

**FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

**JUBILEE HOUSING, INC.
(A NON-PROFIT ORGANIZATION)**

December 31, 2021 and 2020

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Independent Auditor's Report

June 30, 2022

To the Board of Directors of
Jubilee Housing, Inc. (A Non-Profit Organization)
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of Jubilee Housing, Inc. (a non-profit organization) which comprise the consolidated statements of financial position as of December 31, 2021 and 2020 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jubilee Housing, Inc. as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in conformity 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jubilee Housing, Inc. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes 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 Jubilee Housing, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

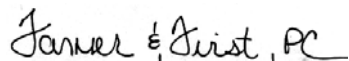
- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jubilee Housing, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jubilee Housing Inc's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 39 to 53 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 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 in 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Janner & Frost, PC".

Warren, RI

Jubilee Housing, Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 2,448,999	\$ 1,505,013
Cash and cash equivalents - restricted	1,211,083	1,583,445
Grant receivable and promises to give, less allowance	1,252,466	1,236,595
Management fees & payroll reimbursements rec	26,981	27,907
Accounts receivable	912,865	4,326
Prepaid expenses	135,547	132,472
Total current assets	<u>5,987,941</u>	<u>4,489,758</u>
PROPERTY AND EQUIPMENT:		
Buildings and improvements	34,865,988	12,421,652
Development in progress	12,797,845	10,674,220
Furniture, equipment and vehicles	762,336	402,951
Total property and equipment	48,426,169	23,498,823
Less: accumulated depreciation	<u>9,355,899</u>	<u>1,182,908</u>
Sub-total	39,070,270	22,315,915
Land	<u>20,134,347</u>	<u>19,079,494</u>
Property and equipment, net	<u>59,204,617</u>	<u>41,395,409</u>
OTHER ASSETS:		
Grant receivable and promises to give, net of current	30,000	104,530
Loan receivable - related party	3,648,668	9,095,806
Notes receivable - Jubilee Housing LP (related party)	-	2,494,152
Notes receivable - Jubilee Housing LP II (related party)	5,081,000	5,081,000
Deferred development fees	3,534,567	3,960,438
Deferred loan costs	-	9,265
Investments	3,840,855	5,666,263
Deposits	12,919	393
Total other assets	<u>16,148,009</u>	<u>26,411,847</u>
TOTAL	<u>\$ 81,340,567</u>	<u>\$ 72,297,014</u>

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
December 31,

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Notes payable	\$ 805,947	\$ 838,581
Mortgage payable - current	32,599,627	16,447,290
Line of credit (operating)	401,541	741,541
Accounts payable and accrued expenses	928,754	1,438,244
Tenant security deposits	33,263	33,263
Deferred revenue	902,668	502,624
Total current liabilities	35,671,800	20,001,543
LONG-TERM LIABILITIES:		
Mortgages payable, less current portion	20,233,944	26,992,878
Accrued interest expense	1,171,277	343,516
Deferred development fee income	3,534,567	4,135,569
Total long-term liabilities	24,939,788	31,471,963
Total liabilities	60,611,588	51,473,506
NET ASSETS:		
Without Donor Restrictions		
Operating	19,211,646	19,348,759
Board designated Jubilee to College	138,371	-
Board designated reserve	600,000	400,000
	19,950,017	19,748,759
With Donor Restrictions	778,962	1,074,749
Total net assets	20,728,979	20,823,508
TOTAL	\$ 81,340,567	\$ 72,297,014

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	Without Restrictions	With Restrictions	Total
SUPPORT & REVENUE:			
Contributions and grants	\$ 1,992,465	\$ 60,000	\$ 2,052,465
Partner fee income	67,182	-	67,182
Developer fee income	403,887	-	403,887
Rental income	615,687	-	615,687
Payroll reimbursements	643,843	-	643,843
Management fee income	218,997	-	218,997
Interest income	416,116	-	416,116
Partnership income/loss	(23,451)	-	(23,451)
Payroll Protection Loan forgiveness	750,200	-	750,200
Employee Retention Credit	464,027	-	464,027
Loss on sale of securities	(238)	-	(238)
Real estate tax refund	69,516	-	69,516
Other income	181,169	-	181,169
Net assets released from restrictions	<u>355,787</u>	<u>(355,787)</u>	<u>-</u>
 Total support and reclassifications	 <u>6,155,187</u>	 <u>(295,787)</u>	 <u>5,859,400</u>
EXPENSES:			
Program services:			
Housing	2,185,181	-	2,185,181
Resident services	1,937,013	-	1,937,013
Supporting services			
Management and general	1,386,039	-	1,386,039
Fundraising	<u>445,696</u>	<u>-</u>	<u>445,696</u>
 Net expenses	 <u>5,953,929</u>	 <u>-</u>	 <u>5,953,929</u>
 Change in net assets	 201,258	 (295,787)	 (94,529)
 Net assets, January 1, 2021	 <u>19,748,759</u>	 <u>1,074,749</u>	 <u>20,823,508</u>
 Net assets, December 31, 2021	 <u>\$ 19,950,017</u>	 <u>\$ 778,962</u>	 <u>\$ 20,728,979</u>

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	Without Restrictions	With Restrictions	Total
SUPPORT & REVENUE:			
Contributions and grants	\$ 2,556,258	\$ 85,000	\$ 2,641,258
Interest income	584,306	-	584,306
Developer fee income	572,917	-	572,917
Payroll reimbursements	598,351	-	598,351
Rental income	203,006	-	203,006
Management fee income	221,874	-	221,874
Partnership income	49,680	-	49,680
Partner fee income	39,325	-	39,325
Loss on sale of securities	(161)	-	(161)
Other income	15,657	-	15,657
Net assets released from restrictions	<u>83,984</u>	<u>(83,984)</u>	<u>-</u>
 Total support and reclassifications	 <u>4,925,197</u>	 <u>1,016</u>	 <u>4,926,213</u>
EXPENSES:			
Program services:			
Housing	1,069,120	-	1,069,120
Resident services	3,154,200	-	3,154,200
Supporting services			
Management and general	872,203	-	872,203
Fundraising	<u>459,251</u>	<u>-</u>	<u>459,251</u>
 Net expenses	 <u>5,554,774</u>	 <u>-</u>	 <u>5,554,774</u>
 Change in net assets	 (629,577)	 1,016	 (628,561)
 Net assets, January 1, 2020	 <u>20,378,336</u>	 <u>1,073,733</u>	 <u>21,452,069</u>
 Net assets, December 31, 2020	 <u>\$ 19,748,759</u>	 <u>\$ 1,074,749</u>	 <u>\$ 20,823,508</u>

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Services			Supporting Services			
	<u>Housing</u>	<u>Resident Services</u>	<u>Total Program Services</u>	<u>Mgmt & General</u>	<u>Fund-Raising</u>	<u>Total Support</u>	<u>Functional Expenses</u>
Salaries & labor	\$ 784,097	\$ 1,080,575	\$ 1,864,672	\$ 430,598	\$ 205,349	\$ 635,947	\$ 2,500,619
Contract labor	420	1,472	1,892	10,331	-	10,331	12,223
Payroll taxes	68,145	93,928	162,073	47,096	18,259	65,355	227,428
Fringe benefits	204,585	220,933	425,518	102,325	42,528	144,853	570,371
Total payroll and related expenses	1,057,247	1,396,908	2,454,155	590,350	266,136	856,486	3,310,641
Professional fees	55,932	9,566	65,498	400,194	49,107	449,301	514,799
Interest	431,153	-	431,153	30,544	20,223	50,767	481,920
Program services and events	31,200	330,109	361,309	36,014	52,374	88,388	449,697
Depreciation and amortization	283,190	7,943	291,133	6,393	-	6,393	297,526
Utilities and telephone	147,887	12,236	160,123	30,077	4,923	35,000	195,123
Software leasing and IT support	25,559	3,661	29,220	96,309	28,995	125,304	154,524
Rent and parking	8,099	100,017	108,116	15,241	2,761	18,002	126,118
Repairs and maintenance	80,006	22,892	102,898	9,836	-	9,836	112,734
Taxes and insurance	47,116	7,353	54,469	53,507	-	53,507	107,976
Supplies	6,704	30,916	37,620	35,522	5,226	40,748	78,368
Write off of uncollectible pledges		-	-	36,322	-	36,322	36,322
Advertising and marketing	6,284	9,615	15,899	2,092	7,942	10,034	25,933
Bank fees and financial charges	2,668	25	2,693	15,357	3,821	19,178	21,871
Staff development	692	2,545	3,237	9,519	3,973	13,492	16,729
Travel and transportation	123	2,215	2,338	5,216	-	5,216	7,554
Printing	43	360	403	4,539	43	4,582	4,985
Mailing costs	658	38	696	3,635	22	3,657	4,353
Miscellaneous expenses	620	614	1,234	5,372	150	5,522	6,756
Totals	\$ 2,185,181	\$ 1,937,013	\$ 4,122,194	\$ 1,386,039	\$ 445,696	\$ 1,831,735	\$ 5,953,929

