as equity in the accompanying consolidating statement of financial position. All such activity is eliminated in consolidation.

For the years ended December 31, 2023 and 2022, eliminated equity activity from the above transactions totaled \$622,657 and \$499,219, respectively. Such activity is broken down by the respective entities as follows:

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	<u>2023</u>		<u>2022</u>
JAS Consolidated	\$ 41,298	\$	65,554
Rindge Tower Apartments LLC	581,359		433,665
Total	<u>\$ 622,657</u>	\$	<u>499,219</u>

Note 5 - Investments in Marketable Securities

The following is a summary of the fair value of JAS's investments in marketable securities as of December 31, 2023:

	<u>Level 1</u>		<u>Level 2</u>		<u>Level 3</u>		<u>Total</u>
Money market funds	\$ 373,842	\$	-	\$	-	\$	373,842
Fixed income - government	866,485		-		-		866,485
Fixed income - corporate bonds	-		956,629		-		956,629
Mortgage-backed securities	-		268,090		-		268,090
Mutual funds and ETFs	750,899		-		-		750,899
Equities	<u>1,933,863</u>		<u>-</u>		<u>-</u>		<u>1,933,863</u>
Total investments in marketable securities	<u>\$ 3,925,089</u>	\$	<u>1,224,719</u>	\$	<u>-</u>	\$	<u>5,149,808</u>

The following is a summary of the fair value of JAS's investments in marketable securities as of December 31, 2022:

	<u>Level 1</u>		<u>Level 2</u>		<u>Level 3</u>		<u>Total</u>
Money market funds	\$ 292,170	\$	-	\$	-	\$	292,170
Fixed income - government	899,153		-		-		899,153
Fixed income - corporate bonds	-		621,402		-		621,402
Mortgage-backed securities	-		356,495		-		356,495
Mutual funds and ETFs	581,020		-		-		581,020
Equities	<u>1,879,726</u>		<u>-</u>		<u>-</u>		<u>1,879,726</u>
Total investments in marketable securities	<u>\$ 3,652,069</u>	\$	<u>977,897</u>	\$	<u>-</u>	\$	<u>4,629,966</u>

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

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Investment (loss) gain consisted of the following for the years ended December 31, 2023 and 2022:

		<u>2023</u>		<u>2022</u>
Net realized and unrealized (loss) gain	\$	427,898	\$	(719,535)
Interest and dividends		119,690		87,942
Fees		<u>(27,900)</u>		<u>(34,458)</u>
Total	\$	<u>519,688</u>	\$	<u>(666,051)</u>

Note 6 - Projects Under Development

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

At December 31, 2023 and 2022, projects under development consist of the following:

		<u>2023</u>		<u>2022</u>
Current:				
Condo Repurchase Program	\$	1,712,246	\$	2,083,952
Long-term:				
52 New Street Land		10,497,837		11,812,379
52 New Street Owner		7,184,520		-
37 Brookline		1,875,419		-
24 Webster		5,086,396		4,382,174
Condo Repurchase Program		1,940,694		905,431
Rindge Commons - North 4 LLC		14,261,036		4,276,987
Rindge Commons - North Support		16,484,559		5,855,599
Other Projects		<u>993,705</u>		<u>450,209</u>
Total long-term		<u>58,324,166</u>		<u>27,682,779</u>
Total Projects under development	\$	<u>60,036,412</u>	\$	<u>29,766,731</u>

Condo Repurchase Program

JAS Homeownership, in collaboration with the City, buys and sells deed-restricted condominium units located throughout Cambridge. These condominiums are deed-restricted to be purchased by residents with low to moderate incomes. JAS Homeownership purchases condominium units, rehabilitates the units as deemed necessary, and sells the units to qualified residents. The City determines the sale price and reimburses JAS Homeownership for rehabilitation costs incurred. These units are secured by debt held by the City (see Note 9). In connection with the Condo Repurchase Program, JAS is entitled to receive a developer

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fee ranging between \$6,000 and \$10,000 for each condominium unit that is purchased and sold.

52 New Street

During 2020, 52 New Street Land LLC purchased a site containing an existing building located at 52 New Street, Cambridge for \$9,300,000. The development plan is to demolish the existing building and construct an affordable housing rental development on the site. The acquisition was financed with a loan from Cambridge Affordable Housing Trust (CAHT) (see Note 9) and the project received an award of LIHTC from the Massachusetts Department of Housing and Community Development (DHCD). On December 28, 2023, JAS closed on financing for the 52 New Street project which resulted in various loan agreements (see Note 9). Construction is anticipated to commence in 2024.

24 Webster Avenue

During 2020, 24 Webster Land LLC purchased a site containing an existing building located at 24 Webster Avenue, Somerville for \$3,900,000. The development plan is to demolish the existing building and construct an affordable housing rental development on the site. The acquisition was financed with a line of credit to JAS from Cambridge Savings Bank (see Note 10) and an unrelated sellers note that has been fully satisfied. The existing building is leased to unrelated third parties under month-to-month lease agreements. Construction is anticipated to commence in 2025.

Rindge Commons

JAS is in the process of creating a mixed-use development in North Cambridge known as Rindge Commons. The project, which will house all JAS programs under one roof, includes state-of-the-art space for education and training programs and other services, four pre-kindergarten classrooms, commercial space, and 24 affordable apartments.

During 2022, JAS created a condominium regime (the “Rindge Commons Condominium”) with 4 condominium units: the Tower Unit, JAS Unit, LIHTC Unit and the City Unit. Concurrent with the establishment of the condominium units, Rindge Tower Apartments LLC transferred a portion of its land into the LIHTC Unit, JAS Unit and City Unit. The Tower Unit is owned by Rindge Tower Apartments LLC and comprises 273 residential units and all the remaining land. The LIHTC Unit is owned by North 4 LLC. The JAS Unit and City Unit are owned by RC Land Owner. The JAS, LIHTC, City and Tower units are collectively referred to as the Units.

The Units are subject to a Master Deed related to the Rindge Commons Condominium. The Master Deed grants certain rights to the Units, with each Unit Owner entitled to an undivided interest in the Common Area and facilities of the property (the “condominium”). The Tower Unit, the LIHTC Unit, the JAS Unit and the City Unit holds 78.7%, 8.7%, 9.8% and 2.8% interest in the Common Areas, respectively. These rights include all rights, interest, power, duties and responsibilities, to exercise, manage, administer and to receive the income thereof for the benefit of the Unit Owners of said condominium. The Unit Owners shall be charged for their respective percentage of interest in the common charges, including administration, operation, maintenance, utilities, repair or replacement of the common areas and facilities, as defined. Charges will be assessed monthly in advance based on the annual budget and will be true-up to actual expense allocations annually. No condominium expenses were incurred during the year ended December 31, 2023.

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Concurrent with the establishment of the Rindge Commons Condominium, Rindge Tower Apartments LLC sold a portion of the existing land held by the LIHTC Unit, the JAS Unit and the City Unit to the Unit Owners. The aggregate sales price was \$585,000. In exchange for the sale of the land, Rindge Tower Apartments LLC (RTA) provided seller financing notes totaling \$555,183 and received cash of \$29,817. The seller financing notes were eliminated in consolidation.

On June 28, 2022, JAS, Rindge Commons North Support Corporation (North Support) and Rindge Commons North 4 LLC (North 4 LLC) closed on financing for the Rindge Commons North project which resulted in various loan agreements (see Note 9). As of December 31, 2023, the project is in construction and is anticipated to be completed in 2024.

37 Brookline

During 2023, 37 Brookline Landowner LLC acquired a vacant site located at 37 Brookline Avenue, Cambridge for \$1,700,000. The development plan is to construct an affordable housing rental development on the site. The acquisition was financed with the City of Cambridge Affordable Housing Trust funds. Construction is anticipated to commence in 2025.

Note 7 - Capitalized Costs

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

	<u>2023</u>		<u>2022</u>
Tax credit fees	\$ 273,021	\$	273,021
Less: accumulated depreciation	101,467		83,266
Total capitalized costs, net	<u>\$ 171,554</u>	\$	<u>189,755</u>

Amortization expense for the years ended December 31, 2023 and 2022, was \$18,201. Annual amortization expense for the next five years is expected to be \$18,201.

Note 8 - Property and Equipment

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

	<u>2023</u>		<u>2022</u>
Land	\$ 11,298,552	\$	11,298,552
Land improvements	2,353,919		2,318,804
Buildings and improvements	163,193,639		163,577,147
Equipment and furniture	5,333,280		5,125,994
Total property and equipment	<u>182,179,390</u>		<u>182,320,497</u>
Less: accumulated depreciation	56,975,250		52,793,944
Total property and equipment, net	<u>\$ 125,204,140</u>	\$	<u>129,526,553</u>

Depreciation expense for the years ended December 31, 2023 and 2022, totaled \$4,771,313 and \$4,791,975, respectively.

