2Life Development Inc.
(A Non-Profit Organization)

Financial Statements
and Independent Auditor's Report

December 31, 2021

CohnReznick
ADVISORY • ASSURANCE • TAX

2Life Development Inc.
(A Non-Profit Organization)

Index

Independent Auditor's Report

To the Board of Directors
2Life Development Inc.
(A Non-Profit Organization)

Opinion

We have audited the financial statements of 2Life Development Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 2Life Development Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 2Life Development Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Restatement

As discussed in Note 16 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 2Life Development Inc.'s ability to continue as a going concern for one year after the date that the financial statements available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 2Life Development Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 2Life Development Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from the Organization's 2020 financial statements and, in our report dated July 9, 2021, we expressed an unmodified opinion on those statements. The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information is derived.

CohnReznick LLP

Bethesda, Maryland
July 11, 2022, except for the Contributions paragraphs in Note 2 and Notes 5, 15, and 16, as to which the date is November 10, 2022

2Life Development Inc.
(A Non-Profit Organization)

Statement of Financial Position
December 31, 2021
(With Comparative Totals for 2020)

Assets

	2021	2020
Current assets		
Cash and cash equivalents	$ 4,035,612	$ 1,074,616
Due from affiliates (Note 2 and 8)	498,541	183,649
Investments (Note 3)	11,614,060	10,324,861
Total current assets	16,148,213	11,583,126
Long-term assets		
Sponsor notes receivable and accrued interest	48,276,035	34,460,428
Rental property (Note 14)	16,997	-
Development cost	4,116,390	13,633,576
Developer fee receivable (Note 6)	2,623,309	2,954,389
Total long-term assets	55,032,731	51,048,393
Total assets	$ 71,180,944	$ 62,631,519

2Life Development Inc.
(A Non-Profit Organization)

Statement of Financial Position
December 31, 2021
(With Comparative Totals for 2020)

Liabilities and Net Assets

	2021	2020
Current liabilities		
Accounts payable and accrued expenses	$ 393,893	$ 1,224,388
Note payable - current (Note 7)	3,500,000	3,750,000
Due to affiliates (Note 8)	275,602	90,489
Other liabilities	544,000	-
Total current liabilities	4,713,495	5,064,877
Note payable (Note 7)	7,579,000	7,579,000
Line of credit (Note 7)	-	406,743
Total long-term liabilities	7,579,000	7,985,743
Total liabilities	12,292,495	13,050,620
Net assets		
Net assets without donor restrictions	58,888,449	49,580,899
Total net assets	58,888,449	49,580,899
Total liabilities and net assets	$ 71,180,944	$ 62,631,519

See Notes to Financial Statements.

2Life Development Inc.
(A Non-Profit Organization)

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021			
	Without donor restrictions	With donor restrictions	Total	2020
Revenues and other support				
Interest income (Note 5)	$ 807,149	$ -	$ 807,149	$ 244,022
Dividends and interest (Note 3)	59,358	-	59,358	69,720
Contributions and pledges (Notes 2 and 8)	9,108,020	-	9,108,020	6,153,464
Grant income (Note 15)	4,045,371		4,045,371	-
Other income	2,785,507	-	2,785,507	54,225
Developer fee income (Note 6)	973,000	-	973,000	1,725,000
Realized gains on investments (Note 3)	664,089	-	664,089	250,626
Total revenues and other support	18,442,494	-	18,442,494	8,497,057
Expenses				
Program services	9,647,968	-	9,647,968	887,539
Supporting services	69,665	-	69,665	48,958
Total expenses	9,717,633	-	9,717,633	936,497
Excess of expenses over revenues	8,724,861	-	8,724,861	7,560,560
Non-operating revenue and expenses				
Unrealized gains (losses) on investments (Note 3)	582,689	-	582,689	417,805
Change in net assets	9,307,550	-	9,307,550	7,978,365
Net assets, beginning of year	49,580,899	-	49,580,899	23,114,698
Transfer of notes receivable in merger	-	-	-	18,487,836
Net assets, end of year	$ 58,888,449	$ -	$ 58,888,449	$ 49,580,899

See Notes to Financial Statements.