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services			Supporting Services			
	<u>Housing</u>	<u>Resident Services</u>	<u>Total Program Services</u>	<u>Mgmt & General</u>	<u>Fund-Raising</u>	<u>Total Support</u>	<u>Functional Expenses</u>
Salaries & labor	\$ 630,884	\$ 1,305,123	\$ 1,936,007	\$ 483,579	\$ 226,234	\$ 709,813	\$ 2,645,820
Contract labor	100	2,132	2,232	1,478	-	1,478	3,710
Payroll taxes	54,582	113,732	168,314	37,299	19,249	56,548	224,862
Fringe benefits	165,229	256,874	422,103	107,137	41,256	148,393	570,496
Total payroll and related expenses	850,795	1,677,861	2,528,656	629,493	286,739	916,232	3,444,888
Interest	14,850	398,217	413,067	100,786	-	100,786	513,853
Program services and events	14,067	296,783	310,850	16,020	59,767	75,787	386,637
Professional fees	49,954	177,929	227,883	37,495	49,418	86,913	314,796
Depreciation and amortization	959	169,020	169,979	8,219	-	8,219	178,198
Rent and parking	41,390	52,273	93,663	14,710	27,425	42,135	135,798
Software leasing and IT support	27,034	69,801	96,835	20,961	14,797	35,758	132,593
Utilities and telephone	45,258	53,916	99,174	3,377	3,446	6,823	105,997
Taxes and licenses	2,884	74,241	77,125	10,851	-	10,851	87,976
Repairs and maintenance	1,805	79,682	81,487	4,709	51	4,760	86,247
Supplies	11,504	57,083	68,587	6,497	3,969	10,466	79,053
Bank fees and financial charges	3,615	8,416	12,031	2,195	7,798	9,993	22,024
Staff development	1,390	7,769	9,159	7,758	2,465	10,223	19,382
Grant expense	-	10,000	10,000	-	-	-	10,000
Advertising and marketing	553	8,064	8,617	185	26	211	8,828
Travel and transportation	873	3,209	4,082	699	313	1,012	5,094
Mailing costs	1,072	2,350	3,422	703	383	1,086	4,508
Printing	594	2,323	2,917	465	213	678	3,595
Miscellaneous expense	523	5,263	5,786	7,080	2,441	9,521	15,307
Totals	<u>\$ 1,069,120</u>	<u>\$ 3,154,200</u>	<u>\$ 4,223,320</u>	<u>\$ 872,203</u>	<u>\$ 459,251</u>	<u>\$ 1,331,454</u>	<u>\$ 5,554,774</u>

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2021	2020
NET CASH FLOWS PROVIDED BY		
OPERATING ACTIVITIES	<u>\$ (747,553)</u>	<u>\$ 204,947</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	-	(2,271,817)
Increase in investments	(5,318,516)	-
Decrease (increase) in deferred development fees	425,871	(790,687)
Net advances in notes and receivables from related party	<u>5,447,138</u>	<u>(1,534,218)</u>
Net cash provided (used) by investing activities	<u>554,493</u>	<u>(4,596,722)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Decrease) Increase in deferred development fee income	(601,002)	422,699
Net borrowings (repayments) on notes, loans, and mortgages payable	<u>1,365,686</u>	<u>1,896,704</u>
Net cash provided by financing activities	<u>764,684</u>	<u>2,319,403</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	571,624	(2,072,372)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>3,088,458</u>	<u>5,160,830</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>\$ 3,660,082</u></u>	<u><u>\$ 3,088,458</u></u>
Interest paid during the year	<u><u>\$ 434,606</u></u>	<u><u>\$ 403,445</u></u>

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
For the Years Ended December 31,

	2021	2020
Decrease in net assets	\$ (94,529)	\$ (628,561)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	297,526	247,614
Partnership loss (income)	23,451	(56,407)
Decrease (increase) in operating assets:		
Management fees & payroll receivable	926	99,976
Grants receivable and promises to give	58,659	44,878
Accounts receivable	(908,539)	(4,326)
Prepaid expenses	(3,075)	98,238
Deposits	(12,526)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(509,490)	286,365
Tenant security deposits	-	12,932
Deferred income	<u>400,044</u>	<u>104,238</u>
Net cash (used) provided by operating activities	<u>\$ (747,553)</u>	<u>\$ 204,947</u>

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Jubilee Housing, Inc. (the Organization) was incorporated on October 25, 1973 in the District of Columbia. The Organization's mission is to build diverse, compassionate communities that create opportunities for everyone to thrive. Jubilee Housing envisions a city and a world where access to basic resources and opportunities are available to all people and where people live out these opportunities in the context of supportive community. The Organization pursues its mission by developing and operating affordable housing communities and by providing a variety of programs and services for residents. The Organization is supported principally by earned income from real estate development and management, as well as contributions from foundation and governmental grants, corporations and individuals.

The Organization provides affordable housing through various financing programs and structures and is the managing/controlling entity for several Limited Partnerships that own properties that was not part of the consolidated financial statements for the Organization. Beginning in 2018 those partnerships were consolidated with the financial statements for the organization and shown in the supplemental section of the financials, under "combination of controlled entities."

The Organization is expanding its affordable housing portfolio to meet more of the need for affordable housing in the District. It will engage in a variety of financing and rehabilitation activities for the new projects.

The Organization acts as "developer" in partnership with other professional partners. In addition to these activities, the Organization will continue to serve as managing agent and provider of social services for the resident community.

The Organization is actively increasing the breadth and depth of programs and services that it offers the community in commitment to the housing programs.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Basis of Accounting

The Organization recognizes income on the accrual method of accounting in accordance with the accounting principles generally accepted in the United States of America.

3. Principles of Consolidation

The consolidated financial statements include the accounts of Jubilee Housing, Inc., and its wholly owned subsidiaries, Fulton-Fuller, Inc., Maycroft, LLC, Jubilee Kalorama LLC, Jubilee Euclid LLC, Jubilee KEB, LLC, Jubilee Ontario II, LLC, Justice Housing CMF SPE, LLC, and Jubilee Housing Limited Partnership (for the period October 18, 2021 to December 31, 2021) after elimination of all significant inter-company balances and transactions. The supplemental pages of the financial statements – “combination of controlled entities” - include financials for Jubilee Housing Limited Partnership, Jubilee Housing Limited Partnership II, Jubilee Ontario Apartments LP, Jubilee Maycroft Apartments LP, Justice Housing Partners LP, and Jubilee Manna CDE.

4. Basis of Presentation

The financial statements are presented in accordance with FASB Accounting Standard Codification (FASB ASC) released ASU2016-14 Not-for-Profit Entities (Topic 958). Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions include all assets received with donor designated restrictions whether they are perpetual in nature, or purpose or time restricted.

5. Income Taxes

The Organization is a not-for-profit organization that is generally exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. In addition, the Organization has been classified as an organization that is not a private foundation under Section 590(a) (1). Income that is not related to exempt purposes, less applicable deductions, is subject to Federal and state corporate income taxes. The Organization did not have any unrelated business income for the years ended December 31, 2021 and 2020.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated for financial statement purposes using the straight-line method based on the property's estimated life. Additions and improvements that add materially to productive capacity or extend the life of an asset are capitalized. Normal repairs and maintenance are charged against income. When facilities are retired or sold, their cost and accumulated depreciation are removed from the accounts and related gains or losses are included in income. In case of trade items, any remaining book value increases the basis of the new acquisitions.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donation asset to a specific purpose. The estimated lives used in determining depreciation are:

Building and building improvements	5 – 40 yrs.
Furniture and equipment	5 – 10 yrs.
Vehicles	5 yrs.

7. Contributed Services and Equipment

The value of non-cash contributed services was recorded as unrestricted gifts-in-kind contributions at their estimated fair value at the date of donation. The Organization's policy is to not imply time restrictions on gifts of long-lived assets. During the years ended December 31, 2021 and 2020, the Organization received non-cash donations consisting of legal and professional services in the amounts of \$30,218 and \$95,795, respectively.

8. Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Organization considers all unrestricted highly liquid investments, with an initial maturity of three months or less, to be cash.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Liquidity

The Organization maintains a liquid cash balance through its checking account in an amount necessary to meet its anticipated expenditures for the next 30 days. The Organization reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Any restricted cash is separately identified and monitored as part of the Organization's monthly financial reporting process.