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Note 9 - Long-Term Debt

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

	<u>2023</u>	<u>2022</u>
Condo Repurchase Program		
JAS has non-interest bearing notes payable to the City of Cambridge. No payments are required until the sale of the mortgaged property (see Note 6) or until maturity. These notes mature at various dates through December 2025 and are secured by mortgages on the properties.	\$ 3,185,917	\$ 2,669,908
Linwood Court		
JAS has a 4% note payable to CAHT for \$329,000. Interest and principal are due and payable annually in an amount equal to 50% of rent received under the ground lease with Squirrelwood. Accrued interest as of December 31, 2023 and 2022, totaled \$273,082 and \$249,925, respectively, which is included in accounts payable, accrued expenses and other, net of current portion in the accompanying consolidated statements of financial position. The note is secured by a shared fourth mortgage priority on the property and matures in May 2069.	329,000	329,000
Low Income Investment Fund		
During 2022, JAS entered into a 4.8% fixed rate note payable to Low Income Investment Fund (LIIF) for \$11,000,000. The note is secured by borrower's interest in the City Unit and JAS unit. Quarterly interest-only payments are due until June 2024. Thereafter, principal and interest payments of \$173,449 are due quarterly until maturity. The note is set to mature at the earlier of June 2030, or the date which LIIF transfers its interest in the CDEs to JAS. Accrued interest as of December 31, 2023 and 2022, totaled zero and \$124,144, respectively, which is included in accounts payable, accrued expenses, and other in the accompanying consolidated statements of financial position.	11,000,000	11,000,000
Citizens Bank		
During 2022, North 4 LLC entered into note payable to Citizens Bank for \$9,000,000. The note bears interest rate using Daily Simple Secured Overnight Financing Rate (SOFR) with a floor rate of 1%. The note is secured by the borrower's interest in the LIHTC Unit. The interest rate was 7.38% and 6.3%, respectively as of December 31, 2023 and 2022. Interest-only payments are due monthly. All principal and unpaid interest are due at maturity on December 27, 2024.	\$ 5,536,936	\$ 1,432,595

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	<u>2023</u>	<u>2022</u>
City of Cambridge		
<p>During 2022, North 4 LLC entered into a note payable to the City of Cambridge for \$3,706,658. The note bears interest at 3.0%, compounded annually. The note is secured by the borrower's interest in the LIHTC Unit. Both interest and principal are payable from cash flow pursuant to borrower's operating agreement. All unpaid principal and accrued interest are due at maturity on June 30, 2072. Accrued interest as of December 31, 2023 and 2022 amounted to \$54,109 and \$2,047, respectively, which is included in accounts payable, accrued expenses, and other, net of current portion in the accompanying consolidated statements of financial position.</p>	\$ 3,706,658	\$ 409,514
<p>52 New Street Land LLC has note payable to the City of Cambridge Affordable Housing Trust for \$15,225,390. The note bears interest at 3.0%, compounded annually. The note is secured by the mortgage on the Project. Maturity date is the earlier of July 7, 2024 or the closing date of construction financing. Interest only payments through maturity. All unpaid principal and accrued interest are due at maturity. Accrued interest as of December 31, 2023 and 2022 amounted to \$1,197,837 and \$886,638, respectively, which is included in accounts payable, accrued expenses, and other, net of current portion in the accompanying consolidated statements of financial position.</p>	9,300,000	11,038,931
<p>During 2023, 52 New Street Owner entered into a 5.03% fixed rate note payable to the City of Cambridge for \$800,000. The note is secured by the mortgage on the Project and an assignment of rents and leases. Maturity date will be due 50 years from construction completion. Accrued interest as of December 31, 2023 and 2022 amounted to \$42,990 and zero, respectively, which is included in accounts payable, accrued expenses, and other in the accompanying consolidated statements of financial position.</p>	800,000	-
<p>During 2023, 52 New Street Owner entered into a 3% fixed rate note payable to the City of Cambridge Affordable Housing Trust for \$550,000. The note is secured by the mortgage on the Project and an assignment of rents and leases. Maturity date will be due 50 years from construction completion.</p>	550,000	-

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	<u>2023</u>	<u>2022</u>
<p>During 2023, 37 Brookline entered into a 10% fixed rate note payable to the City of Cambridge for \$2,064,000. The note is secured by the mortgage on the Project and an assignment of rents and leases. Maturity date is the earlier of July 31, 2026 or closing of construction financing. Accrued interest as of December 31, 2023 and 2022 amounted to \$73,862 and zero, respectively, which is included in accounts payable, accrued expenses, and other in the accompanying consolidated statements of financial position.</p>	\$ 1,757,931	\$ -
<p>LIIF Loan A</p>		
<p>During 2022, North Support entered into a 1.215% fixed rate note payable to LIIF SUB-CDE LIV, LLC for \$9,096,100. The note is secured by borrower's interest in the JAS Unit and City Unit. Quarterly interest-only payments are due until June 2029. Thereafter, principal and interest payments of \$97,399 are due quarterly until the loan is fully paid down at maturity on December 31, 2056. Accrued interest as of December 31, 2023 and 2022 amounted to \$65,992 and \$21,700, respectively, which is included in accounts payable, accrued expenses, and other in the accompanying consolidated statements of financial position.</p>	9,096,100	9,096,100
<p>LIIF Loan B</p>		
<p>During 2022, North Support entered into a 1.215% fixed rate note payable to LIIF SUB-CDE LIV, LLC for \$3,513,900. The note is secured by borrower's interest in the JAS Unit and City Unit. Quarterly interest-only payments are due until June 2029. Thereafter, principal and interest payments of \$37,626 are due quarterly until the loan is fully paid down at maturity on December 31, 2056. Accrued interest as of December 31, 2023 and 2022 amounted to \$25,232 and \$8,383, respectively, which is included in accounts payable, accrued expenses, and other in the accompanying consolidated statements of financial position.</p>	3,513,900	3,513,900
<p>Santander Bank</p>		
<p>During 2023, 52 New Street Owner entered into a non-interest bearing note payable to Santander Bank for \$47,575,000. The note is secured by the mortgage on the Project. Maturity date is June 28, 2026, which may be extended to December 28, 2026. Interest only payments through maturity.</p>	4,743,854	-

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	<u>2023</u>	<u>2022</u>
COCRF Loan A		
During 2022, North Support entered into a 1.0% fixed rate note payable to COCRF SUBCDE 111, LLC for \$699,700. The note is secured by borrower's interest in the JAS Unit and City Unit. Quarterly interest-only payments are due until June 2029. Thereafter, principal and interest payments of \$7,283 are due quarterly until the loan is fully paid down at maturity on December 31, 2056. Accrued interest as of December 31, 2023 and 2022 amounted to \$3,882 and \$1,374, respectively, which is included in accounts payable, accrued expenses, and other in the accompanying consolidated statements of financial position.	\$ 699,700	\$ 699,700
COCRF Loan B		
During 2022, North Support entered into a 1.0% fixed rate note payable to COCRF SUBCDE 111, LLC for \$300,300. The note is secured by borrower's interest in the JAS Unit and City Unit. Quarterly interest-only payments are due until June 2029. Thereafter, principal and interest payments of \$3,126 are due quarterly until the loan is fully paid down at maturity on December 31, 2056. Accrued interest as of December 31, 2023 and 2022 amounted to \$1,941 and \$590, respectively, which is included in accounts payable, accrued expenses, and other in the accompanying consolidated statements of financial position.	300,300	300,300
RBC Community Investments, LLC		
During 2022, North 4 LLC entered into a non-interest bearing note payable to RBC Community Investments, LLC for \$1,187,537. The note is guaranteed by JAS. Maturity date is the earlier of 11/1/2023 or when the project gets placed into service.	1,187,537	1,187,537
CEDAC		
During 2023, North 4 LLC entered into a 2% fixed rate note payable to CEDAC Housing Fund Program for \$499,000. The note is secured by the mortgage on the Project and the Affordable Housing Restriction. The maturity date is December 28, 2053.	474,050	-

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	<u>2023</u>	<u>2022</u>
During 2023, JAS entered into a 7% fixed rate note payable to CEDAC for \$800,000 for the development of 24 Webster. Maturity date is due upon the closing of 24 Webster. Accrued interest as of December 31, 2023 and 2022 amounted to \$8,129 and zero, respectively, which is included in accounts payable, accrued expenses, and other in the accompanying consolidated statements of financial position.	\$ 302,784	\$ -
EOHLC		
During 2023, North 4 LLC entered into a 2% fixed rate note payable to EOHLC Affordable Housing Trust Fund for \$800,000. The note is secured by the mortgage on the Project and the Affordable Housing Restriction. The maturity date is June 1, 2065.	800,000	-
During 2023, North 4 LLC entered into a 2% fixed rate note payable to EOHLC Housing Stabilization Fund for \$800,000. The note is secured by the mortgage on the Project and the Affordable Housing Restriction. The maturity date is December 28, 2073.	720,000	-
During 2023, 52 New Street Owner entered into a 2% fixed rate note payable to EOHLC Affordable Housing Trust Fund for \$1,000,000. The note is secured by the mortgage on the Project and an assignment of rents and leases. The outstanding principal and interest are due at maturity on December 31, 2066.	<u>550,511</u>	<u>-</u>
Total long-term debt before rental properties	58,555,178	41,677,485
Less: debt issuance cost net of related amortization	<u>(89,375)</u>	<u>(103,125)</u>
Total long-term debt before rental properties, net of debt issuance cost and related amortization	<u>58,465,803</u>	<u>41,575,360</u>
Total rental properties long-term debt (see Note 22)	54,408,694	55,117,190
Less: debt issuance cost net of related amortization	<u>(1,234,027)</u>	<u>(1,279,818)</u>
Total rental properties long-term debt, net of debt issuance cost and related amortization	<u>53,174,667</u>	<u>53,837,372</u>
Total long-term debt	112,963,872	96,794,675
Less: debt issuance costs net of related amortization	(1,323,402)	(1,382,943)
Less: current portion	<u>(8,163,091)</u>	<u>(2,604,234)</u>
Total long-term, net	<u>\$103,477,379</u>	<u>\$92,807,498</u>

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Notes to Consolidated Financial Statements

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

<u>Year Ending</u>	
2024	\$ 8,163,091
2025	2,089,144
2026	2,566,741
2027	1,524,528
2028	853,000
Thereafter	<u>97,767,368</u>
Total	\$ <u>112,963,872</u>

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

As of December 31, 2023 and 2022, debt issuance costs related to the various notes payable totaling \$1,617,659 and \$1,919,721, respectively, are shown net of accumulated amortization of \$294,257 and \$536,778, respectively (see Note 22). During the years ended December 31, 2023 and 2022, interest - amortization of debt issuance costs amounted to \$59,541 and \$365,581, respectively. Net debt issuance costs are reported in the consolidated statements of financial position as a direct reduction of the face amount of the related long-term debt.

