

# Dayspring Townhomes

## Financial Statements

For The Years Ended  
June 30, 2017 And 2016 (As Adjusted)



**HERTZBACH**  
*certified public accountants • consultants*

# Dayspring Townhomes

## Table Of Contents

For The Years Ended June 30, 2017 And 2016 (As Adjusted)

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Independent Auditors' Report .....	1-3
Financial Statements	
Balance Sheets .....	4-4A
Statements Of Operations .....	5-7
Statements Of Changes In Fund Balance.....	8
Statements Of Cash Flows .....	9-9A
Notes To Financial Statements.....	10-12
Supplementary Information	
Supporting Data Required By CDA.....	13-22
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> .....	23-24
Independent Auditors' Report On Compliance For Each Major DHCD-Assisted Program And Report On Internal Control Over Compliance Required By The <i>Consolidated Audit Guide For Audits Of HUD Programs</i> And The <i>Maryland DHCD Audit Guide</i> .....	25-27
Schedule Of Findings, Questioned Costs, And Recommendations .....	28
Schedule Of The Status Of Prior Audit Findings, Questioned Costs, And Recommendations .....	29
Statement Of Mortgagor's Certification .....	30
Statement Of Management Agent's Certification .....	31

**Independent Auditors' Report**

**Commissioners Of Caroline County  
Dayspring Townhomes  
Ridgely, Maryland 21660**

***Report on the Financial Statements***

We have audited the accompanying financial statements of Dayspring Townhomes, CDA Project Number 26.06.0001, which comprise the balance sheets as of June 30, 2017 and 2016 (As Adjusted), and the related statements of operations, changes in fund balance and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dayspring Townhomes, as of June 30, 2017 and 2016 (As Adjusted), and the results of its operations, changes in fund balance and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis Of Matter***

As explained in Note 2 to the financial statements, in the year ended June 30, 2017, Dayspring Townhomes adopted Accounting Standards Update number 2015-03, which simplifies the presentation of debt issuance costs. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 13 to 22 is presented for purposes of additional analysis, and is not a required part of the financial statements.

The accompanying supplementary information shown on pages 13 to 22 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information shown on pages 13 to 22 is fairly stated in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2017 on our consideration of Dayspring Townhomes' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dayspring Townhomes' internal control over financial reporting and compliance.

*Hertzbach & Company, P.A.*

Owings Mills, Maryland  
September 27, 2017

Name of Audit Firm: Hertzbach & Company, P.A.

Address: Red Brook Corporate Center  
800 Red Brook Boulevard, Suite 300  
Owings Mills, Maryland 21117

Federal I.D.#: 52-1158459

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**FINANCIAL  
STATEMENTS**

## Dayspring Townhomes Balance Sheets

June 30,	2017	2016 (As Adjusted)
<b>Assets</b>		
<b>CURRENT ASSETS</b>		
Cash - Operations	\$ 16,420	\$ 19,217
Tenant Accounts Receivable	5,826	5,709
Prepaid Expenses	7,371	-
Total Current Assets	<u>29,617</u>	<u>24,926</u>
<b>DEPOSITS HELD IN TRUST - FUNDED</b>		
Tenant Deposits Held In Trust	<u>14,475</u>	<u>14,191</u>
Total Deposits Held In Trust - Funded	<u>14,475</u>	<u>14,191</u>
<b>RESTRICTED DEPOSITS AND FUNDED RESERVES</b>		
Escrow Deposits	4,003	3,026
Reserve For Replacements	397,550	417,023
Total Restricted Deposits And Funded Reserves	<u>401,553</u>	<u>420,049</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land And Land Improvements	70,187	77,370
Buildings	1,440,621	1,426,026
Building Equipment (Portable)	36,520	33,290
Furniture For Project / Tenant Use	1,687	19,346
Office Equipment	7,090	6,373
Total Fixed Assets	1,556,105	1,562,405
Less: Accumulated Depreciation	<u>934,283</u>	<u>934,657</u>
Total Property And Equipment	<u>621,822</u>	<u>627,748</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,067,467</u></u>	<u><u>\$ 1,086,914</u></u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

## Dayspring Townhomes Balance Sheets

June 30,	2017	2016 (As Adjusted)
<b>Liabilities And Fund Balance</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable - Operations	\$ 9,067	\$ 8,155
Accrued Wages Payable	961	-
Prepaid Revenue	69	40
	<u>10,097</u>	<u>8,195</u>
<b>DEPOSIT LIABILITIES</b>		
Tenant Security Deposits Held In Trust (Contra)	14,663	14,191
	<u>14,663</u>	<u>14,191</u>
<b>LONG-TERM LIABILITIES</b>		
Mortgage Payable - First Mortgage, Net Of Unamortized Financing Fees Of \$21,972	1,182,976	1,182,976
	<u>1,182,976</u>	<u>1,182,976</u>
<b>TOTAL LIABILITIES</b>	<u>1,207,736</u>	<u>1,205,362</u>
<b>FUND BALANCE</b>		
Fund Balance	(140,269)	(118,448)
	<u>(140,269)</u>	<u>(118,448)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,067,467</u>	<u>\$ 1,086,914</u>

