

Coalition for a Better Acre, Inc. and Affiliates

**Consolidated Financial Statements and Supplementary Information
with Report of Independent Auditors**

December 31, 2024 and 2023

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Report of Independent Auditors

To the Board of Directors of Coalition for a Better Acre, Inc. and Affiliates:

Opinion

We have audited the accompanying consolidated financial statements of Coalition for a Better Acre, Inc. and Affiliates (a Massachusetts nonprofit corporation), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities and 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coalition for a Better Acre, Inc. and Affiliates as of December 31, 2024 and 2023, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Coalition for a Better Acre, Inc. 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Coalition for a Better Acre, Inc. and Affiliates ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 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 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Coalition for a Better Acre, Inc. 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 Coalition for a Better Acre, Inc. 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities, and the statements of cash flows for Coalition for a Better Acre, Inc. and Affiliates and its wholly owned subsidiaries are presented for purposes of additional analysis and are 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Novogradac & Company LLP

Boston, Massachusetts
June 27, 2025

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statement of Financial Position
December 31, 2024

ASSETS	CBA & Affiliates	Real Estate Entities	General Partners & Managing Members	Subtotal	Eliminations	2024 Total
Current assets						
Cash and cash equivalents						
Operating	\$ 1,477,146	\$ 2,095,280	\$ -	\$ 3,572,426	\$ -	\$ 3,572,426
Development	-	45,476	-	45,476	-	45,476
Accounts receivable, net	158,943	132,372	-	291,315	-	291,315
Tenant security deposits	178,947	110,588	-	289,535	-	289,535
Prepaid expenses	114,031	78,087	-	192,118	-	192,118
Mortgagee escrow deposits	287,453	205,040	-	492,493	-	492,493
Reserves for replacement	1,453,690	607,486	-	2,061,176	-	2,061,176
Operating reserves	1,720,241	1,391,635	-	3,111,876	-	3,111,876
Predevelopment costs	1,512,985	-	-	1,512,985	(27,440)	1,485,545
Total current assets	<u>6,903,436</u>	<u>4,665,964</u>	<u>-</u>	<u>11,569,400</u>	<u>(27,440)</u>	<u>11,541,960</u>
Property and equipment, at cost						
Land and land improvements	2,754,861	4,108,033	-	6,862,894	-	6,862,894
Buildings	55,084,927	63,806,906	-	118,891,833	(12,508,301)	106,383,532
Developments in process	1,207,059	-	-	1,207,059	-	1,207,059
Furniture and fixtures	3,337,005	1,618,583	-	4,955,588	-	4,955,588
Total	<u>62,383,852</u>	<u>69,533,522</u>	<u>-</u>	<u>131,917,374</u>	<u>(12,508,301)</u>	<u>119,409,073</u>
Less: accumulated depreciation	(26,821,481)	(14,460,478)	-	(41,281,959)	4,323,684	(36,958,275)
Net property and equipment	<u>35,562,371</u>	<u>55,073,044</u>	<u>-</u>	<u>90,635,415</u>	<u>(8,184,617)</u>	<u>82,450,798</u>
Other assets						
Endowment fund - GLCF	222,769	-	-	222,769	-	222,769
Investment in corporations	2,748,635	-	1,969,707	4,718,342	(3,473,272)	1,245,070
Loans and notes receivable	24,826,283	-	-	24,826,283	(24,776,283)	50,000
Due from related parties	3,369,030	150,275	733,013	4,252,318	(4,224,348)	27,970
Deferred charges, net of accumulated amortization	-	34,240	-	34,240	-	34,240
Total other assets	<u>31,166,717</u>	<u>184,515</u>	<u>2,702,720</u>	<u>34,053,952</u>	<u>(32,473,903)</u>	<u>1,580,049</u>
TOTAL ASSETS	<u>\$ 73,632,524</u>	<u>\$ 59,923,523</u>	<u>\$ 2,702,720</u>	<u>\$ 136,258,767</u>	<u>\$ (40,685,960)</u>	<u>\$ 95,572,807</u>

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statement of Financial Position (continued)
December 31, 2024

LIABILITIES AND NET ASSETS	CBA & Affiliates	Real Estate Entities	General Partners & Managing Members	Subtotal	Eliminations	2024 Total
Current liabilities						
Accounts payable						
Trade	\$ 412,836	\$ 120,004	\$ -	\$ 532,840	\$ -	\$ 532,840
Development	17,623	15,949	-	33,572	-	33,572
Accrued expenses	706,007	436,218	-	1,142,225	-	1,142,225
Prepaid rent	63,907	39,989	-	103,896	-	103,896
Current portion of deferred revenue	324,000	-	-	324,000	-	324,000
Security deposits	167,967	107,555	-	275,522	-	275,522
Accrued mortgage interest	57,237	18,433	-	75,670	-	75,670
Current portion of mortgages payable	640,565	142,571	-	783,136	-	783,136
Total current liabilities	<u>2,390,142</u>	<u>880,719</u>	<u>-</u>	<u>3,270,861</u>	<u>-</u>	<u>3,270,861</u>
Long-term liabilities						
Mortgages payable, net of current portion and unamortized debt issuance costs	12,522,775	7,163,463	-	19,686,238	-	19,686,238
Notes payable and accrued interest	28,099,741	36,057,463	-	64,157,204	(23,196,163)	40,961,041
Deferred revenue	972,000	-	-	972,000	-	972,000
Total long-term liabilities	<u>41,594,516</u>	<u>43,220,926</u>	<u>-</u>	<u>84,815,442</u>	<u>(23,196,163)</u>	<u>61,619,279</u>
Other liabilities						
Development fees payable and accrued interest	440,533	742,963	-	1,183,496	(1,180,610)	2,886
Due to related parties	1,211,435	592,080	2,656,943	4,460,458	(4,495,293)	(34,835)
Interest rate swap contract	169,658	-	-	169,658	-	169,658
Total other liabilities	<u>1,821,626</u>	<u>1,335,043</u>	<u>2,656,943</u>	<u>5,813,612</u>	<u>(5,675,903)</u>	<u>137,709</u>
Total liabilities	<u>45,806,284</u>	<u>45,436,688</u>	<u>2,656,943</u>	<u>93,899,915</u>	<u>(28,872,066)</u>	<u>65,027,849</u>
Net Assets						
Without donor restrictions	27,826,240	(1,178,416)	45,777	26,693,601	(11,813,894)	14,879,707
Noncontrolling interest in consolidated subsidiaries	-	15,665,251	-	15,665,251	-	15,665,251
Total net assets	<u>27,826,240</u>	<u>14,486,835</u>	<u>45,777</u>	<u>42,358,852</u>	<u>(11,813,894)</u>	<u>30,544,958</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 73,632,524</u>	<u>\$ 59,923,523</u>	<u>\$ 2,702,720</u>	<u>\$ 136,258,767</u>	<u>\$ (40,685,960)</u>	<u>\$ 95,572,807</u>

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statement of Financial Position
December 31, 2023

						2023
ASSETS	CBA & Affiliates	Real Estate Entities	General Partners & Managing Members	Subtotal	Eliminations	Total
Current assets						
Cash and cash equivalents						
Operating	\$ 2,066,100	\$ 2,157,650	\$ -	\$ 4,223,750	\$ -	\$ 4,223,750
Development	-	11,183	-	11,183	-	11,183
Accounts receivable	171,730	178,707	-	350,437	-	350,437
Tenant security deposits	149,514	117,564	-	267,078	-	267,078
Prepaid expenses	106,490	73,071	-	179,561	-	179,561
Mortgagee escrow deposits	366,099	130,374	-	496,473	-	496,473
Reserves for replacement	1,284,892	713,744	-	1,998,636	-	1,998,636
Operating reserves	1,808,062	1,201,432	-	3,009,494	-	3,009,494
Predevelopment costs	453,185	-	-	453,185	(44,795)	408,390
Total current assets	<u>6,406,072</u>	<u>4,583,725</u>	<u>-</u>	<u>10,989,797</u>	<u>(44,795)</u>	<u>10,945,002</u>
Property and equipment, at cost						
Land and land improvements	2,396,762	4,317,134	-	6,713,896	-	6,713,896
Buildings	47,880,735	70,664,722	-	118,545,457	(13,237,551)	105,307,906
Developments in process	1,131,606	-	-	1,131,606	-	1,131,606
Furniture and fixtures	2,761,113	1,533,285	-	4,294,398	-	4,294,398
Total	<u>54,170,216</u>	<u>76,515,141</u>	<u>-</u>	<u>130,685,357</u>	<u>(13,237,551)</u>	<u>117,447,806</u>
Less: accumulated depreciation	<u>(21,587,319)</u>	<u>(16,193,170)</u>	<u>-</u>	<u>(37,780,489)</u>	<u>4,002,545</u>	<u>(33,777,944)</u>
Net property and equipment	<u>32,582,897</u>	<u>60,321,971</u>	<u>-</u>	<u>92,904,868</u>	<u>(9,235,006)</u>	<u>83,669,862</u>
Other assets						
Endowment fund - GLCF	188,838	-	-	188,838	-	188,838
Investment in corporations	2,666,959	-	1,969,607	4,636,566	(3,473,172)	1,163,394
Loans and notes receivable	22,555,013	-	-	22,555,013	(22,505,013)	50,000
Due from related parties	3,040,246	-	733,013	3,773,259	(3,728,034)	45,225
Deferred charges, net of accumulated amortization	-	27,704	-	27,704	-	27,704
Total other assets	<u>28,451,056</u>	<u>27,704</u>	<u>2,702,620</u>	<u>31,181,380</u>	<u>(29,706,219)</u>	<u>1,475,161</u>
TOTAL ASSETS	<u>\$ 67,440,025</u>	<u>\$ 64,933,400</u>	<u>\$ 2,702,620</u>	<u>\$ 135,076,045</u>	<u>\$ (38,986,020)</u>	<u>\$ 96,090,025</u>

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statement of Financial Position (continued)
December 31, 2023

LIABILITIES AND NET ASSETS	CBA & Affiliates	Real Estate Entities	General Partners & Managing Members	Subtotal	Eliminations	2023 Total
Current liabilities						
Accounts payable						
Trade	\$ 313,292	\$ 66,673	\$ -	\$ 379,965	\$ -	\$ 379,965
Development	43,388	658,393	-	701,781	-	701,781
Accrued expenses	455,679	560,767	-	1,016,446	-	1,016,446
Prepaid rent	54,677	56,542	-	111,219	-	111,219
Security deposits	141,169	116,275	-	257,444	-	257,444
Accrued mortgage interest	56,551	22,750	-	79,301	-	79,301
Current portion of mortgages payable	584,913	8,433,248	-	9,018,161	-	9,018,161
Total current liabilities	<u>1,649,669</u>	<u>9,914,648</u>	<u>-</u>	<u>11,564,317</u>	<u>-</u>	<u>11,564,317</u>
Long-term liabilities						
Mortgages payable, net of current portion and unamortized debt issuance costs	12,529,823	5,699,780	-	18,229,603	-	18,229,603
Notes payable and accrued interest	21,391,465	38,337,661	-	59,729,126	(20,899,081)	38,830,045
Total long-term liabilities	<u>33,921,288</u>	<u>44,037,441</u>	<u>-</u>	<u>77,958,729</u>	<u>(20,899,081)</u>	<u>57,059,648</u>
Other liabilities						
Development fees payable and accrued interest	437,647	763,857	-	1,201,504	(1,201,504)	-
Due to related parties	569,279	1,057,381	2,656,943	4,283,603	(4,217,361)	66,242
Interest rate swap contract	316,120	-	-	316,120	-	316,120
Total other liabilities	<u>1,323,046</u>	<u>1,821,238</u>	<u>2,656,943</u>	<u>5,801,227</u>	<u>(5,418,865)</u>	<u>382,362</u>
Total liabilities	<u>36,894,003</u>	<u>55,773,327</u>	<u>2,656,943</u>	<u>95,324,273</u>	<u>(26,317,946)</u>	<u>69,006,327</u>
Net Assets						
Without donor restrictions	30,546,022	(1,551,491)	45,677	29,040,208	(12,668,074)	16,372,134
Noncontrolling interest in consolidated subsidiaries	-	10,711,564	-	10,711,564	-	10,711,564
Total net assets	<u>30,546,022</u>	<u>9,160,073</u>	<u>45,677</u>	<u>39,751,772</u>	<u>(12,668,074)</u>	<u>27,083,698</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 67,440,025</u>	<u>\$ 64,933,400</u>	<u>\$ 2,702,620</u>	<u>\$ 135,076,045</u>	<u>\$ (38,986,020)</u>	<u>\$ 96,090,025</u>

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statement of Activities and Changes in Net Assets
For the year ended December 31, 2024

	CBA & Affiliates	Real Estate Entities	Noncontrolling Interest in Real Estate Entities	General Partners & Managing Members	Subtotal	Eliminations	2024 Total
Revenue and support							
Grants and contributions	\$ 2,505,674	\$ -	\$ -	\$ -	\$ 2,505,674	\$ -	\$ 2,505,674
Partnership management and investor service fees	28,000	-	-	-	28,000	(28,000)	-
Rental income, net of vacancies and concessions	7,983,940	3,725,498	-	-	11,709,438	(138,960)	11,570,478
Interest income	926,908	40,636	-	-	967,544	(679,008)	288,536
Income (loss) from endowment funds	196,405	-	-	-	196,405	-	196,405
Income from investment in corporation	127,897	-	-	-	127,897	-	127,897
Sale of state tax credits	324,000	-	-	-	324,000	-	324,000
Miscellaneous revenue	852,624	67,769	-	-	920,393	(274,918)	645,475
Debt from subsidiary	326,532	-	-	-	326,532	-	326,532
Total revenue and support	<u>13,271,980</u>	<u>3,833,903</u>	<u>-</u>	<u>-</u>	<u>17,105,883</u>	<u>(1,120,886)</u>	<u>15,984,997</u>
Expenditures							
Organizing	967,514	-	-	-	967,514	-	967,514
Real estate-development	183,330	-	-	-	183,330	-	183,330
Real estate-homeowner	67,009	-	-	-	67,009	-	67,009
General and administrative	2,097,052	91,911	-	-	2,188,963	(78,932)	2,110,031
Rentals and property management	10,548,032	6,169,802	-	100	16,717,934	(1,896,134)	14,821,800
Total expenditures	<u>13,862,937</u>	<u>6,261,713</u>	<u>-</u>	<u>100</u>	<u>20,124,750</u>	<u>(1,975,066)</u>	<u>18,149,684</u>
Increase (decrease) in net assets before interest rate swap contract	<u>(590,957)</u>	<u>(2,427,810)</u>	<u>-</u>	<u>(100)</u>	<u>(3,018,867)</u>	<u>854,180</u>	<u>(2,164,687)</u>
Change in value of interest rate swap	146,462	-	-	-	146,462	-	146,462
Increase (decrease) in net assets before taxes	<u>(444,495)</u>	<u>(2,427,810)</u>	<u>-</u>	<u>(100)</u>	<u>(2,872,405)</u>	<u>854,180</u>	<u>(2,018,225)</u>
Unrelated business tax	4,554	-	-	-	4,554	-	4,554
Increase (decrease) in net assets before noncontrolling interest in losses of consolidated subsidiaries	(449,049)	(2,427,810)	-	(100)	(2,876,959)	854,180	(2,022,779)
Noncontrolling interest in losses of consolidated subsidiaries	-	2,800,885	(2,800,885)	-	-	-	-
Transfer of non-controlling interest	(2,270,733)	-	2,270,733	-	-	-	-
Transfer of interest	(1,950,748)	-	-	-	(1,950,748)	-	(1,950,748)
Net assets, beginning of year	32,496,770	(1,551,491)	10,711,564	45,677	41,702,520	(12,668,074)	29,034,446
Current year capital contributions (distributions)	-	-	5,483,839	200	5,484,039	-	5,484,039
Net assets, end of year	<u>\$ 27,826,240</u>	<u>\$ (1,178,416)</u>	<u>\$ 15,665,251</u>	<u>\$ 45,777</u>	<u>\$ 42,358,852</u>	<u>\$ (11,813,894)</u>	<u>\$ 30,544,958</u>

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statement of Activities and Changes in Net Assets
For the year ended December 31, 2023

	CBA & Affiliates	Real Estate Entities	Noncontrolling Interest in Real Estate Entities	General Partners & Managing Members	Subtotal	Eliminations	2023 Total
Revenue and support							
Grants and contributions	\$ 1,490,783	\$ -	\$ -	\$ -	\$ 1,490,783	\$ -	\$ 1,490,783
Developer overhead	729,250	-	-	-	729,250	(729,250)	-
Partnership management and investor service fees	28,000	-	-	-	28,000	-	28,000
Rental income, net of vacancies and concessions	6,879,081	3,626,167	-	-	10,505,248	(114,158)	10,391,090
Interest income	921,749	42,384	-	-	964,133	(682,414)	281,719
Income (loss) from endowment funds	153,677	-	-	-	153,677	-	153,677
Income from investment in corporation	237,948	-	-	-	237,948	-	237,948
Miscellaneous revenue	539,157	79,131	-	-	618,288	(425,641)	192,647
Debt from subsidiary	310,500	-	-	-	310,500	-	310,500
Total revenue and support	<u>11,290,145</u>	<u>3,747,682</u>	<u>-</u>	<u>-</u>	<u>15,037,827</u>	<u>(1,951,463)</u>	<u>13,086,364</u>
Expenditures							
Organizing	863,433	-	-	-	863,433	-	863,433
Real estate-development	111,258	-	-	-	111,258	-	111,258
Real estate-homeowner	24,511	-	-	-	24,511	-	24,511
General and administrative	1,598,760	114,715	-	-	1,713,475	(512,467)	1,201,008
Rentals and property management	8,264,767	5,732,297	-	-	13,997,064	(1,449,946)	12,547,118
Total expenditures	<u>10,862,729</u>	<u>5,847,012</u>	<u>-</u>	<u>-</u>	<u>16,709,741</u>	<u>(1,962,413)</u>	<u>14,747,328</u>
Increase (decrease) in net assets before interest rate swap contract	<u>427,416</u>	<u>(2,099,330)</u>	<u>-</u>	<u>-</u>	<u>(1,671,914)</u>	<u>10,950</u>	<u>(1,660,964)</u>
Change in value of interest rate swap	<u>153,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,671</u>	<u>-</u>	<u>153,671</u>
Increase (decrease) in net assets before taxes	<u>581,087</u>	<u>(2,099,330)</u>	<u>-</u>	<u>-</u>	<u>(1,518,243)</u>	<u>10,950</u>	<u>(1,507,293)</u>
Unrelated business tax	<u>4,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,554</u>	<u>-</u>	<u>4,554</u>
Increase (decrease) in net assets before noncontrolling interest in losses of consolidated subsidiaries	<u>576,533</u>	<u>(2,099,330)</u>	<u>-</u>	<u>-</u>	<u>(1,522,797)</u>	<u>10,950</u>	<u>(1,511,847)</u>
Noncontrolling interest in losses of consolidated subsidiaries	<u>-</u>	<u>1,751,582</u>	<u>(1,751,582)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year	<u>29,969,489</u>	<u>(1,203,743)</u>	<u>12,463,146</u>	<u>45,677</u>	<u>41,274,569</u>	<u>(12,679,024)</u>	<u>28,595,545</u>
Current year capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 30,546,022</u>	<u>\$ (1,551,491)</u>	<u>\$ 10,711,564</u>	<u>\$ 45,677</u>	<u>\$ 39,751,772</u>	<u>\$ (12,668,074)</u>	<u>\$ 27,083,698</u>