The Organization's financial assets available within one year to meet cash needs for general expenditures through December 31, 2022 are as follows:

Financial Assets:

Cash	\$ 3,657,054
Grants Receivable and Promises to Give	1,241,083
Accounts Receivable	912,865
Mgmt. Fees and Payroll Reimb. Receivables	<u>26,981</u>
Total Financial Assets	5,837,983

Less amounts not available within one year	<u>-778,962</u>
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Financial Assets available to meet cash needs for general expenditures within one year	<u>\$5,059,021</u>
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10. Restricted and Unrestricted Revenue

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in with donor restrictions net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restrictions net assets are reclassified to without restrictions net assets and reported in the statement of activities as net assets released from restrictions.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

12. Revenue Recognition

All public support and revenue are considered to be available for unrestricted use unless specifically restricted by grant or donor.

13. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

14. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. Accounts Receivable

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results which would have been obtained had the allowance method been followed.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

16. Subsequent Events

Management has evaluated subsequent events through August 5, 2022, the date which the financial statements were available to be issued. There were no subsequent events that would have materially affected the financial statement other than note AA.

17. Uncertain Tax Provisions

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740 requires a two-step approach for determining the amount, if any, of a tax benefit that should be recognized in the Organization's financial statement.

The first step is recognition: The Organization determines whether it is more likely than not that a tax position will be sustained upon examination. The second step is measurement that a tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit in the financial statements. If such positions result in uncertainties, then the unrecognized tax liability is estimated based on a cumulative probability assessment that aggregates the estimated tax liability for all uncertain tax positions. With the adoption of these new rules, the Organization assessed its tax positions in accordance with the guidance. The Organization has determined that the only tax position affected by ASC 740 is its tax status as a DC non-profit corporation. That position is highly certain. Therefore, these new rules had no impact on the Organization's financial statements.

NOTE B – CONCENTRATION OF RISK

Cash

The Organization maintains cash balances at three financial institutions located in the Washington, D.C. metropolitan area. Accounts held at these financial institutions are insured, in amounts up to \$250,000 by the Federal Deposit Insurance Corporation. The aggregate of all uninsured balances at December 31, 2021 was \$2,234,088. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss on cash and cash equivalents.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE B – CONCENTRATION OF RISK (continued)

Marketable Securities

The Organization maintains an investment account with one brokerage firm. The Security Investor Protection Corporation insures balances up to \$500,000 (with a limit of \$250,000 for cash). The brokerage firm maintains additional insurance to cover any significant credit risk on cash and cash equivalents. The Organization has not experienced any losses in this account and believes that it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE C – NOTES RECEIVABLE

1- JUBILEE HOUSING LIMITED PARTNERSHIP (JHLP)

On September 29, 2005, as part of the sale of the properties to JHLP, the Organization entered into a seller take back note receivable in the amount of \$2,092,152. Additionally, at settlement, the Organization loaned the Partnership an additional \$400,000. This note bears interest at the rate of 4.52%, interest due annually, secured by the underlying property and is due in 40 years. In the event the property is reacquired by the Organization at its option at the fair market value of the property at the date of sale, the note will be paid subject to available cash flow. The interest due annually may only be paid to the Organization if there is available cash flow as calculated by the Partnership. In 2021, the Organization assumed the limited partners interest of the Partnership and the Partnership's activities are now part of the consolidated statements of the Organization.

2- JUBILEE HOUSING LIMITED PARTNERSHIP II (JHLP II)

On November 20, 2009, as part of the sale of the properties to JHLP II, the Organization entered into a seller take back note receivable in the amount of \$3,560,000. This note bears interest at the rate of 4.01%, interest due annually, secured by the underlying property and is due in 40 years. In the event the property can be reacquired by the Organization at its option at the fair market value of the property at the date of sale, the note will be paid subject to available cash flow. The interest due annually may only be paid to the Organization if there is available cash flow as calculated by the Partnership.

On November 20, 2009, the Organization entered into additional loan agreements with JHLP II in the amount of \$1,550,000 to rehabilitate the project. These notes are non-interest bearing, secured by a subordinated deed of trust on the property and are due on November 24, 2049. As of December 31, 2021 and 2020, the amounts due to the Organization were \$1,521,000.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE C – NOTES RECEIVABLE (continued)

3- JUBILEE ONTARIO APARTMENTS, LP (JOA)

As part of the sale (as described in Note Q) of Ontario Apartments to JOA, the organization entered into a seller take back note receivable in the amount of \$450,000. The note and accrued interest of \$288,952 were repaid in 2020 when the first mortgage was refinanced using HUD 223f financing.

NOTE D– DEFERRED DEVELOPMENT FEES

1 – Jubilee Housing Limited Partnership II (JHLP II)

On October 13, 2005, the Organization entered into a Development Agreement with JHLP II. The development agreement was amended on November 20, 2009. The amended agreement provides for a developer fee in the amount of \$2,420,935, to be paid from capital contributions upon satisfaction of certain milestones as defined in the agreement or surplus cash. The outstanding development fee payable is non-interest bearing. Any remaining unpaid development fee at the thirteenth anniversary of the completion of construction, as defined, shall be paid by a capital contribution from the general partner. As of December 31, 2021, and 2020, the deferred development fee was \$156,796 and \$256,796, respectively.

2 – Jubilee Ontario Apartments, LP (JOA)

On March 27, 2015, the Organization entered into a Development Agreement with JOA. JOA agreed to pay \$732,571 to Jubilee Housing for developer fee. As of December 31, 2021, and 2020 the Organization was due \$291,821 and \$631,041, respectively.

3 - Jubilee Maycroft Apartments LP (JMA)

On April 4, 2019, the Organization entered into an Amended and Restated Agreement of Limited Partnership with JMA. JMA agreed to pay \$3,495,616 to the Organization for developer fee, in installments defined in the Partnership Agreement, and subject to available cash. The rental achievement date was April 10, 2020. As of December 31, 2021, and 2020, the deferred development fee was \$3,395,000.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE E – PLEDGES RECEIVABLE AND UNCONDITIONAL PROMISES TO GIVE

As of December 31, 2021 and 2020, respectively, pledges receivable and unconditional promises to give are comprised of the following items:

	<u>2021</u>	<u>2020</u>
Individuals and Organizations	\$244,264	\$877,693
Less: Allowance for uncollectible promises	<u>17,751</u>	<u>12,031</u>
Net unconditional promises to give	<u>\$226,513</u>	<u>\$865,662</u>
Receivables due in less than one year	\$196,513	\$ 761,900
Receivables due in one to two years	30,000	10,000
Receivables due in two to three years	-0-	10,000
Receivables due in three to four years	-0-	10,000
Receivables due in more than four years	<u>-0-</u>	<u>73,762</u>
Net unconditional promises to give	<u>\$226,513</u>	<u>\$865,662</u>

NOTE F – INVESTMENTS

1 - Jubilee Housing Limited Partnership

On March 23, 2003, the Organization formed a limited partnership with a 99.99% limited and .01% general partnership ownership of Jubilee Housing Limited Partnership (JHLP). On the date of the sale of the four properties, the Organization withdrew from its limited partnership interests. As of December 31, 2020, the Organization invested into the partnership \$3,971,125. On October 18, 2021, the Organization the limited partners interest of the Partnership and the Partnership's activities are now part of the consolidated statements of the Organization.

2 - Jubilee Housing Limited Partnership II

On August 17, 2004, the Organization formed a limited partnership with a 99.99% limited and .01% general partnership of Jubilee Housing Limited Partnership II. On the date of the sale of the two properties as described in Note D, the Organization withdrew from its limited partnership interests. As of December 31, 2021 and 2020, the Organization invested into the partnership \$38,732.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE F – INVESTMENTS (continued)

3 - Jubilee Maycroft, LLC

During 2013, the Organization established Jubilee Maycroft LLC, to participate in the redevelopment of the property. On June 14, 2017, Jubilee Maycroft LLC sold 60 residential condominiums in the Maycroft property to Jubilee Maycroft Apartments LP to facilitate syndication of Low-Income Tax Credits for rehabilitation of the residential portion of the project. Jubilee Housing, Inc. retained ownership of commercial condominiums.

4 - Jubilee Ontario Apartments, LP

On August 15, 2014, the Organization formed a limited partnership with a 99.99% limited and .01% general partner interest in Jubilee Ontario Apartments LP. On March 27, 2015, the Organization withdrew its limited partnership interest in order to admit the investor limited partner. As of December 31, 2021, and 2020 the Organization invested \$524,734.

NOTE G – INVESTMENT IN FULTON-FULLER, INC.