2Life Development Inc.
(A Non-Profit Organization)

Statement of Cash Flows
Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 9,307,550	$ 7,978,365
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized gains on investments	(1,246,778)	(668,431)
Depreciation	2,245	-
Transfer of development costs	8,420,543	-
Transfer of sponsor note receivable	(2,600,000)	-
Interest income on investments reinvested	(65,589)	(30,442)
Investment fee	74,961	46,236
Prepaid expense	-	8,615
Due from affiliate	(314,892)	(149,153)
Developer fee receivable	331,080	(1,275,000)
Accrued interest on sponsor notes receivable	(585,629)	(244,020)
Sponsor notes receivable	(10,629,978)	(40,584)
(Decrease) increase in liabilities		
Accounts payable and accrued expenses	173,941	20,305
Miscellaneous current liabilities	544,000	-
Net cash provided by operating activities	3,411,454	5,645,891
Cash flows from investing activities		
Purchase of fixed asset	(19,242)	-
Sale of investments	1,111,583	-
Purchases of investments	(1,163,376)	(93,222)
Development costs	92,207	(9,117,193)
Net cash provided by (used in) investing activities	21,172	(9,210,415)
Cash flows from financing activities		
Payments on note payable - affiliate	(750,000)	-
Due to affiliates	185,113	88,932
Proceeds from note payable - affiliate	500,000	2,750,000
Payments on line of credit	(406,743)	-
Net cash (used in) provided by financing activities	(471,630)	2,838,932
Net increase (decrease) in cash and cash equivalents	2,960,996	(725,592)
Cash and cash equivalents, beginning	1,074,616	1,800,208
Cash and cash equivalents, ending	$ 4,035,612	$ 1,074,616

2Life Development Inc.
(A Non-Profit Organization)

Statement of Cash Flows
Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Significant noncash investing and financing items		
Development costs at December 31, 2021 and 2020 including accounts payable and accrued expenses	$ 76,020	$ 1,080,456
Transfer of development costs	8,420,543	-
Transfer of notes receivable and accrued interest from affiliates	-	18,487,836
Total	$ 8,496,563	$ 19,568,292

See Notes to Financial Statements.

Note 1 - Organization and nature of operations

2Life Development Inc. (the "Organization") is operated for the benefit of affiliated 501(c)(3) organizations and is the sponsor of construction projects and provides technical support for tax credit syndication on behalf of affiliates. The Organization entered into a development agreement with 2Life Shillman LP to construct an affordable housing project for the elderly and disabled in Framingham, Massachusetts. The Project was completed in 2011. Prior to 1985, the Organization owned and operated a government-sponsored multifamily apartment complex for the elderly and sold these net assets to an affiliate in 1985.

In January 2006, the Organization was awarded a Capital Advance of $7,579,000 from the U.S. Department of Housing and Urban Development ("HUD") for the Morton and Etta Shillman House on the Harry and Jeanette Weinberg Campus ("Shillman-Weinberg"). As a part of this award, HUD also provided a 20-year rental assistance commitment for 50 rental units. This rental assistance will be provided to persons meeting HUD's definition of very low-income. The Capital Advance and Rental Assistance Contract were assigned to 2Life Shillman LP.

On November 8, 2019, an article of amendment was filed to change the legal name of the Organization from Jewish Community Housing for the Elderly III, Inc. to 2Life Development Inc.

On December 30, 2020, an article of merger was filed with the Secretary of the State of the Commonwealth of Massachusetts to merge Jewish Community Housing for the Elderly IV, Inc. ("JCHE IV") with 2Life Development Inc.

On December 31, 2020, an article of merger was filed with the Secretary of the State of the Commonwealth of Massachusetts to merge Jewish Community Housing for the Elderly V, Inc. ("JCHE V") with 2Life Development Inc.

Note 2 - Summary of significant accounting policies

Basis of presentation

The Organization presents its financial statements in accordance with the accounting guidance for nonprofit entities. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Furthermore, information is required to segregate program service expenses from management and general expenses.

The Organization conforms to accounting guidance on revenue recognition for nonprofit entities. Under this guidance, contributions received, if any, are recorded as support without or with donor restrictions depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions whose restrictions are met in the same period are recorded as support without donor restrictions in the accompanying statement of activities.

Use of estimates

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Prior-year summarized information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Risks and uncertainties

The Organization maintains a pooled investment account consisting of a combination of U.S. Treasury securities and other government obligations, absolute return/hedged equity securities and equity securities that are invested in domestic, non-U.S., emerging markets, and private equity/venture capital securities. The Organization is assigned a percentage of the pool based on the market value of the underlying assets in the pool at the time of entry. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of these investments will occur in the near term and such changes could materially affect the Organization's investment account balance.