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statement of Functional Expenses
For the year ended December 31, 2024

	Organizing	Real Estate Development	Home Preservation	General and Administrative	Rentals and Property Management	2024 Total
Salaries	\$ 839,255	\$ -	\$ -	\$ 854,943	\$ 1,667,937	\$ 3,362,135
Payroll taxes and benefits	60,146	77,365	4,174	348,996	471,010	961,691
Management fees	-	-	-	-	585,111	585,111
Professional fees	-	-	-	297,788	141,955	439,743
Contracted services	13,801	74,741	-	21,048	2,028,193	2,137,783
Operating and maintenance	-	-	-	-	15,973	15,973
Utilities	-	-	3,598	30,712	1,636,770	1,671,080
Office supplies and expense	3,448	977	-	81,202	243,840	329,467
Occupancy	-	-	49,406	-	-	49,406
Advertising and renting	-	-	-	-	11,986	11,986
Program supplies and expense	48,203	10,227	9,712	149,627	278,471	496,240
Telephone	2,661	-	-	9,551	87,969	100,181
Meetings and travel	-	59	-	2,302	-	2,361
Staff training	-	19,961	-	13,590	19,728	53,279
Real estate taxes	-	-	-	-	835,494	835,494
Insurance	-	-	-	28,767	503,373	532,140
Interest	-	-	-	98,446	2,444,680	2,543,126
Depreciation	-	-	-	-	3,180,270	3,180,270
Amortization	-	-	-	-	54,014	54,014
Collection allowance	-	-	-	240	188,452	188,692
Ground lease	-	-	-	-	327,748	327,748
Miscellaneous	-	-	119	172,819	98,826	271,764
	<u>\$ 967,514</u>	<u>\$ 183,330</u>	<u>\$ 67,009</u>	<u>\$ 2,110,031</u>	<u>\$ 14,821,800</u>	<u>\$ 18,149,684</u>

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statement of Functional Expenses
For the year ended December 31, 2023

	Organizing	Real Estate Development	Real Estate Homeowner	General and Administrative	Rentals and Property Management	2023 Total
Salaries	\$ 718,896	\$ -	\$ -	\$ 598,697	\$ 1,548,931	\$ 2,866,524
Payroll taxes and benefits	64,407	76,115	6,307	296,386	429,135	872,350
Management fees	-	-	-	-	532,586	532,586
Professional fees	-	-	-	219,658	58,386	278,044
Contracted services	14,315	(3,000)	-	19,824	1,705,819	1,736,958
Operating and maintenance	-	-	-	-	5,593	5,593
Utilities	-	-	7,265	14,516	1,420,118	1,441,899
Office supplies and expense	1,086	2,655	-	62,310	204,883	270,934
Occupancy	-	-	8,000	35,406	-	43,406
Advertising and renting	-	-	-	-	9,167	9,167
Program supplies and expense	57,046	29,278	2,858	133,042	65,375	287,599
Telephone	2,613	-	-	8,859	80,232	91,704
Meetings and travel	117	267	-	1,076	-	1,460
Staff training	4,953	5,943	-	3,078	18,497	32,471
Real estate taxes	-	-	-	-	721,669	721,669
Insurance	-	-	-	21,653	429,176	450,829
Interest	-	-	-	49,559	2,002,305	2,051,864
Depreciation	-	-	-	-	2,809,543	2,809,543
Amortization	-	-	-	-	57,783	57,783
Collection allowance	-	-	-	-	29,400	29,400
Ground lease	-	-	-	-	312,772	312,772
Miscellaneous	-	-	81	(263,056)	105,748	(157,227)
	<u>\$ 863,433</u>	<u>\$ 111,258</u>	<u>\$ 24,511</u>	<u>\$ 1,201,008</u>	<u>\$ 12,547,118</u>	<u>\$ 14,747,328</u>

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,022,779)	\$ (1,511,847)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Debt issuance cost amortization	79,857	94,034
Depreciation and amortization	3,234,284	2,867,326
Income from investment in corporation	(127,897)	(237,948)
Change in value of interest rate swap	146,462	(153,671)
Accrued interest not currently payable	15,000	15,000
Deferred revenue	1,296,000	-
Transfer of Liberty Square Housing LP non-controlling interest, net	(1,599,307)	-
Changes in:		
Accounts receivable, net	59,122	(143,115)
Prepaid expenses	(12,557)	26,530
Accounts payable - trade	152,875	42,095
Accrued expenses	125,779	(8,411)
Accrued mortgage interest	(3,631)	(4,009)
Prepaid rent	(7,323)	46,870
Tenant security deposits, liability	18,078	12,676
Accrued fees	(125,779)	8,411
Net cash provided by operating activities	1,228,184	1,053,941
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for fixed assets	(1,293,058)	(8,221,529)
Net change in endowment fund - GLCF	(33,931)	(30,246)
Investment in corporation	81,676	(160,057)
Predevelopment costs	(1,077,155)	(315,215)
Net cash used in investing activities	(2,322,468)	(8,727,047)
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage principal (repayments) advances, net	(6,858,247)	5,838,415
Proceeds from notes payable and accrued interest	2,115,996	2,850,567
(Repayment) proceeds from related parties, net	(83,822)	(600,275)
Development fees payable and accrued interest	2,886	(151,662)
Non-controlling interest capital contributions	5,483,839	-
Net cash provided by financing activities	660,652	7,937,045
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(433,632)	263,939
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	10,006,614	9,742,675
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	\$ 9,572,982	\$ 10,006,614
Cash and cash equivalents - operating	\$ 3,572,426	\$ 4,223,750
Cash and cash equivalents - development	45,476	11,183
Tenant security deposits	289,535	267,078
Mortgagee escrow deposits	492,493	496,473
Reserve for replacement	2,061,176	1,998,636
Operating reserve	3,111,876	3,009,494
Total cash, cash equivalents and restricted cash	\$ 9,572,982	\$ 10,006,614
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest, net of capitalized portion of \$198,598 and \$60,220, respectively	\$ 2,298,369	\$ 1,401,373
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Fixed asset additions	\$ 1,961,267	\$ 8,442,866
Less: accounts payable - development	(668,209)	221,337
Cash paid for fixed assets	\$ 1,293,058	\$ 8,664,203

See accompanying notes to consolidated financial statements

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

1. Organization

The Coalition for a Better Acre, Inc. and Affiliates (CBA) (the “Corporation”) was established in 1982 and is a membership based community development corporation dedicated to resident empowerment and sustainable community revitalization for current and future residents of Lowell, Massachusetts and the Merrimack Valley. CBA promotes healthy, vibrant neighborhoods by developing resident leaders, affordable housing and economic opportunities, and by responding to community needs through collective action.

CBA is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501 (c)(3) of the Internal Revenue Code. Contributions made to CBA are deductible by donors within the requirements of the Internal Revenue Code.

The consolidated financial statements include the accounts of CBA and all the controlled affiliates (“Corporation and Affiliates”) as detailed below which are wholly owned subsidiaries, majority-owned subsidiaries or minority-owned subsidiaries.

Acre Triangle Community Development Corporation (ATCDC) (a Massachusetts corporation, not-for-profit) is related to CBA by common Board membership. ATCDC develops affordable housing in the Acre neighborhood of Lowell, Massachusetts. Due to the common Board membership, this entity is included in the accompanying consolidated financial statements.

North Canal Housing Trust, Inc. (NCHT) (a Massachusetts for-profit corporation, 60% owned by ATCDC) is the former general partner (1% ownership interest) of Lowell North Canal Limited Partnership (LNCLP). The general partnership interest was transferred in December 2005 and the Partnership sold its building (excluding its underlying land), reserve for replacements and other operating assets in 2005.

Acre Merrimack, Inc. (ACRE) (a Massachusetts for-profit corporation, 77% owned by ATCDC) is the former general partner (1% ownership interest) of Merrimack Street Housing Limited Partnership (MSHLP). The general partnership interest was transferred January 1, 2006, and MSHLP sold its building (excluding its underlying land), reserve for replacements and other operating assets on August 26, 2006.

Triangle Rental, Inc. (TRI) (a Massachusetts for-profit corporation, 70% owned by CBA) is the general partner (0.01% ownership interest) of Triangle Rental Limited Partnership (TRLP).

Triangle Rental Limited Partnership (TRLP) (a Massachusetts limited partnership, .01% owned by TRI) was formed in November 1996. TRLP operates twenty-six units of low-income housing and three commercial units in four buildings located in Lowell, Massachusetts, known as Triangle Rental Properties (the Project). Phase I consists of three buildings (twenty units) and Phase II consists of one building (six units). The investor limited partner had contributed \$2,448,435 for a 99.99% interest in the income, losses, distributions and tax credits. Effective January 1, 2013, the original limited partner assigned its 99.99% interest, right, and title to CBA.

CBA Affordable Housing, LLC (CBAAH) (a Massachusetts limited liability company, 100% owned by CBA) organized to acquire the Lowell North Canal Housing project. The property was held for the period January 1, 2006, to June 30, 2006, and then sold to New North Canal LLC (NNCLLC) (excluding its underlying land). CBAAH maintains the land related to the project and holds a ground lease.

Moody Street Center, Inc. (MSCI) (a Massachusetts for-profit corporation, 79% owned by CBA) is the general partner (0.01 % ownership interest) of Moody Street Center Limited Partnership.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

1. Organization (continued)

Moody Street Center Limited Partnership (MSCLP) (a Massachusetts limited partnership, .01% owned by MSCI) was formed on September 20, 2000. The Partnership owned and operated a building consisting of four commercial units located in Lowell, Massachusetts. The investor limited partner had contributed \$581,218 for a 99.99% interest in the income, losses, distributions and tax credits. On September 30, 2009, the original investor limited partner assigned its 99.99% interest, right and title in the partnership to CBA.

Liberty Square Housing, Inc. (LSHI) (a Massachusetts for-profit corporation, 50% owned by CBA) is the general partner (0.01% ownership interest) of Liberty Square Housing Limited Partnership (LSHLP).

Liberty Square Housing Limited Partnership (LSHLP) (a Massachusetts limited partnership, .01% owned by LSHI) which was organized to acquire, develop, rehabilitate, and operate four rental buildings of which one building has been designated as a historic building. The project consists of 33 units and five commercial spaces located in Lowell, Massachusetts. Rehabilitation work was completed on one building in June 2004 and on the remaining three buildings in December 2004. The investor limited partner has contributed \$4,098,067 for a 99.99% interest in the income, losses, distributions and tax credits. The special limited partner has agreed to contribute \$10. Effective January 1, 2024, the original investor limited partner and special limited partner assigned their 99.99% interest to CBA.

New North Canal Housing Trust, Inc. (NNCHT) (a Massachusetts for-profit corporation, 60% owned by CBA) is the managing member (.01% ownership interest) of New North Canal LLC (NNCLLC).

New North Canal LLC (NNCLLC) (a Massachusetts limited liability company, .01% owned by NNCHT) was formed on March 23, 2006, to own and operate the North Canal Apartments, consisting of 267 low and moderate income: apartments in Lowell, Massachusetts. The project is regulated by the Department of Housing and Urban Development (HUD) as to rent charges and operating methods. The Company receives significant rent subsidies from HUD. Annual distributions are subject to HUD regulations and are limited to \$164,837 per annum, subject to availability of sufficient surplus cash at year-end. The investor member agreed to contribute \$13,211,000 for a 99.99% interest in the income, losses and tax credits. The investor member had contributed \$13,070,691. There was an upward adjustment of \$159,691. Distributions were allocated in accordance with the operating agreement. Effective October 10, 2022, the original investor member and special member assigned their 99.99% interest to CBA.

New Acre Merrimack, Inc. (NACRE) (a Massachusetts for-profit corporation, 79% owned by CBA) is the managing member (.01% ownership interest) of New Merrimack Street Housing LLC (NMSHLLC) and general partner (1% ownership interest) of Merrimack Street Housing Limited Partnership (MSHLP).

New Merrimack Street Housing LLC (NMSHLLC) (a Massachusetts limited liability company, .01% owned by NACRE) was formed on May 8, 2006, to own and operate twelve low to moderate income housing units and 6,048 square feet of commercial space located on Merrimack Street in Lowell, Massachusetts. NMSHLLC purchased the building (excluding its underlying land), reserve for replacements and other operating assets on August 26, 2006. Rehabilitation of the building was completed in January 2007. The investor member had agreed to contribute \$979,000 for a 99.99% interest in the income, losses, and tax credits. During 2008 the investor member required contribution, which was paid in full, was reduced by \$11,990 due to a downward adjuster. Distributions shall be allocated in accordance with the operating agreement.

Merrimack Street Housing Limited Partnership (MSHLP) (a Massachusetts limited partnership, 99% owned by CBA) operated a rental property consisting of twelve low to moderate income housing units and 6,048 square feet of commercial space (the development). As described above, MSHLP sold its building (excluding its underlying land), reserve for replacements and other operating assets on August 26, 2006, at which point CBA purchased the 99% limited partner interest. MSHLP maintains the land related to the project and holds a ground lease.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

1. Organization (continued)

Call PP Limited Liability Company (Call) (a Massachusetts limited liability company) is the general partner (.01% ownership interest) of Middlesex Street Limited Partnership (MSLP). On September 28, 2006, CBA was admitted as the .01% member of Call. CBA has control over Call and therefore, this entity is included in the accompanying consolidated financial statements.

Middlesex Street Housing Limited Partnership (MSLP) (a Massachusetts limited partnership, .01% owned by Call) was formed on September 28, 2000, for the purpose of constructing and operating two residential apartment buildings containing 24 residential units and approximately 7,000 square feet of commercial space, located in Lowell, Massachusetts. The limited partner had contributed \$3,126,894 for a 99.99% interest in the income, losses and tax credits. Distributions shall be allocated in accordance with the partnership agreement. Effective December 31, 2016, the original investor limited partner assigned its 99.99% interest, right and title in the partnership to CBA.

St. Joseph's MM LLC (SJMMLLC) (a Massachusetts limited liability company, 79% owned by CBA) is the managing member of St. Joseph's Apartments LLC (SJLLC).

St. Joseph's Apartments LLC (SJLLC) (a Massachusetts limited liability company, .01% owned by SJMMLLC) was formed on April 2, 2007, for the purpose of rehabilitating and operating one residential apartment building containing 15 residential units located in Lowell, Massachusetts. The investor member has agreed to contribute \$2,934,000 for a 99.99% interest in the income, losses, and tax credits. The investor member contributed an upward equity adjuster in the amount of \$33,878. As of both December 31, 2024 and 2023, the investor member has contributed \$2,967,868. The special member has agreed to contribute \$10. Distributions shall be allocated in accordance with the operating agreement.

Acre High School MM Two LLC (AHSMM2LLC) (a Massachusetts limited liability company, 79% owned by CBA) is the managing member of Acre High School LLC (AHSLLC).

Acre High School LLC (AHSLLC) (a Massachusetts limited liability company, .01% owned by AHSMM2LLC) was formed on June 23, 2008, for the purpose of rehabilitating and operating one residential apartment building containing 22 residential units located in Lowell, Massachusetts. The investor member has agreed to contribute \$4,009,624 for a 99.99% interest in the income, losses, and tax credits. The investor member contributed an upward equity adjuster in the amount of \$490. As of both December 31, 2024 and 2023, the investor member has contributed \$4,010,114. Distributions shall be allocated in accordance with the operating agreement.

Unity Place MM LLC (UPMMLLC) (a Massachusetts limited liability company, 79% owned by CBA) is the managing member of Unity Place LLC (UPLLC).

Unity Place LLC (UPLLC) (a Massachusetts limited liability company, .01% owned by UPMMLLC) was formed on April 10, 2009, for the purpose of rehabilitating and operating one residential apartment building containing 23 residential units located in Lowell, Massachusetts. The investor member has agreed to contribute \$3,517,609 for a 99.99% interest in the income, losses, and tax credits. As of both December 31, 2024 and 2023, the investor member has contributed \$3,517,598. Distributions shall be allocated in accordance with the operating agreement.

Gorham Street MM LLC (GSMMLLC) (a Massachusetts limited liability company, 79% owned by CBA) is the managing member of Gorham Street LLC (GSLLC).

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

1. Organization (continued)

Gorham Street LLC (GSLLC) (a Massachusetts limited liability company, .01% owned by GSMMLLC) was formed on May 2, 2013, for the purpose of rehabilitating and operating one residential apartment building containing 24 residential units located in Lowell, Massachusetts. The investor member has agreed to contribute \$4,045,000 for a 99.99% interest in the income, losses, and tax credits. The investor member contributed an upward equity adjuster in the amount of \$92,341. As of both December 31, 2024 and 2023, the investor member has contributed \$4,137,341. Distributions shall be allocated in accordance with the operating agreement.

Welcome Home Housing MM LLC (WHHMMLLC) (a Massachusetts limited liability company, 79% owned by CBA) is the managing member of Welcome Home Housing LLC (WHHLLC).

Welcome Home Housing LLC (WHHLLC) (a Massachusetts limited liability company, .01% owned by WHHMMLLC) was formed on May 1, 2014, for the purpose of rehabilitating and operating three residential apartment building containing 27 residential units located in Haverhill, Massachusetts. The investor member has agreed to contribute \$2,494,551 for 99.99% interest in the income, losses, and tax credits. The investor member contributed an upward equity adjuster in the amount of \$8,400. As of both December 31, 2024 and 2023, the investor member has contributed \$2,502,951. Distributions shall be allocated in accordance with the operating agreement.