During 1984, the Organization purchased 100% of the outstanding common stock of Fulton-Fuller, Inc., a D.C. (for profit) corporation. The corporation's operations have been consolidated within Jubilee Housing, Inc.'s operations in the accompanying statements.

NOTE H – NOTES PAYABLE

The Organization has initiated a loan program to obtain zero or low-interest unsecured loans from individuals and organizations to finance the operations and/or rehabilitation of its buildings. These loans are mostly demand notes or notes payable after a short period of notice. Therefore, these loans are classified as current on the statement of financial position. The notes bear interest at the rates of 0% through 6%. At times, the lender subsequently cancels this debt, and the Organization will reclassify this loan as contribution revenue.

The Organization is potentially subject to concentration of credit risk since these loans are demand loans and may be callable at any time by the lenders. The total notes payable balance as of December 31, 2021 and 2020 were \$805,947 and \$838,581 respectively.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE I – MORTGAGES & NOTES PAYABLE

As of December 31, 2021 and 2020, mortgages payable are secured by buildings and consist of the following:

	<u>2021</u>	<u>2020</u>
1 - Mortgage payable, entered October 29, 2018 to acquire the property at 1460 Euclid Street, NW, Washington, DC. This mortgage is secured by the property, bears interest at 5.61% interest, interest only payable monthly and is due on October 29, 2020. This Note has been extended twice, with the second amendment extending the maturity date to April 27, 2021	\$ 4,500,000	\$ 4,500,000
2 - Mortgage payable, entered October 29, 2018 to acquire the property at 1460 Euclid Street, NW, Washington, DC. This mortgage is secured by the property, bears interest at 5.0% interest, interest only payable monthly and is due on October 29, 2020. The loan was modified on August 12, 2021 to increase the amount of the loan to \$2,950,000 and is due on July 30, 2022	2,544,285	1,700,000
3 - Mortgage payable, entered August 24, 2018 to acquire the property at 1724 Kalorama Road, NW, Washington, DC. This mortgage is secured by the property, bears interest at 5.35% interest, interest only payable monthly and is due on August 24, 2020. This Note has been extended three times, with the fifth Amendment extending the maturity date to September 28, 2022	6,029,165	6,029,165
4 - Mortgage payable, entered August 24, 2018 to acquire the property at 1724 Kalorama Road, NW, Washington, DC. This mortgage is secured by the property, bears interest at 6.0% interest, interest only payable monthly and is due on August 24, 2020. A signed fourth Amendment to this loan extends the maturity date to October 1, 2022	<u>2,062,500</u>	<u>2,062,500</u>
Sub-total	<u>\$ 15,135,950</u>	<u>\$ 14,291,665</u>

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE I – MORTGAGES & NOTES PAYABLE (continued)

	<u>2021</u>	<u>2020</u>
5 - Mortgage payable, entered September 27, 2012, to develop the properties at 2720 Ontario Road, NW and 2448 18 th Street, NW, Washington, DC. This mortgage is secured by the property, bears interest at 1% interest, deferred until September 27, 2014, repayable from 25% available cash flow and is due on September 27, 2036	\$ 325,957	\$ 325,957
6 - Mortgage payable, entered on August 6, 2010, to purchase the property at 2720 Ontario Rd, NW, Washington, DC. This mortgage is secured by the property, bears interest at the rate of 5.5% per annum, and payable on three payments of \$14,446 each on November 6, 2010, February 6, 2011 and May 6, 2011 and beginning on June 6, 2011, monthly payments of \$4,840 due on August 6, 2030	396,670	431,875
7 - Mortgage payable, entered on December 13, 2012, to renovate the property at 2448 18 th St, NW, and 2720 Ontario Road, NW, Washington, DC. This mortgage is secured by the properties, maximum to be borrowed of \$2,922,451, interest at the rate of 1% per annum deferred until December 13, 2014 and payable annually beginning December 13, 2015 as defined of 50% of available cash flow. The funds advanced as of December 31, 2016 and 2015 was \$2,932,506.	<u>2,932,506</u>	<u>2,932,506</u>
Subtotal	<u>\$ 18,791,083</u>	<u>\$ 17,982,003</u>

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE I – MORTGAGES & NOTES PAYABLE (continued)

	<u>2021</u>	<u>2020</u>
8 - Mortgage payable, entered on December 13, 2012, to renovate the property at 2448 18 th St, NW, and 2720 Ontario Road, NW, Washington, DC. This mortgage is up to \$750,000, secured by the properties, interest only for two years, followed by monthly payments of principal and interest based on a 25-year amortization. The mortgage is due on December 13, 2022 with interest calculated at 30-day LIBOR plus 3% with a floor of 4.5%.	\$ 536,654	\$ 566,654
9 -Mortgage payable, consists of three notes, dated June 15, 2017 to renovate and develop the property at 1474 Columbia Road, NW, Washington, DC. The total balance of the three notes is \$6,790,000 as of December 31, 2018 and 2017 and is secured by the property. The first note in the balance of \$2,969,419 is due on June 15, 2024. The second and third notes, \$1,715,081 and \$2,105,500 respectively are due on June 15, 2047. Commencing on July 15, 2024 for notes 2 and 3, the monthly payments will include principal and interest based on a schedule of payments as stipulated on the mortgage agreement with the final payment due on June 15, 2047	<u>6,790,000</u>	<u>6,790,000</u>
Sub-total	<u>\$ 26,117,737</u>	<u>\$25,338,657</u>

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE I – MORTGAGES & NOTES PAYABLE (continued)

	<u>2021</u>	<u>2020</u>
10 - Mortgage payable, from a related party, entered October 29, 2018 to acquire the property at 1460 Euclid Street, NW, Washington, DC. This mortgage is secured by the property, bears interest at 2.5% interest, interest only payable June 30 and December 31 semi-annually and is due on December 31, 2021	\$ 1,305,000	\$ 1,305,000
11 - Mortgage payable, from a related party, entered August 24, 2018 to acquire the property at 1724 Kalorama Road, NW, Washington, DC. This mortgage is secured by the property, bears interest at 2.5% interest, interest only payable June 30 and December 31 semi-annually and is due on December 31, 2021	1,850,000	1,850,000
12 – Mortgage payable, to acquire the properties at 1721-1725 Kalorama Road, N.W., Washington DC. This mortgage is secured by the property, bears interest at 2.5% interest, interest only payable June 30 and December 31 semi-annually and is due on December 31, 2022. Note is held with Jubilee KEB, LLC, guaranteed by Jubilee Housing, Inc.	<u>581,643</u>	<u>476,643</u>
Sub-total	<u>\$ 29,854,380</u>	<u>\$28,970,300</u>

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE I – MORTGAGES & NOTES PAYABLE (continued)

	<u>2021</u>	<u>2020</u>
13 – Mortgage payable, to acquire 2326-2338 Ontario Road N.W., Washington D.C. This mortgage is secured by the property, bears interest at 2.5% interest, interest only payable June 30 and December 31 semi-annually and is due on December 31, 2022. Note is held with Jubilee Ontario II, LLC, guaranteed by Jubilee Housing, Inc.	1,563,257	-0-
	\$ 1,647,335	\$ 1,563,257
14 - Mortgage payable, entered on December 6, 2019 to renovate and develop the properties at 1721-1725 Kalorama Road, N.W., Washington DC. This mortgage is secured by the property, bears interest at 4.36%, monthly interest only payments and is due on December 6, 2022	1,603,952	1,526,000
15 - Mortgage payable, entered on August 22, 2019 to renovate and develop the property 2326-2338 Ontario Road, N.W., Washington, D.C. This mortgage is secured by the property, bears interest at 3.45%, monthly interest only payments and is due on August 22, 2022	6,084,150	6,000,000
16 - Mortgage payable, entered on December 6, 2019 to renovate and develop the properties at 1721-1725 Kalorama Road, N.W., Washington DC. This mortgage is secured by the property, bears interest at 6.0%, monthly interest only payments and is due on December 6, 2022	1,090,000	1,090,000
17 - Mortgage payable, entered on August 22, 2019 to renovate and develop the property 2326-2338 Ontario Road, N.W., Washington, D.C. This mortgage is secured by the property, bears interest at 6.0%, monthly interest only payments and is due on August 22, 2022	2,690,411	2,690,411
Sub-total	\$ 42,970,228	\$41,839,968

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE I – MORTGAGES & NOTES PAYABLE (continued)