Note 10 - Line of Credit

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

During 2020, JAS entered into a revolving line of credit agreement with Cambridge Savings Bank, which allows for borrowings up to \$5,000,000. Interest on this note is a fixed rate of 6.94% per annum and is due in monthly payments, beginning on January 15, 2021. All unpaid interest and outstanding principal are due on December 15, 2025. The line of credit is secured by a first mortgage on the 24 Webster Avenue property. As of December 31, 2023 and 2022, the balance was \$4,129,011.

Note 11 - Contractual Advances

As of December 31, 2023 and 2022, contractual advances consist of \$3,813,222 and \$3,569,106, respectively, which represent the aggregate amount of home improvement loan pool funds advanced by and subject to recall by the City. Advances from the City are not formal loans, however, JAS and the City mutually agree that this funding represents a liability. Proceeds from these advances are used to fund homeowner loans under HIP. There are no formal repayment terms, and payments are not typically made in the event a homeowner loan is paid in full.

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Note 12 - Contingent Debt and Deferred Interest

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

Certain contingent loans state that interest shall accrue from the date of disbursement through maturity, at which point the entire principal balance and accrued interest shall be forgiven provided the underlying property is maintained as affordable housing.

For contingent notes where the accrued interest will be forgiven at maturity, no deferred interest has been recorded as management intends to maintain the properties as affordable housing. As of December 31, 2023 and 2022, unrecorded deferred interest on forgivable contingent loans totaled approximately \$4,671,000 and \$4,485,000, respectively. As of December 31, 2023 and 2022, contingent debt and deferred interest was \$42,179,378 and \$40,970,469, respectively.

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

Note 13 - Net Assets with Donor Restrictions

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

	<u>2023</u>	<u>2022</u>
Loan capital	\$ 452,244	\$ 488,014
Other purpose restricted	618,347	406,697
Capital	2,533,191	881,489
Restricted due to timing	<u>1,891,493</u>	<u>2,009,130</u>
	<u>\$ 5,495,275</u>	<u>\$ 3,785,330</u>

During the years ended December 31, 2023 and 2022, total net assets released from restrictions were \$458,019 and \$285,089, respectively. Substantially, all of the releases were from purpose restrictions.

Note 14 - Developer Fees

JAS, in its role as sponsor and developer, earns developer fees from each project undergoing rehabilitation. JAS earned developer fees from the projects noted below, which are included in developer and other service fees in the accompanying consolidated statements of activities. In addition to the developer fees noted below, there are management, resident service and other fees of \$657,040 and \$638,363 for the years ended December 31, 2023 and 2022, respectively, which were fully eliminated in consolidation.

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Project	Total Contract	Recognized Prior to 2022	Recognized During 2022	Recognized During 2023	Remaining Contract Balance
Rindge Commons	\$ 1,703,417	\$ -	\$ 1,040,977	\$ 378,537	\$ 283,903
52 New Street Condo Repurchase Program (see Note 6)	7,336,500	-	-	3,668,250	3,668,250
			57,000	50,000	-
			1,097,977	4,096,787	\$ 3,952,153
	Less:	eliminations	859,090	3,560,957	
			\$ 238,887	\$ 535,830	

Note 15 - Retirement Plan

JAS maintains a 401K retirement plan. New employees are subject to a six-month waiting period. JAS will contribute 3% of the employee's salary regardless of whether the employee contributes to the plan. JAS's contributions totaled \$117,664 and \$93,586 for the years ended December 31, 2023 and 2022, respectively, which are included in employee benefits in the accompanying consolidated statements of functional expenses.

Note 16 - Management Fee Expense

The Company has agreements with an independent management company to carry on the day-to-day operations of the rental properties. The management company receives management fees ranging from 3.15% to 6% of total residential collections, as defined in the agreements. The agreements can be terminated by either party with ninety days written notice. The Company incurred management fees totaling \$673,105 and \$635,001 for the years ended December 31, 2023 and 2022, respectively, which are reflected as management fees in the accompanying consolidated statements of functional expenses.

Note 17 - Operating Lease Obligations

As Lessee

JAS leases commercial space under a lease agreement through February 2024 with monthly rent ranging from \$4,363 to \$4,494. JAS also leases program space under a lease agreement that was set to expire in February 2024. Monthly base rent under this lease ranging from \$8,320 to \$8,894. JAS is responsible for its proportionate share of condominium fees and real estate taxes.

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

2024	\$ 26,777
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Elm Place leases office space to an unrelated commercial tenant under a noncancelable lease that expired on August 31, 2023. Elm Place entered into a new noncancelable lease with the same commercial tenant, effective September 1, 2023. The new lease has a term of five

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

years, expiring on August 31, 2028. The lease provides for an annual base rent of \$26,520, which shall increase approximately 3% each year.

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

2024	\$ 26,800
2025	27,640
2026	28,480
2027	29,320
2028	19,920

Note 18 - Liquidity and Availability of Resources

The following reflects the Company's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the consolidated statement of financial position date.

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 13,677,202	\$ 9,463,339
Rent receivable	1,098,244	925,571
Escrows	720,686	563,535
Accounts and grants receivable	3,076,880	3,493,580
Notes receivable	129,360	85,059
Total	18,702,372	14,531,084
Less amounts unavailable for general expenditures within one year, due to:		
Security deposits	389,213	394,042
Funds specified for loan program	129,360	85,059
Restricted by passage of time	974,940	1,416,010
Restricted by donors for specific purposes	3,603,782	1,776,200
Total	5,097,295	3,671,311
Financial assets available to meet cash needs for general expenditures within one year	\$ 13,605,077	\$ 10,859,773

The Company is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Company must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Company's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

As part of the Company's liquidity management plan, the Company invests cash in excess of daily requirements in investment in marketable securities, see Note 5. In the event of an unanticipated liquidity need, the Company has an available line of credit to utilize (see Note 10).

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Notes to Consolidated Financial Statements

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

Note 19 - Conditional Awards

During the years ended December 31, 2023 and 2022, JAS was awarded a number of conditional grants from different funders that are contingent upon certain factors as specified in the grant agreements, including achieving agreed-upon performance benchmarks and incurring certain costs. Accordingly, the revenue recognized from these grants is recorded when earned. Since the remaining balances of these grants are conditional, they are not reflected in the accompanying consolidated financial statements.

As of December 31, 2023 and 2022, JAS has \$560,772 and \$1,767,614 of conditional contributions that are expected to be received in a future period relating to government contract agreements and cost reimbursement contracts.

Future payments to be received are expected as follows as of December 31, 2023:

2024	\$ 446,153
2025	114,619

Note 20 - Commitments and Contingencies

Right of First Refusal

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

General Partner/Managing Member and Sponsor Obligations

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

JAS, as the sponsor of various projects, has, in some cases, agreed to advance funds to the projects as a guarantor of the general partners/managing members' obligation to fund operating deficits, Housing Assistance Payment contract shortfalls, development cost overruns, payments for reduced tax benefits to limited partner investors, and other

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

circumstances affecting the projects, as defined in the partnership/operating agreements. As of the date of this report, there were no liabilities accrued.

Note 21 - Subsequent Events

The Company has performed an evaluation of subsequent events through June 14, 2024, which is the date the Company's financial statements were available to be issued. No material subsequent events have occurred, other than the item noted below since December 31, 2023 that required recognition or disclosure.

JAS entered into a purchase and sale agreement dated April 17, 2024 to sell a real estate property located at 1175 and 1179 Cambridge Street in Cambridge, Massachusetts for \$1,975,000. Closing date is expected to be August 15, 2024.

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Notes to Consolidated Financial Statements
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Note 22. Long-Term Debt - Rental Properties

<u>Lender</u>	<u>Interest</u>	<u>Security</u>	<u>Payment Terms</u>	<u>Outstanding Principal</u>	
				<u>2023</u>	<u>2022</u>
JAS Properties					
JAS for Scouting Way					
Cambridge Savings Bank	4.83%	First mortgage on the property and an assignment of rents and leases.	Due in monthly principal and interest installments of \$8,684, through maturity in March 2034.	\$ 1,336,354	\$ 1,374,108
Squirrelwood LLC					
MassHousing	4.29%	First mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$8,200,000. Monthly principal and interest installments of \$35,765 are required through maturity in January 2062.	8,045,677	8,127,773
MassHousing	3.83%	Second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$13,600,000. Payment of interest-only installments are due monthly in arrears. All outstanding principal balance and accrued interest were due at maturity in January 2023. As of December 31, 2022, the Company repaid the outstanding loan balance of \$13,600,000 and related accrued interest in full.	-	-
MassHousing	0.00%	Third mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal balance is payable upon maturity in January 2062.	1,000,000	1,000,000
				<u>9,045,677</u>	<u>9,127,773</u>

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Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 22. Long-Term Debt - Rental Properties - continued