138 Cross Street LLC (CSLLC) (a Massachusetts limited liability company, 51% owned by CBA) was formed on September 25, 2017, for the purpose of owning and developing a residential apartment complex located in Lowell, Massachusetts. The apartment complex is undergoing rehabilitation. CBA, the managing member, has agreed to contribute \$51 for a 51% interest on the income and losses. The Megan House Foundation, Inc. has agreed to contribute \$49 for a 49% interest in the income and losses. Distributions shall be allocated in accordance with the operating agreement.

Gerson Building LLC (GSBLLC) (a Massachusetts limited liability company, .01% owned by GBMMLLC) was formed on February 6, 2016, for the purpose of rehabilitating and operating one multifamily apartment complex containing 44 residential units located in Haverhill, Massachusetts. The investor member has agreed to contribute \$8,730,927 for a 99.98% interest in the income, losses, and tax credits. As of both December 31, 2024 and 2023, the investor member had contributed \$8,730,927. Distributions shall be allocated in accordance with the operating agreement.

Gerson Building MM LLC (GBMMLLC) (a Massachusetts limited liability company, 21% owned by CBA) is the managing member of Gerson Building LLC (GSBLLC).

11 Spring Park Avenue LLC (DRACUT) (a Massachusetts limited liability company, 100% owned by CBA) was formed on March 23, 2020, for the purpose of rehabilitating and operating 9 units of affordable housing located in Dracut, Massachusetts. During 2022, construction was completed, and the building was placed in service and operations began.

555 Merrimack Street LLC (555 MERRIMACK) (a Massachusetts limited liability company, 79% owned by CBA) was formed on November 22, 2017, for the purpose of rehabilitating and operating 27 units of affordable housing located in Lowell, Massachusetts. During 2023, construction was completed, and the building was placed in service. Operations will begin in 2024. The investor member has agreed to contribute \$5,923,000 for a 99.98% interest in the income, losses, and tax credits. As of both December 31, 2024 and 2023, the investor member contributions have not yet been received. Distributions shall be allocated in accordance with the operating agreement.

555 Merrimack Street MM LLC (555MMLLC) (a Massachusetts limited liability company, 79% owned by CBA) is the managing member of 555 Merrimack Street LLC (555 MERRIMACK).

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

2. Summary of significant accounting policies and nature of operations

Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and Affiliates, which have been consolidated under FASB ASC 810-10. All significant intercompany accounts and transactions are eliminated in consolidation. Non-controlling interest is recorded for the portion of net assets attributable to the ownership by unaffiliated entities.

Use of estimates

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

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is not considered cash and cash equivalents, and includes cash held with financial institutions for refunds of tenant security deposits, funding of operating deficits, repairs or improvements to the buildings which extend their useful lives, and annual insurance and property tax payments.

Certificates of deposit and related income recognition

Certificates of deposit are carried at fair value and include certificates of deposit with original maturities greater than three months. Purchases and sales of certificates of deposit are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

Concentrations of credit risk

The Corporation and Affiliates place their temporary cash investments with high credit quality financial institutions. At times, the account balances may exceed the institutions' federally insured limits. The Corporation and Affiliates have not experienced any losses in such accounts.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation.

Basis of presentation

The accompanying financial statements are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The Corporation and Affiliates are required to report information regarding their financial position and activities according to the following net asset classifications:

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

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Corporation and Affiliates or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Derivative financial instruments

All derivative financial instruments are recognized as either assets or liabilities at their fair value in the statement of financial position with the changes in the fair value reported in current-period earnings. These instruments are classified on the consolidated statement of financial position as interest rate swap contract and the change in the fair value is recorded on the statement of activities as change in value of interest rate swap. For the years ended December 31, 2024 and 2023, a real estate affiliate, New North Canal LLC, recognized a gain of \$146,462 and \$153,671, respectively, on these instruments.

Fixed assets and depreciation

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair market value at the time of donation. Depreciation is provided using the straight-line method over the following estimated useful lives:

Land improvements	20 years
Buildings	40 years
Furniture and fixtures	5 -10 years
Vehicles	5 years
Computer equipment	5 years
Furniture and fixtures	5 -10 years

Expenditures for maintenance and repairs are charged to expense as incurred; expenditures for renewals and betterments, which add to the value of the related assets or materially extend the life of the assets are capitalized. When sold, retired, or otherwise disposed of, the costs of assets and related accumulated depreciation will be removed from the accounts and any gain or loss credited or charged to the income.

Investments in corporations

The Corporation accounts for its investments in corporations using the equity method of accounting. Under the equity method, the investments are carried at cost, adjusted for the Corporation's share of income or losses of the corporations, additional investments and for cash distributions from the corporations. The Corporation's exposure to economic and financial statement loss is limited to its investments in the corporations.

The Corporation has no obligation to fund liabilities of the corporations beyond its investments, including committed investment amounts, and investments in corporations will not be carried below zero. To the extent that equity losses are incurred when the corporations' respective asset values have been reduced to a zero balance, the losses will be suspended to be used against future income.

Accounts receivable

Accounts receivable consists of balances due from tenants and others. The Corporation and Affiliates have elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Loans receivable and allowance for credit losses (after the adoption of ASU 2016-13 effective January 1, 2023)

Loan receivables are measured at amortized cost basis and presented at the amount expected to be collected, net of deferred loan origination fees and unearned discounts, as applicable. The Corporation records an allowance for credit losses based on losses expected to arise over the contractual term of the financial asset. Assets are written off when the Corporation deems the loan receivable to be uncollectable. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance account. As of December 31, 2024 and 2023, management believes that the Corporation's loans receivable are fully collectable and as such, no allowance for credit losses has been recorded.

In developing estimates for expected credit losses, management considers historical loss information updated for current conditions and reasonable and supportable forecasts that affect expected collectability using a loss-rate approach. Management considers factors such as the borrower's financial condition, the borrower's ability to make scheduled interest or principal payments based on the current and forecasted direction of the economic and business environment, the remaining payment terms of the loan, the remaining time to maturity, and the value of underlying collateral. Although management uses many factors to estimate credit losses, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for credit loan losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Loans that are 90 days or more past due, based on the contractual terms of the loan, are classified on nonaccrual status. Uncollectable interest previously accrued is charged off, or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received and the principal balance is believed to be collectable. A loan previously classified on nonaccrual status will resume accruing interest based on the contractual terms of the loan when payments on the loan become current. There were no loans on nonaccrual status at December 31, 2024 and 2023.

Loan origination and commitment fees, as well as certain direct origination costs, are deferred and recognized into income ratably over the term of the loan. Amortization of deferred loan fees is discontinued when a loan is placed on nonaccrual status.

Deferred charges

Deferred charges consist of tax credit fees. Tax credit fees are amortized using the straight-line method over the tax credit compliance period of 15 years.

Revenue recognition

Revenues from service contracts are recorded over the term of the contract as services are provided and costs are incurred. The Corporation reports gifts of cash and other assets with no donor restrictions as an increase in net assets without donor restrictions when received. Sales of state tax credits, development fees and partnership management fees are recorded as revenues when earned based on the terms of the various agreements.

The Corporation receives fees for the performance of property development and other services in connection with the real estate it develops pursuant to certain fee agreements. The fees are generally earned over the development period based on achievement of certain contractual performance obligations or other development milestones. These fees are recognized as income when earned from the Real Estate Entities. Fees and interest related to Real Estate Entities are eliminated in consolidation in accordance with GAAP and are recognized ratably over the useful life of the underlying real estate as a reduction to depreciation expense.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Revenue recognition (continued)

Grants expected to be received within one year are recorded at their net realizable value. Grants and other contributions of cash and other assets are reported as with donor restrictions support if they are received with donor restrictions that limit the use of the donated support. Multi-year grants are recorded into income as the conditions for earning the grants are met. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions. The Corporation uses the allowance method to determine uncollectible grants receivable. The allowance is based on prior years' experience and management's analysis of specific grants made. Management has decided that an allowance was not necessary as of December 31, 2024 and 2023.

Unconditional promises to give are recognized as revenues 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 only when the conditions on which they depend are substantially met and the promises become unconditional. The Corporation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. During the years ended December 31, 2024 and 2023, there was no unconditional promise to give recognized as revenue.

Rental revenue attributable to residential leases is recorded when due from residents, generally upon the first day of each month. Leases are for periods of up to one year, with rental payments due monthly. Other income includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned.

The Corporation conducts special events in which a portion of gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Corporation. The direct costs of the special events, which ultimately benefit the donor rather than the Corporation are recorded as exchange transaction revenue and exchange transaction expense. All the proceeds received in excess of the direct costs are recorded as grants and contributions in the accompanying consolidated statement of activities. During the years ended December 31, 2024 and 2023, the Corporation reported net special events revenue of \$106,384 and \$64,359, respectively.

Compensated absences

Employees of CBA are entitled to paid vacation and paid sick leave, depending on job classification and length of service. The financial statements reflect liability and expense for compensated vacation absences of the employees for vested time at their current pay rate.

Functional expenses

Expenses related directly to a program, or activities are allocated to that program or activity, while other expenses are allocated based upon management's estimate of the percentage attributable to each program or activity. The costs of providing program services and other activities have been summarized in the statements of activities. Accordingly, certain costs have been allocated among program services and administrative support. Such allocations are determined by management on an equitable basis.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Functional expenses (continued)

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Direct allocation
Payroll taxes and benefits	Direct allocation
Management fees	Direct allocation
Professional fees	Direct allocation
Contracted services	Direct allocation
Operating and maintenance	Direct allocation
Utilities	Direct allocation
Office supplies and expenses	Direct allocation
Telephone	Direct allocation
Meetings and travel	Direct allocation
Staff training	Direct allocation
Real estate taxes	Direct allocation
Insurance	Direct allocation
Interest	Direct allocation
Depreciation	Direct allocation
Amortization	Direct allocation
Collection allowance	Direct allocation
Ground lease	Direct allocation
Miscellaneous	Direct allocation

Retirement plan

CBA provides a qualified retirement plan under Internal Revenue Code Section 401(k) covering all employees meeting certain eligibility requirements. The plan allows employees to contribute pre-tax income, as defined and limited by the Internal Revenue Code. Discretionary contributions may be made as determined by CBA's Board of Directors. Discretionary contributions made during the years ended December 31, 2024 and 2023, were \$55,832 and \$58,232, respectively.

Low-income housing tax credits

Twelve of the entities consolidated (Triangle Rental Limited Partnership, Liberty Square Housing Limited Partnership, New Merrimack Street Housing LLC, New North Canal LLC, Middlesex Street Housing Limited Partnership, St. Joseph's Apartments LLC, Acre High School LLC, Unity Place LLC, Welcome Home Housing, LLC, Gorham Street LLC, Gerson Building, LLC and 555 Merrimack Street LLC, collectively the "LIHTC Properties") are or were eligible to receive federal low-income housing tax credits. The credits are calculated at varying rates (between 3.29% and 9%) of the acquisition and qualified construction and rehabilitation costs and may be claimed each year for ten years. The annual allocation for the entities is subject to adjustment. The tax credit periods began in the years ranging between 1997 and 2023 and tax credits were prorated in the first year of occupancy. The tax credit period for 555 Merrimack Street LLC began in 2024. Additionally, LIHTC Properties will have entered into various agreements requiring compliance with federal low-income housing regulations for a minimum of 30 years.

Historic tax credits

Three of the entities consolidated (Liberty Square Housing Limited Partnership, Moody Street Center Limited Partnership, and St. Joseph's Apartments LLC) qualified for the federal historic tax credits. The credit was calculated at 20% of qualified rehabilitation costs. Recapture of a portion of the credits would occur if the building were sold or taken out of service within five years of being placed in service. The entities are outside of their federal historic tax credit compliance period.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

2. Summary of significant accounting policies and nature of operations (continued)

State tax credits

Four of the entities consolidated (St Joseph's Apartments LLC, Acre High School LLC, Gorham Street LLC and 11 Spring Park Avenue, LLC) have received state historic tax credit awards, which were assigned to CBA and sold to private equity investors. During 2024, 555 Merrimack Street LLC has received a state historic tax credit award, which was assigned to CBA and sold to private equity investors in the amount of \$324,000.

Impairment of long-lived assets

The Corporation and Affiliates review their long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset 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 and any estimated proceeds from the eventual disposition. If the long-lived assets are 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 as determined from an appraisal, discounted cash flows analysis, or other valuation technique. For each of the years ended December 31, 2024 and 2023, no impairment losses were recognized.

Impairment of equity method investments

The Corporation has implemented policies and practices for assessing impairments in the value of its investments in corporations. Impairments occur when the book value of the investment exceeds the current estimated value of the investment. If impairment exists, a provision to reduce the asset to fair value, as calculated based primarily on remaining tax benefits, is recorded in the Corporation's financial statements. For each of the years ended December 31, 2024, and 2023, no impairment losses were recognized.

Endowment funds

In August 2008, Financial Accounting Standards Board ("FASB") provided guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). This guidance also improves disclosures about an organization's endowed funds (both donor restricted endowment funds and board designated endowment funds) whether the organization is subject to UPMIFA.

The Corporation is subject to the required disclosures in that the Corporation classifies its unrealized gains and losses on donor-restricted endowed funds as net assets with donor restrictions. As of both December 31, 2024 and 2023, no fund balances were below the historical gift amount.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Summary of significant accounting policies and nature of operations (continued)

Economic concentrations

The operating partnerships/companies own and operate property in Massachusetts, primary located in the city of Lowell and the Merrimack Valley. Future operations could be affected by changes in economic or other conditions in that geographical area or by changes in the federal low-income housing subsidies or the demand for such housing. In addition, the operating partnerships/companies operate in a heavily regulated environment. The operations of the operating partnerships/companies are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Concentrations of credit risk

The Corporation and Affiliates place their temporary cash investments with high quality financial institutions. At times, the account balance may exceed the institutions' federally insured limits. The Corporation and Affiliates have not experienced any losses in such accounts.

Income taxes

No provision has been made for income taxes since the Corporation was formed as a tax-exempt organization and has been granted Section 501(c)(3) status by the Internal Revenue Service. The Internal Revenue Service has ruled that CBA and ATCDC are tax-exempt organizations as defined under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Corporation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Corporation qualifies to receive charitable contributions and has been classified as an organization other than a private foundation.

ATCDC has a lease for an antenna on its roof which is subject to tax on unrelated business income. As of both December 31, 2024, and 2023, ATCDC has recorded a tax liability of \$4,554, on this unrelated business activity.

CBAAH and DRACUT are single member limited liability companies owned 100% by CBA. As such they are "disregarded entities" for tax purposes and their profit or losses are recorded by CBA.

NCHT, ACRE, TRI, MSCI, LSHI, NNCHT, NMTC, and NACRE are for-profit corporations and have not generated significant taxable income since inception. As such, no provision for federal income taxes has been recorded in the consolidated financial statements.

TRLP, MSCLP, LSHLP, MSHLP, and MSLP are organized as limited partnerships. NNCLLC, NMSHLLC, SJLLC, AHSLLC, UPLLC, GSLLC, WHHLLC, GSBLLC, CSLLC and 555 MERRIMACK are limited liability companies that have elected to be taxed as partnerships. Partnership income is levied on the partners at the partner level. Accordingly, all profits and losses of the partnerships are recognized by each partner on its respective tax return.

Call, SJMMLLC, AHSMM2LLC, UPMMLLC, GSMMLLC, WHHMMLLC, GBMMLLC and 555MMLLC are for-profit limited liability companies and have not generated significant taxable income since inception. As such, no provision for federal income taxes has been recorded in the consolidated financial statements.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

2. Summary of significant accounting policies and nature of operations (continued)

Income taxes (continued)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Corporation and Affiliates to report information regarding their exposure to various tax positions taken by the Corporation and Affiliates. The Corporation and Affiliates have determined whether any tax positions have met the recognition threshold and have measured the Corporation and Affiliates' exposure to those tax positions. Management believes that the Corporation and Affiliates have adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Corporation and Affiliates are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Fair value measurements

The Corporation and Affiliates apply the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost). A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect the Corporation and Affiliates' own assumptions.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the valuation methods are determined to be appropriate and consistent within the industry, the use of different methodologies or assumptions to determine the fair value of certain assets and liabilities could result in a different estimate of fair value at the reporting date.

The table below presents amounts as of December 31, 2024 and 2023 for significant items measured at fair value on a recurring basis. The fair value of the interest rate swap liability is based on notional amounts, interest rates, maturity date and other contract terms. The fair value of the interest rate swap contract is valued using a third-party. The interest rate swap is classified as a Level 2 measurement.

	<u>Level 2</u>	
	2024	2023
Interest rate swap liability	\$ 469,791	\$ 316,120

Subsequent events

Subsequent events have been evaluated through June 27, 2025, which is the date the consolidated financial statements were available to be issued, and there are no subsequent events requiring disclosure.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

3. Liquidity and availability of financial assets

The following represents the Corporation and Affiliates' liquid financial assets at December 31, 2024 and 2023:

Liquid financial assets at year end:	2024	2023
Cash and cash equivalents	\$ 3,572,426	\$ 4,223,750
Tenant security deposits, cash	289,535	267,078
Escrow deposits	492,493	496,473
Total liquid financial assets	<u>4,354,454</u>	<u>4,987,301</u>
Less amounts not available to be used within one year:		
Tenant security deposits, liability	(275,522)	(257,444)
Escrow deposits	(492,493)	(496,473)
	<u>(768,015)</u>	<u>(753,917)</u>
Liquid financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,586,439</u>	<u>\$ 4,233,384</u>

The Corporation strives to maintain 4 months of operating reserves on hand to meet current liquidity needs and address shortfalls in cash flow caused by seasonal revenue cycles. The operating reserves are maintained in investment accounts with asset allocations consistent with the investment policy. These operating reserves have been board designated and are not accessible to management for operations without approval by the board.

4. Operating leases

CBA entered into a lease agreement to lease office space from MSCLP, which commenced in January 2009 for a term of three years through December 2011. The lease is extended through December 31, 2025, with the same terms as the original lease. Lease payments totaling \$138,960 and \$114,158 for the years ended December 31, 2024 and 2023, respectively, have been eliminated in the consolidated financial statements.