Cash and cash equivalents

The Organization considers money market funds and highly-liquid overnight investments with original maturities of three months or less to be cash equivalents.

Investments

Investments are reported at fair value, realized and unrealized gains and losses are included in the statement of activities and disclosures about investments held and the return on those investments are included in the notes to the financial statements.

Realized gains and losses are classified as unrestricted net assets unless they are restricted by the donor or law.

Accounts receivable

Accounts receivable, including pledges, are stated at the amount Organization management expects to collect from outstanding balances. Organization management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on historical collection experience, its assessment of current economic conditions, review and assessment of estimated funding sources and financial condition of the debtor. Balances which are still outstanding after Organization management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

Notes receivable

Notes receivable consist of notes to affiliates and other entities to support the Organization's goal of providing affordable housing. These notes are stated at the unpaid balance net of allowance for uncollectibility, if any. Interest income is recognized as prescribed for in the note agreements. Management bases its estimates for uncollectible principal and interest on several factors including historical experience, operating performance of the borrower and value of the underlying collateral. Notes which are placed on a nonaccrual status must be approved by the Board of Directors.

Contributed services
During the year ended December 31, 2021, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

Contributions
Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. Unconditional promises to give which are to be received in more than one year are reflected net of a discount and net of an allowance for uncollectibility, if any, as determined by management of the Organization.

It is the Organization's policy to sell all contributed financial non-cash assets immediately upon receipt. During 2021, the Organization received and subsequently sold state low-income tax credits totaling $4,400,000. This amount has been included in contributions and pledges on the Organization's statement of activities and changes in net assets. The proceeds from this contribution were used to fund the note receivable for the loan agreement with 2Life 370 Harvard LLC (see Note 5).

Contributions of nonmonetary assets are recorded at their fair value at the date of the receipt.

Gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to net assets with donor restrictions if the gifts are not expended or placed in service during the year.

Development cost
Development costs consist of costs associated with the development, construction and financing of a project. These costs include project consultants, legal, architectural and costs to arrange financing and tax credits. For prospective developments the Organization determines not to pursue, the associated costs are expensed and reflected as development expenses. The Organization has incurred development costs of $4,116,390, of which $2,123,269 was incurred during 2021. During 2021, $11,640,455 of incurred development costs was transferred to the respective entities, $8,420,543 of which was contributed.

Revenue recognition - development fees
Developer fees are accrued when earned. The Organization typically enters into a fee agreement which contains certain benchmarks that provide for the recognition of developer fee revenue based on the specified criteria. Revenue is recorded upon the achievement of the benchmark based on the estimated total fee as determined under the agreement. Because of the inherent uncertainties in determining the total fee, it is at least reasonably possible that the estimates used will change within the near term.

Revenue and costs recognition under development agreements
Most development fees earned are paid from projects' equity and debt proceeds at the completion of the construction of the project. These fees are recognized over the development period beginning when a project is assured of being constructed, as evidenced by the admission of an equity partner, then based on the external construction costs incurred as a percentage of the total

external construction costs expected and concluding with the application for final allocation of tax credits. Any portion of the development fee not expected to be paid using contributions from the equity investor, such as cash flow from operations, represents variable consideration.

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

- The susceptibility of the consideration amount to factors outside the Organization's influence, including insufficient equity and debt proceeds at the completion of the construction of a project.

- Whether the uncertainty about the consideration amount is not expected to be resolved for a long period of time.

- The Organization's experience with similar types of agreements.

- Whether the Organization expects to offer changes to payment terms.

- The range of possible consideration amounts.

The cumulative amount of development fees earned over the development agreement is updated at each reporting period based on the Organization's estimate of the variable consideration using available information at the reporting date. For the year ended December 31, 2021, $973,000 of development fee revenue was earned. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near term.

Functional allocation of expenses
The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are allocated to program and supporting services based on systematic methods. Additionally, overhead costs are allocated to the various functions based on an allocation methodology determined by management.

Income taxes
The Organization has applied for and received a determination letter from the Internal Revenue Service (the "IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended December 31, 2021. Due to its tax-exempt status, the Organization is not subject to income taxes. The Organization is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes, and the Organization has no other tax positions which must be considered for disclosure. Income tax returns filed by the Organization are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2018 remain open.