	<u>2021</u>	<u>2020</u>
18 – Mortgage payable, entered on July 19, 2019 to develop 1460 Euclid Street N.W., Washington D.C. This mortgage is secured by the property, bears interest at 3.0%, payable when note is due on July 19, 2021	\$ 100,000	\$ 100,000
19 – Mortgage payable, entered on July 10, 2019 to develop 1724 Kalorama Road, N.W., Washington D.C. This mortgage is secured by the property, bears interest at 3.0%, payable when note is due on July 10, 2021	100,000	100,000
20 – Recoverable grant entered on July 31, 2019, that is unsecured, bears no interest and is due on July 31, 2024	500,000	500,000
21 - Paycheck Protection Program Loan (PPP). The loan dated April 7, 2020 has a term of 24 months and an interest rate of 1.00%. The loan was forgiven on June 23, 2021	-0-	750,200
22 - Paycheck Protection Program Loan (PPP). The loan dated February 22, 2021 has a term of 24 months and an interest rate of 1.00%. The Organization has classified the loan as a short-term liability because it anticipates forgiveness of the loan within the next year	532,592	-0-
23 – US Small Business Admin loan, dated June 14, 2020, has a term of 30 years at the rate of 2.75%. The note calls for monthly payments beginning on June 14, 2022 interest and principal are due on June 14, 2050. Each payment will be applied to accrued interest first and the balance, if any, will be applied to principal. The note is secured by all tangible and intangible property	<u>147,907</u>	<u>150,000</u>
Total	\$44,350,727	\$43,440,168

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE I – MORTGAGES & NOTES PAYABLE (continued)

	<u>2021</u>	<u>2020</u>
24 – Mortgage payable, JHILP entered on September 29, 2005 with the DHCD for the acquisition and rehabilitation of the partnership in the amount of \$3,554,306. The mortgage is secured by the property and bears interest at the rate of 2.56% per annum. Monthly payments of principal and interest in the amount of \$9,800 began on October 1, 2009 and is due on September 30, 2045. An additional monthly payment of principal and interest of \$1,756 shall begin in September, 2026 and continue through maturity on September 30, 2045	\$ 100,000	\$ 100,000
	\$ 2,946,057	\$ -0-
25 – Mortgage payable, JHILP entered on September 29, 2005 with DHCD for the construction and rehabilitation of the partnership in the amount of \$4,586,787. The mortgage bears interest at the rate of 1% per annum and is secured by the property. Principal and interest payments shall begin on January 1, 2015 from available cash flow. Any unpaid principal balance and accrued interest shall be repaid in full by December 1, 2046.	4,586,787	-0-
26 – Mortgage payable, JHILP entered on September 29, 2005 with DHCD for the construction and rehabilitation of the partnership in the amount of \$950,000. The mortgage bears interest at the rate of 2% per annum and is secured by the property. Principal and interest payments shall begin on October 1, 2015 from available cash flow. Any unpaid principal balance and accrued interest shall be repaid in full by September 29, 2046.	<u>950,000</u>	<u>-0-</u>
Total	\$52,833,571	\$43,440,168
Less: current portion	<u>32,599,627</u>	<u>16,447,290</u>
Long-term portion	<u>\$20,233,944</u>	<u>\$26,992,878</u>

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE I – MORTGAGES & NOTES PAYABLE (continued)

Future maturities of long-term debt are as follows:

December 31, 2022	\$ 32,599,627
2023	858,864
2024	10,654,502
2025	109,969
2026 and thereafter	<u>8,610,609</u>
Total	<u>\$52,833,571</u>

NOTE J– LINE OF CREDIT

On April 7, 2015, the Organization entered into a line of credit with United Bank. This line was modified in March 2019 to extend the maturity date to December 31, 2021, with the maximum amount allowable on the line of \$825,000. Interest on any outstanding balance is paid monthly using a variable interest rate based on the LIBOR Rate plus 3.00%. On January 6, 2022, the terms of the line of credit were modified to (i) extend the maturity date of the Loan from December 31, 2021, to December 31, 2022, (ii) permanently increase the maximum principal amount of the Revolving Loan from Eight Hundred Twenty-Five Thousand Dollars (\$825,000) to One Million Two Hundred Fifty Thousand Dollars (\$1,250,000), and (iii) to adjust interest calculated at the greater of 3.5% per annum or the Wall Street Journal Prime Rate plus .25% per annum. The balance of the line as of December 31, 2021, was \$401,541.

NOTE K – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at the end of the year represent grants that were received and with time or purpose restrictions by the grantor. As these funds are spent, the donor restrictions expire and the net assets with donor restrictions are reclassified to net assets without donor restrictions on the statement of activities.

Temporarily restricted net assets, by fund, as of December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Time or purpose restrictions:		
Operating grant	\$ -0-	\$ 74,749
Re-Entry	278,962	400,000
Justice Housing Partners, LP	<u>500,000</u>	<u>600,000</u>
Total	<u>\$ 778,962</u>	<u>\$ 1,074,749</u>

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE L – COMMITMENTS

The Organization entered into a telephone service agreement with RingCentral, Inc on October 20, 2020. The agreement calls for 36 monthly payments at \$1,204 per month.

The future minimum rental commitments under operating leases as of December 31, 2021 are as follows:

For the year ending December 31, 2022	\$ 14,448
For the year ending December 31, 2023	14,448

NOTE M - RELATED PARTY TRANSACTIONS

1 - Property Management Fee

a - The Organization entered into an agreement with Jubilee Housing Limited Partnership in connection with the management of the rental operations of the partnership. The property management fee is 7% of actual rent collections. In addition, the Organization will receive an additional \$500 per month for provision of social services for the resident community. For the years ended December 31, 2021 and 2020, \$97,865 and \$91,138 was earned and \$7,527 and \$-0- was due, respectively.

b - The Organization entered into an agreement with Jubilee Housing Limited Partnership II in connection with the management of the rental operations of the partnership. The property management fee is 5.3% of gross rent collections. For the years ended December 31, 2021 and 2020, \$51,462 and \$49,289 was earned and \$8,571 and \$-0- was due respectively.

c - The Organization also earns a management fee in connection with management of the Jubilee Ontario Apartments Limited Partnership, equal to 6% of actual rents collected. For the years ended December 31, 2021 and 2020, \$22,548 and \$27,232 was earned and \$2,239 and \$2,158 was due, respectively.

d -The Organization earns a management fee in connection with management of the Jubilee Maycroft Apartments Limited Partnership, equal to 5% of actual rents collected. For the years ended December 31, 2021 and 2020, \$60,711 and \$47,279 was earned and \$8,644 and \$3,025 was due, respectively.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE M – RELATED PARTY TRANSACTIONS (continued)

2 - Partnership Administration Fee

a - Jubilee Housing Limited Partnership

The Organization entered into a Partnership Administration Fee Agreement with Jubilee Housing Limited Partnership in connection with the administration of the project. Beginning in 2006, the partnership shall pay to the Organization an annual cumulative Partnership Administration fee in the amount of \$26,000. The fee shall increase at the rate of 3% per year and be payable from the net cash flow, as defined. For the years ended December 31, 2021 and 2020, \$32,177 and \$39,326 of the fee was earned and \$483,552 remains as a receivable as of December 31, 2020.

b - Jubilee Housing Limited Partnership II

The Organization entered into a Partnership Administration Fee Agreement with Jubilee Housing Limited Partnership II in connection with the administration of the project. Beginning in 2011, the partnership will pay to the Organization an annual non-cumulative Partnership Administration fee in the amount of \$10,500. The fee shall increase at the rate of 3% per year and be payable from the net cash flow, as defined. For the years ended December 31, 2021 and 2020, no partnership administration fee was earned by the Organization, due to lack of available cash flow.

3 - Due from Jubilee Housing Limited Partnership

The Organization advanced funds to Jubilee Housing Limited Partnership. These advances are not secured, do not bear interest and are payable on demand. The amounts due from Jubilee Housing Limited Partnership as of December 31, 2020 is follows:

	2020
Construction advances	\$909,881
Development advances	54,000
Operating advances	229,242
Payroll reimbursements	<u>22,724</u>
	<u>\$ 1,215,847</u>

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE M – RELATED PARTY TRANSACTIONS (continued)

4 - Subordinated Debts from Justice Housing Partners LP

The Organization formed Jubilee Kalorama LLC to acquire 1724 Kalorama Rd. N.W., Washington DC 20009 on August 24, 2018. Financing for the purchase includes a subordinated debt of \$1,850,000 from Justice Housing Partners LP, (JHP) a limited partnership managed by Justice Housing Managers, LLC, with Jubilee Housing as sole member. This debt is detailed in Note I.11.

The Organization formed Jubilee Euclid LLC to acquire 1460 Euclid Street, N.W. Washington DC 20009. Financing for this purchase includes a subordinated debt of \$1,305,000 from JHP. This debt is detailed in Note I.10.

The organization formed Jubilee Ontario II LLC to acquire 2326-2338 Ontario Road, N.W. Washington DC 20009. Financing for this purchase includes a subordinated debt of \$1,563,357 from Justice Housing Partners LP. This debt is detailed in Note I.14.