5. Notes, predevelopment costs and development fees receivable and accrued interest

Notes and development fees receivable and accrued interest consist of the following from entities that are included in the consolidated financial statements and have therefore been eliminated in the accompanying statement of financial position:

	2024	2023
<u>Note receivable from TRLP</u>		
The note is to finance a portion of the acquisition of the property, due in full at the maturity date of February 2027, together with interest at 9% per annum, simple. On January 23, 2014, this note was refinanced with interest at 1.15% per annum, due in full at the maturity date of February 2037. The note principal of \$25,000 was forgiven in 2014 and recorded as a capital contribution and the note was reduced to \$155,000, \$238,535 of accrued interest additionally was forgiven in 2014 and recorded as a capital contribution. As of December 31, 2024 and 2023, the note balance of \$155,000 for both years and accrued interest of \$53,634 and \$51,262, respectively, have been eliminated in the accompanying consolidated financial statements.	\$ 208,634	\$ 206,262

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

5. Notes, predevelopment costs and development fees receivable and accrued interest (continued)

	2024	2023
<u>Mortgage note receivable from NMSHLLC</u>		
The note is due in full upon the sale or refinancing of the property or at the maturity date of August 2036, together with interest at 5.36%, compounded annually. As of December 31, 2024 and 2023, the note balance of \$713,027 for both years and accrued interest of \$1,143,838 and \$1,049,373, respectively, have been eliminated in the accompanying consolidated financial statements.	\$ 1,856,865	\$ 1,762,400
The note is due in full upon the sale or refinancing of the property or at the maturity date of August 2036 and is non-interest bearing. The note is secured by the property. As of December 31, 2024 and 2023, the note balance of \$30,000 for both years has been eliminated in the accompanying consolidated financial statements for both years.	30,000	30,000
<u>Note receivable from LSHLP</u>		
The note is due only to the extent of cash flow available in any year pursuant to the partnership agreement. Interest accrues at 5.7% per annum, compounded annually. The loan is secured by a second mortgage on the property. All accrued and unpaid interest and principal is due at maturity, September 2033. As of December 31, 2024 and 2023, the note balance of \$500,000 for both years and accrued interest of \$1,021,864 and \$939,795, respectively, have been eliminated in the accompanying consolidated financial statements.	1,521,864	1,439,795
The note is due only to the extent of cash flow available in any year pursuant to the partnership agreement. Interest accrues at 5% per annum, compounded annually. The loan is secured by a third mortgage on the property. All accrued and unpaid interest and principal is due at maturity, September 2033. This loan is reflected as permanently restricted due to NWA requirements. As of December 31, 2024 and 2023, the note balance of \$165,000 for both years and accrued interest of \$288,273 and \$266,690, respectively, have been eliminated in the accompanying consolidated financial statements.	453,273	431,690
<u>Note receivable from NNCLLC</u>		
Note receivable in the amount of \$1,369,029 (amended during 2007 to \$1,437,480). The note was increased by \$477,500 in 2011. The note is due in full upon the sale or refinancing of the property or at the maturity of June 2036, together with interest at 5.32% per annum, compounded annually. As of December 31, 2024 and 2023, the note balance of \$1,914,980 for both years and accrued interest of \$2,664,155 and \$2,432,850, respectively, have been eliminated in the accompanying consolidated financial statements.	4,579,135	4,347,830

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

5. Notes, predevelopment costs and development fees receivable and accrued interest (continued)

	2024	2023
<u>Development note receivable from MSLP</u>		
The loan is non-interest bearing and unsecured and is due on demand. As of December 31, 2024 and 2023, the note balance of \$261,734 for both years has been eliminated in the accompanying consolidated financial statements.	\$ 261,734	\$ 261,734
<u>Note receivable from MSLP</u>		
NWA note receivable in the amount of \$210,600 as of both December 31, 2024 and 2023, which has been eliminated in the accompanying consolidated financial statements. The loan is noninterest bearing and is payable from available cash flow or at maturity, April 24, 2031.	210,600	210,600
City of Lowell note receivable in the amount of \$67,193 as of both December 31, 2024 and 2023, which has been eliminated in the accompanying consolidated financial statements. The loan is noninterest bearing and is payable from available cash flow or at maturity, April 24, 2031.	67,193	67,193
Ground lease (Note 7)	455,157	420,379
<u>Note receivable from SJALLC</u>		
City of Lowell Home Funds note receivable in the amount of \$165,000. The note is due in full at maturity, August 2037, together with interest at 6% per annum, compounded annually. As of December 31, 2024 and 2023, the note balance of \$165,000 for both years and accrued interest of \$282,263 and \$256,946, respectively, have been eliminated in the accompanying consolidated financial statements.	447,263	421,946
HTC note receivable in the amount of \$259,500. The note, which is secured by the property, bears interest at 8% per annum, compounded annually, with principal and interest due at maturity, August 2037. As of December 31, 2024 and 2023, the note balance of \$259,500 for both years and accrued interest of \$629,532 and \$563,678, respectively, have been eliminated in the accompanying consolidated financial statements.	889,032	823,178
CBA sold state tax credits generated from SJALLC for \$259,500 and loaned the proceeds of the sale to SJALLC.		

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. Notes, predevelopment costs and development fees receivable and accrued interest (continued)

	2024	2023
<u>Note receivable from SJALLC (continued)</u>		
NWA note receivable in the amount of \$75,000. The note is due in full at maturity, August 2037, together with interest at 8% per annum, compounded annually. As of December 31, 2024 and 2023, the note balance of \$75,000 for both years and accrued interest of \$212,347 and \$191,062, respectively, have been eliminated in the accompanying consolidated financial statements.	\$ 287,347	\$ 266,062
City of Lowell Lead Funds note receivable in the amount of \$120,000. The note is due in full at maturity, August 2037, together with interest at 6% per annum, compounded annually. As of December 31, 2024 and 2023, the note balance of \$120,000 for both years and accrued interest of \$192,463 and \$174,776, respectively, have been eliminated in the accompanying consolidated financial statements.	312,463	294,776
<u>Note receivable from AHSLLC</u>		
Note receivable in the amount of \$920,000. The note is due in full at maturity, December 2039, together with interest at 5% per annum, compounded annually. As of December 31, 2024 and 2023, the note balance of \$920,000 for both years and accrued interest of \$871,519 and \$786,209, respectively, have been eliminated in the accompanying consolidated financial statements.	1,791,519	1,706,209
CBA sold state tax credits generated from AHSLLC for \$820,000 and loaned \$810,000 of the proceeds from the sale to AHSLLC. Additionally, NWA Funds of \$110,000 were combined with the \$810,000 in the form of a note totaling \$920,000.		
HOME Funds note receivable in the amount of \$165,000. The note is due in full at maturity, December 2039, together with interest at 1% per annum, compounded annually. As of December 31, 2024 and 2023, the note balance of \$165,000 for both years and accrued interest of \$26,925 and \$25,025, respectively, have been eliminated in the accompanying consolidated financial statements.	191,925	190,025

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
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5. Notes, predevelopment costs and development fees receivable and accrued interest (continued)

	2024	2023
<u>Note receivable from AHSLLC (continued)</u>		
CDBG Funds note receivable in the amount of \$33,325. The note is due in full at maturity, December 2039, together with interest at 1% per annum, compounded annually. As of December 31, 2024 and 2023, the note balance of \$33,325 for both years and accrued interest of \$5,269 and \$4,887, respectively, have been eliminated in the accompanying consolidated financial statements.	\$ 38,594	\$ 38,212
<u>Note receivable from UPLLC</u>		
NWA Funds note receivable in the amount of \$184,000. The note is due in full at maturity, December 2040, is non-interest bearing. As of December 31, 2024 and 2023, the note balance of \$184,000 for both years has been eliminated in the accompanying consolidated financial statements.	184,000	184,000
Note receivable in the amount of \$50,000 funded from CDBG proceeds. The note is due in full at maturity, December 2040, is non-interest bearing. As of December 31, 2024 and 2023, the note balance of \$50,000 for both years has been eliminated in the accompanying consolidated financial statements.	50,000	50,000
<u>Note receivable from GSLLC</u>		
NWA Funds note receivable in the amount of \$192,000. The note is due in full at maturity, July 2054 and bears interest at a rate of 3.14% per annum. As of December 31, 2024 and 2023, the note balance of \$63,830 for both years, and accrued interest of \$13,016 and \$6,987, respectively, have been eliminated in the accompanying consolidated financial statements.	76,846	70,817
Note receivable in the maximum amount of \$1,297,009. The note is due in full at maturity, July 3, 2054, bears interest at 3.14% per annum. As of December 31, 2024 and 2023, the note balance of \$1,272,135 for both years and accrued interest of \$332,444 for both years, have been eliminated in the accompanying consolidated financial statements. CBA sold state tax credits generated from GSLLC for \$1,272,135 and loaned the proceeds of the sale to GSLLC.	1,604,579	1,604,579
<u>Note receivable from WHLLC</u>		
Note receivable in the amount of \$50,000. The note is due in full at maturity, December 2064, bears interest at 1% per annum. As of December 31, 2024 and 2023, the note balance of \$50,000 for both years and accrued interest of \$4,920 and \$4,420, respectively, have been eliminated in the accompanying consolidated financial statements.	54,920	54,420

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
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5. Notes, predevelopment costs and development fees receivable and accrued interest (continued)

	2024	2023
<u>Note receivable from WHLLC (continued)</u>		
Construction advances receivable, which shall be repaid only from capital contributions of the investor member and the proceeds of sale or refinancing and bear no interest. As of December 31, 2024 and 2023, the advances balance of \$304,675 for both years, has been eliminated in the accompanying consolidated financial statements.	\$ 304,675	\$ 304,675
<u>Note receivable from CBAAH</u>		
Note receivable from NNCLLC in the amount of \$1,284,393. The note is due in full upon the sale or refinancing of the property or at the maturity of June 2036, together with interest at 5.32% per annum compounded annually. As of December 31, 2024 and 2023, the note balance of \$1,013,512 and \$1,570,578, respectively, and accrued interest of \$1,284,393 for both years, have been eliminated in the accompanying consolidated financial statements.	2,297,905	2,854,971
Ground lease (Note 7)	1,863,762	1,572,009
<u>Note receivable from GSLLC</u>		
Note receivable from GSLLC in the amount of \$100,000. The note is due in full at the maturity date of October 2060 and bears no interest. As of December 31, 2024 and 2023, the note balance of \$100,000 for both years, have been eliminated in the accompanying consolidated financial statements.	100,000	100,000
<u>Developer fee receivable from GSLLC</u>		
Developer fee receivable from GSLLC in the amount of \$1,250,890. This note is due at the thirteenth anniversary of substantial completion. As of December 31, 2024 and 2023, the note balances of \$174,889 for both years have been eliminated in the accompanying consolidated financial statements.	174,889	174,889
<u>Note receivable from CSLLC</u>		
Note receivable from CSLLC in the amount of \$225,000. The note is due in full at the maturity date of May 18, 2039, and bears no interest. As of December 31, 2024 and 2023, the note balance of \$225,000 for both years has been eliminated in the accompanying consolidated financial statements.	225,000	225,000
<u>Note receivable from DRACUT</u>		
Note receivable from DRACUT in the maximum amount of \$145,000. The note is due at the maturity date of April 14, 2051, and bears no interest. As of December 31, 2024 and 2023, the note balance of \$145,000 for both years has been eliminated in the accompanying consolidated financial statements.	145,000	145,000

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

5. Notes, predevelopment costs and development fees receivable and accrued interest (continued)

	2024	2023
<u>Note receivable from DRACUT (continued)</u>		
Note receivable from DRACUT in the maximum amount of \$200,000. The note is due in full at the maturity date of April 14, 2051, and bears no interest. As of December 31, 2024 and 2023, the note balance of \$200,000 for both years has been eliminated in the accompanying consolidated financial statements	\$ 200,000	\$ 200,000
Construction advances receivable, which shall be repaid only from the proceeds of sale or refinancing and bear no interest. As of December 31, 2024 and 2023, the advances balance of \$76,431 and \$43,590, respectively, has been eliminated in the accompanying consolidated financial statements.	76,431	43,590
Note receivable from DRACUT in the maximum amount of \$664,300. The note is due at the maturity date of April 14, 2051, and bears no interest. As of December 31, 2024 and 2023, the note balance of \$664,300 for both years has been eliminated in the accompanying consolidated financial statements	664,300	664,300
CBA sold historic state tax credits generated from DRACUT for \$664,300 and loaned the proceeds of the sale to DRACUT.		
Developer fee receivable from DRACUT in the amount of \$175,913. As of December 31, 2024 and 2023, the note balance of \$175,913 for both years has been eliminated in the accompanying consolidated financial statements.	175,913	175,913
<u>Note receivable from 555 MERRIMACK</u>		
Note receivable from 555 MERRIMACK in the maximum amount of \$578,531. The note is due at the maturity date of May 19, 2052, and bears interest at the rate of 2% per annum. As of December 31, 2024 and 2023, the note balance of \$479,800 and \$533,537, respectively, and accrued interest of \$56,140 and \$40,056, respectively, have been eliminated in the accompanying consolidated financial statements.	535,940	573,593
Developer fee receivable from 555 MERRIMACK in the amount of \$480,500 and \$588,966 as of December 31, 2024 and 2023, respectively has been eliminated in the accompanying consolidated financial statements.	480,500	588,966

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

5. Notes, predevelopment costs and development fees receivable and accrued interest (continued)

	2024	2023
<u>Note receivable from 555 MERRIMACK (continued)</u>		
Note receivable from 555 MERRIMACK in the maximum amount of \$1,620,000. The note is due at the maturity date of May 19, 2025, and bears interest at a rate of 3.4% per annum. As of December 31, 2024 and 2023, the note balance of \$1,620,000 and \$0, respectively, and accrued interest of \$22,950 and \$0, respectively, have been eliminated in the accompanying consolidated financial statements.	\$ 1,642,950	\$ -
Note receivable from 555 MERRIMACK in the maximum amount of \$300,000. The note is due at the maturity date of May 19, 2025, and bears interest at a rate of 2% per annum. As of December 31, 2024 and 2023, the note balance of \$300,000 and \$302,500, respectively, and accrued interest of \$16,075 and \$14,995, respectively, have been eliminated in the accompanying consolidated financial statements.	316,075	317,495
Notes receivable and accrued interest also consist of the following from unrelated entities that are included in the consolidated financial statements and have therefore not been eliminated in the accompanying statement of financial position.		
<u>Loan Receivable – LCLF</u>		
On October 9, 2009, CBA agreed to loan \$50,000 to Lowell Community Loan Fund Inc. The loan called for interest at the Applicable Federal Rate (AFR). Effective January 1, 2017, the loan was amended to carry a 0% interest rate. The principal is repayable on demand, and as of December 31, 2024 and 2023, \$50,000 has been drawn on this loan for both years.	50,000	50,000
Subtotal CBA and affiliates	24,826,283	22,555,013
Less – amounts eliminated	(24,776,283)	(22,505,013)
Total notes predevelopment costs & development fees receivable & accrued interest	\$ 50,000	\$ 50,000

6. Due to/From Related Parties

The Corporation and Affiliates periodically advance funds to, or hold funds for, several related entities. At December 31, 2024 and 2023, aggregate amounts due from related parties after elimination of intercompany balances totaled \$27,970 and \$45,225 respectively. At December 31, 2024 and 2023, aggregate amounts due to related parties after elimination of intercompany balances totaled \$(34,835) and \$66,242, respectively.

7. Ground leases

CBAAH entered into a ground lease agreement with NNCLLC. The land is subject to a 99-year lease dated June 28, 2006, which runs through December 31, 2105. The lease calls for annual base rent of \$191,800 for the first five years subject to increases every five years to reflect CPI increases through December 31, 2021. Payments are due only to the extent of available cash flow. Unpaid base rent shall accrue at 5.32% per annum, compounded annually. During 2024 and 2023, no payments were received. During 2024 and 2023, ground lease rents of \$208,122 each year and interest of \$83,632 and \$68,894, respectively, were earned. At December 31, 2024 and 2023, ground lease rents of \$1,419,305 and \$1,211,183 and accrued interest of \$444,457 and \$360,826, respectively, were due and are included in the total of notes payable and accrued interest in the consolidated statements of financial position. These transactions have been eliminated in the accompanying consolidated financial statements.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

7. Ground leases (continued)

MSHLP entered into a ground lease agreement with NMSHLLC. The land is subject to a 75-year lease dated August 25, 2006, which runs through December 31, 2081. The lease calls for an annual base rent of \$15,750 for the first five years subject to increases every five years to reflect CPI increases. Payments are due only to the extent of available cash flow. Unpaid base rent shall accrue at 4.9% per annum, compounded annually. During 2024 and 2023, no payments were received. During 2024 and 2023, ground lease rents of \$17,500 and \$17,500, respectively and interest of \$17,278 and \$15,905, respectively, were earned. At December 31, 2024 and 2023, ground lease rents of \$311,471 and \$293,971 and accrued interest of \$143,686 and \$126,408, respectively, were due and are included in the total of notes payable and accrued interest in the consolidated statements of financial position. These transactions have been eliminated in the accompanying consolidated financial statements.

8. Development and other fees

CBA provided development services to TRLP totaling \$422,624. During 2014, \$404,292 of the outstanding principal and \$249,212 of the outstanding accrued interest were forgiven and recorded as a capital contribution. These transactions have been eliminated in the accompanying consolidated financial statements.

CBA provided development services to MSCLP totaling \$523,198. During 2014, the outstanding principal of \$381,954 and accrued interest balance of \$303,919 were forgiven and recorded as a capital contribution.

CBA provided development services to LSHLP totaling \$294,788, which represents 40% of the total development fee and overhead reimbursement of \$736,970. Lowell Restoration Inc. (LRI) earned the remaining \$442,182. A portion of the fee totaling \$50,000 to CBA has been deferred and accrues interest at 5.77% per annum, compounded annually. The remaining portion of the CBA fee of \$94,109 is non-interest bearing. The fee and accrued interest are payable on or before the earlier to occur on the 10th anniversary of the completion date or the liquidation date (maturity date) of the partnership or from cash flow or from the proceeds of sale or refinancing. During 2023, the development fee and accrued interest were paid in full. These transactions have been eliminated in the accompanying consolidated financial statements.

CBA provided development services to MSLP totaling \$271,734. This fee is in the form of a note receivable and \$261,734 was due at December 31, 2024 and 2023 each year. These transactions have been eliminated in the accompanying consolidated financial statements.

CBA provided development services to AHSHLLC totaling \$375,752. As of December 31, 2024 and 2023, \$375,752 has been earned and paid on this fee. These transactions have been eliminated in the accompanying consolidated financial statements.

CBA provided development services to UPLLC totaling \$368,848. As of December 31, 2024 and 2023, \$368,848 has been earned and paid on this fee. These transactions have been eliminated in the accompanying consolidated financial statements.

CBA provided development services to GSLLC totaling \$883,000. As of December 31, 2024 and 2023, \$883,000 has been earned and paid on this fee. These transactions have been eliminated in the accompanying consolidated financial statements.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

8. Development and other fees (continued)

CBA provided development services to WHHLLC totaling \$440,000. During 2016, an additional developer fee of \$99,680 was paid to CBA. As of December 31, 2024 and 2023, \$539,680 has been earned and paid. These transactions have been eliminated in the accompanying consolidated financial statements.