Reclassification

During 2021, a reclassification was made to correct prior year operating cash flow activities. The reclassification is summarized below:

Change in net assets	$	(6,388,766)
Sponsor notes receivable		6,388,766
	$	-

Note 3 - Investments

Investments at December 31, 2021 are summarized as follows:

	Cost		Market	
Jewish Community Endowment Pool, LLP	$	7,819,374	$	7,676,130
Mutual funds		847,032		1,065,849
Certificate of deposits		1,000,000		1,022,790
Exchange traded funds		1,364,965		1,849,291
	$	11,031,371	$	11,614,060

During 2002, the Organization transferred certain investments based on the market value of the assets in the Pool at the time of entry. Current market value of the investments in the Pool is used to determine the market value of the Organization's interest at December 31, 2021. Income from investments in the Pool is allocated to each partner based on the partner's percent interest in the Pool. At December 31, 2021, the Organization owned .44% of the Pool.

The composition of the investments held in the Jewish Community Endowment Pool, LLP at December 31, 2021 was as follows:

Equities	$	2,064,879
Hedged equities		2,794,111
REITS		1,159,096
Fixed income bonds		1,297,266
Money markets		360,778
Total investment	$	7,676,130

Total investment returns for the year ended December 31, 2021 is comprised of the following:

Dividends and interest, net	$ 59,358
Realized gains on investments	664,089
Change in unrealized gain on investments	582,689
Total investment return	$ 1,306,136

Note 4 - Fair value measurement

The accounting guidance for fair value measurements and disclosures clarifies the principle that fair value should be based on the assumptions that market participants would use when pricing the asset or liability, and establishes the following fair value hierarchy:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table presents the fair value of assets measured on a recurring basis at December 31, 2021:

	Level 1	Level 2	Level 3	Net balance
Mutual funds	$ 1,065,849	$ -	$ -	$ 1,065,849
Exchange traded funds	1,849,291	-	-	1,849,291
Certificate of deposits	-	1,022,790	-	1,022,790
Investments in limited partnerships	-	-	7,676,130	7,676,130
	$ 2,915,140	$ 1,022,790	$ 7,676,130	$ 11,614,060

There were no transfers into or out of Level 3 investments, nor were there any Level 3 purchases or issues during the years ended December 31, 2021. The Organization is invested in a fund which includes global equity funds, hedge funds, private equity funds, and real asset funds, all of which are subject to certain restrictions and generally have no established trading market.

Note 5 - Notes and advances receivable from affiliates

In connection with its development activities, the Organization has provided development related loans to affiliates. These loans typically provide funds to the affiliate to satisfy otherwise unfunded cash requirements of construction. The following summarizes the terms of these loans and the conditions for repayment.

2Life Shillman LP

During 2008, the Organization advanced $500 to 2Life Shillman LP ("Owner"), the Owner of Shillman House to open its bank account. On June 10, 2008, the Organization advanced an additional $10,000 to the Owner as deposit required by HUD. The $10,500 will be paid back three years after occupancy conditional on HUD approval.

During 2010, the Organization entered into a promissory note agreement with the Owner in the original amount of $4,650,000 increased to $4,669,471 during the construction period. The note bears an interest rate of 2% per annum and matures on December 31, 2039 with any principal and accrued interest not earlier paid due. Prior to the maturity date, principal and accrued interest shall be payable (i) out of the proceeds of any energy rebates received for the Project within five days of receipt of such proceeds and (ii) out of any distributions of Development Revenue, as defined in the "MHFA Regulatory Agreement" with the Owner. The note is secured by a shared fifth-priority mortgage in the property. Interest earned for the year ended December 31, 2021 was $110,702. As of December 31, 2021, the outstanding principal and accrued interest on the loan was $4,565,000 and $1,080,790, respectively.

Sponsor HUD "202" Loan

The U.S. Department of Housing and Urban Development provided a capital advance in the amount of $7,579,000 to 2Life Development, Inc. (the "Developer"). 2Life Development Inc. loaned the capital advance received from HUD to 2Life Shillman LP for the purpose of financing the Project. The loan does not bear interest and matures on July 31, 2051, at which time all outstanding principal is due. The loan is secured by a third-priority mortgage encumbering the property. As of December 31, 2021, the outstanding principal balance on the sponsor "202" loan was $7,579,000.