The organization formed Jubilee KEB LLC to acquire 1721-1725 Kalorama Road, N.W. Washington DC 20009. Financing for this purchase includes a subordinated debt of \$476,643 from Justice Housing Partners LP. This debt is detailed in Note I.13.

NOTE N– RECLASSIFICATIONS

Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation.

NOTE O – LEASES

MAYCROFT

On April 9, 2019, the Organization entered into a lease with Martha's Table (MT)'s for the Condominium C-1 at 1474 Columbia Rd NW at a monthly rent of \$14,872 with 2% annual increase on the anniversary date of the lease, The term of the lease ends on April 8, 2029. The lease also provides for an option for Martha's Table to purchase the condominium at the end of the New Markets Tax Credit Compliance period in 2024.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE O – LEASES (continued)

ONTARIO

The organization leases 5,681 square feet on the ground floor of 2525 Ontario Rd NW to Jubilee Jumpstart Inc. to be operated as an early childhood development center. Tenant also has common but preponderant use of approximately 724 feet of additional space commonly referred to as teacher's lounge/meeting room, and priority use during daytime hours of the 2,884 square foot playground. The lease was amended on April 8, 2021, with terms that took effect August 1, 2021. The current monthly rent is \$6,800 with 3% annual increase on the anniversary date of the lease. The lease expires July 31, 2023 and provides for two additional five (5) year extensions.

NOTE P – ONTARIO APARTMENTS SALE

On March 27, 2015, Jubilee Housing sold Ontario Court, a 27-unit project, to Jubilee Ontario Apartments LP, a District of Columbia Limited Partnership formed on August 15, 2014. The contract sale price was \$6,580,948, with an assumption by Jubilee Ontario LLC of a DHCD loan of \$3,428,019, and a Sponsor loan of \$250,000.

NOTE Q– JHI RE-ENTRY

The Organization operates a supportive housing initiative that serves homeless men and women as they return to community from time in jail. Residents reside in high-quality supportive housing with a blend of services to help them reach healthy independence. Residents pay 20 percent of their income for rent, with the remainder being funded by the Organization.

NOTE R – JUBILEE MANNA CDE, LLC WON AN AWARD OF NEW MARKET TAX CREDIT

Jubilee Manna Community Development Enterprise (CDE) is an equal interest joint venture between Jubilee Housing Inc. and Manna Inc. The CDE was launched with funding support from the Agnes and Eugene Meyer Foundation, and the U.S. Department of Treasury awarded Jubilee Manna CDE \$15 million in New Market Tax Credit (NMTC) in June 2015. Jubilee Housing serves as the controlling entity for the CDE. The fund finances multiple affordable housing projects during the seven years period starting in June 2015. Jubilee Manna CDE has invested \$6 million in a credit pool facility for affordable homeownership projects sponsored by DC Habitat for Humanity. In June 2018 it has invested another \$2 million for additional affordable homeownership developed by Manna, Inc. in the District of Columbia.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE R – JUBILEE MANNA CDE, LLC WON AN AWARD OF NEW MARKET TAX CREDIT (continued)

Jubilee Manna CDE has also invested \$7 million of NMTC in the development of 14,000SF of commercial “program spaces” in the Maycroft development, completed in early 2019.

On July 13, 2016, Jubilee Manna CDE, LLC completed its first NMTC Qualified Equity Investment (QEI) of \$6 million. On October 13, 2016, The CDE completed its second QEI of \$7 million.

On April 12, 2021, JUBILEE MANNA CDE redeployed \$3,000,000 in NMTC proceeds as a loan to Recovery Café DC to finance its purchase of 1337 Good Hope Road, SE., Washington, DC, 20020.

NOTE S - JUSTICE HOUSING PARTNERS LP

Justice HousingSM Partners, L.P., (JHP) a Delaware limited partnership was formed on March 13, 2018), with operations beginning in August 2018. JHP lends money on a non-recourse basis to special purpose vehicles owned by Jubilee Housing (each, an “*SPV*”) that will acquire and renovate/refurbish quality-family residential buildings (“*Properties*”) primarily located in the Adams Morgan, Columbia Heights, and Mount Pleasant neighborhoods of Washington, DC. Through such loans JHP helps the Organization preserve those properties as *Justice Housing*. Justice Housing, which targets people with the least financial resources and offers an array of resident services and opportunities onsite and nearby, will be located in resource-rich neighborhoods with access to transportation, retail, health care, education and jobs.

With the subordinated debt from JHP, the Organization was able to acquire four properties:

1. 1724 Kalorama Road, N.W., Washington DC 20009
2. 1460 Euclid Street, N.W., Washington DC 20009.
3. 2326-2338 Ontario Road, NW., Washington DC 20009
4. 1721-1725 Kalorama Road, Washington, DC 20009

At December 31, 2020, the Organization’s investment as limited partners in JHP was \$500,000 and a general partner investment of \$1,100,000.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE T – RETIREMENT PLAN

The Organization maintains a SIMPLE IRA retirement plan, under Section 403(b) of the Internal Revenue Code, for the benefit of its employees. All full-time employees are eligible to participate and after one year of service the Organization matches employee contributions up to 3% of each employee's compensation. The Organization's contributions to the plan for the years ended December 31, 2021 and 2020 were \$46,511 and \$43,917, respectively.

NOTE U- PLATFORM OF HOPE

Platform of Hope, formed by Strategic Alliance Partners – Capital Area Asset Builders, Jubilee Housing Jubilee Jumpstart, For Love of Children, Mary's Center and Sitar Arts Center – is a collaborative approach to address the gentrification of resource-rich communities; redress the structural and racial barriers that prevent low-income adults from building wealth and well-being; and connect the varied health and learning needs of children from low-income families from prenatal to early-childhood and through to college graduation. Platform of Hope operates as a program, with the Organization as its fiscal sponsor under a Fiscal Sponsorship Agreement executed in 2018. The program established a new fiscal sponsor in 2021 and its financial activities will no longer appear in the Organization's financial statements.

NOTE V – CAPITAL MAGNET FUND AWARD

In 2018 the organization made an application for funding from the Capital Magnet Fund, a program of the Community Development Institutions Fund in the US Treasury. In February of 2019, the organization was awarded a grant in the amount of \$750,000 to capitalize an affordable housing fund that would support development of deeply affordable housing. Funds are to be deployed in justice housing projects that are being purchased and developed by the organization per the terms of the Capital Magnet Fund Assistance Agreement (CMF Award # 181CM050545).

On October 22, 2019, the organization loaned \$250,000 directly to Jubilee Maycroft Apartments, LP to assist with construction completion on the project. The terms of loan were as follows- 3% interest annually, accrued on January 1 of each year. This loan was repaid on November 3, 2021.

On November 21, 2019, the organization granted \$500,000 to Justice Housing CMF SPE, LLC. On October 21, 2021, \$250,000 was subsequently lent to Justice Housing CMF, SPE to make further loans to qualifying affordable housing projects.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE W – JUSTICE HOUSING CMF, SPE LLC

On August 16, 2019, the organization established Justice Housing CMF, SPE LLC, to serve as an Affordable Housing Fund to assist the organization with purchase and redevelopment of deeply affordable housing, under the terms of the Capital Magnet Fund Assistance Agreement. The fund was initially capitalized with \$500,000 of CMF grant funds on November 21, 2019, and subsequently increased with loans from Jubilee Housing of \$100,000 on April 29, 2021 and \$250,000 on October 27, 2021.

NOTE X – COMBINATION OF CONTROLLED ENTITIES FINANCIAL STATEMENTS

Low Income Housing Tax Credit (LIHTC) subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. Management points out that LIHTC Limited Partnerships (LPs) generate substantial amounts of “paper” losses, from depreciation and accrued but unpaid interest. However, these LIHTC LPs are cash-flow positive.

By including the results of these LPs in the Combination of Controlled Entities financial statements, the Organization’s operating results are significantly lower. For 2021 and 2020, the Consolidated Statements of Activities showed a change in net assets of (\$94,529) and (\$628,561) whereas for 2021 and 2020, the Statement of Activities – Combination of Controlled Entities showed a change in net assets of (\$3,289,339) and (\$4,102,797), respectively.

NOTE Y – TREE OF LIFE, INC.