<u>Lender</u>	<u>Interest</u>	<u>Security</u>	<u>Payment Terms</u>	<u>Outstanding Principal</u>	
				<u>2023</u>	<u>2022</u>
Elm Place/JAS Limited Partnership					
Cambridge Savings Bank	5.82%	First mortgage on the property and an assignment of rents and leases.	Due in monthly principal and Interest installments of \$5,761 through maturity in December 2027. A balloon payment of \$680,561 is due at maturity.	\$ 783,179	\$ 805,503
CEDAC	0.00%	Shared second mortgage on the property and an assignment of rents	Payments of principal are due annually to the extent that gross cash receipts exceed 105% of gross cash expenditures, as defined in the agreement. Outstanding principal is due in June 2041 and may be extended for additional ten-year period at the discretion of CEDAC.	525,000	525,000
				<u>1,308,179</u>	<u>1,330,503</u>
Bishop Allen Apartments LLC					
Boston Private Bank and Trust Company	3.76%	First mortgage on the property and an assignment of rents and leases.	Due in monthly principal and Interest installments of \$21,791 through maturity on June 30, 2034. A balloon payment of \$2,452,500 is due at maturity.	3,888,025	3,999,055
The Close Building LLC					
MassHousing	4.69%	First mortgage on the property and an assignment of rents and leases. This note is insured by HUD.	Interest-only payments were due monthly through March 1, 2020. Monthly installments of principal and interest of \$44,867 are due through maturity on March 1, 2060.	8,975,755	9,067,859
Next Step Housing Corporation					
Winter Hill Bank	4.75%	First mortgage on the property and an assignment of rents and leases.	Due in monthly principal and interest installments of \$2,165, through maturity on September 1, 2035.	218,424	242,444
Somerville Affordable Housing Trust	2.50%	Second mortgage on the property and an assignment of rents and leases.	The loan is being repaid over a twenty-year term in annual installments of \$6,415. The loan matures on October 1, 2025.	30,225	20,713
				<u>248,649</u>	<u>263,157</u>

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Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 22. Long-Term Debt - Rental Properties - continued

<u>Lender</u>	<u>Interest</u>	<u>Security</u>	<u>Payment Terms</u>	<u>Outstanding Principal</u>	
				<u>2023</u>	<u>2022</u>
Rindge Tower Apartments LLC					
MassHousing	4.25%	First mortgage on the property and an assignment of rents and leases. This note is insured by HUD.	Monthly principal and interest payments of \$91,494 are due through maturity on July 1, 2058.	\$ 19,877,083	\$ 20,124,501
JAS Consolidated Properties LLC					
MassHousing	4.67%	Shared first mortgage on the property, a conditional assignment of tax credits, and a conditional pledge of capital contributions. This note is Insured by HUD.	Commencing on February 1, 2020, monthly installments of principal and interest of \$46,515 are due through maturity on January 1, 2060.	9,728,972	9,830,234
Total long-term debt - Rental Properties				54,408,694	55,117,190
Less: debt issuance costs net of accumulated amortization				(1,234,027)	(1,279,818)
Total long-term debt - Rental Properties, net (see Note 9)				\$ 53,174,667	\$ 53,837,372

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Notes to Consolidated Financial Statements
December 31, 2022 and 2021

Note 23. Contingent Debt and Deferred Interest

Lender	Interest	Security	Payment Terms	2023		2022	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
JAS Properties							
<i>JAS for Hovey Street</i>							
CAHT	8%, Simple	Shared second mortgage on the property and an assignment of rents and leases.	No payments are due provided the property is maintained as affordable housing. The note matures in February 2050, at which time the outstanding principal balance and accrued interest shall be forgiven.	\$ 1,129,200	\$ -	\$ 1,129,200	\$ -
The City	0.00%	Third mortgage on the property and an assignment of rents and leases.	No payments are due provided the property is maintained as affordable housing. The note matures in February 2050, at which time the outstanding principal balance shall be forgiven.	250,000	-	250,000	-
MHP	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal balance is due in February 2030.	250,000	-	250,000	-
				<u>1,629,200</u>	<u>-</u>	<u>1,629,200</u>	<u>-</u>
<i>JAS for Scouting Way</i>							
The City	8%, Simple	Shared second mortgage on the property and an assignment of rents and leases.	No payments are due provided the property is maintained as affordable housing. The note matures in March 2054, at which time the outstanding principal balance and accrued interest shall be forgiven.	650,000	-	650,000	-
MHP	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal is due in April 2054. The maturity date may be extended for an additional fifty years with the approval from MHP. During March 2019, a payment of \$5,000 was made from the proceeds from the CSB refinance (see Note 21).	545,000	-	545,000	-
CAHT	8%, Simple	Shared second mortgage on the property and an assignment of rents and leases.	No payments are due provided the property is maintained as affordable housing. The note matures in May 2055, at which time the outstanding principal balance and accrued interest shall be forgiven.	540,000	-	540,000	-
DHCD	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal is due at maturity in March 2034.	400,000	-	400,000	-
				<u>2,135,000</u>	<u>-</u>	<u>2,135,000</u>	<u>-</u>
	Total JAS Properties			<u>3,764,200</u>	<u>-</u>	<u>3,764,200</u>	<u>-</u>

JUST A START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 23. Contingent Debt and Deferred Interest - continued

Lender	Interest	Security	Payment Terms	2023		2022	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
Squirrelwood LLC							
JAS	2.74%	Shared fourth mortgage on the property and an assignment of rents and leases.	Two notes payable to JAS. Outstanding principal and accrued interest are due at maturity in June 2059.	2,174,994	290,196	2,174,994	224,451
CAHT	2.74%	Shared second mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal and accrued interest are payable upon maturity on May 31, 2069.	4,115,456	459,307	4,115,456	337,302
MHP	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$4,782,500. Outstanding principal due at maturity in November 2062.	4,782,500	-	4,782,500	-
The City	2.74%	Shared second mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal and accrued interest are payable upon maturity in May 2069.	1,121,795	149,674	1,121,795	115,764
DHCD	2.74%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity in May 2062.	440,000	896,995	440,000	861,338
MassHousing	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal is due at maturity in May 2054.	120,677	-	120,677	-
MassHousing	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	The note provides for annual payments based on net cash flow. Outstanding principal is due at maturity in May 2054.	111,848	-	111,848	-
JAS	5.00%	Shared Fourth mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$637,000. The note provides for annual payments based on net cash flow. Outstanding principal and accrued interest are payable upon maturity in January 2069.	564,200	57,916	564,200	28,291
JAS	2.74%	Shared fourth mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$140,000. The note provides for annual payments based on net cash flow. Outstanding principal and accrued interest are payable upon maturity in June 2059.	70,000	4,682	70,000	2,690

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Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 23. Contingent Debt and Deferred Interest - continued

Lender	Interest	Security	Payment Terms	2023		2022	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
Squirrelwood LLC (continued)							
MassHousing	0.00%	Third mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$1,000,000. The note provides for annual payments based on net cash flow. The note will have a term of forty years, at which time all unpaid principal is due.	-	-	-	-
MHP	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$550,000. The note provides for annual payments based on net cash flow. Outstanding principal is due at a maturity in November 2070.	550,000	-	550,000	-
CEDAC	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$494,676. The note provides for annual payments based on net cash flow. Outstanding principal is due at a maturity in November 2050.	494,676	-	-	-
CRA	2.74%	Shared second mortgage on the property and an assignment of rents and leases.	Allows for borrowings up to \$300,000. Outstanding principal and interest are due at maturity in January 2062.	300,000	15,610	300,000	7,193
				<u>14,846,146</u>	<u>1,874,380</u>	<u>14,351,470</u>	<u>1,577,029</u>
Elm Place/JAS Limited Partnership							
CAHT	2.25%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal and accrued interest are due at maturity in July 2061.	994,872	565,700	994,872	531,360
DHCH	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal is due at maturity in June 2041. The maturity date may be extended for an additional thirty-one years with the approval of DHCD.	905,828	-	905,828	-
CAHT	2.25%	Shared second mortgage on the property and an assignment of rents and leases.	All outstanding principal and accrued interest are due at maturity in July 2061.	757,572	270,332	757,572	247,713
DHCD	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal is due at maturity in June 2061. The maturity date may be extended for an additional thirty-one years with the approval of DHCD.	<u>393,019</u>	<u>-</u>	<u>393,019</u>	<u>-</u>
				<u>3,051,291</u>	<u>836,032</u>	<u>3,051,291</u>	<u>779,073</u>

JUST A START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 23. Contingent Debt and Deferred Interest - continued

Lender	Interest	Security	Payment Terms	2023		2022	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
Bishop Allen Apartments LLC							
CAHT	2.61%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity in June 2065.	4,244,501	1,193,387	4,244,501	1,056,637
JAS	3.14%, simple	Shared third mortgage on the property and an assignment of rents and leases.	Due in annual installments of principal and interest of \$80,605 subject to available cash flow, as defined in the agreement. Outstanding principal and accrued interest are due at maturity in June 2054.	1,083,000	273,447	1,083,000	239,441
DHCD	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal is due at maturity in March 2055. The maturity date may be extended for an additional forty years with the approval of DHCD.	1,000,000	-	1,000,000	-
DHCD	0.00%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal is due at maturity in March 2045. The maturity date may be extended for an additional forty years with the approval of DHCD.	1,000,000	-	1,000,000	-
The City	3.14%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity in June 2065.	535,000	178,794	535,000	157,347
CAHT	3.14%	Shared second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity in June 2065.	265,866	91,783	265,866	80,867
JAS	3.14%, simple	Shared third on the property and an assignment of rents and leases.	Due in annual installments of principal and interest of \$11,486 subject to available cash flow, as defined in the agreement. Outstanding principal and accrued interest are due at maturity in June 2054.	<u>140,000</u>	<u>38,072</u>	<u>140,000</u>	<u>33,737</u>
				<u>8,268,367</u>	<u>1,775,483</u>	<u>8,268,367</u>	<u>1,568,029</u>

JUST A START CORPORATION AND AFFILIATES
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