CBA provided development services to GSBLLC. As of both December 31, 2024 and 2023, \$1,750,000 of the developer fee had been earned, of which \$174,889 remains payable for both years. These transactions have been eliminated in the accompanying consolidated financial statements.

CBA provided development services to DRACUT. As of both December 31, 2024 and 2023, \$351,826 of the developer fee had been earned, of which \$175,913 remains payable for both years. These transactions have been eliminated in the accompanying consolidated financial statements.

CBA provided development services to 555 MERRIMACK. As of both December 31, 2024 and 2023, \$1,053,848 of the developer fee had been earned, respectively, of which \$568,072 and \$588,966 remains payable, respectively. These transactions have been eliminated in the accompanying consolidated financial statements.

Development fees are summarized as follows:

	2024		
	Total Fee	Current Income	Current Receivable
TRLP	\$ 422,624	\$ -	\$ -
MSCLP	523,198	-	-
LSHLP (40 % CBA, 60% LRI)	736,970	-	-
MSLP	271,734	-	261,734
AHSLLC	375,752	-	-
UPLLC	368,848	-	-
GSLLC	883,000	-	-
WHHLLC	539,680	-	-
GSBLLC	1,750,000	-	174,889
DRACUT	351,826	-	175,913
555 MERRIMACK	1,053,848	-	568,072
	<u>\$ 7,277,480</u>	-	1,180,608
Less – amounts eliminated		-	(1,180,608)
		<u>\$ -</u>	<u>\$ -</u>

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

8. Development and other fees (continued)

	2023		
	Total Fee	Current Income	Current Receivable
TRLP	\$ 422,624	\$ -	\$ -
MSCLP	523,198	-	-
LSHLP (40 % CBA, 60% LRI)	736,970	-	-
MSLP	271,734	-	261,734
AHSLLC	375,752	-	-
UPLLC	368,848	-	-
GSLLC	883,000	-	-
WHHLLC	539,680	-	-
GSBLLC	1,750,000	-	174,889
DRACUT	351,826	-	175,913
555 MERRIMACK	1,053,848	729,250	588,966
	\$ 7,277,480	729,250	1,201,502
Less – amounts eliminated		(729,250)	(1,201,502)
		\$ -	\$ -

Other fees - LSHLP

In accordance with the Partnership Management and Investor Services Agreement between CBA and LSHLP, CBA earns an annual partnership management fee of 70% of \$10,000 payable from operations (or \$7,000 annually), an annual supplemental partnership management fee of 70% of \$25,000 payable from available cash flow (or \$17,500 annually) and an annual investor service fee of 70% of \$5,000 payable from available cash flow (or \$3,500). The remaining 30% of the annual partnership management fee, supplemental partnership management fee and annual investor service fee totaling \$12,000 annually is earned by LRI. The balance due to CBA as of December 31, 2024 and 2023 of \$480,000 and \$452,000, respectively, and fees earned during 2024 and 2023 of \$28,000 each year have been eliminated in the consolidated financial statements. The balance due LRI as of December 31, 2024 and 2023 of \$237,000 and \$225,000, respectively, of which \$12,000 was incurred and accrued in the current year, is presented as a component of accrued expenses in the accompanying consolidated financial statements.

Other fees are summarized as follows:

	2024		
	Total Annual Fee	Current Income	Current Receivable
LSHLP:			
Partnership management fee	\$ 10,000	\$ 7,000	\$ 109,444
Supplemental partnership management fee	25,000	17,500	330,334
Investor service fee	5,000	3,500	40,222
	40,000	28,000	480,000
Less: amounts eliminated	(28,000)	(28,000)	(480,000)
	\$ 12,000	\$ -	\$ -

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

8. Development and other fees (continued)

Other fees – LSHLP (continued)

	Total Annual Fee	2023	
		Current Income	Current Receivable
LSHLP:			
Partnership management fee	\$ 10,000	\$ 7,000	\$ 109,444
Supplemental partnership management fee	25,000	17,500	302,334
Investor service fee	5,000	3,500	40,222
	<u>40,000</u>	<u>28,000</u>	<u>452,000</u>
Less: amounts eliminated	<u>(28,000)</u>	<u>(28,000)</u>	<u>(452,000)</u>
	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ -</u>

9. Notes payable and development fee payable

The Corporation and Affiliates have notes payable and accrued interest to entities included in the consolidated financial statements and third parties. The notes payable and accrued interest relating to entities included in the consolidated financial statements have been eliminated in the accompanying statements of financial position.

Outstanding notes payable and accrued interest are as follows:

	2024	2023
<u>CBA</u>		
Note payable to City of Lowell in the amount of \$500,000 and bears simple interest at 3% per annum. The loan and accrued interest are due on maturity date, September 24, 2033. As of December 31, 2024 and 2023, the note balance was \$500,000 for both years and accrued interest totaled \$306,000 and \$291,000, respectively. Interest incurred during each of the years ended December 31, 2024 and 2023 totaled \$15,000.	\$ 806,000	\$ 791,000
Note payable to Ally Bank in the maximum amount of \$28,842 in connection with the vehicle purchased during 2018 and bears interest at 4.79% per annum. The loan matured in August 2024. As of December 31, 2024 and 2023, the note balance was \$0 and \$4,079, respectively, and interest incurred and paid during 2024 and 2023 totaled \$82 and \$704, respectively.	-	4,079
During 2020, the Corporation opened a line of credit with Enterprise Bank in the maximum amount of \$600,000. The line of credit bore interest at a rate of 4.25% and was payable on demand. As of December 31, 2024 and 2023, total funds drawn and payable were \$0 and \$682,187, respectively. Interest incurred for the years ended December 31, 2024 and 2023 totaled \$30,753 and \$30,933, respectively.	-	682,187

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>CBA (continued)</u>	\$ 10,126	\$ 11,542
Note payable to CEDAC in the maximum amount of \$15,000 and bears interest at a rate of 7% per annum. The loan and accrued interest are due on maturity date, which is the date any funds are first disbursed to or for the benefit of the development under any financing arrangement. As of both December 31, 2024 and 2023, the note balance was \$0. Accrued interest as of December 31, 2024 and 2023 was \$0 and \$1,416, respectively.		
During 2024, the Corporation opened a line of credit with Neighborworks Capital in the maximum amount of \$1,500,000. The line of credit bears interest at a rate of 8.34% and is payable on demand. As of December 31, 2024 and 2023, total funds drawn and payable were \$1,301,790 and \$0, respectively. Interest incurred for the years ended December 31, 2024 and 2023 totaled \$51,985 and \$0, respectively.	1,353,775	-
Subtotal CBA	2,169,901	1,488,808
<u>TRLP</u>		
Note payable to the City of Lowell under the HOME loan program in the amount of \$400,000. The note bore interest at 8.5% per annum, compounded annually, with principal and interest due February 27, 2017. The loan is secured by a second mortgage on the buildings. On January 23, 2014, the note was refinanced with interest at 1.15% per annum, due in full at the maturity date in February 2037. Accrued interest of \$964,486 was forgiven and recorded as debt forgiveness income during 2014. As of both December 31, 2024 and 2023, the adjusted note balance was \$333,300 and accrued interest totaled \$119,643 and \$115,810, respectively. Interest incurred during 2024 and 2023 totaled \$3,833 for each year.	452,943	449,110
Note payable to the DHCD under the HOME Investments Partnership Program (the HOME program) in the amount of \$440,000. The note bore interest at 8.5% per annum, compounded annually, with principal and interest due February 27, 2037. On January 23, 2014, the note was refinanced with interest at 1.15% per annum, due in full at the maturity date of February 2037. Accrued interest of \$1,102,086 was forgiven and recorded as debt forgiveness income during 2014. The loan is secured by a second mortgage on the buildings. As of both December 31, 2024 and 2023, the note balance was \$406,700 and accrued interest totaled \$136,672 and \$131,995, respectively. Interest incurred during 2024 and 2023 totaled \$4,677 for each year.	543,372	538,695

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>TRLP (continued)</u>		
Note payable to CEDAC in the amount of \$108,000. Principal and interest are due annually if certain cash flow benchmarks, as defined in the agreement, are achieved. Interest accrues for only the first twenty years of the note term. No interest accrues after this period. All unpaid principal and interest is due in full in February 2027. CEDAC has the option to extend the maturity date for an additional period of up to ten years. The note bears interest at a simple rate of 5% per annum. The loan is secured by a third mortgage lien and security interest on the buildings and assignment of certain contractual rights. At December 31, 2024 and 2023, the note balance was \$108,000 for both years and accrued interest totaled \$150,968 and \$145,568, respectively. Interest incurred during 2024 and 2023 totaled \$5,400 each year.	\$ 258,968	\$ 253,568
Note Payable to CBA (Note 5)	204,613	202,830
Subtotal TRLP	1,459,896	1,444,203
<u>NMSHLLC</u>		
Note payable to Lowell Development and Financial Corporation (LDFC) in the amount of \$172,000. The note is due in full upon the sale or refinancing of the property or at maturity, August 2036, together with interest at 5.36%, compounded annually. As of December 31, 2024 and 2023, the note balance was \$172,000 for both years and accrued interest totaled \$276,238 and \$253,435, respectively. Interest incurred during 2024 and 2023 totaled \$22,803 and \$21,643, respectively.	448,238	425,435
Mortgage note payable to CBA (Note 5)	30,000	30,000
Ground lease payable to MSHLP (Note 7)	456,957	421,846
Mortgage note payable to CBA (Note 5)	1,856,830	1,762,367
Subtotal NMSHLLC	2,792,025	2,639,648

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>LSHLP</u>		
Note payable to DHCD under the HOME program in the amount of \$500,000. The note requires interest at 5.7% per annum or the applicable federal rate (AFR) in effect on the date of each receipt, compounded annually. Interest only is payable annually within fifteen days of the anniversary of the final loan disbursement to the extent of cash flow up to a maximum of \$15,000 per year. All accrued and unpaid interest and principal is due at maturity, September 2034. The loan is secured by a co-second mortgage on the property. As of December 31, 2024 and 2023, the note balance was \$500,000 for both years and accrued interest totaled \$1,045,804 and \$962,445, respectively. Interest incurred during 2024 and 2023 totaled \$83,359 and \$78,864, respectively.	\$ 1,545,804	\$ 1,462,445
 Note payable to the Affordable Housing Trust Fund (AHTF) through DHCD in the amount of \$700,000. The note bears interest at 5% per annum, compounded annually. All accrued and unpaid interest and principal is due at maturity, September 2034. The loan is secured by a co-second mortgage on the property. As of December 31, 2024 and 2023, the note balance was \$700,000 for both years and accrued interest totaled \$1,273,392 and \$1,179,420, respectively. Interest incurred during 2024 and 2023 totaled \$93,971 and \$89,496, respectively.	1,973,392	1,879,420
 Note Payable to CBA (Note 5)	1,521,860	1,439,791
 Note Payable to CBA (Note 5)	453,273	431,689
Subtotal LSHLP	5,494,329	5,213,345
 <u>NNCLLC</u>		
 Note payable to CBA (Note 5)	4,579,135	4,347,830
 Ground lease payable to CBAAH (Note 7)	1,863,762	1,572,009
 Note payable to CBAAH (Note 5)	2,297,905	2,854,971
Subtotal NNCLLC	8,740,802	8,774,810
 <u>MSLP</u>		
 Note payable to the City of Lowell under the HOME loan program in the amount of \$400,000. The note bears simple interest at 7.25% per annum, with principal and interest due at maturity, February 2030. The loan is secured by a second mortgage on the property. As of December 31, 2024 and 2023, the note balance was \$400,000 for both years and accrued interest totaled \$721,266 and \$692,266, respectively. Interest incurred during 2024 and 2023 totaled \$29,000 each year.	1,121,266	1,092,266

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>MSLP (continued)</u>		
Note payable to DHCD under the HOME program in the amount of \$440,000. The note bears interest at 5.58% per annum, compounded annually, with principal and interest due at maturity, April 2031. The loan is secured by a third mortgage on the property. As of December 31, 2024 and 2023, the note balance was \$440,000 for both years and accrued interest totaled \$1,114,846 and \$1,032,671, respectively. Interest incurred during 2024 and 2023 totaled \$82,175 and \$77,832, respectively.	\$ 1,554,846	\$ 1,472,671
Note payable to the Cambodian American League of Lowell, Inc. (CALL Inc.) in the amount of \$180,000 for lead removal. The note carries a variable interest rate based on the AFR, with principal and interest due at maturity, April 2031. The loan is secured by a seventh mortgage on the property. As of December 31, 2024 and 2023, the note balance was \$180,000, for both years and accrued interest totaled \$295,692 and \$279,384, respectively. Interest incurred during 2024 and 2023 totaled \$16,308 and \$15,749, respectively.	475,692	459,384
Note payable to CALL Inc. in the amount of \$337,842. The note bears interest at 9% per annum, compounded annually, with principal and interest due at maturity, April 2031. During 2016, \$19,497 of principal on the loan was forgiven. The loan is secured by a seventh mortgage on the property. As of December 31, 2024 and 2023, the note balance was \$318,345, for both years, and accrued interest totaled \$2,240,686 and \$2,029,390, respectively. Interest incurred during 2024 and 2023 totaled \$211,296 and \$193,850, respectively.	2,559,031	2,347,735
Note payable to CBA – Neighborworks Loan (Note 5)	210,600	210,600
Note payable to CBA – City of Lowell (Note 5)	67,193	67,193
Development note payable to CBA (Note 5 and Note 8)	261,734	261,734
Subtotal MSLP	6,250,362	5,911,583
<u>SJALLC</u>		
Note payable to the Massachusetts Housing Partnership Fund (MHP) under the Housing Stabilization Fund program in the amount of \$350,000. The note bears simple interest at 3% per annum, with principal and interest due at maturity, August 2056. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$ 350,000 for both years and accrued interest totaled \$178,624 and \$168,124, respectively. Interest incurred during 2024 and 2023 totaled \$10,500, each year.	528,624	518,124

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>SJALLC (continued)</u>		
Note payable to DHCD under the AHTF program in the amount of \$250,000. The note bears simple interest at 3% per annum, with principal and interest due at maturity, August 2038. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$250,000 for both years and accrued interest totaled \$129,372 and \$121,872, respectively. Interest incurred during 2024 and 2023 totaled \$7,500 each year.	\$ 379,372	\$ 371,872
Note payable to CEDAC under the FCF program in the amount of \$230,000. The note bears simple interest at 3% per annum, with principal and interest due at maturity, August 2038. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$230,000 for both years with accrued interest of \$116,107 and \$109,207, respectively. Interest incurred during 2024 and 2023 totaled \$6,900 each year.	346,107	339,207
Note payable to CEDAC under the Community-Based Housing Fund program in the amount of \$150,000. The note bears simple interest at 3% per annum, with principal and interest due at maturity, August 2038. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$150,000 for both years and accrued interest totaled \$77,296 and \$72,796, respectively. Interest incurred during 2024 and 2023 totaled \$4,500 each year.	227,296	222,796
Note payable to CBA – HTC Funds (Note 5)	889,032	823,178
Note payable to CBA – City of Lowell Home Funds (Note 5)	447,263	421,946
Note payable to CBA – City of Lowell Lead Funds (Note 5)	312,463	294,776
Note payable to CBA – Neighborworks Loan (Note 5)	287,347	266,062
Subtotal SJALLC	3,417,504	3,257,961
<u>AHSLLC</u>		
Note payable to the MassHousing under the Affordable Housing Trust Fund program in the amount of \$900,000. The note is non-interest bearing with principal due at maturity, February 2041. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$900,000 for both years.	900,000	900,000

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>AHSLLC (continued)</u>		
Note payable to DHCD under the Housing Stabilization Fund program in the amount of \$750,000. The note is non-interest bearing with principal due at maturity, February 2061. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$750,000 for both years	\$ 750,000	\$ 750,000
 Note payable to CEDAC under the Facilities Consolidation Fund program in the amount of \$501,690. The note is non-interest bearing with principal due at maturity, February 2041. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$501,690 for both years.	 501,690	 501,690
Note payable to CBA – Neighborworks Loan (Note 5)	1,791,519	1,706,209
Note payable to CBA – HOME Loan (Note 5)	191,925	190,025
Note payable to CBA – CDBG Funds Loan (Note 5)	38,594	38,212
Subtotal AHSLLC	4,173,728	4,086,136
 <u>UPLLC</u>		
Note payable to MassHousing under the Affordable Housing Trust Fund program in the amount of \$1,300,000. The note bears simple interest at 1% per annum, with principal and interest due at maturity, September 2041. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$1,264,797 for both years and accrued interest totaled \$173,533 and \$160,885, respectively. Interest incurred during 2024 and 2023 totaled \$12,648 each year.	1,438,330	1,425,682
 Note payable to the City of Lowell under the Neighborhood Stabilization Program in the amount of \$300,000. The note bears simple interest at 4.25% per annum, with principal and interest due at maturity, April 2030. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$300,000 for both years and accrued interest totaled \$178,981 and \$166,231, respectively. Interest incurred during 2024 and 2023 totaled \$12,750 each year.	 478,981	 466,231
 Note payable to CEDAC derived under the Housing Innovation Fund Program in the amount of \$450,000. The loan bears simple interest at 1% per annum and principal and interest are due on maturity, September 2041. As of December 31, 2024 and 2023, the note balance was \$438,093 for both years and accrued interest totaled \$56,254 and \$51,873, respectively. Interest incurred during 2024 and 2023 totaled \$4,381 each year.	 494,347	 489,966

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>UPLLC (continued)</u>		
Note payable to DHCD under the HOME program in the amount of \$138,000. The note bears interest at 4.25% per annum, compounded annually, with principal and interest due at maturity, September 2041. The loan is secured by the property. As of December 31, 2024 and 2023, the note balance was \$133,341 for both years and accrued interest totaled \$99,005 and \$89,533, respectively. Interest incurred during 2024 and 2023 totaled \$9,472 and \$9,086, respectively.	\$ 232,346	\$ 222,874
 Note payable to CBA – Neighborworks Loan (Note 5)	 184,000	 184,000
Note payable to CBA – CDBG Funds Loan (Note 5)	 50,000	 50,000
Subtotal UPLLC	2,878,004	2,838,753
 <u>GSLLC</u>		
Commonwealth of Massachusetts, acting by and through DHCD with the MassHousing as administrator, provided financing for the Property through a mortgage loan of \$1,000,000 through funds derived under the Affordable Housing Trust Fund Program (the “AHTF Loan”). The AHTF Loan bears interest at 1.40% per annum. Total principal is due and payable on maturity date of July 2045. The property is required to repay any excess principal advances for development in an amount equal to 50% of the excess of development sources over development uses. As of December 31, 2024 and 2023, the loan outstanding was \$1,000,000 for both years and accrued interest was \$149,504 and \$133,633, respectively. Interest incurred during 2024 and 2023 was \$15,871 and \$15,652, respectively.	1,149,504	1,133,633
 Note payable to CEDAC derived under the Housing Innovation Fund Program in the amount of \$1,050,000. The loan bears interest at 1.4% per annum and principal and interest are due on maturity, July 2045. The property is required to repay any excess principal advances for development in an amount equal to 50% of the excess of development sources overdevelopment uses. As of December 31, 2024 and 2023, the loan outstanding was \$1,050,000 for both years and accrued interest totaled \$160,739 and \$144,023 , respectively. Interest incurred during 2024 and 2023 was \$16,716 and \$16,486, respectively.	 1,210,739	 1,194,023