On August 15, 2019, Tree of Life, Inc. was formed as a workforce development and staffing company to serve low-income residents of Jubilee Housing and other partner organizations. With an initial investment of \$10,000 each, Jubilee Housing, Jubilee Jobs, and Recovery Café are each 30% owners of the company, while Rich Peterson is a 10% owner. Jubilee Housing serves as the managing member. The Tree of Life, Inc. will dissolve in 2021.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE Y – TREE OF LIFE, INC. (continued)

Due to the extraordinary challenges with finding employment for hard to employ DC residents (the primary mission of the business) during the pandemic, the Members of the LLC determined that the business was no longer viable. On September 15, 2020, a Statement of Dissolution for the LLC was filed with District of Columbia Regulatory Agency. At the time of dissolution, open activities include the submission and receipt of partial forgiveness of a PPP loan received in May 2020, request for forgiveness of interest and penalties on the late filing of a K-1 (2019) and refiling/resubmission of incorrectly filed 941 statements from Q4 2019 and Q1 2020.

Final reconciliation and close out of financials will be completed upon receipt of IRS refund due to Tree of Life based on corrected 941 statements and an IRS response to TOL late filing forgiveness request.

NOTE Z – MAYCROFT LITIGATION

The Organization was engaged in litigation with Hamel Builders, Inc. (the Contractor) on the Maycroft project over disputes relating to delays to construction completion and added costs associated with the delays. The dispute involved two elements of the project, the residential component where the Organization is the developer and sole member of the general partner for Jubilee Maycroft Apartments, LP (the Partnership); and as developer and owner for the commercial component of the project (Jubilee).

A settlement agreement was reached on January 28, 2021, with Hamel Builders, and final payment was made on November 21, 2021.

NOTE AA – COVID-19

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses as well as public schools. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

The Organization received as part of the Cares Act, a forgivable loan in the amount of \$750,200 in April 2020, that the loan was forgiven in 2021.

In 2021, the Organization applied for a second forgivable loan in the amount of \$532,592 which was forgiven on June 29, 2022.

Jubilee Housing, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE BB –JUBILEE TO COLLEGE (JTC)

In 2012, the Organization began a college scholarship program, raising funds through private contributions and making funds available to scholars from the Jubilee community as “last gap” funding to assist with the costs of college. The typical award amount is \$2,500 and is available annually for four years for eligible students. As the program has grown, separate financial statements are included on pages 44 and 45 of these statements.

NOTE CC – JUBILEE HOUSING LIMITED PARTNERSHIP

On October 18, 2021, the Organization assumed The Housing Outreach Fund XI Limited Partnership’s 99.99% Limited Partner interest to a Substitute Limited Partner in Jubilee Housing Limited Partnership for no monetary consideration. The organization now fully controls the Partnership as the sole member of JHI Building LLC, the General Partner, and as its new Limited Partner. Financial activities of the Partnership will be part of Organization’s consolidated financial statements

NOTE DD – SUBSEQUENT EVENTS

403B RETIREMENT PLAN

Effective January 1, 2022, the Organization instituted a 403B retirement plan that allows employees to withhold up to the maximum amount allowable by the IRS. The plan calls for immediate vesting of the Organization’s matching of the employee’s contributions up to 4%. The plan also allows Roth contributions.

JUBILEE MAYCROFT APARTMENTS LP

On April 7, 2021 the Jubilee Maycroft Apartments LP refinanced its existing first mortgage with a loan from the HUD 223f program for \$10,500,000 at 2.4% interest and a 35-year term. The Organization received \$1,630,406.31 to retire the 2019 series C Bonds that it held, \$236,202.18 for an advance made to the Partnership, \$15,395.83 in accrued interest from another loan made the Partnership, and \$267,130.28 in deferred developer fees. Justice Housing CMF SPE, a wholly owned subsidiary of the Organization also received \$173,011.59 for funds lent to the Partnership.

Jubilee Housing, Inc.
STATEMENTS OF FINANCIAL POSITION - RE-ENTRY
December 31,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 1,982	\$ 684
Accounts receivable - other	80	68
Grants receivable	159,239	264,804
Total current assets	<u>161,301</u>	<u>265,556</u>
PROPERTY AND EQUIPMENT:		
Property, furniture and equipment	5,062,287	5,062,287
Less: accumulated depreciation	947,270	835,812
Property and equipment, net	<u>4,115,017</u>	<u>4,226,475</u>
OTHER ASSETS		
Deferred development fees	324,039	324,039
TOTAL	<u>\$ 4,600,357</u>	<u>\$ 4,816,070</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 258,890	\$ 234,517
Mortgage payable - current	573,677	35,046
Due to Jubilee Housing, Inc.	2,219,315	2,348,257
Deferred income	649,353	226,999
Total current liabilities	<u>3,701,235</u>	<u>2,844,819</u>
LONG-TERM LIABILITIES		
Mortgages payable, less current portion	3,620,110	4,191,810
Deferred development fee income	324,039	324,039
	<u>3,944,149</u>	<u>4,515,849</u>
NET ASSETS:		
Without Donor Restrictions	(3,045,027)	(2,544,598)
With Donor Restrictions	-	-
	<u>(3,045,027)</u>	<u>(2,544,598)</u>
TOTAL	<u>\$ 4,600,357</u>	<u>\$ 4,816,070</u>

Jubilee Housing, Inc.
STATEMENTS OF ACTIVITIES - RE-ENTRY
For the Years Ended December 31,

	2021	2020
SUPPORT & REVENUE:		
Contributions and grants	\$ 471,855	\$ 366,632
Residential rental income	-	4,085
	<u>471,855</u>	<u>370,717</u>
EXPENSES:		
Program services	778,141	759,597
Interest expense	<u>82,685</u>	<u>86,059</u>
	<u>860,826</u>	<u>845,656</u>
Change in net assets before depreciation	(388,971)	(474,939)
Depreciation	<u>111,458</u>	<u>111,569</u>
Change in net assets	(500,429)	(586,508)
Net assets, beginning of year	<u>(2,544,598)</u>	<u>(1,958,090)</u>
Net assets, end of year	<u><u>\$ (3,045,027)</u></u>	<u><u>\$ (2,544,598)</u></u>

Jubilee Housing, Inc.
STATEMENTS OF FINANCIAL POSITION - MAYCROFT NMTC
December 31,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 159,096	\$ 60,336
Cash and cash equivalents - restricted	-	174,941
Accounts receivable and prepaid expenses	66,378	146,309
Total current assets	<u>225,474</u>	<u>381,586</u>
PROPERTY AND EQUIPMENT:		
Land and building, net of depreciation	1,690,965	1,745,482
Development in progress	5,081,564	5,081,564
Property and equipment, net	<u>6,772,529</u>	<u>6,827,046</u>
TOTAL	<u>\$ 6,998,003</u>	<u>\$ 7,208,632</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 82,003	\$ 120,515
Due to Jubilee Housing, Inc.	254,248	399,999
Security deposit payable	29,743	29,743
Total current liabilities	365,994	550,257
LONG TERM LIABILITIES		
Mortgage payable	<u>6,790,000</u>	<u>6,790,000</u>
Total liabilities	7,155,994	7,340,257
NET ASSETS:		
Without Donor Restrictions	(157,991)	(131,625)
With Donor Restrictions	-	-
	<u>(157,991)</u>	<u>(131,625)</u>
TOTAL	<u>\$ 6,998,003</u>	<u>\$ 7,208,632</u>

Jubilee Housing, Inc.
STATEMENTS OF ACTIVITIES - MAYCROFT NMTC
For the Years Ended December 31,

	2021	2020
SUPPORT & REVENUE:		
Rental income	\$ 353,966	\$ 382,063
Interest income	55	112
	<u>354,021</u>	<u>382,175</u>
EXPENSES:		
Program services	20,356	70,383
Interest expense	305,513	291,935
	<u>325,869</u>	<u>362,318</u>
Change in net assets before depreciation	28,152	19,857
Depreciation	<u>54,518</u>	<u>54,518</u>
Change in net assets	(26,366)	(34,661)
Net assets, beginning of year	<u>(131,625)</u>	<u>(96,964)</u>
Net assets, end of year	<u><u>\$ (157,991)</u></u>	<u><u>\$ (131,625)</u></u>

Jubilee Housing, Inc.
STATEMENTS OF FINANCIAL POSITION - PLATFORM OF HOPE
December 31,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ -	\$ 103,877
Accounts receivable	-	94,101
Grants receivable	-	15,000
	<hr/>	<hr/>
TOTAL	\$ -	\$ 212,978
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ -	\$ 11,750
Due to Jubilee Housing, Inc.	-	10,515
	<hr/>	<hr/>
Total current liabilities	-	22,265
NET ASSETS:		
Without Donor Restrictions	-	175,713
With Donor Restrictions	-	15,000
	<hr/>	<hr/>
	-	190,713
	<hr/>	<hr/>
TOTAL	\$ -	\$ 212,978
	<hr/> <hr/>	<hr/> <hr/>

Jubilee Housing, Inc.
STATEMENTS OF ACTIVITIES - PLATFORM OF HOPE
For the Years Ended December 31,