Note 23. Contingent Debt and Deferred Interest - continued

Lender	Interest	Security	Payment Terms	2023		2022	
				Outstanding Principal	Deferred Interest	Outstanding Principal	Deferred Interest
The Close Building LLC							
JAS	7.66%	Fourth mortgage on the property.	Outstanding principal and accrued interest are due at maturity on January 29, 2070.	2,043,325	799,051	2,043,325	596,816
JAS	7.66%	Shared third mortgage on the property	Annual payments are due from net cash flow. Outstanding principal and accrued interest are due at maturity in January 2070.	<u>226,000</u>	<u>56,293</u>	<u>226,000</u>	<u>36,208</u>
				<u>2,269,325</u>	<u>855,344</u>	<u>2,269,325</u>	<u>633,024</u>
Next Step Housing Corporation							
CEDAC	0.00%	Third mortgage on the proper and an assignment of rents and leases.	Annual payments are required to the extent that gross cash receipts exceed 105% of gross cash expenditures. In any event, the unpaid principal is due in full on May 12, 2024.	<u>562,873</u>	<u>-</u>	<u>562,873</u>	<u>-</u>
Rindge Tower Apartments LLC							
MassHousing		Second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity on July 1, 2058.	<u>1,505,971</u>	<u>225,972</u>	<u>1,505,971</u>	<u>186,666</u>
52 New Street Owner							
JAS		Second mortgage on the property and an assignment of rents and leases.	Outstanding principal and accrued interest are due at maturity on December 28, 2075.	<u>420,997</u>	<u>-</u>	<u>-</u>	<u>-</u>
JAS Consolidated Properties LLC							
DHCD	2.60%	Shared second mortgage on the property and an assignment of rents and leases.	Five notes to DHCD. All outstanding principal and accrued interest are due at maturity in December 2059.	1,352,490	178,180	1,352,490	139,311
The City	2.50%	Shared second mortgage on the property and an assignment of rents and leases.	Three notes payable to the City. All outstanding principal and accrued interest are due at maturity in November 2067.	7,351,809	653,261	7,351,809	458,016
JAS	4.00%	Fourth mortgage on the property and an assignment of rents and leases.	Annual payments of principal and Interest are due from and to the extent of available cash. Outstanding principal and accrued interest are due at maturity in December 2067.	7,371,919	1,773,363	7,371,919	1,421,621
Cambridge Redevelopment	2.60%	Seventh mortgage on the property and an assignment of rents and leases.	All outstanding principal and accrued interest are due at maturity in December 2059.	<u>540,000</u>	<u>89,431</u>	<u>540,000</u>	<u>74,678</u>
				<u>16,616,218</u>	<u>2,694,235</u>	<u>16,616,218</u>	<u>2,093,626</u>
		Totals		<u>\$ 51,305,388</u>	<u>\$ 8,261,446</u>	<u>\$ 50,389,715</u>	<u>\$ 6,837,447</u>
		Total contingent debt and accrued interest before eliminations			\$ 59,566,834		\$ 57,227,162
		Less: eliminations			(17,387,456)		(16,256,693)
		Total consolidated contingent debt and accrued interest (see Note 12)			<u>\$ 42,179,378</u>		<u>\$ 40,970,469</u>

Supplemental Information

JUST A START CORPORATION AND AFFILIATES

Consolidating Statements of Financial Position (Unaudited)
As of December 31, 2023 and 2022

Assets	2023				2022			
	Just A Start Operating	Rental Properties	Eliminations	Total	Just A Start Operating	Rental Properties	Eliminations	Total
Current Assets:								
Cash and cash equivalents	\$ 10,560,587	\$ 3,116,615	\$ -	\$ 13,677,202	\$ 6,405,882	\$ 3,057,457	\$ -	\$ 9,463,339
Rent receivable	38,804	1,059,440	-	1,098,244	27,804	897,767	-	925,571
Escrows	-	720,686	-	720,686	-	563,535	-	563,535
Current portion of accounts and grants receivable	2,178,378	-	(76,438)	2,101,940	2,153,999	-	(76,429)	2,077,570
Current portion of notes receivable	129,360	-	-	129,360	85,059	-	-	85,059
Current portion of due from affiliates	3,459,771	35,384	(3,495,155)	-	806,178	5,509	(811,687)	-
Prepaid expenses and other	208,832	286,945	-	495,777	219,016	222,825	-	441,841
Current portion of projects under development	1,712,246	-	-	1,712,246	2,083,952	-	-	2,083,952
Total current assets	<u>18,287,978</u>	<u>5,219,070</u>	<u>(3,571,593)</u>	<u>19,935,455</u>	<u>11,781,890</u>	<u>4,747,093</u>	<u>(888,116)</u>	<u>15,640,867</u>
Other Assets:								
Restricted deposits	7,212,516	9,914,587	-	17,127,103	16,522,432	9,313,522	-	25,835,954
Financing right of use asset	60,335,445	-	(60,335,445)	-	-	-	-	-
Investments in marketable securities	5,149,808	-	-	5,149,808	4,629,966	-	-	4,629,966
Accounts and grants receivable, net of current portion	974,940	-	-	974,940	1,416,010	-	-	1,416,010
Due from affiliates, net of current portion	3,689,535	-	(3,689,535)	-	1,041,075	-	(1,041,075)	-
Notes receivable, net of current portion	13,059,747	-	-	13,059,747	12,897,569	-	-	12,897,569
Projects under development, net of current portion	62,744,213	-	(4,420,047)	58,324,166	28,541,869	-	(859,090)	27,682,779
Capitalized costs, net	-	171,554	-	171,554	-	189,755	-	189,755
Total other assets	<u>153,166,204</u>	<u>10,086,141</u>	<u>(68,445,027)</u>	<u>94,807,318</u>	<u>65,048,921</u>	<u>9,503,277</u>	<u>(1,900,165)</u>	<u>72,652,033</u>
Property and Equipment, net	<u>627,324</u>	<u>129,413,649</u>	<u>(4,836,833)</u>	<u>125,204,140</u>	<u>582,649</u>	<u>133,915,124</u>	<u>(4,971,220)</u>	<u>129,526,553</u>
Total assets	<u>\$ 172,081,506</u>	<u>\$ 144,718,860</u>	<u>\$ (76,853,453)</u>	<u>\$ 239,946,913</u>	<u>\$ 77,413,460</u>	<u>\$ 148,165,494</u>	<u>\$ (7,759,501)</u>	<u>\$ 217,819,453</u>
Liabilities, Net Assets and Non-Controlling Interests								
Current Liabilities:								
Current portion of long-term debt	\$ 7,407,757	\$ 755,334	\$ -	\$ 8,163,091	\$ 1,888,979	\$ 715,255	\$ -	\$ 2,604,234
Current portion of accounts payable, accrued expenses and other	11,484,113	2,359,646	(2,694,249)	11,149,510	4,905,925	2,475,222	(1,185,564)	6,195,583
Current portion of due to affiliates	764,648	752,568	(1,517,216)	-	249,015	557,163	(806,178)	-
Total current liabilities	<u>19,656,518</u>	<u>3,867,548</u>	<u>(4,211,465)</u>	<u>19,312,601</u>	<u>7,043,919</u>	<u>3,747,640</u>	<u>(1,991,742)</u>	<u>8,799,817</u>
Long-term Liabilities:								
Accounts payable, accrued expenses and other, net of current portion	4,257,976	-	(2,670,205)	1,587,771	1,155,420	-	-	1,155,420
Long-term debt, net	51,058,046	52,419,333	-	103,477,379	39,685,381	53,122,117	-	92,807,498
Lines of credit	4,129,011	-	-	4,129,011	4,129,011	-	-	4,129,011
Contractual advances	3,813,222	-	-	3,813,222	3,569,106	-	-	3,569,106
Financing right of use liability	61,126,245	-	(61,126,245)	-	-	-	-	-
Due to affiliates, net of current portion	-	1,469,877	(1,469,877)	-	-	1,878,315	(1,878,315)	-
Contingent debt and deferred interest	420,997	59,145,837	(17,387,456)	42,179,378	-	57,227,162	(16,256,693)	40,970,469
Total long-term liabilities	<u>124,805,497</u>	<u>113,035,047</u>	<u>(82,653,783)</u>	<u>155,186,761</u>	<u>48,538,918</u>	<u>112,227,594</u>	<u>(18,135,008)</u>	<u>142,631,504</u>
Total liabilities	<u>144,462,015</u>	<u>116,902,595</u>	<u>(86,865,248)</u>	<u>174,499,362</u>	<u>55,582,837</u>	<u>115,975,234</u>	<u>(20,126,750)</u>	<u>151,431,321</u>
Net Assets and Non-Controlling Interests:								
Without donor restrictions:	22,124,216	27,816,265	(29,661,545)	20,278,936	18,045,293	32,190,260	(30,313,341)	19,922,212
With donor restrictions	5,495,275	-	-	5,495,275	3,785,330	-	-	3,785,330
Total Just A Start and Affiliates' net assets	<u>27,619,491</u>	<u>27,816,265</u>	<u>(29,661,545)</u>	<u>25,774,211</u>	<u>21,830,623</u>	<u>32,190,260</u>	<u>(30,313,341)</u>	<u>23,707,542</u>
Non-controlling interests	-	-	39,673,340	39,673,340	-	-	42,680,590	42,680,590
Total net assets and non-controlling interests	<u>27,619,491</u>	<u>27,816,265</u>	<u>10,011,795</u>	<u>65,447,551</u>	<u>21,830,623</u>	<u>32,190,260</u>	<u>12,367,249</u>	<u>66,388,132</u>
Total liabilities, net assets and non-controlling interests	<u>\$ 172,081,506</u>	<u>\$ 144,718,860</u>	<u>\$ (76,853,453)</u>	<u>\$ 239,946,913</u>	<u>\$ 77,413,460</u>	<u>\$ 148,165,494</u>	<u>\$ (7,759,501)</u>	<u>\$ 217,819,453</u>

See Independent Auditor's Report.