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>GSLLC (continued)</u>		
Note payable to CEDAC derived under the Community Based Housing Program (the "CBH" loan) in the amount of \$185,000. The loan bears interest at 1.4% per annum and principal and interest are due on maturity, July 2045. The property is required to repay any excess principal advances for development in an amount equal to 50% of the excess of development sources overdevelopment uses. As of December 31, 2024 and 2023, the loan outstanding was \$185,000 for both years and accrued interest totaled \$27,923 and \$24,983, respectively. Interest incurred during 2024 and 2023 was \$2,940 and \$2,899, respectively.	\$ 212,923	\$ 209,983
Commonwealth of Massachusetts, acting by and through DHCD with the MassHousing as administrator, provided financing for the Property through a mortgage loan of \$350,000 through funds derived under the Commercial Area Transit Node Housing Program (the "CATNHP Loan"). The CATNHP Loan bears interest at 1.40% per annum. Total principal is due and payable on the maturity date of July 2045. As of December 31, 2024 and 2023, the loan outstanding was \$350,000 for both years and accrued interest was \$50,447 and \$44,918, respectively. Interest incurred during 2024 and 2023 was \$5,529 and \$5,453, respectively.	400,447	394,918
Note payable to CBA – Neighborworks Loan (Note 5)	76,846	70,817
Note payable to CBA –State Tax Credit (Note 5)	1,654,757	1,604,379
Construction advances payable to CBA – (Note 5)	304,675	304,675
Subtotal GSLLC	5,009,891	4,912,428
<u>WHLLC</u>		
Note payable to Veterans Northeast Outreach Center (the "VNOC Sponsor Note") in the amount of \$50,000. The loan bears simple interest at 2.74% per annum and principal and interest are due on maturity, December 2064. As of December 31, 2024 and 2023, total outstanding loan was \$50,000 for both years and accrued interest totaled \$15,665 and \$13,914, respectively. Interest incurred during 2024 and 2023 was \$1,751 and \$1,705, respectively.	65,665	63,914

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>WHHLLC (continued)</u>		
Note payable to CEDAC derived under the Housing Preservation and Stabilization Trust Fund Statute Program (the "HPSTFS" loan) in the amount of \$920,000. The loan bears interest at 1.0% per annum and principal and interest are due on maturity, December 2045. The property is required to repay any excess principal advances for development in an amount equal to 50% of the excess of development sources overdevelopment uses.	\$ 2,194,445	\$ 2,172,718
<p>Commonwealth of Massachusetts, acting by and through DHCD with MassHousing as administrator, provided financing for the Property through a mortgage loan of \$1,127,772 through funds derived under the Housing Stabilization and Investment Trust Fund Statute, M.G.L. c. 121F (the "HSITF Loan"). The HSITF Loan bears interest at 1.0% per annum. Total principal is due and payable on the maturity date of December 2065.</p> <p>As of December 31, 2024 and 2023, the loan outstanding was \$1,991,037, for both years and accrued interest was \$203,408 and \$181,681, respectively. Interest incurred during 2024 and 2023 was \$21,727 and \$21,512, respectively.</p>		
Note payable to CEDAC in the amount of \$1,299,875 (the "CEDAC" loan). The loan bears interest at 1.0% per annum and principal and interest are due at maturity, December 2045. The loan is secured by the property. As of December 31, 2024 and 2023, the outstanding loan was \$1,263,860, for both years and accrued interest totaled \$130,729 and \$116,921, respectively. Interest incurred during 2024 and 2023 was \$13,808 and \$13,671, respectively.	1,394,589	1,380,781
Financing was provided by The North Shore HOME Consortium, acting through The City of Haverhill, MA in the maximum amount of \$54,281 (the "City HOME Note"). The loan accrues interest at 1.0% per annum and all principal and accrued interest, if not paid sooner, is due and payable at maturity, December 2035. The loan is secured by the property. As of December 31, 2024 and 2023, the loan outstanding was \$54,281, for both years and accrued interest was \$5,192 and \$4,603, respectively. Interest incurred during 2024 and 2023 was \$589 and \$583, respectively.	59,473	58,884

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>WHHLLC (continued)</u>		
Financing was provided by The North Shore HOME Consortium in the maximum amount of \$250,000 (the "North Shore HOME Note"). The loan accrues interest at 1.0% per annum and all principal and accrued interest, if not paid sooner, is due and payable at maturity, December 2035. The loan is secured by the property. As of December 31, 2024 and 2023, the loan outstanding was \$243,073, for both years and accrued interest was \$23,601 and \$20,961, respectively. Interest incurred during 2024 and 2023 was \$2,640 and \$2,614, respectively.	\$ 266,674	\$ 264,034
Note payable to CBA – (Note 5)	54,920	54,420
Subtotal WHHLLC	4,035,766	3,994,751
<u>GSBLLC</u>		
Commonwealth of Massachusetts, acting by and through DHCD with the MassHousing as administrator, provided financing for the Property through a mortgage loan of \$1,000,000 through funds derived under the Affordable Housing Trust Fund Program (the "AHTF Loan"). The loan is secured by a mortgage on the property. The AHTF bears no interest and total principal is due and payable on maturity date of September 2060. As of December 31, 2024 and 2023, the loan outstanding was \$1,000,000 for both years.	1,000,000	1,000,000
Note payable to CEDAC derived under the Community Based Housing Program (the "CBH" loan) in the maximum amount of \$416,895. The loan bears no interest and principal is due on maturity, January 2050. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$416,895 for both years.	416,895	416,895
Note payable to CEDAC derived under the DHCD HOME Loan Program (the "DHCD HOME" loan) in the maximum amount of \$816,000. The loan bears no interest and principal is due on maturity, September 30, 2060. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$816,000 for both years	816,000	816,000
Note payable to the North Shore HOME Consortium (the "NSHC HOME" loan) in the maximum amount of \$400,000. During 2020, the maximum principal balance was increased to \$550,000. The loan bears no interest and principal is due on maturity, September 30, 2060. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$550,000 for both years.	550,000	550,000

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>GSBLLC (continued)</u>		
Note payable to the Massachusetts Housing Partnership Fund Board acting through CEDAC derived under the Housing Stabilization Fund Program (the "HSF" loan) in the maximum amount of \$1,600,000. The loan bears no interest and principal is due on maturity, January 18, 2070. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$1,600,000 for both years.	\$ 1,600,000	\$ 1,600,000
Note payable to the Massachusetts Housing Partnership Fund Board under the Commercial Area Transit Node Housing Program (the "CATNHP" loan) in the maximum amount of \$750,000. The loan bears no interest and principal is due on maturity, September 30, 2060. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$749,999 for both years.	749,999	749,999
Note payable to the Lowell Community Loan Fund in the maximum amount of \$2,625,000. The loan bears no interest and principal is due on maturity, September 30, 2060. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$2,625,000 for both years.	2,625,000	2,625,000
Note payable to CBA – (Note 5)	174,889	174,889
Note payable to CBA – (Note 5)	100,000	100,000
Subtotal GSBLLC	8,032,783	8,032,783
<u>DRACUT</u>		
Note payable to the DHCD derived under the Housing Stabilization Fund Program (the "HSF" loan) in the maximum amount of \$900,000. The loan bears no interest and principal is due on maturity, February 15, 2072. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$900,000 and \$810,000, respectively.	900,000	810,000
Note payable to the DHCD derived under the Community Scale Housing Initiative Program (the "CSHI" loan) in the maximum amount of \$900,000. The loan bears no interest and principal is due on maturity, February 15, 2072. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$900,000.	900,000	900,000
Note payable to the Town of Dracut in the maximum amount of \$1,211,000. The loan bears no interest and principal is due on maturity, February 15, 2072. The loan is secured by a mortgage on the property. The loan is subdivided by the borrower into two accounts for two purposes: Historic and Affordable. As of December 31, 2024 and 2023, the total loan outstanding was \$1,211,000 and \$1,078,303, respectively.	1,211,000	1,078,303

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>DRACUT (continued)</u>		
Note payable to CBA – (Note 5)	\$ 221,431	\$ 188,590
Note payable to CBA – (Note 5)	200,000	200,000
Note payable to CBA – (Note 5)	175,913	175,913
Note payable to CBA – (Note 5)	664,300	664,300
Subtotal DRACUT	4,272,644	4,017,106
<u>555 MERRIMACK</u>		
Note payable to CEDAC derived under the Housing Initiative Fund Program (the “HIF” loan) in the maximum amount of \$775,000. The loan bears interest at a rate of 2% per annum and principal is due on maturity, July 31, 2053. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$775,000 and \$736,243, respectively and accrued interest was \$41,333 and \$14,725, respectively. Interest incurred during 2024 and 2023 was \$41,333 and \$14,725, respectively.	816,333	750,968
Note payable to the EOHLC derived under the Housing Stabilization Fund Program (the “HSF” loan) in the maximum amount of \$0. The loan bears interest at a rate of 2% per annum and principal is due on maturity, July 31, 2073. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$925,000 and \$827,895, respectively, and accrued interest was \$49,333 and \$16,558, respectively. Interest incurred during 2024 and 2023 was \$49,333 and \$16,558, respectively.	974,333	844,453
Note payable to the EOHLC derived under the HOME Program (the “HOME” loan) in the maximum amount of \$1,000,000. The loan bears interest at a rate of 3.40% per annum and principal is due on maturity, July 31, 2053. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$1,000,000 and \$895,086, respectively, and accrued interest was \$90,667 and \$5,390, respectively. Interest incurred during 2024 and 2023 was \$90,667 and \$5,390, respectively.	1,090,667	900,476
Note payable to the City of Lowell derived under the HOME Program (the “HOME” loan) in the maximum amount of \$425,000. The loan bears interest at a rate of 2.00% per annum and principal is due on maturity, July 31, 2043. The loan is secured by a mortgage on the property. As of December 31, 2024 and 2023, the loan outstanding was \$425,000, for both years and accrued interest was \$22,667 and \$9,859, respectively. Interest incurred during 2024 and 2023 was \$22,667 and \$9,859 respectively.	447,667	434,859
Developer fee payable to CBA – (Note 5)	480,500	588,966
Note payable to CBA – (Note 5)	535,940	573,593

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
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December 31, 2024 and 2023

9. Notes payable and development fee payable (continued)

	2024	2023
<u>555 MERRIMACK (continued)</u>		
Note payable to CBA – (Note 5)	\$ 1,642,950	\$ -
Subtotal 555 MERRIMACK	5,988,390	4,093,315
<u>CSLLC</u>		
Note payable to CBA – (Note 5)	225,000	225,000
Subtotal CSLLC	225,000	225,000
Subtotal	64,941,025	60,930,630
Less: amounts eliminated in consolidation	(24,376,773)	(22,100,585)
Total notes payable, development fee and accrued interest	\$ 40,564,252	\$ 38,830,045

Annual maturities of notes and development fees payable and not eliminated for the ensuing five years are summarized as follows:

2025	\$ -
2026	-
2027	258,968
2028	-
2029	-
Thereafter	40,401,940
Total outstanding, net	\$ 40,660,908

10. Mortgages payable

Mortgages payable consist of the following:

TRLP

Permanent financing is provided by Enterprise Bank in the form of a loan totaling \$360,000. The loan bears interest at 5.25% per annum and is secured by the property. The mortgage requires monthly principal and interest payments of \$2,005 until maturity, February 2044. As of December 31, 2024 and 2023, accrued interest totaled \$1,306 and \$1,343, respectively. Interest incurred during 2024 and 2023 was \$15,620 and \$16,014, respectively.

	2024	2023
	\$ 288,758	\$ 297,156

NMSHLLC

Financing is provided by MHP from the proceeds of tax-exempt bonds totaling \$1,600,000 issued by the Massachusetts Development Finance Agency (MDFA). The loan bears interest at 4.5% per annum. During 2008, the loan principal balance was paid down to \$1,350,000 and requires monthly payments of \$6,840 and matures on March 27, 2026. As of December 31, 2024 and 2023, accrued interest totaled \$3,153 and \$3,315, respectively. Interest incurred during 2024 and 2023 was \$38,733 and \$40,637, respectively.

	840,779	883,967
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COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

10. Mortgages payable (continued)

	2024	2023
<u>LSHLP</u>		
Permanent financing is provided by MHP in the form of a loan totaling \$1,072,000. The loan bears interest at an annual rate of 6.76% per annum and is secured by the property. The mortgage requires monthly principal and interest payments of \$6,960 for a period of 20 years, expected to mature during 2023. The maturity date was extended to December 15, 2025. Additional monthly remittances of \$4,581 are required to fund the real estate tax, insurance and water and sewer escrow. Monthly remittances of \$1,320 are required to fund the replacement reserve. As of December 31, 2024 and 2023, accrued interest totaled \$0 and \$3,772, respectively. Interest incurred during 2024 and 2023 was \$0 and \$46,423, respectively.	\$ 630,161	\$ 669,624
<u>MSCLP</u>		
Permanent financing was being provided by MDFA in the form of a loan totaling \$500,000. The loan bore interest at 4% per annum, required monthly payment of principal and interest of \$3,020 amortized over 10 years and was scheduled to mature on January 31, 2027.	829,875	840,000
During 2023, the mortgage note was refinanced in the amount of \$840,000. The refinanced note bears interest at a rate of 5.95% per annum and requires monthly payments of principal and interest in the amount of \$5,056, commencing January 1, 2024. The refinanced note is scheduled to mature on December 1, 2053. This note is secured by a first mortgage on the development and an assignment of all leases and rents. As of December 31, 2024 and 2023, accrued interest totaled \$(4,254) and \$0, respectively. Interest incurred during 2024 and 2023 was \$0 and \$5,355, respectively.		
<u>MSLP</u>		
Permanent financing is provided by Enterprise Bank in the form of a first mortgage totaling \$400,000. The loan bears interest at an annual rate of 8% per annum and is secured by the property. The mortgage requires monthly principal and interest payments of \$2,999 until maturity, May 2031. As of December 31, 2024 and 2023, accrued interest totaled \$937 and \$1,023, respectively. Interest incurred during 2024 and 2023 was \$11,674 and \$12,933, respectively.	166,712	187,115
Permanent financing is provided by LDFC in the form of a second mortgage totaling \$250,000. The loan bears interest at an annual rate of 6% per annum and is secured by the property. The mortgage requires monthly principal and interest payments of \$1,499 until maturity, July 2026, and is expected to be extended. As of December 31, 2024 and 2023, accrued interest totaled \$615 and \$848 respectively. Interest incurred during 2024 and 2023 was \$7,671 and \$8,270, respectively.	123,086	133,351

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

10. Mortgages payable (continued)

	2024	2023
<u>NNCLLC</u>		
Permanent financing is provided by MHP in the form of tax-exempt bonds totaling \$16,000,000 issued by MDFA. The loan bears interest at an adjustable rate equal to 69% of the LIBOR rate, plus 5.91% at December 31, 2010, and requires monthly principal payments and interest payments of \$96,570. Additionally, monthly remittances include \$36,475 to fund mortgage insurance, property insurance, and real estate tax escrows, and \$15,336 to fund the reserve for replacements. Unpaid principal and interest are due in full on March 31, 2026, the maturity date. As described above the bonds bear interest at a variable rate. To minimize the effect of changes in the interest rate on the note, NNCLLC entered into an interest rate swap agreement with a private financial institution under which NNCLLC pays interest at a fixed rate of 5.91% and the financial institution pays the interest on the note at a variable rate. The result is that NNCLLC pays interest at a fixed effective rate. Valued separately, the interest rate swap agreement represents a liability in the amount of \$169,658 and \$316,120 as of December 31, 2024 and 2023, respectively. This value represents the fair value of the current difference in the interest paid and received under the swap agreement over the remaining term of the agreement. As of December 31, 2024 and 2023, accrued interest on this loan totaled \$50,829 and \$53,492, respectively. Interest incurred during 2024 and 2023 was \$614,664 and \$643,459, respectively.	\$ 9,987,624	\$ 10,511,000
 <u>UPLLC</u>		
Permanent financing is provided by MHP in the form of a first mortgage totaling \$450,000. The loan bears interest of 6.19% per annum and is secured by the property. Payments for principal and interest are due monthly based on a thirty-year amortization until maturity, April 1, 2032. As of December 31, 2024 and 2023, accrued interest on this loan totaled \$1,814 and \$1,870, respectively. Interest incurred during 2024 and 2023 was \$22,079 and \$22,735, respectively.	351,632	362,535
MHP provided additional financing of \$300,000 derived under the Home Funders Program. The loan bears interest at 2% per annum and is secured by the property. Total principal and interest are due and payable on maturity, September 30, 2041. As of December 31, 2024 and 2023, there was no accrued interest payable on this loan. Interest incurred during 2024 and 2023 was \$6,000 for both years.	300,000	300,000