2Life 370 Harvard LLC

During 2019, the Organization entered into a promissory note agreement with 2Life 370 Harvard LLC in the original amount of $2,600,000. The note bears an interest rate of 5% per annum and matures on August 12, 2062 with any principal and accrued interest not earlier paid due. Payments of principal and interest shall be made annually, commencing the year following Permanent Loan Closing, from and to the extent of available cash flow. Interest earned for the year ended December 31, 2021 was $139,964. At December 31, 2021, the outstanding principal balance and accrued interest on the note were $2,600,000 and $347,019, respectively.

During 2019, the Organization entered into a promissory note agreement with 2Life 370 Harvard LLC in the original amount of $244,391. The note bears an interest rate of 5% per annum and matures on August 12, 2062 with any principal and accrued interest not earlier paid due. Payments of principal and interest shall be made annually from and to the extent of available cash flow. Interest earned for the year ended December 31, 2021 was $10,502. At December 31, 2021, the outstanding principal balance and accrued interest on the note were $226,089 and $10,867, respectively.

The Organization entered into a loan agreement with 2Life 370 Harvard LLC, a related party, in the original amount of $4,400,000. The loan bears no interest and matures on August 12, 2062 with any principal not earlier paid due. Payments on the loan are made based on available cash flow. As of December 31, 2021, the total funded and outstanding principal balance was $4,400,000.

2Life Coleman LP
During 2020, a loan agreement (the "Seller Loan") between 2Life Coleman LP and Jewish Community Housing for the Elderly V, Inc., a related party, in the original amount of $4,200,822 was transferred to the Company following the merger with JCHE V. The loan bears interest at 3.04% and matures on May 1, 2063. Payments of principal and interest will be due annually or semi-annually from available Net Cash Flow. As of December 31, 2021, the outstanding principal balance and accrued interest were $4,200,822 and $497,417, respectively. During the year ended December 31, 2021, interest income was $140,824.

During 2020, a loan agreement (the "Sponsor Loan") between 2Life Coleman LP and Jewish Community Housing for the Elderly IV, Inc., a related party, in the original amount of $2,233,035 was transferred to the Company following the merger with JCHE IV. The loan bears interest at 3.05% and matures on June 12, 2053. Payments of principal and interest will be due annually only from available Net Cash Flow. As of December 31, 2021, the outstanding principal balance and accrued interest were $2,233,035 and $265,187, respectively. During the year ended December 31, 2021, interest income was $74,881.

2Life Golda LP
During 2020, a loan agreement (the "Seller Loan") between 2Life Golda LP and Jewish Community Housing for the Elderly IV, Inc., a related party, in the original amount of $12,737,641 was transferred to the Company following the merger with JCHE IV. The loan bears interest at 2.26% and matures on December 22, 2061. Payments of principal and interest will be due annually only from available Net Cash Flow. As of December 31, 2021, the outstanding principal balance and accrued interest were $3,948,406 and $257,006, respectively. During the year ended December 31, 2021, interest income was $257,005.

During 2020, a loan agreement (the "Sponsor Loan") between 2Life Golda LP and Jewish Community Housing for the Elderly IV, Inc., a related party, in the original amount of $5,762,400, under which terms bears no interest and repayment is not required so long as the housing remains available to low-income elderly persons in accordance with Section 202 of the Housing Act of 1959 and Section 811 of the National Affordable Housing Act of 1990. If there has been no default on the mortgage note for reasons under the Note, Mortgage or Regulatory Agreements, the Note shall be deemed paid and discharged at maturity on May 1, 2034. The mortgage shall bear no interest unless there is a default at which time, interest per year at a rate of 6.625% shall be payable on demand with respect to the payment of the principal. As of December 31, 2021, the balance outstanding on the loan totaled $5,762,400.

During 2020, a loan agreement (the "Sponsor Loan") between 2Life Golda LP and Jewish Community Housing for the Elderly IV, Inc., a related party, a CDBG Loan Agreement with Newton Community Development Authority was assigned to 2Life Golda Limited Partnership in the amount of $626,366. The loan does not bear interest and matures on April 11, 2036, at which time 50% of the outstanding principal is due. The remaining 50% of the loan shall be forgiven and discharged by the Newton Community Development Authority provided that a certain number of units are leased to qualified low- and moderate-income persons paying affordable rents as defined by HUD. As of December 31, 2021, the outstanding principal balance was $626,366.