## Dayspring Townhomes Statements Of Operations

For The Years Ended June 30,	2017	2016 (As Adjusted)
<b>RENTAL REVENUE</b>		
Rent Revenue - Gross Potential	\$ 168,863	\$ 167,619
Total Rental Revenue	<u>168,863</u>	<u>167,619</u>
<b>VACANCIES</b>		
Apartments	<u>1,910</u>	<u>2,342</u>
Total Vacancies	<u>1,910</u>	<u>2,342</u>
Net Rental Revenue	<u>166,953</u>	<u>165,277</u>
<b>FINANCIAL REVENUE</b>		
Financial Revenue - Project Operations	5	6
Revenue From Investments - Replacement Reserve	<u>394</u>	<u>1,331</u>
Total Financial Revenue	<u>399</u>	<u>1,337</u>
<b>OTHER REVENUE</b>		
Laundry And Vending Revenue	4,347	5,005
Tenant Charges	<u>273</u>	<u>418</u>
Total Other Revenue	<u>4,620</u>	<u>5,423</u>
Total Revenue	<u>171,972</u>	<u>172,037</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

**Dayspring Townhomes**  
**Statements Of Operations**  
**(Continued)**

<b>For The Years Ended June 30,</b>	<b>2017</b>	<b>2016 (As Adjusted)</b>
<b>ADMINISTRATIVE EXPENSES</b>		
Advertising And Marketing	\$ 126	\$ 15
Other Renting Expense	216	209
Office Expenses	5,370	3,932
Office Or Model Apartment Rent	6,060	6,060
Management Fee	9,360	9,360
Manager Or Superintendent Salaries	20,234	19,191
Legal Expense - Project	746	133
Audit Expense	3,750	3,750
Bookkeeping Fees / Accounting Services	1,404	1,404
Bad Debt Expense	244	2,680
Miscellaneous Administrative Expenses	55	55
	<u>47,565</u>	<u>46,789</u>
<b>UTILITY EXPENSES</b>		
Electricity	9,713	9,387
Water	23,183	24,012
	<u>32,896</u>	<u>33,399</u>
<b>OPERATING AND MAINTENANCE EXPENSES</b>		
Payroll	24,885	23,508
Supplies	10,849	5,189
Contracts	9,813	8,791
Garbage And Trash Removal	5,153	5,001
Security Payroll / Contract	238	2,655
Heating/Cooling Repairs & Maintenance	-	1,817
Snow Removal	580	2,487
Miscellaneous Operating And Maintenance Expenses	1,646	1,698
	<u>53,164</u>	<u>51,146</u>

**Dayspring Townhomes**  
**Statements Of Operations**  
**(Continued)**

<b>For The Years Ended June 30,</b>	<b>2017</b>	<b>2016 (As Adjusted)</b>
<b>TAXES AND INSURANCE</b>		
Payroll Taxes (Project's Share)	\$ 3,731	\$ 3,547
Property And Liability Insurance (Hazard)	2,457	14,528
Workmens' Compensation	1,167	1,223
Health Insurance And Other Employee Benefits	8,375	7,667
Total Taxes And Insurance	<u>15,730</u>	<u>26,965</u>
<b>FINANCIAL EXPENSES</b>		
Miscellaneous Financial Expenses	<u>188</u>	<u>-</u>
Total Financial Expenses	<u>188</u>	<u>-</u>
Total Expenses Before Depreciation	<u>149,543</u>	<u>158,299</u>
Profit Before Depreciation	22,429	13,738
Depreciation	<u>44,250</u>	<u>42,440</u>
Operating Loss	<u>(21,821)</u>	<u>(28,702)</u>
Net Loss	<u>\$ (21,821)</u>	<u>\$ (28,702)</u>

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**Dayspring Townhomes**  
**Statements Of Changes In Fund Balance**

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**For The Years Ended June 30, 2017 And 2016 (As Adjusted)**

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FUND BALANCE - JULY 1, 2015	\$ (89,746)
LESS: NET LOSS FOR THE YEAR ENDED JUNE 30, 2016	<u>(28,702)</u>
FUND BALANCE - JUNE 30, 2016	(118,448)
LESS: NET LOSS FOR THE YEAR ENDED JUNE 30, 2017	<u>(21,821)</u>
FUND BALANCE - JUNE 30, 2017	<u><u>\$ (140,269)</u></u>