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

10. Mortgages payable (continued)

	2024	2023
<p><u>SJALLC</u> Financing was provided by Enterprise Bank in the form of a revolving loan up to \$613,000 to be converted to permanent financing upon completion of the project. The construction loan called for payments of interest only at 6.5% per annum and was secured by the property. During 2009, the company converted the construction loan to permanent financing. The permanent loan of \$328,493 calls for monthly payments of principal and interest of \$2,497 with interest at 6.5% per annum. The loan is secured by the property and will be amortized over a thirty-year period until the maturity date, August 2028. As of December 31, 2024 and 2023, accrued interest on this loan totaled \$540 and \$723, respectively. Interest incurred during 2024 and 2023 was \$7,461 and \$8,846, respectively.</p>	\$ 101,545	\$ 123,868
<p><u>AHSLLC</u> Permanent financing is being provided by Enterprise Bank in the form of a first mortgage totaling \$250,000. The loan bears interest at an annual rate of 6.5% per annum and is secured by the property. The mortgage requires monthly principal and interest payments of \$1,596 until maturity, March 2030. As of December 31, 2024 and 2023, accrued interest on this loan totaled \$1,073 and \$1,108, respectively. Interest incurred during 2024 and 2023 was \$12,865 and \$13,226, respectively.</p>	191,633	197,887
<p><u>GSLLC</u> Permanent financing is being provided by Enterprise Bank and Trust Company in the maximum amount of \$1,000,000. The loan bears interest at 5.50% per annum and has a twenty year term with payments of \$5,738 due on the first day of each month. The loan is secured by the property and has a maturity date of December 2034. As of December 31, 2024 and 2023, the loan outstanding was \$840,077 and \$861,298, respectively. Interest incurred during 2024 and 2023 was \$46,577 and \$47,498, respectively. There was no accrued interest at December 31, 2024 and 2023.</p>	861,569	881,822
<p><u>WHHLLC</u> Permanent financing is being provided by Pentucket Bank in the maximum amount of \$150,000. The loan bears interest at a rate of 4.85% per annum. Monthly principal and interest payments of \$982 are due on the first of each month, with outstanding principal and interest due on the maturity date, August 9, 2036. The loan is secured by the property. As of December 31, 2024 and 2023, there was no accrued interest payable on this loan. Interest incurred during 2024 and 2023 was \$5,302 and \$5,641, respectively.</p>	104,418	110,905

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

10. Mortgages payable (continued)

	2024	2023
<u>ATCDC</u>		
Permanent financing is being provided by Enterprise Bank and Trust Company in the maximum amount of \$300,000. The loan bears interest at a rate of 4.75% per annum. Monthly principal and interest payments of \$1,950 are due on the first of each month, with outstanding principal and interest due on the maturity date, March 2, 2028. The loan is secured by the property. As of December 31, 2024 and 2023, there was no accrued interest payable on this loan. Interest incurred during 2024 and 2023 was \$11,319 and \$11,855, respectively.	\$ 228,825	\$ 240,860
<u>GSBLLC</u>		
Permanent financing is being provided by the Massachusetts Housing Partnership Fund in the maximum amount of \$2,858,000. Conversion to permanent financing occurred in April 2021. The loan bears interest at a rate of 5.13% per annum and matures on May 1, 2061. Monthly principal and interest payments of \$14,028 are due on the first of each month. The loan is secured by the property. As of December 31, 2024 and 2023, accrued interest totaled \$11,853 and \$11,962, respectively. Interest incurred during 2024 and 2023 was \$142,844 and \$144,117, respectively.	2,772,747	2,798,132
<u>CSLLC</u>		
Financing is provided by Massachusetts Development Finance Agency in the form of a mortgage totaling \$895,000. The loan bears interest of 4.0% per annum and is secured by the property. The loan matures on May 18, 2039. Beginning on June 1, 2018, interest only payments are due. Beginning on November 1, 2019, principal and interest payments are due monthly. Interest incurred during 2024 and 2023 was \$18,413 and \$16,248, respectively, and is included in development in progress on the accompanying consolidated statement of financial position.	372,545	387,120
<u>DRACUT</u>		
Permanent financing is being provided by Pentucket Bank in the maximum amount of \$633,000. The loan is secured by the property and matures on November 30, 2042. The loan bears interest at a rate of 4.55% per annum. As of December 31, 2024 and 2023, there was no accrued interest payable on this loan.	612,433	622,585
<u>555 MERRIMACK</u>		
Construction financing was being provided by Enterprise Bank in the maximum amount of \$8,750,000. The loan bore interest at a rate of 4.35% per annum. Monthly interest payments were due on the first of each month. The loan converted to permanent financing on August 19, 2024. The loan was secured by the property. As of December 31, 2024 and 2023, there was no accrued interest payable on this loan.	-	8,258,530

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

10. Mortgages payable (continued)

	2024	2023
<u>555 MERRIMACK (continued)</u>	\$ 2,244,120	\$ -
Permanent financing is being provided by Enterprise Bank in the maximum amount of \$2,245,000. The loan is secured by the property and matures in September 2044. The loan bears interest at a rate of 5.50% per annum. As of December 31, 2024 and 2023, there was no accrued interest payable on this loan.		
Total	\$ 21,008,462	\$ 27,806,457

Annual maturities of mortgages payable for the ensuing five years are summarized as follows:

2025	\$ 1,434,416
2026	10,411,266
2027	195,597
2028	203,148
2029	563,336
Thereafter	8,091,629
	21,008,462
Net of unamortized debt issuance costs	(539,088)
Total outstanding, net	\$ 20,469,374

11. Investment in Unwrapped

CBA purchased common stock of Unwrapped, Inc. for \$75,000, which represents a 21% equity interest in the corporation. During 2024 and 2023, CBA's share of income earned from the investment totaled \$127,897 and \$237,948, respectively. As of December 31, 2024 and 2023, the investment balance totaled \$1,245,129 and \$1,163,453, respectively, which is a component of investments in corporations on the accompanying consolidated statements of financial position, and distributions received totaled \$46,202 and \$12,595, respectively. The investment in common stock is recognized under the equity method.

12. Predevelopment costs

All costs related to properties held for rehabilitation and resale have been capitalized. These costs include the acquisition price, real estate taxes, rehabilitation costs, architect fees and other costs incurred prior to the properties receiving occupancy certificates.

13. Commitments

Certain entities included in the accompanying consolidated financial statements may be required to advance funds to other entities to fund operating deficits and/or development cost overruns. These advances are based on the terms of respective partnership agreements and would be eliminated in the consolidated financial statements in the period when such advances are made.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

13. Commitments (continued)

TRLP has granted CBA continuing right of first refusal to purchase the property of TRLP in the event TRLP proposes to sell, transfer, assign or ground lease substantially all of its interest therein. The purchase price under this agreement shall be the lesser of: a) the price offered by a bona fide third party purchaser; or b) the greater of 1) the sum of principal indebtedness secured by the property (other than indebtedness incurred within the five year period ending on the date of any sale to the Sponsor) including all taxes on the sale or 2) the sum of the principal amount of indebtedness secured by the property. CBA's rights under this agreement are assignable and are subordinate to the rights of the lenders to the property.

14. Net assets with donor restrictions

As of December 31, 2024 and 2023, there are no net assets with donor restrictions.

15. Net assets without donor restrictions

As of December 31, 2024 and 2023, there are no net assets without donor restrictions that are restricted by the Board.

16. Commercial rental income

The following entities have rental income under commercial leases:

- **TRLP:** Three commercial units are being rented pursuant to lease agreements expiring in 2028.
- **NMSHLLC:** Six commercial units are being rented pursuant to lease agreements.
- **LSHLP:** Five commercial units are being rented pursuant to lease agreements.
- **MSCLP:** One commercial unit is being rented pursuant to a lease agreements expiring in 2025. Two additional commercial units are being rented on month-to-month leases.
- **MSLP:** Two commercial units are being rented pursuant to lease agreements expiring in 2026 and 2027. One commercial unit is being rented on a month-to-month lease.
- **ATCDC:** Nine commercial units are being rented pursuant to a lease agreement expiring in 2026 and a rooftop space is being rented under lease agreement in effect commencing in February 2014 for initial period of five years, subject to four extensions of five years each unless terminated sooner.

Minimum future lease payments under non-cancelable operating leases are as follows:

2025	\$	490,684
2026		480,928
2027		211,677
2028		43,049
2029		40,152
Total	\$	1,266,490

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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17. Reserves

The Corporation and Affiliates are required to fund and maintain certain replacement and operating reserves as required in each entity's respective partnership or operating agreements.

A summary of balances in these reserves as of December 31, 2024 is as follows:

	<u>Reserve for Replacements</u>	<u>Operating Reserve</u>
TRLP	\$ 164,033	\$ 55,851
NMSHLLC	178,909	57,958
LSHLP	171,547	79,813
MSCLP	33,016	38,569
NNCLLC	827,548	732,378
MSLP	55,129	39,643
SJALLC	57,791	73,468
ATCDC	202,417	-
AHSHLLC	131,509	162,393
UPLLC	89,789	212,064
GSHLLC	54,325	166,671
WHHLLC	58,294	309,198
GSBLLC	36,869	198,854
CBA	-	709,833
555MERRIMACK	-	211,029
DRACUT	-	64,154
	<u>\$ 2,061,176</u>	<u>\$ 3,111,876</u>

A summary of balances in these reserves as of December 31, 2023 is as follows:

	<u>Reserve for Replacements</u>	<u>Operating Reserve</u>
TRLP	\$ 131,941	\$ 55,795
NMSHLLC	162,298	55,088
LSHLP	137,279	75,861
MSCLP	13,520	38,549
NNCLLC	894,643	696,118
MSLP	50,609	39,623
SJALLC	81,576	73,283
ATCDC	194,179	-
AHSHLLC	117,259	162,323
UPLLC	70,926	168,120
GSHLLC	46,567	166,084
WHHLLC	62,090	305,358
GSBLLC	35,749	195,315
CBA	-	913,829
DRACUT	-	64,148
	<u>\$ 1,998,636</u>	<u>\$ 3,009,494</u>

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

18. Investment in Certificates of Deposit

As of December 31, 2024 and 2023, the investment in the certificates of deposit totaled \$10,258 and \$0, respectively. For the years ended December 31, 2024 and 2023, interest earned on the certificate of deposit account totaled \$217 and \$0, respectively. As of December 31, 2024, the Corporation held one certificate of deposit as follows:

Purchase Amount	Issue Date	Maturity Date	Interest Rate	Term
\$ 10,041	July 2024	February 2025	4.25%	7 Months

19. Noncontrolling interest in consolidated subsidiaries

The following is the summary of the activity of the noncontrolling interest in consolidated subsidiaries for the years ended December 31, 2024 and 2023:

	2024	2023
Noncontrolling interest in consolidated subsidiaries at beginning of year	\$ 10,711,564	\$ 12,463,146
Noncontrolling interest in losses	(2,800,885)	(1,751,582)
Transfer of interest	2,270,733	-
Capital contributions, net of distributions	5,483,839	-
Noncontrolling interest in consolidated subsidiaries at end of year	\$ 15,665,251	\$ 10,711,564

The noncontrolling interest in consolidated subsidiaries at December 31, 2024 and 2023 consists of the following:

	2024	2023
Liberty Square Housing, L.P.	\$ -	\$ (2,090,159)
New Merrimack Street Housing, LLC	(1,204,822)	(1,053,363)
St. Joseph's Apartments, LLC	(178,554)	1,157
Acre High School LLC	1,479,374	1,641,110
Unity Place LLC	1,704,008	1,794,171
Gorham Street LLC	1,914,783	2,100,750
Welcome Home Housing LLC	1,287,726	1,458,506
North Canal Housing Trust Inc.	(8,383)	(8,383)
Acre Merrimack Inc.	(5,526)	(5,526)
Triangle Rental Inc.	37,802	37,802
Moody Street Center Inc.	(13,956)	(13,956)
New North Canal Housing Inc.	40	40
New Acre Merrimack Inc.	4	4
Call PP LLC	21	21
St. Joseph's MM LLC	42	42
Unity Place MM LLC	21	21
Acre High School MM Two LLC	6,718	6,718
Gerson Building, LLC	6,751,660	7,090,407
Gorham Street MM LLC	21	21
Welcome Home MM LLC	21	21
Cross Street	12,930	-
555 Merrimack Street LLC	3,881,321	(247,840)
	\$ 15,665,251	\$ 10,711,564

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

20. Guarantees

Tax Credit Guarantees

As the sponsor or the developer of certain properties financed in part by federal and/or state tax credit allocations, CBA has made certain guarantees to investors as to the tax credits and other benefits to be derived from the properties. These guarantees generally cover the tax compliance periods of fifteen years after initial lease-up. A payment under such a guarantee could result in a cash distribution from an affiliate's operating cash flow to the investor limited partner. In the opinion of management, compliance with tax regulations and careful monitoring of the properties should preclude these contingent liabilities from materializing. To date, CBA has not experienced any calls on these guarantees.

Construction Completion Guarantees

CBA and affiliates provide repayment guarantees to construction loan lenders for amounts borrowed to develop properties. CBA and affiliates also provide unlimited construction completion guarantees to fund the development and lease-up of a project, should the project not receive expected permanent financing, or should the cost of the development exceed available development sources. A payment under such a guarantee would result in the transfer of cash resources from the guarantor to a consolidated affiliate that is obligated to complete a development. There are no significant completion delays in CBA and affiliates' current developments. To date, CBA and affiliates have not experienced non-completion of a project, nor have they been called on for any loan repayment guarantee.

Other Guarantees

CBA and its affiliates have made the following note guarantees:

Liberty Square Housing Limited Partnership:

The general partner is required to fund operating deficits through the end of the compliance period as defined in the partnership agreement. Amounts furnished to fund operating deficits incurred prior to the development obligation date shall be deemed special capital contributions and amounts furnished to fund operating deficits incurred after the development obligation date shall constitute operating expense loans. As of both December 31, 2024 and 2023, no loans are outstanding.

Middlesex Street Limited Partnership

Any operating deficits shall be first funded from the Operating Reserve account. Any amounts in excess of the balance of the operating reserve account are required to be funded by the General Partner in the form of Operating Deficit Capital Contributions. Notwithstanding the foregoing, the General Partner shall not be required to make operating deficit capital contributions to pay principal on the permanent loan, or interest in excess of 20% of the total interest accruing under the permanent loan. As of both December 31, 2024 and 2023, no loans are outstanding.

New Merrimack Street Housing LLC

The managing member is required to provide operating expense loans if required. Amounts so furnished to fund operating expenses incurred prior to the development obligation date shall be deemed special capital contributions. Amounts furnished to fund operating expenses incurred on or after the development obligation date shall constitute non-interest-bearing operating expense loans. As of both December 31, 2024 and 2023, no loans are outstanding.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

20. Guarantees (continued)

Other Guarantees (continued)

New North Canal LLC

The managing member is required to provide operating expense loans if required. Amounts so furnished to fund operating expenses incurred prior to the development obligation date shall be deemed special capital contributions. Amounts furnished to fund operating expenses incurred on or after the development obligation date shall constitute non-interest-bearing operating expense loans. As of both December 31, 2024 and 2023, no loans are outstanding.

St. Joseph's Apartments LLC

The managing member is required to provide operating expense loans if required. Amounts so furnished to fund operating expenses incurred prior to the development obligation date shall be deemed special capital contributions. Amounts furnished to fund operating expenses incurred on or after the development obligation date shall constitute non-interest-bearing operating expense loans. As of both December 31, 2024 and 2023, no loans are outstanding.

Triangle Rental Limited Partnership

CBA and ATCDC have agreed to advance funds as unsecured loans, to the General Partner for the purpose of making capital contributions to the Partnership to fund operating deficits to the extent that funds are not available in the operating reserve account. In no event shall obligations under this agreement exceed \$385,388. As of both December 31, 2024 and 2023, no loans are outstanding.

Gorham Street Limited Liability Company

Any operating deficits shall be first funded from the Operating Reserve account. If the company experiences operating deficits in excess of funds in the Operating Reserve, the Managing Member shall make additional capital contributions ("Operating Deficit Capital Contributions") to the company to fund these operating deficits. The Managing Member shall not be required to make operating deficit capital contributions to pay principal on the permanent loan, or interest in excess of 20% of the total accrued interest balance. As of both December 31, 2024 and 2023, no loans are outstanding.

Welcome Home Housing Limited Liability Company

Any operating deficits shall be first funded from the Operating Reserve account. If the company experiences operating deficits in excess of funds in the Operating Reserve, the Managing Member shall make additional capital contributions ("Operating Deficit Capital Contributions") to the company to fund these operating deficits. The Managing Member shall not be required to make operating deficit capital contributions to pay principal on the permanent loan, or interest in excess of 20% of the total accrued interest balance. As of both December 31, 2024 and 2023, no loans are outstanding.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

20. Guarantees (continued)

Other Guarantees (continued)

Gerson Building Limited Liability Company

The managing member is required to provide operating deficit loans if required. Amounts so furnished to fund operating expenses incurred prior to the development obligation date shall be deemed special capital contributions. Amounts furnished to fund operating expenses incurred on or after the development obligation date shall constitute non-interest-bearing operating expense loans and shall not exceed \$436,929. As of both December 31, 2024 and 2023, no loans are outstanding.

555 Merrimack Street Limited Liability Company

The managing member is required to provide operating deficit loans if required. Amounts so furnished to fund operating expenses incurred prior to the development obligation date shall be deemed special capital contributions. Amounts furnished to fund operating expenses incurred on or after the development obligation date shall constitute non-interest-bearing operating expense loans. As of both December 31, 2024 and 2023, no loans are outstanding.

21. Investments

CBA determines the fair market values of its financial assets and liabilities, as well as non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis, based on the fair value hierarchy established in accordance with Accounting Standards Codification 820, *Fair Value Measurements*.

Level 1: Quoted prices in active markets for identical assets or liabilities. The Corporation and Affiliates' Level 1 assets include short term and long-term investments which are measured at fair value on a recurring basis.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Corporation and Affiliates' Level 2 asset includes the discount rate used to measure the present value of notes receivable. The Corporation and Affiliates currently have Level 2 assets or liabilities that are measured at fair value on a recurring basis.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include items where the determination of fair value requires significant management judgment or estimation. The Corporation and Affiliates currently have no Level 3 assets or liabilities that are measured at fair value on a recurring basis.