Shirley Commons LLC
On May 31, 2019, Shirley Commons LLC entered into a promissory note with Women's Institute Realty, Inc. ("WIR" or the "Developer"), an affiliate of the Managing Member, in the maximum amount of $2,600,000 (the "State LIHTC Loan"). Funding for this loan is being provided from WIR's sale of the Project's state low-income housing tax credits, which have or will be donated to WIR by the Special Investor Member pursuant to a State Low-Income Housing Tax Credit Charitable Donation and Transfer Agreement. To the extent that the total aggregate amount received by WIR pursuant to the State Low-Income Housing Tax Credit Purchase and Transfer Agreement is less than $2,600,000, then the maximum loan amount shall be reduced as provided for in the agreements. The note is secured by a fourth mortgage interest in the real estate and related personal property of the Organization. The note provides for interest at 7.25% compounding annually and is due and payable in its entirety at maturity (May 31, 2051); however, the maturity date may be extended in accordance with the provisions of the promissory note. The note may be prepaid, in whole or in part, at any time, without penalty. On September 2, 2021, the note was assigned to 2Life Development Inc., an affiliate of the new Managing Member Shirley Commons MM LLC, which the Organization recognized as income during the year ended December 31, 2021. Interest income for the year ended December 31, 2021 was $59,168. As of December 31, 2021, the outstanding balance and accrued interest receivable was $2,600,000 and $59,168, respectively.

2Life Golda Expansion LP
On August 1, 2021, the Organization entered into a loan agreement (the "Sponsor Loan") with 2Life Golda Expansion LP, a related party, in the original amount of $3,971,334. The loan bears interest at 1.00% and matures on August 1, 2063. Payments of principal and interest will be due annually only from available Net Cash Flow. As of December 31, 2021, the outstanding principal balance and accrued interest were $2,942,489 and $11,574, respectively. During the year ended December 31, 2021, interest income was $11,574.

On August 6, 2021, the Organization entered into a loan agreement ("Newton CPA Funds") with 2Life Golda Expansion LP in the original amount of $4,494,857. The loan bears interest at 1.00% and matures on August 1, 2063. Payments of principal and interest will be due annually only from available Net Cash Flow. As of December 31, 2021, the outstanding principal balance and accrued interest were $4,045,371 and $2,521, respectively. During the year ended December 31, 2021, interest income was $2,521.

2Life JJ Carroll
On December 16, 2021, the Organization entered into a loan agreement (the "Sponsor Energy Loan") with 2Life JJ Carroll, LLC, a related party, in the original amount of $442,250. The loan bears interest at 2.5% and matures on May 1, 2064. Payments of principal and interest will be due annually only from available Net Cash Flow. As of December 31, 2021, the outstanding principal balance and accrued interest were $5,000 and $8, respectively. During the year ended December 31, 2021, interest income was $8.

Note 6 - Development fee receivable

On December 18, 2009, the Organization entered into a development agreement with 2Life Shillman LP. The agreement provides for development fee and overhead in the amount of $3,280,000, for services in connection with the development of the Project and the supervision of construction. The Organization has earned the entire development fee. As of December 31, 2021, $1,679,389 remains receivable and is due December 31, 2025.

On June 12, 2019, the Organization entered into a development agreement with 2Life 370 Harvard LLC. The agreement provides for development fee and overhead in the amount of $2,300,000, for services in connection with the development of the Project and the supervision of construction. As of December 31, 2021, $525,000 of the earned developer fee remains receivable.

On August 2, 2021, the Organization entered into a construction management fee agreement with 2Life Coleman LP for the renovation of Coleman House (referred to as the "Project"). The agreement provides for a construction management fee in the amount of $1,300,000 for services in connection with the development of the Project and the supervision of construction. Pursuant to the construction management fee agreement, construction management fees shall be earned under the construction completion method. The construction management fee is noninterest-bearing. As of December 31, 2021, $143,000 was earned, of which $114,920 remains receivable.