JUST A START CORPORATION AND AFFILIATES

Consolidating Statements of Activities (Unaudited)
For the Years Ended December 31, 2023 and 2022

	2023				2022			
	Just A Start Operating	Rental Properties	Eliminations	Total	Just A Start Operating	Rental Properties	Eliminations	Total
Net Assets Without Donor Restrictions:								
Operating revenues:								
Rental income	\$ 864,941	\$ 14,252,170	\$ (800,468)	\$ 14,316,643	\$ 184,178	\$ 13,369,298	\$ -	\$ 13,553,476
Government contracts	2,971,032	-	-	2,971,032	2,911,198	-	-	2,911,198
Grants and contributions	1,587,015	-	-	1,587,015	1,045,276	-	-	1,045,276
Developer fees	4,096,787	-	(3,560,957)	535,830	1,097,977	-	(859,090)	238,887
Other service fees	657,040	-	(657,040)	-	638,363	-	(638,363)	-
Interest income and other	555,128	536,183	(504,976)	586,335	494,755	225,588	(408,552)	311,791
Net assets released from purpose restriction	458,019	-	-	458,019	285,089	-	-	285,089
Total operating revenues	11,189,962	14,788,353	(5,523,441)	20,454,874	6,656,836	13,594,886	(1,906,005)	18,345,717
Operating expenses:								
Education and training	2,525,375	-	-	2,525,375	2,169,884	-	-	2,169,884
Housing resources	1,711,501	-	-	1,711,501	1,657,362	-	-	1,657,362
Real estate development	2,309,967	-	(732,565)	1,577,402	2,196,640	-	(846,638)	1,350,002
Rental properties	-	12,592,117	(1,580,529)	11,011,588	-	12,657,243	(2,295,081)	10,362,162
General and administrative	1,493,811	-	-	1,493,811	1,440,295	-	-	1,440,295
Fundraising	575,607	-	-	575,607	427,208	-	-	427,208
Total operating expenses before interest - amortization and depreciation and amortization	8,616,261	12,592,117	(2,313,094)	18,895,284	7,891,389	12,657,243	(3,141,719)	17,406,913
Interest - amortization	13,750	45,791	-	59,541	6,875	358,706	-	365,581
Depreciation and amortization	76,468	4,847,433	(134,387)	4,789,514	85,810	4,858,753	(134,387)	4,810,176
Total operating expenses	8,706,479	17,485,341	(2,447,481)	23,744,339	7,984,074	17,874,702	(3,276,106)	22,582,670
Changes in net assets without donor restrictions from operations	2,483,483	(2,696,988)	(3,075,960)	(3,289,465)	(1,327,238)	(4,279,816)	1,370,101	(4,236,953)
Other income (expense):								
Write off of liabilities owe to affiliate	-	-	-	-	846,638	-	(846,638)	-
Project costs	(82,000)	-	-	(82,000)	(430,000)	-	-	(430,000)
Gain on sale of assets	1,157,652	-	-	1,157,652	-	-	-	-
Investment (loss) gain	519,688	-	-	519,688	(666,051)	-	-	(666,051)
Deferred interest	-	(973,895)	390,083	(583,812)	-	(1,081,206)	376,676	(704,530)
Total other income (expense)	1,595,340	(973,895)	390,083	1,011,528	(249,413)	(1,081,206)	(469,962)	(1,800,581)
Changes in net assets without donor restrictions	4,078,823	(3,670,883)	(2,685,877)	(2,277,937)	(1,576,651)	(5,361,022)	900,139	(6,037,534)
Net Assets With Donor Restrictions:								
Grants and contributions	2,167,964	-	-	2,167,964	2,905,120	-	-	2,905,120
Net assets released from purpose restrictions	(458,019)	-	-	(458,019)	(285,089)	-	-	(285,089)
Changes in net assets with donor restrictions	1,709,945	-	-	1,709,945	2,620,031	-	-	2,620,031
Changes in net assets	\$ 5,788,768	\$ (3,670,883)	\$ (2,685,877)	\$ (567,992)	\$ 1,043,380	\$ (5,361,022)	\$ 900,139	\$ (3,417,503)

See Independent Auditor's Report.

JUST A START CORPORATION AND AFFILIATES

Consolidating Statement of Financial Position - Rental Properties (Unaudited)
 As of December 31, 2023
 (With Summarized Comparative Totals as of December 31, 2022)

	2023								2022	
	Squirrelwood LLC	Elm Place LP	Bishop Allen Apartments LLC	Close Building Associates/ The Close Building LLC	Next Step Housing Corporation	Rindge Tower Apartments LLC	JAS Consolidated LLC	JAS Properties	Total	Total
Assets										
Current Assets:										
Cash and cash equivalents	\$ 400,277	\$ 133,023	\$ 309,384	\$ 387,849	\$ 12,675	\$ 1,155,607	\$ 405,338	\$ 312,462	\$ 3,116,615	\$ 3,057,457
Rent receivable	317,861	16,253	75,486	352,136	9,413	44,962	183,369	59,960	1,059,440	897,767
Escrows	46,335	-	-	148,211	-	123,853	394,674	7,613	720,686	563,535
Current portion of due from affiliates	-	-	1,186	-	-	23,504	10,694	-	35,384	5,509
Prepaid expenses and other	35,462	5,847	12,251	25,220	2,582	137,225	58,940	9,418	286,945	222,825
Total current assets	<u>799,935</u>	<u>155,123</u>	<u>398,307</u>	<u>913,416</u>	<u>24,670</u>	<u>1,485,151</u>	<u>1,053,015</u>	<u>389,453</u>	<u>5,219,070</u>	<u>4,747,093</u>
Other Assets:										
Restricted deposits	1,549,820	431,941	708,326	561,057	42,481	3,986,000	2,074,331	560,631	9,914,587	9,313,522
Capitalized costs, net	55,341	2,683	8,526	31,056	-	35,107	38,841	-	171,554	189,755
Total other assets	<u>1,605,161</u>	<u>434,624</u>	<u>716,852</u>	<u>592,113</u>	<u>42,481</u>	<u>4,021,107</u>	<u>2,113,172</u>	<u>560,631</u>	<u>10,086,141</u>	<u>9,503,277</u>
Property and Equipment, net	32,012,053	4,844,651	13,100,059	16,243,317	872,899	34,607,950	25,066,223	2,666,497	129,413,649	133,915,124
Total assets	<u>\$ 34,417,149</u>	<u>\$ 5,434,398</u>	<u>\$ 14,215,218</u>	<u>\$ 17,748,846</u>	<u>\$ 940,050</u>	<u>\$ 40,114,208</u>	<u>\$ 28,232,410</u>	<u>\$ 3,616,581</u>	<u>\$ 144,718,860</u>	<u>\$ 148,165,494</u>
Liabilities and Net Assets										
Current Liabilities:										
Current portion of long-term debt	\$ 85,687	\$ 23,402	\$ 114,451	\$ 96,517	\$ 30,225	\$ 258,140	\$ 106,094	\$ 40,818	\$ 755,334	\$ 715,255
Accounts payable, accrued expenses and other	683,760	63,588	149,496	179,286	51,205	593,660	490,394	148,257	2,359,646	2,475,222
Current portion of due to affiliates	35,476	33,301	96,058	546,559	15	242	844	40,073	752,568	557,163
Total current liabilities	<u>804,923</u>	<u>120,291</u>	<u>360,005</u>	<u>822,362</u>	<u>81,445</u>	<u>852,042</u>	<u>597,332</u>	<u>229,148</u>	<u>3,867,548</u>	<u>3,747,640</u>
Long-term Liabilities:										
Long-term debt, net	8,684,611	1,272,095	3,701,678	8,669,145	218,424	19,194,425	9,383,419	1,295,536	52,419,333	53,122,117
Due to affiliates, net of current portion	1,466,567	-	3,310	-	-	-	-	-	1,469,877	1,878,315
Contingent debt and deferred interest	16,720,526	3,887,323	10,043,850	3,124,669	562,873	1,731,943	19,310,453	3,764,200	59,145,837	57,227,162
Total long-term liabilities	<u>26,871,704</u>	<u>5,159,418</u>	<u>13,748,838</u>	<u>11,793,814</u>	<u>781,297</u>	<u>20,926,368</u>	<u>28,693,872</u>	<u>5,059,736</u>	<u>113,035,047</u>	<u>112,227,594</u>
Total liabilities	<u>27,676,627</u>	<u>5,279,709</u>	<u>14,108,843</u>	<u>12,616,176</u>	<u>862,742</u>	<u>21,778,410</u>	<u>29,291,204</u>	<u>5,288,884</u>	<u>116,902,595</u>	<u>115,975,234</u>
Net Assets:										
Without donor restrictions	<u>6,740,522</u>	<u>154,689</u>	<u>106,375</u>	<u>5,132,670</u>	<u>77,308</u>	<u>18,335,798</u>	<u>(1,058,794)</u>	<u>(1,672,303)</u>	<u>27,816,265</u>	<u>32,190,260</u>
Total liabilities and net assets	<u>\$ 34,417,149</u>	<u>\$ 5,434,398</u>	<u>\$ 14,215,218</u>	<u>\$ 17,748,846</u>	<u>\$ 940,050</u>	<u>\$ 40,114,208</u>	<u>\$ 28,232,410</u>	<u>\$ 3,616,581</u>	<u>\$ 144,718,860</u>	<u>\$ 148,165,494</u>

JUST A START CORPORATION AND AFFILIATES

Consolidating Statement of Financial Position - Rental Properties (Unaudited)
As of December 31, 2022