	2021	2020
SUPPORT & REVENUE:		
Grants and contributions	\$ -	\$ 427,476
 EXPENSES:		
Program services	<u>-</u>	<u>360,630</u>
 Change in net assets	-	66,846
 Net assets, beginning of year	<u>-</u>	<u>108,867</u>
 Net assets, end of year	<u><u>\$ -</u></u>	<u><u>\$ 175,713</u></u>

Jubilee Housing, Inc.
STATEMENTS OF FINANCIAL POSITION
JUSTICE HOUSING CMF SPE LLC
December 31,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 44,074	\$ 22,914
Accrued interest receivable	9,878	3,498
Loan receivable - Jubilee Maycroft Apt LP	165,000	165,000
Loan receivable - Jubilee Ontario II LLC	50,000	65,000
Loan receivable - Jubilee Kalorama LLC	265,000	-
Loan receivable - Jubilee KEB LLC	250,000	250,000
Loan receivable - Jubilee Euclid LLC	<u>83,978</u>	<u>21,978</u>
TOTAL	<u>\$ 867,930</u>	<u>\$ 528,390</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,061	\$ 1,266
Due to Jubilee Housing, Inc.	<u>346,152</u>	<u>18,130</u>
Total current liabilities	347,213	19,396
NET ASSETS:		
Without Donor Restrictions	520,717	508,994
With Donor Restrictions	<u>-</u>	<u>-</u>
	<u>520,717</u>	<u>508,994</u>
TOTAL	<u>\$ 867,930</u>	<u>\$ 528,390</u>

Jubilee Housing, Inc.
STATEMENTS OF ACTIVITIES - JUSTICE HOUSING CMF SPE LLC
For the Years Ended December 31,

	2021	2020
SUPPORT & REVENUE:		
Grants and contributions	\$ -	\$ -
Interest income	12,300	8,498
	<u>12,300</u>	<u>8,498</u>
EXPENSES:		
Program services	<u>577</u>	<u>942</u>
Change in net assets	11,723	7,556
Net assets, beginning of year	<u>508,994</u>	<u>501,438</u>
Net assets, end of year	<u><u>\$ 520,717</u></u>	<u><u>\$ 508,994</u></u>

Jubilee Housing, Inc.
STATEMENTS OF FINANCIAL POSITION - SCHOLARSHIP
December 31,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 147,360	\$ 133,424
Accounts receivable - other	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 147,360</u>	<u>\$ 133,424</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 2,591	\$ 1,531
Due to Jubilee Housing, Inc.	<u>34,534</u>	<u>21,658</u>
Total current liabilities	37,125	23,189
NET ASSETS:		
Without Donor Restrictions	110,235	110,235
With Donor Restrictions	<u>-</u>	<u>-</u>
	<u>110,235</u>	<u>110,235</u>
TOTAL	<u>\$ 147,360</u>	<u>\$ 133,424</u>

Jubilee Housing, Inc.
STATEMENTS OF ACTIVITIES - SCHOLARSHIP
For the Years Ended December 31,

	2021	2020
SUPPORT & REVENUE:		
Grants and contributions	\$ 43,201	\$ 52,125
Interest income	139	238
	<u>43,340</u>	<u>52,363</u>
EXPENSES:		
Program services:	<u>48,490</u>	<u>31,560</u>
Change in net assets	(5,150)	20,803
Net assets, beginning of year	<u>110,235</u>	<u>89,432</u>
Net assets, end of year	<u><u>\$ 105,085</u></u>	<u><u>\$ 110,235</u></u>

Jubilee Housing Limited Partnership
BALANCE SHEET
December 31, 2021

ASSETS

CURRENT ASSETS:

Cash	\$ 95,999
Accounts receivable	209,979
Prepaid expenses and utility deposits	<u>59,364</u>
Total current assets	<u>365,342</u>

RESTRICTED DEPOSITS AND FUNDED RESERVES	<u>546,475</u>
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PROPERTY AND EQUIPMENT:

Land and building, net of depreciation	<u>16,310,807</u>
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TOTAL	<u><u>\$ 17,222,624</u></u>
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LIABILITIES AND PARTNERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 22,025
Current maturities of long term debt	57,902
Due to affiliate	657,316
Deposits and prepaid liabilities	<u>126,521</u>
Total current liabilities	<u>863,764</u>

LONG-TERM LIABILITIES

Mortgage & notes payable and accrued expenses	<u>14,789,074</u>
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PARTNERS' EQUITY	<u>1,569,786</u>
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TOTAL	<u><u>\$ 17,222,624</u></u>
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Jubilee Housing Limited Partnership
STATEMENT OF OPERATIONS
For the period October 18, 2021 to December 31, 2021

REVENUE

Rental income	299,272
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EXPENSES

Operating expenses	211,553
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Net Operating income	87,719
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OTHER INCOME/(EXPENSES)

Interest income	347
Interest expense	(28,518)
Fees and charges	(1,878)
Partnership administration fee	(8,323)
Interest expense - JHI	(45,751)
Depreciation	(122,302)
	(206,425)

NET LOSS	\$ (118,706)
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Jubilee Housing, Inc.
STATEMENTS OF FINANCIAL POSITION - COMBINATION OF
ALL CONTROLLED ENTITIES
December 31,

	2021	2020
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 3,032,028	\$ 3,354,204
Cash and cash equivalents - restricted	1,279,300	2,098,218
Grant receivable and promises to give	1,252,466	1,236,595
Accounts receivable, less allowance for bad debts	1,934,629	955,116
Prepaid expenses	297,524	284,317
Total current assets	<u>7,795,947</u>	<u>7,928,450</u>
PROPERTY AND EQUIPMENT:		
Buildings and improvements	95,686,243	95,957,015
Development in progress	12,393,958	10,101,303
Furniture, equipment and vehicles	762,336	402,951
Total property and equipment	108,842,537	106,461,269
Less: accumulated depreciation	<u>20,369,112</u>	<u>17,507,135</u>
Sub-total	88,473,425	88,954,134
Land	27,774,441	28,224,441
Property and equipment, net	<u>116,247,866</u>	<u>117,178,575</u>
OTHER ASSETS:		
Grant receivable and promises to give, net of current	30,000	104,530
Loan Receivable	-	4,684,500
Deferred loan costs	14,016	105,898
Tax credit monitoring fees	19,998	26,665
Investments	1,412,436	2,844,338
Deposits	1,161,893	2,173,401
Total other assets	<u>2,638,343</u>	<u>9,939,332</u>
 TOTAL	 <u>\$ 126,682,156</u>	 <u>\$ 135,046,357</u>

Jubilee Housing, Inc.
STATEMENTS OF FINANCIAL POSITION - COMBINATION OF
ALL CONTROLLED ENTITIES (continued)
December 31,

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Notes payable	\$ 805,947	\$ 838,581
Mortgage payable - current	28,135,284	13,561,761
Line of credit (operating)	401,541	741,541
Accounts payable and accrued expenses	4,598,261	6,424,179
Tenant security deposits	116,615	158,058
Prepaid rents income	176,798	149,389
Deferred revenue	902,668	589,478
Total current liabilities	35,137,114	22,462,987
LONG-TERM LIABILITIES:		
Mortgages payable, less current portion	51,268,868	71,801,351
Total liabilities	86,405,982	94,264,338
MINORITY INTERESTS	15,074,992	18,851,553
NET ASSETS:		
Without Donor Restrictions	24,422,220	20,855,717
With Donor Restrictions	778,962	1,074,749
Total net assets	25,201,182	21,930,466
TOTAL	\$ 126,682,156	\$ 135,046,357

The accompanying notes are an integral part of these statements.

Jubilee Housing, Inc.
STATEMENTS OF ACTIVITIES - COMBINATION OF
CONTROLLED ENTITIES
For the Years Ended December 31,

	2021	2020
SUPPORT & REVENUE:		
Contributions and grants	\$ 2,052,465	\$ 2,641,258
CDE revenues and fees	-	105,000
Rental income	4,854,279	4,320,232
Interest income	37,120	468,991
Other income	<u>1,491,829</u>	<u>30,121</u>
 Total support and reclassifications	 <u>8,435,693</u>	 <u>7,565,602</u>
 EXPENSES:		
Program services:		
Housing	7,956,284	7,182,743
Resident services	1,937,013	3,154,200
Supporting services		
Management and general	1,386,039	872,205
Fundraising	<u>445,696</u>	<u>459,251</u>
 Net expenses	 <u>11,725,032</u>	 <u>11,668,399</u>
 Change in net assets	 <u><u>\$ (3,289,339)</u></u>	 <u><u>\$ (4,102,797)</u></u>