Shirley Commons LLC entered into a Development Service Agreement with Women's Institute Realty, Inc. ("WIR" or the "Developer"). Pursuant to the terms of the Development Services Agreement, WIR is entitled to a fee for its services to oversee the construction of the Project in the amount of $1,810,000 ("Development Fee"). The entire Development Fee is anticipated to be paid concurrently with the Investor Member's capital contributions. Any Deferred Development Fee shall bear interest at a rate of 2.74% per annum, and shall be paid from available Net Cash Flow in the priority set forth in the Operating Agreement. On September 2, 2021, the Development Services Agreement was assigned to 2Life Development Inc., an affiliate of the new Managing Member 2Life Realty, Inc. with the intention of the remaining fee being paid to WIR from the Organization. During 2021, $250,000 was earned, all of which remains receivable. In addition, $250,000 remains payable to WIR, which is included in other liabilities on the statement of financial position.

On August 25, 2021, the Organization entered into a Development agreement with Boston Housing Authority ("BHA") for the development of JJ Carroll Development. The agreement provides for a Development fee in the amount of $5,600,000, of which $4,200,000 or 75% is allocated to the Organization and $1,400,000 or 25% to BHA. As of December 31, 2021, $336,000 was earned and $294,000 was prepaid.

On August 6, 2021, the Organization entered into a Development agreement with 2Life Golda Expansion, LP for the development of Golda Meir House Expansion. The agreement provides for a Development fee in the amount of $2,600,000. As of December 31, 2021, $494,000 was earned, of which $54,000 remains receivable.

Note 7 - Notes and advances payable

HUD "202" Loan

On December 18, 2009, the Organization entered into a mortgage note with an original balance of $7,579,000, under which terms the Organization bears no interest and repayment is not required so long as the housing remains available to very low-income elderly persons in accordance with Section 202 of the Housing Act of 1959 and Section 811 of the National Affordable Housing Act of 1990. If there has been no default on the mortgage note for reasons under the Note, Mortgage or Regulatory Agreements, the Note shall be deemed paid and discharged on July 31, 2051, the maturity date. The mortgage shall bear no interest unless there is a default, at which time, interest per year at a rate of 4.625% shall be payable on demand with respect to the payment of the principal. As of December 31, 2021, the balance outstanding on the loan totaled $7,579,000.

As management represents that it has fully complied with the provisions of Section 202 of the Housing Act of 1959 and Section 811 of the National Affordable Housing Act of 1990, the Note, Mortgage and Regulatory Agreement, all amounts owing relating to HUD "202" loan are considered to be noncurrent liabilities.

Line of credit

The Organization has a letter of credit with The Life Initiative in the original amount of $1,250,000. The line of credit bears interest at 6% and requires quarterly payments of interest-only. The line of credit matures on September 13, 2023. At December 31, 2021, the outstanding balance and accrued interest were fully paid off.

Note payable - 2Life Realty

On December 18, 2019, the Organization entered into a loan agreement with 2Life Realty Inc., a related party, in the original amount of $1,000,000. The loan bears 0% interest and shall be fully paid by December 31, 2020. On January 2020, a new loan agreement was entered in the original amount of $8,000,000 and the entire unpaid principal balance is due on December 31, 2022. As December 31, 2021, the outstanding principal balance was $3,000,000.

Note payable - 2Life Partners Inc.

On December 15, 2021, the Organization entered into a loan agreement with 2Life Partners Inc., a related party, in the original amount of $500,000. The loan bears 0% interest and shall be fully paid by December 31, 2022. As December 31, 2022, the outstanding principal balance was $500,000.

Note 8 - Related party transactions

Contributions from affiliate

During 2021, an affiliate of the Organization, Friends of 2Life Communities Inc., provided $1,480,000 of contributions for the development of Golda Expansion, all of which was fully received as of December 31, 2021.

Friends routinely collects some of the pledges and grants receivable on behalf of the Organization. The funds are due on demand, noninterest-bearing and are included in due from affiliates.

During 2021, an affiliate of the Organization, 2Life Communities Inc., provided $2,975,368 of contributions for the development of the new office space project, all of which was fully received as of December 31, 2021.

Contributions to affiliate

During 2021, the Organization contributed office space in the amount of $8,420,543 to 2Life Communities Services Inc., an affiliate of the Organization.

Due to affiliate

During the year, 2Life Communities Services Inc. periodically pays common expenses and is reimbursed by the Organization for their respective share. In addition, 2Life Communities Services, Inc. is reimbursed for payroll and related benefits, including retirement costs, allocated to the organization. As of December 31, 2021, $275,602 was payable to 2Life Communities Services, Inc. and is included under current liabilities on the statement of financial position.