Assets	Squirrelwood LLC	Elm Place LP	Bishop Allen Apartments LLC	Close Building Associates/ The Close Building LLC	Next Step Housing Corporation	Ridge Tower Apartments LLC	JAS Consolidated LLC	JAS Properties	Total
Current Assets:									
Cash and cash equivalents	\$ 205,881	\$ 120,408	\$ 267,608	\$ 551,036	\$ 4,485	\$ 1,376,261	\$ 350,294	\$ 181,484	\$ 3,057,457
Rent receivable	335,731	18,912	114,688	73,541	14,273	42,907	213,724	83,991	897,767
Escrows	53,264	-	-	112,739	-	96,122	294,031	7,379	563,535
Current portion of due from affiliates	-	-	1,186	-	-	-	4,323	-	5,509
Prepaid expenses and other	51,438	5,218	10,872	22,606	2,080	69,782	52,649	8,180	222,825
Total current assets	<u>646,314</u>	<u>144,538</u>	<u>394,354</u>	<u>759,922</u>	<u>20,838</u>	<u>1,585,072</u>	<u>915,021</u>	<u>281,034</u>	<u>4,747,093</u>
Other Assets:									
Restricted deposits	1,473,631	386,473	683,412	553,858	52,772	3,613,008	1,937,533	612,835	9,313,522
Projects under development	-	-	-	-	-	-	-	-	-
Capitalized costs, net	59,953	3,756	9,947	33,879	-	39,495	42,725	-	189,755
Total current assets	<u>1,533,584</u>	<u>390,229</u>	<u>693,359</u>	<u>587,737</u>	<u>52,772</u>	<u>3,652,503</u>	<u>1,980,258</u>	<u>612,835</u>	<u>9,503,277</u>
Property and Equipment, net	<u>33,046,126</u>	<u>5,031,844</u>	<u>13,423,343</u>	<u>16,605,465</u>	<u>899,182</u>	<u>35,910,103</u>	<u>26,131,197</u>	<u>2,867,864</u>	<u>133,915,124</u>
Total assets	<u>\$ 35,226,024</u>	<u>\$ 5,566,611</u>	<u>\$ 14,511,056</u>	<u>\$17,953,124</u>	<u>\$ 972,792</u>	<u>\$ 41,147,678</u>	<u>\$ 29,026,476</u>	<u>\$ 3,761,733</u>	<u>\$ 148,165,494</u>
Liabilities and Net Assets									
Current Liabilities:									
Current portion of long-term debt	\$ 82,095	\$ 22,189	\$ 110,578	\$ 92,103	\$ 20,713	\$ 247,418	\$ 101,262	\$ 38,897	\$ 715,255
Accounts payable, accrued expenses and other	842,024	61,202	136,153	176,056	54,320	546,800	476,878	181,789	2,475,222
Current portion of due to affiliates	-	8,612	104,130	439,856	-	242	-	4,323	557,163
Total current liabilities	<u>924,119</u>	<u>92,003</u>	<u>350,861</u>	<u>708,015</u>	<u>75,033</u>	<u>794,460</u>	<u>578,140</u>	<u>225,009</u>	<u>3,747,640</u>
Long-term Liabilities:									
Accounts payable, accrued expenses and other, net of current portion	-	-	-	-	-	-	-	-	-
Long-term debt, net	8,758,751	1,291,973	3,810,484	8,760,134	242,444	19,440,260	9,482,860	1,335,211	53,122,117
Due to affiliates, net of current portion	1,874,721	-	3,594	-	-	-	-	-	1,878,315
Contingent debt and deferred interest	15,928,499	3,830,364	9,836,396	2,902,349	562,873	1,692,637	18,709,844	3,764,200	57,227,162
Total long-term liabilities	<u>26,561,971</u>	<u>5,122,337</u>	<u>13,650,474</u>	<u>11,662,483</u>	<u>805,317</u>	<u>21,132,897</u>	<u>28,192,704</u>	<u>5,099,411</u>	<u>112,227,594</u>
Total liabilities	<u>27,486,090</u>	<u>5,214,340</u>	<u>14,001,335</u>	<u>12,370,498</u>	<u>880,350</u>	<u>21,927,357</u>	<u>28,770,844</u>	<u>5,324,420</u>	<u>115,975,234</u>
Net Assets:									
Without donor restrictions	<u>7,739,934</u>	<u>352,271</u>	<u>509,721</u>	<u>5,582,626</u>	<u>92,442</u>	<u>19,220,321</u>	<u>255,632</u>	<u>(1,562,687)</u>	<u>32,190,260</u>
Total liabilities and net assets	<u>\$ 35,226,024</u>	<u>\$ 5,566,611</u>	<u>\$ 14,511,056</u>	<u>\$ 17,953,124</u>	<u>\$ 972,792</u>	<u>\$ 41,147,678</u>	<u>\$ 29,026,476</u>	<u>\$ 3,761,733</u>	<u>\$ 148,165,494</u>

JUST A START CORPORATION AND AFFILIATES

Consolidating Statement of Activities - Rental Properties (Unaudited)
 For the Year Ended December 31, 2023
 (With Summarized Comparative Totals for the Year Ended December 31, 2022)

	2023								2022	
	Squirrelwood LLC	Elm Place LP	Bishop Allen Apartments LLC	Close Building Associates/ The Close Building LLC	Next Step Housing Corporation	Rindge Tower Apartments LLC	JAS Consolidated LLC	JAS Properties	Total	Total
Operating Revenues:										
Rental income	\$ 2,160,994	\$ 443,715	\$ 893,118	\$ 2,290,111	\$ 149,721	\$ 4,853,486	\$ 2,836,476	\$ 624,549	\$ 14,252,170	\$ 13,369,298
Interest income and other	83,019	17,536	16,048	34,677	1,732	256,989	106,556	19,626	536,183	225,588
Gain (loss) on project	-	-	-	-	-	-	-	-	-	-
Total operating revenues	2,244,013	461,251	909,166	2,324,788	151,453	5,110,475	2,943,032	644,175	14,788,353	13,594,886
Operating Expenses:										
Personnel and related:										
Contract labor	283,688	83,623	131,233	264,643	24,306	732,396	489,395	118,950	2,128,234	1,863,376
Occupancy:										
Interest	661,092	46,542	153,771	667,824	11,414	924,595	455,794	66,292	2,987,324	3,240,774
Utilities	276,770	46,743	91,312	197,724	9,274	647,681	270,351	64,683	1,604,538	1,427,201
Contracted services	328,034	66,493	161,546	217,845	43,022	604,381	588,395	119,763	2,129,479	2,038,612
Real estate taxes	78,156	22,567	37,296	43,983	5,318	166,116	131,097	26,802	511,335	450,887
Insurance	87,122	15,310	36,331	57,874	6,957	224,929	150,386	27,842	606,751	528,231
Repairs and maintenance	154,260	31,045	56,455	98,996	7,141	145,999	111,691	31,219	636,806	503,912
Rents	17,000	-	-	-	-	4,278	-	-	21,278	2,510
Total occupancy	1,602,434	228,700	536,711	1,284,246	83,126	2,717,979	1,707,714	336,601	8,497,511	8,192,127
Other expenses:										
Professional fees	26,635	19,981	25,713	50,426	8,017	82,194	54,100	11,612	278,678	141,413
Management fees	86,440	49,230	55,888	107,426	8,563	275,134	156,041	46,004	784,726	731,346
Office and other	23,457	8,389	10,193	27,553	4,161	64,487	55,660	9,324	203,224	202,780
Telephone and communication	19,762	7,157	2,704	7,124	460	20,257	25,303	2,292	85,059	83,420
Bad debts	-	-	-	-	-	2,436	-	-	2,436	873,397
Miscellaneous	22,815	2,222	3,603	516,743	607	30,317	30,745	5,197	612,249	569,384
Total other expenses	179,109	86,979	98,101	709,272	21,808	474,825	321,849	74,429	1,966,372	2,601,740
Total operating expenses before interest - amortization and depreciation and amortization	2,065,231	399,302	766,045	2,258,161	129,240	3,925,200	2,518,958	529,980	12,592,117	12,657,243
Interest - amortization	11,548	3,659	6,097	5,529	-	12,305	6,653	-	45,791	358,706
Depreciation and amortization	1,136,477	198,913	332,916	511,054	37,347	1,306,541	1,100,374	223,811	4,847,433	4,858,753
Total operating expenses	3,213,256	601,874	1,105,058	2,774,744	166,587	5,244,046	3,625,985	753,791	17,485,341	17,874,702
Changes in net assets without donor restrictions from operations	(969,243)	(140,623)	(195,892)	(449,956)	(15,134)	(133,571)	(682,953)	(109,616)	(2,696,988)	(4,279,816)
Deferred Interest	(69,567)	(56,959)	(207,454)	-	-	(39,306)	(600,609)	-	(973,895)	(1,081,206)
Changes in net assets without donor restrictions	\$ (1,038,810)	\$ (197,582)	\$ (403,346)	\$ (449,956)	\$ (15,134)	\$ (172,877)	\$ (1,283,562)	\$ (109,616)	\$ (3,670,883)	\$ (5,361,022)

See Independent Auditor's Report.