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

21. Investments (continued)

Investments are carried at market value measured at Level 1 and consist of the following at:

	December 31, 2024	
	Endowment Fund - GLCF	Enterprise- Operating Reserve
Beginning balance	\$ 188,838	\$ 913,829
Contributions	-	-
Interest and dividends	5,127	25,293
Unrealized gains (losses)	28,037	26,782
Realized gains (losses)	4,947	53,571
Transfers	-	-
Distributions	-	(300,000)
Account fees	(4,180)	(9,642)
Ending balance	<u>\$ 222,769</u>	<u>\$ 709,833</u>

These investments are comprised of the following:

	December 31, 2024	
	Endowment Fund - GLCF	Enterprise- Operating Reserve
Available for sale		
Cash and equivalent	\$ -	\$ 16,137
Equities	-	587,205
Held to maturity		
Alternatives	-	-
Fixed income	-	106,491
Pooled fund investments	222,769	-
Total fair value	<u>\$ 222,769</u>	<u>\$ 709,833</u>

Investments are carried at market value measured at Level 1 and consist of the following at:

	December 31, 2023	
	Endowment Fund - GLCF	Enterprise- Operating Reserve
Beginning balance	\$ 158,592	\$ 788,436
Contributions	-	13,891
Interest and dividends	4,451	24,117
Unrealized gains (losses)	27,520	64,827
Realized gains (losses)	2,182	30,580
Transfers	-	-
Distributions	-	-
Account fees	(3,907)	(8,022)
Ending balance	<u>\$ 188,838</u>	<u>\$ 913,829</u>

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024 and 2023

21. Investments (continued)

These investments are comprised of the following:

	December 31, 2023	
	Endowment Fund - GLCF	Enterprise- Operating Reserve
Available for sale		
Cash and equivalent	\$ -	\$ 23,442
Equities	-	726,448
Held to maturity		
Alternatives	-	-
Fixed income	-	163,939
Pooled fund investments	188,838	-
Total fair value	<u>\$ 188,838</u>	<u>\$ 913,829</u>

SUPPLEMENTARY INFORMATION

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidating Statement of Financial Position
Coalition for a Better Acre and Wholly Owned Subsidiaries
December 31, 2024 and 2023

ASSETS	CBA	ATCDC	CBAAH	MSHLP	MSCLP	TR LP	MSLP	CSLLC	DRACUT	NNC	LSLP	2024 Total	2023 Total
Current assets													
Cash and cash equivalents													
Operating	\$ 167,485	\$ 159,575	\$ -	\$ -	\$ 73,889	\$ 86,342	\$ 246,591	\$ -	\$ (7,508)	\$ 350,713	\$ 400,059	\$ 1,477,146	\$ 2,066,100
Development	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	73,158	655	-	-	-	20,669	12,036	-	85	27,597	24,743	158,943	171,730
Tenant security deposits	-	2,331	-	-	-	20,778	14,344	-	8,053	111,305	22,136	178,947	149,514
Mortgagee escrow deposits	-	9,005	-	-	4,543	13,509	-	-	-	222,330	38,066	287,453	366,099
Reserve for replacement	-	202,417	-	-	33,016	164,033	55,129	-	-	827,548	171,547	1,453,690	1,284,892
Operating reserve	709,833	-	-	-	38,569	55,851	39,643	-	64,154	732,378	79,813	1,720,241	1,808,062
Prepaid expenses	6,913	5,196	-	-	2,780	9,807	6,968	-	612	68,976	12,779	114,031	106,490
Predevelopment costs	1,512,985	-	-	-	-	-	-	-	-	-	-	1,512,985	453,185
Total current assets	<u>2,470,374</u>	<u>379,179</u>	<u>-</u>	<u>-</u>	<u>152,797</u>	<u>370,989</u>	<u>374,711</u>	<u>-</u>	<u>65,396</u>	<u>2,340,847</u>	<u>749,143</u>	<u>6,903,436</u>	<u>6,406,072</u>
Property and equipment, at cost													
Land and land improvements	-	76,886	1,725,415	148,997	49,674	105,970	115,651	-	116,128	58,041	358,099	2,754,861	2,396,762
Buildings	-	616,537	-	-	3,826,960	2,169,035	5,489,673	-	4,361,184	31,914,961	6,706,577	55,084,927	47,880,735
Furniture and fixtures	81,350	109,452	-	-	239,887	115,087	245,220	-	46,765	2,239,959	259,285	3,337,005	2,761,113
Developments in progress	-	-	-	-	-	-	-	1,207,059	-	-	-	1,207,059	1,131,606
Total	81,350	802,875	1,725,415	148,997	4,116,521	2,390,092	5,850,544	1,207,059	4,524,077	34,212,961	7,323,961	62,383,852	54,170,216
Less: accumulated depreciation	(54,594)	(465,653)	-	-	(2,110,346)	(697,914)	(3,307,201)	-	(297,117)	(16,170,759)	(3,717,897)	(26,821,481)	(21,587,319)
Net property and equipment	<u>26,756</u>	<u>337,222</u>	<u>1,725,415</u>	<u>148,997</u>	<u>2,006,175</u>	<u>1,692,178</u>	<u>2,543,343</u>	<u>1,207,059</u>	<u>4,226,960</u>	<u>18,042,202</u>	<u>3,606,064</u>	<u>35,562,371</u>	<u>32,582,897</u>
Other assets													
Endowment fund - GLCF	222,769	-	-	-	-	-	-	-	-	-	-	222,769	188,838
Investment in corporations	2,748,475	160	-	-	-	-	-	-	-	-	-	2,748,635	2,666,959
Loans and notes receivable	20,209,459	-	4,161,667	455,157	-	-	-	-	-	-	-	24,826,283	22,555,013
Due from related parties	1,780,915	1,376,610	-	-	-	-	-	-	211,505	-	-	3,369,030	3,040,246
Total other assets	<u>24,961,618</u>	<u>1,376,770</u>	<u>4,161,667</u>	<u>455,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,505</u>	<u>-</u>	<u>-</u>	<u>31,166,717</u>	<u>28,451,056</u>
TOTAL ASSETS	<u>\$ 27,458,748</u>	<u>\$ 2,093,171</u>	<u>\$ 5,887,082</u>	<u>\$ 604,154</u>	<u>\$ 2,158,972</u>	<u>\$ 2,063,167</u>	<u>\$ 2,918,054</u>	<u>\$ 1,207,059</u>	<u>\$ 4,503,861</u>	<u>\$ 20,383,049</u>	<u>\$ 4,355,207</u>	<u>\$ 73,632,524</u>	<u>\$ 67,440,025</u>

See independent auditors' report

COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidating Statement of Financial Position
Coalition for a Better Acre and Wholly Owned Subsidiaries
December 31, 2024 and 2023

LIABILITIES AND NET ASSETS	CBA	ATCDC	CBAAH	MSHLP	MSCLP	TR LP	MSLP	CROSS ST	DRACUT	NNC	LSLP	2024 Total	2023 Total
Current liabilities													
Accounts payable													
Trade	\$ 216,650	\$ 26,890	\$ -	\$ -	\$ 30,746	\$ 21,916	\$ 15,825	\$ -	\$ 30,740	\$ 60,770	\$ 9,299	\$ 412,836	\$ 313,292
Development	-	-	-	-	9,996	-	-	-	-	7,627	-	17,623	43,388
Accrued expenses	102,645	33,510	-	-	3,998	24,825	59,718	-	6,175	270,682	204,454	706,007	455,679
Prepaid rent	20,000	27	-	-	-	4,959	4,960	-	167	26,943	6,851	63,907	54,677
Current portion of deferred revenue	324,000	-	-	-	-	-	-	-	-	-	-	324,000	-
Security deposits	-	2,301	-	-	-	20,763	14,290	-	8,042	100,464	22,107	167,967	141,169
Accrued mortgage interest	-	-	-	-	-	1,306	1,552	-	-	50,829	3,550	57,237	56,551
Current portion of mortgages payable	-	12,872	-	-	10,914	8,912	32,770	7,286	11,015	556,796	-	640,565	584,913
Total current liabilities	<u>663,295</u>	<u>75,600</u>	<u>-</u>	<u>-</u>	<u>55,654</u>	<u>82,681</u>	<u>129,115</u>	<u>7,286</u>	<u>56,139</u>	<u>1,074,111</u>	<u>246,261</u>	<u>2,390,142</u>	<u>1,649,669</u>
Long-term liabilities													
Mortgages payable, net of current portion and unamortized debt issuance costs	-	211,335	-	-	818,961	254,733	252,373	365,259	601,418	9,388,535	630,161	12,522,775	12,529,823
Notes payable and accrued interest	2,169,901	-	-	-	-	1,459,896	5,988,628	225,000	4,020,300	8,740,802	5,495,214	28,099,741	21,391,465
Deferred revenue	972,000	-	-	-	-	-	-	-	-	-	-	972,000	-
Total long-term liabilities	<u>3,141,901</u>	<u>211,335</u>	<u>-</u>	<u>-</u>	<u>818,961</u>	<u>1,714,629</u>	<u>6,241,001</u>	<u>590,259</u>	<u>4,621,718</u>	<u>18,129,337</u>	<u>6,125,375</u>	<u>41,594,516</u>	<u>33,921,288</u>
Other liabilities													
Development fee payable and accrued interest	-	-	-	-	-	-	261,734	-	175,913	-	2,886	440,533	437,647
Due to related parties	430	60	-	-	-	-	-	609,514	76,431	-	525,000	1,211,435	569,279
Interest rate swap contract	-	-	-	-	-	-	-	-	-	169,658	-	169,658	316,120
Total other liabilities	<u>430</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,734</u>	<u>609,514</u>	<u>252,344</u>	<u>169,658</u>	<u>527,886</u>	<u>1,821,626</u>	<u>1,323,046</u>
Total liabilities	<u>3,805,626</u>	<u>286,995</u>	<u>-</u>	<u>-</u>	<u>874,615</u>	<u>1,797,310</u>	<u>6,631,850</u>	<u>1,207,059</u>	<u>4,930,201</u>	<u>19,373,106</u>	<u>6,899,522</u>	<u>45,806,284</u>	<u>36,894,003</u>
Net Assets													
Without donor restrictions	23,653,122	1,806,176	5,887,082	604,154	1,284,357	265,857	(3,713,796)	-	(426,340)	1,009,943	(2,544,315)	27,826,240	30,546,022
Total net assets	<u>23,653,122</u>	<u>1,806,176</u>	<u>5,887,082</u>	<u>604,154</u>	<u>1,284,357</u>	<u>265,857</u>	<u>(3,713,796)</u>	<u>-</u>	<u>(426,340)</u>	<u>1,009,943</u>	<u>(2,544,315)</u>	<u>27,826,240</u>	<u>30,546,022</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,458,748</u>	<u>\$ 2,093,171</u>	<u>\$ 5,887,082</u>	<u>\$ 604,154</u>	<u>\$ 2,158,972</u>	<u>\$ 2,063,167</u>	<u>\$ 2,918,054</u>	<u>\$ 1,207,059</u>	<u>\$ 4,503,861</u>	<u>\$ 20,383,049</u>	<u>\$ 4,355,207</u>	<u>\$ 73,632,524</u>	<u>\$ 67,440,025</u>

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COALITION FOR A BETTER ACRE, INC. AND AFFILIATES
Consolidating Statement of Activities
Coalition for a Better Acre and Wholly Owned Subsidiaries
For the years ended December 31, 2024 and 2023

	CBA			ATCDC	CBAAH	MSHLP	MSCLP	TRLP	MSLP	DRACUT	NNC	LSP	Total		2024	2023
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	With donor restrictions	TOTAL	TOTAL
Revenue and support																
Grants and contributions	\$ 2,505,674	\$ -	\$ 2,505,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,505,674	\$ -	\$ 2,505,674	\$ 1,490,783
Developer overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	729,250
Partnership management and investor service fees	28,000	-	28,000	-	-	-	-	-	-	-	-	-	28,000	-	28,000	28,000
Rental income, net of vacancies and concessions	71,657	-	71,657	311,959	-	-	190,128	529,796	445,553	143,358	5,654,641	636,848	7,983,940	-	7,983,940	6,879,081
Interest income	681,273	-	681,273	228	151,884	-	26	208	200	6	80,554	12,529	926,908	-	926,908	921,749
Income (loss) from endowment funds	196,405	-	196,405	-	-	-	-	-	-	-	-	-	196,405	-	196,405	153,677
Income from investment in corporation	127,897	-	127,897	-	-	-	-	-	-	-	-	-	127,897	-	127,897	237,948
Sale of state tax credits	324,000	-	324,000	-	-	-	-	-	-	-	-	-	324,000	-	324,000	-
Swap income	-	-	-	-	-	-	-	-	-	-	146,462	-	146,462	-	146,462	153,671
Miscellaneous revenue	813,540	-	813,540	30,360	-	-	-	-	-	-	1,835	6,889	852,624	-	852,624	539,157
Debt from subsidiary	-	-	-	-	291,754	34,778	-	-	-	-	-	-	326,532	-	326,532	310,500
Total revenue and support	4,748,446	-	4,748,446	342,547	443,638	34,778	190,154	530,004	445,753	143,364	5,883,492	656,266	13,418,442	-	13,418,442	11,443,816
Expenditures																
Salaries	1,694,198	-	1,694,198	45,768	-	-	18,896	104,271	50,924	14,043	902,714	96,033	2,926,847	-	2,926,847	2,460,801
Payroll taxes and benefits	490,681	-	490,681	10,152	-	-	4,518	31,871	17,353	698	247,439	28,771	831,483	-	831,483	752,698
Management fees	-	-	-	12,949	-	-	7,605	17,553	26,834	7,168	224,573	78,147	374,829	-	374,829	283,491
Professional fees	142,835	-	142,835	365	-	-	6,500	7,303	15,550	16,001	52,091	19,542	260,187	-	260,187	122,491
Contracted services	156,421	-	156,421	62,036	-	-	29,147	108,084	82,850	47,661	1,000,522	61,384	1,548,105	-	1,548,105	1,094,644
Operating and maintenance	-	-	-	2,717	-	-	-	-	-	1,806	11,450	-	15,973	-	15,973	5,593
Utilities	34,310	-	34,310	22,838	-	-	16,664	67,379	83,557	15,080	776,973	44,316	1,061,117	-	1,061,117	892,954
Office supplies and expense	85,627	-	85,627	3,759	-	-	8,973	7,999	6,210	3,705	146,643	6,506	269,422	-	269,422	225,835
Occupancy	188,366	-	188,366	-	-	-	-	-	2,598	-	-	-	190,964	-	190,964	157,564
Advertising and renting	-	-	-	-	-	-	-	-	-	-	842	-	842	-	842	7,442
Program supplies and expense	217,769	-	217,769	-	-	-	-	174	-	-	197,135	-	415,078	-	415,078	225,962
Telephone	12,212	-	12,212	2,370	-	-	1,513	1,351	4,461	2,316	44,301	3,428	71,952	-	71,952	66,755
Meetings and travel	2,361	-	2,361	-	-	-	-	-	-	-	-	-	2,361	-	2,361	1,460
Staff training	33,551	-	33,551	264	-	-	207	570	394	8	13,186	634	48,814	-	48,814	27,832
Real estate taxes	-	-	-	44,536	-	-	20,979	43,334	22,806	7,048	315,692	54,727	509,122	-	509,122	426,303
Insurance	28,767	-	28,767	17,633	-	-	9,005	20,332	17,473	8,811	221,124	27,614	350,759	-	350,759	286,277
Interest	98,528	-	98,528	11,664	-	-	46,297	33,579	358,827	26,527	997,853	327,703	1,900,978	-	1,900,978	1,497,567
Depreciation & amortization	10,732	-	10,732	21,765	-	-	179,115	67,071	145,029	119,392	997,618	157,927	1,698,649	-	1,698,649	1,466,006
Collection allowance	-	-	-	240	-	-	-	11,047	873	-	126,146	-	160,538	-	160,538	18,107
Unrelated business tax	-	-	-	4,554	-	-	-	-	-	-	-	-	4,554	-	4,554	-
Ground lease	-	-	-	-	-	-	-	-	-	-	291,753	884	292,637	-	292,637	281,570
Miscellaneous	123,755	-	123,755	30,000	708,951	-	-	10,050	282	59,242	-	-	932,280	-	932,280	565,931
Total expenditures	3,320,113	-	3,320,113	293,610	708,951	-	349,419	531,968	836,021	329,506	6,568,055	929,848	13,867,491	-	13,867,491	10,867,283
Increase (decrease) in net assets	1,428,333	-	1,428,333	48,937	(265,313)	34,778	(159,265)	(1,964)	(390,268)	(186,142)	(684,563)	(273,582)	(449,049)	-	(449,049)	576,533
Transfer of interest during the year	-	-	-	-	-	-	-	-	-	-	-	(2,270,733)	(2,270,733)	-	(2,270,733)	-
Net assets, beginning of year	22,224,789	-	22,224,789	1,757,239	6,152,395	569,376	1,443,622	267,821	(3,323,528)	(240,198)	1,694,506	-	30,546,022	-	30,546,022	29,969,489
Net assets, end of year	\$ 23,653,122	\$ -	\$ 23,653,122	\$ 1,806,176	\$ 5,887,082	\$ 604,154	\$ 1,284,357	\$ 265,857	\$ (3,713,796)	\$ (426,340)	\$ 1,009,943	\$ (1,614,467)	\$ 27,826,240	\$ -	\$ 27,826,240	\$ 30,546,022

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COALITION FOR A BETTER ACRE, INC.
Statements of Cash Flows
Coalition for a Better Acre and Wholly Owned Subsidiaries
For the years ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (449,049)	\$ 576,533
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Debt issuance cost amortization	24,457	22,449
Depreciation and amortization	1,698,649	1,466,006
Income from investment in corporations	(127,897)	(237,948)
Unrealized loss on investments	(107,467)	(92,347)
Accrued interest not currently payable	15,000	15,000
Interest not currently receivable	(679,008)	(682,414)
Deferred revenue	1,296,000	-
Change in value of interest rate swap	146,462	(153,671)
Deconsolidation of 555 Merrimack	-	658,686
Transfer of Liberty Square Housing LP non-controlling interest, net	(1,599,307)	-
Changes in:		
Accounts receivable	12,787	(54,249)
Prepaid expenses	(7,541)	21,976
Accounts payable - trade	99,544	73,749
Accounts payable - development	25,765	197,661
Accrued expenses	250,328	(95,675)
Accrued mortgage interest	686	(3,310)
Prepaid rent	(9,230)	(25,667)
Tenant security deposits, liability	(26,798)	(12,141)
Net cash provided by operating activities	563,381	1,674,638
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for fixed assets	(8,213,636)	(731,644)
Change in endowment fund, net	(33,931)	(30,246)
Distribution from investment in corporation	46,202	12,595
Change in due from related party	(328,784)	(113,231)
Predevelopment costs	(1,059,800)	(408,744)
Change in loans receivable	(2,271,270)	(973,802)
Net cash used in investing activities	(11,861,219)	(2,245,072)
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in development fee and accrued interest thereon	2,886	-
Capital contributions received	5,483,839	-
Changes in mortgage principal	(62,700)	140,023
Changes in note payable and accrued interest	5,958,779	1,026,526
Changes in due to related parties	(642,156)	(106,195)
Net cash provided by financing activities	10,740,648	1,060,354
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(557,190)	489,920
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAF	5,674,667	5,184,747
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAF	\$ 5,117,477	\$ 5,674,667
Cash and cash equivalents - operating	\$ 1,477,146	\$ 2,066,100
Tenant security deposits	178,947	149,514
Mortgage escrow deposits	287,453	366,099
Reserve for replacement	1,453,690	1,284,892
Operating reserve	1,720,241	1,808,062
Cash, cash equivalents and restircted cash	\$ 5,117,477	\$ 5,674,667
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 1,461,875	\$ 1,045,558

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