Note 9 - Concentration of credit risk

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

Note 10 - Financial guarantor covenants

The Organization is required to maintain a net worth of at least $5,000,000 and at least 20% of such amount in liquid investments throughout the Compliance Period of 2Life Shillman Limited Partnership, as defined.

The Organization is required to maintain a net worth of at least $3,000,000 and at least $1,000,000 in liquid investments as defined in the guaranty agreement with RBC Tax Credit Equity, LLC and 2Life 370 Harvard LLC.

The Organization is required to maintain a net worth of at least $5,000,000 and at least $1,000,000 in liquid investments as defined in the guaranty agreement and additional state tax credit guaranty agreement with RBC-Citizens Tax Credit Equity Fund - 103 for Shirley Commons LLC.

At December 31, 2021, the Organization had greater than $5,000,000 of net worth and $1,000,000 of unencumbered liquid assets.

Note 11 - Liquidity and availability

The Organization has $15,148,213 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of the following:

Cash	$ 4,035,612
Investments	11,614,060
Due from affiliates	498,541
Less:	
Guarantees - required reserve	(1,000,000)
	$ 15,148,213

Only amounts related to restricted deposits and investments anticipated to be used more than one year after the statement of financial position date have been excluded from the above amounts.

Note 12 - Expenses by nature and function

The table below presents expenses by both their nature and function during the year ended December 31, 2021:

	Program services	Supporting services	Fundraising	Total
Administrative expenses	$ 9,599,139	$ 69,665	$ -	$ 9,668,804
Operating and maintenance	48,829	-	-	48,829
Total	$ 9,647,968	$ 69,665	$ -	$ 9,717,633

Note 13 - Contingency

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Organization's financial position, results of operations, and cash flows. The Organization is currently unable to fully determine the extent of COVID-19's impact on its business in future periods. The Company's performance in future periods will be heavily influenced by the timing, length, and intensity of any business disruptions from COVID-19 and the related effects on the Organization operations. Management continues to monitor the results of operations to evaluate the actual and potential economic impact on the Organization.

Note 14 - Rental property

Rental property consists of the following as of December 31, 2021:

Rental property	$ 19,242
Less accumulated depreciation	(2,245)
Total rental property, net	$ 16,997

Depreciation expense for the year ended December 31, 2021 was $2,245.

Note 15 - Grant income

During 2021, the Organization entered into a grant agreement with 2Life Golda LP, 2Life Golda Expansion LP, and the City of Newton. The Organization was granted $4,494,857 from the City of Newton through the Community Preservation Act ("COA") for reimbursement of approved project costs. The amount received was loaned to 2Life Golda Expansion LP for the development of the project (see Note 5). 10% or $449,486 of the total grant funds will be held until certain conditions are met by 2Life Golda Expansion LP as defined in the CPA Grant Agreement. For the year ended December 31, 2021, the Organization received $4,045,371, which has been recognized as grant income on the statement of activities.

Note 16 - Restatement

The financial statements have been restated to record grant income for funds received from the City of Newton (see Note 15), contribution income from the donation and subsequent sale of state low-income tax credits (see Note 2) and the related party notes receivable due from 2Life Golda Expansion LP and 2Life 370 Harvard LLC (see Note 5) which were funded by the proceeds from the aforementioned grant and contribution. As a result, both total assets and total net assets increased by $8,447,892. The effect of the adjustment on the 2021 financial statements is summarized in the table below:

Statement of Financial Position	As originally reported	Adjustment	As restated
Sponsor notes receivable and accrued interest	$ 39,828,143	$ 8,447,892	$ 48,276,035
Net assets without donor restrictions	50,440,557	8,447,892	58,888,449
Statement of Activities and Changes in Net Assets			
Interest income (Note 5)	804,628	2,521	807,149
Contributions and pledges	4,708,020	4,400,000	9,108,020
Grant income (Note 15)	-	4,045,371	4,045,371
Change in net assets	859,658	8,447,892	9,307,550
Statement of Cash Flows			
Change in net assets	859,658	8,447,892	9,307,550
Accrued interest on sponsor notes receivable	(583,116)	(2,513)	(585,629)
Sponsor notes receivable	(2,184,599)	(8,445,379)	(10,629,978)

Note 17 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through July 11, 2022 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

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