JUST A START CORPORATION AND AFFILIATES

Consolidating Statement of Activities - Rental Properties (Unaudited)
For the Year Ended December 31, 2022

	Squirrelwood LLC	Elm Place LP	Bishop Allen Apartments LLC	Close Building Associates/ The Close Building LLC	Next Step Housing Corporation	Rindge Tower Apartments LLC	JAS Consolidated LLC	JAS Properties	Total
Operating Revenues:									
Rental income	\$ 2,018,177	\$ 428,950	\$ 890,562	\$ 1,977,404	\$ 102,533	\$ 4,756,043	\$ 2,700,311	\$ 495,318	\$ 13,369,298
Interest income and other	34,269	13,621	4,499	12,022	416	131,245	24,506	5,010	225,588
Total operating revenues	2,052,446	442,571	895,061	1,989,426	102,949	4,887,288	2,724,817	500,328	13,594,886
Operating Expenses:									
Personnel and related:									
Contract labor	254,311	74,045	118,157	246,770	21,501	632,917	405,999	109,676	1,863,376
Occupancy:									
Interest	899,290	48,325	158,280	657,439	11,978	935,819	461,534	68,109	3,240,774
Utilities	221,860	35,905	85,483	172,503	9,205	623,321	230,218	48,706	1,427,201
Contracted services	317,597	64,143	108,798	205,755	37,531	570,113	604,275	130,400	2,038,612
Real estate taxes	40,290	22,042	35,286	40,682	5,237	158,593	121,631	27,126	450,887
Insurance	69,089	13,487	32,006	50,984	6,177	199,479	132,482	24,527	528,231
Repairs and maintenance	91,211	25,262	29,405	74,051	4,599	173,782	79,137	26,465	503,912
Rents	-	-	-	-	-	2,510	-	-	2,510
Total occupancy	1,639,337	209,164	449,258	1,201,414	74,727	2,663,617	1,629,277	325,333	8,192,127
Other expenses:									
Professional fees	33,064	15,182	18,132	6,243	7,024	22,461	26,697	12,610	141,413
Management fees	80,742	34,422	53,386	95,989	5,276	270,987	148,575	41,969	731,346
Office and other	31,050	8,649	11,593	30,139	2,993	55,705	52,265	10,386	202,780
Telephone and communication	17,560	7,149	3,043	8,390	607	19,568	24,294	2,809	83,420
Bad debts	22,565	-	-	846,638	-	4,194	-	-	873,397
Miscellaneous	6,844	1,116	2,447	449,085	437	42,900	62,582	3,973	569,384
Total other expenses	191,825	66,518	88,601	1,436,484	16,337	415,815	314,413	71,747	2,601,740
Total operating expenses before interest - amortization and depreciation and amortization	2,085,473	349,727	656,016	2,884,668	112,565	3,712,349	2,349,689	506,756	12,657,243
Interest - amortization	324,463	3,659	6,097	5,529	-	12,305	6,653	-	358,706
Depreciation and amortization	1,137,961	198,716	332,095	521,908	37,347	1,306,541	1,100,374	223,811	4,858,753
Total operating expenses	3,547,897	552,102	994,208	3,412,105	149,912	5,031,195	3,456,716	730,567	17,874,702
Changes in net assets without donor restrictions from operations	(1,495,451)	(109,531)	(99,147)	(1,422,679)	(46,963)	(143,907)	(731,899)	(230,239)	(4,279,816)
Deferred Interest	(193,654)	(55,706)	(206,714)	-	-	(43,054)	(582,078)	-	(1,081,206)
Changes in net assets without donor restrictions	\$ (1,689,105)	\$ (165,237)	\$ (305,861)	\$ (1,422,679)	\$ (46,963)	\$ (186,961)	\$ (1,313,977)	\$ (230,239)	\$ (5,361,022)

JUST A START CORPORATION AND AFFILIATES

Consolidating Statements of Changes in Net Assets - Rental Properties (Unaudited)
For the Years Ended December 31, 2023 and 2022

	<u>Squirrelwood LLC</u>	<u>Elm Place LP</u>	<u>Bishop Allen Apartments LLC</u>	<u>Close Building Associates/ The Close Building LLC</u>	<u>Next Step Housing Corporation</u>	<u>Rindge Tower Apartments LLC</u>	<u>JAS Consolidated LLC</u>	<u>JAS Properties</u>	<u>Total</u>
Net Assets, December 31, 2021	\$ (3,023,497)	\$ 531,239	\$ 815,582	\$ 7,378,896	\$ 139,405	\$ 20,430,840	\$ 1,615,723	\$ (1,332,448)	\$ 26,555,740
Capital contributions	12,452,536	-	-	-	-	-	-	-	12,452,536
Changes in net assets	(1,689,105)	(165,237)	(305,861)	(1,422,679)	(46,963)	(186,961)	(1,313,977)	(230,239)	(5,361,022)
Distribution - payment on seller note	-	-	-	-	-	-	(40,486)	-	(40,486)
Excess of sales price over carryover basis	-	-	-	-	-	209,309	-	-	209,309
Distributions	-	(13,731)	-	(373,591)	-	(677,684)	(5,628)	-	(1,070,634)
Other - seller note receivable	-	-	-	-	-	(555,183)	-	-	(555,183)
Net Assets, December 31, 2022	7,739,934	352,271	509,721	5,582,626	92,442	19,220,321	255,632	(1,562,687)	32,190,260
Capital contributions	39,398	-	-	-	-	-	-	-	39,398
Changes in net assets	(1,038,810)	(197,582)	(403,346)	(449,956)	(15,134)	(172,877)	(1,283,562)	(109,616)	(3,670,883)
Return of capital	-	-	-	-	-	(281,853)	-	-	(281,853)
Distributions	-	-	-	(411,717)	-	(429,793)	(30,864)	-	(872,374)
Other - seller note receivable	-	-	-	(741,310)	-	-	-	-	(741,310)
Other - seller note receivable interest earned	-	-	-	837,158	-	-	-	-	837,158
Ground lease obligation	-	-	-	(367,347)	-	-	-	-	(367,347)
Ground lease expense	-	-	-	683,216	-	-	-	-	683,216
Net Assets, December 31, 2023	<u>\$ 6,740,522</u>	<u>\$ 154,689</u>	<u>\$ 106,375</u>	<u>\$ 5,132,670</u>	<u>\$ 77,308</u>	<u>\$ 18,335,798</u>	<u>\$ (1,058,794)</u>	<u>\$ (1,672,303)</u>	<u>\$ 27,816,265</u>

JUST A START CORPORATION AND AFFILIATES

Schedule of Expenditures of Federal Awards

December 31, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Labor				
<i>Direct</i>				
YouthBuild	17.274	YB-36478-21-60-A-25	\$ -	\$ 378,608
<i>Passed through MassHire Metro North Regional Employment Board</i>				
WIOA Youth Activities (WIOA Cluster)	17.259	256.22 WIOA OSY Follow-up; 250.24 & 255.24	-	148,547
Total U.S. Department of Labor			-	527,155
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster		1-2023; 1-2024 2-2023; 2-2024		
<i>Passed Through City of Cambridge</i>		3-2023; 3-2024		
Community Development Block Grants/Entitlement Grants	14.218	114-2023 OWD/BG-23-22	-	845,276
Community Development Block Grants/Entitlement Grants	14.218	N/A	-	329,000
<i>Passed Through City of Malden</i>				
Community Development Block Grants/Entitlement Grants	14.218	FY21-22; FY23-24	-	16,290
Total CDBG- Entitlement Grants Cluster	Total 14.218		-	1,190,566
<i>Passed Through South Middlesex Opportunity Council</i>				
Emergency Solutions Grant	14.231	ESGBALFY18	-	69,902
<i>Passed Through City of Cambridge</i>				
Home Investment Partnerships Program	14.239	N/A	-	900,000
Total U.S. Department of Housing and Urban Development			-	2,160,468
U.S. Department of Agriculture				
<i>Passed Through University of Massachusetts - Medical School</i>				
Supplemental Nutrition Assistance Program (SNAP Cluster)	10.551	N/A	-	3,838
Total U.S. Department of Agriculture			-	3,838
U.S. Department of Treasury				
<i>Passed Through City of Cambridge</i>				
American Rescue Plan Act of 2021 ARPA Training Program (Bio & IT)	21.027	N/A	-	171,578
ARPA Financial Opportunity Center and Student Stipends	21.027	N/A	-	49,000
Total U.S. Department of Treasury	Total 21.027		-	220,578
Total Expenditures of Federal Awards			\$ -	\$ 2,912,039

See Notes to Schedule of Expenditures of Federal Awards.

JUST A START CORPORATION AND AFFILIATES

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Just A Start Corporation and Affiliates under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Just A Start Corporation and Affiliates, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of Just A Start Corporation and Affiliates.

Note 2: Indirect Cost Rate

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

Note 3: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4: Loans Outstanding

Home Investment Partnerships Program (14.239) outstanding loan balances were \$900,000 as of December 31, 2023.

Community Development Block Grants/Entitlement Grants (14.218) outstanding loan balances were \$329,000 as of December 31, 2023.

Independent Auditor's Report on Internal Control Over Financial Reporting and
Report on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Just A Start Corporation and Affiliates (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated June 14, 2024. The financial statements of Bishop Allen Apartments LLC, Elm Place/JAS Limited Partnership, and Squirrelwood LLC 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.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



Braintree, Massachusetts
June 14, 2024

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

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Just A Start Corporation and Affiliates' (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Just A Start Corporation and Affiliates' major federal program for the year ended December 31, 2023. Just A Start Corporation and Affiliates' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Just A Start Corporation and Affiliates complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Just A Start Corporation and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Just A Start Corporation and Affiliates' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on Just A Start Corporation and Affiliates' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Just A Start Corporation and Affiliates' compliance with the requirements of its major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Just A Start Corporation and Affiliates' compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of Just A Start Corporation and Affiliates' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Just A Start Corporation and Affiliates' internal control. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Braintree, Massachusetts
June 14, 2024

JUST A START CORPORATION AND AFFILIATES

Schedule of Findings and Questioned Costs

December 31, 2023

(1) Summary of Auditor's Results

Financial Statements:

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes no

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

14.218

CDBG - Entitlement Grants Cluster

Fix

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

\$ 750,000

Auditee qualified as low-risk auditee? yes no

JUST A START CORPORATION AND AFFILIATES

Schedule of Findings and Questioned Costs

December 31, 2023

(2) Consolidated Financial Statement Audit Findings

No significant deficiencies or material weaknesses reported.

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

No significant deficiencies or material weaknesses reported.



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