## Dayspring Townhomes Statements Of Cash Flows

For The Years Ended June 30,	2017	2016 (As Adjusted)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received For:		
Rental Income	\$ 166,865	\$ 161,943
Interest Income	399	1,337
Other Income	4,620	5,423
Total Cash Receipts	<u>171,884</u>	<u>168,703</u>
Cash Paid For Services And To Employees For:		
Administrative Expenses	(17,771)	(18,684)
Management Fees	(9,360)	(9,360)
Utilities	(32,276)	(33,760)
Salaries And Wages	(44,158)	(42,937)
Operating And Maintenance	(28,187)	(27,700)
Property Insurance	(9,828)	(14,528)
Miscellaneous Taxes And Insurance	(13,273)	(12,437)
Total Cash Disbursements	<u>(154,853)</u>	<u>(159,406)</u>
Net Cash Provided By Operating Activities	<u>17,031</u>	<u>9,297</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) Decrease In Escrows And Other Reserves	(977)	3,722
(Increase) Decrease In Replacement Reserve Fund	19,473	(4,673)
Acquisition Of Property & Equipment	(38,324)	(11,220)
Net Cash Used In Investing Activities	<u>(19,828)</u>	<u>(12,171)</u>
Net Decrease In Cash	(2,797)	(2,874)
Unrestricted Cash - Beginning Of Year	<u>19,217</u>	<u>22,091</u>
Unrestricted Cash - End Of Year	<u>\$ 16,420</u>	<u>\$ 19,217</u>

**Dayspring Townhomes**  
**Statements Of Cash Flows**  
**(Continued)**

<b>For The Years Ended June 30,</b>	<b>2017</b>	<b>2016 (As Adjusted)</b>
RECONCILIATION OF NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Loss	\$ (21,821)	\$ (28,702)
Adjustments To Reconcile Net Loss To Net Cash Provided By Operating Activities		
Depreciation	44,250	42,440
Increase In Operating Assets		
Tenant Accounts Receivable	(117)	(3,230)
Prepaid Expenses	(7,371)	-
Tenant Security Deposits	(284)	(56)
Increase (Decrease) In Operating Liabilities		
Accounts Payable	912	(869)
Accrued Expenses	961	(238)
Security Deposit Liability	472	56
Prepaid Revenue	29	(104)
	<u>17,031</u>	<u>9,297</u>
 Net Cash Provided By Operating Activities	 <u>\$ 17,031</u>	 <u>\$ 9,297</u>

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# Dayspring Townhomes

## Notes To Financial Statements

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**June 30, 2017 and 2016 (As Adjusted)**

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### 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**NATURE OF BUSINESS** - Dayspring Townhomes (the Project) is a multi-family housing complex owned by the Commissioners of Caroline County (Commissioners), located in Ridgely, Maryland. The complex provides residential rental housing to County citizens who qualify under certain low/moderate income guidelines. The complex consists of twenty-four three-bedroom, one two-bedroom, and one one-bedroom units. Operation of the complex is governed by a regulatory agreement between the Maryland Department of Housing and Community Development (DHCD) and the Commissioners, dated June 16, 1993. Development of the Project, which was substantially completed on December 29, 1993, was financed by grant and loan funds from the DHCD.

**METHOD OF ACCOUNTING** - The books and records are maintained on the accrual basis in accordance with the requirements of the Community Development Administration and generally accepted accounting principles. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

**CASH AND CASH EQUIVALENTS** – The Project considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be cash equivalents.

**PROPERTY AND EQUIPMENT** - Property and equipment are stated at cost. The cost of repairs and maintenance is charged to operations as incurred. Major renewals, betterments and additions are capitalized. When assets are sold or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and the resulting gain or loss is credited or charged to income. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**IMPAIRMENT OF LONG-LIVED ASSETS** – The Project reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. There were no asset impairments during the years ended June 30, 2017 and 2016.

**INTEREST** – The Project has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 835, *Interest*, which states that debt issuance costs related to a note shall be reported on the balance sheet as a direct deduction from the face amount of that note, and any amortization of debt issuance costs shall be reported as interest expense. Accordingly, the Project is reporting loan fees related to its first mortgage payable as a direct deduction from the principal balance of the mortgage. The DHCD mortgage is not amortizing, but initial costs of obtaining the DHCD mortgage will be amortized to interest expense if the loan is repaid. See Note 6 for more information.

**DISTRIBUTIONS** - In order to ensure that the Project remains well maintained and managed, the Community Development Administration imposes certain operation and distribution restrictions upon the Project's owners. Under the terms of the agreement, "surplus cash" is not available for distribution.

**INCOME TAXES** - The Project is owned by the Commissioners of Caroline County, which is a political subdivision not subject to federal or state income taxes. Therefore, no provision for income taxes has been made.

**ESTIMATES** - The preparation of financial statements in conformity with generally accepted accounting principles 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.

**RENTAL INCOME** – Rental income is recognized as rents become due. Rent payments received in advance are deferred until earned. All leases between the Project and tenants of the property are operating leases.

**Dayspring Townhomes**  
**Notes To Financial Statements**  
**(Continued)**

**June 30, 2017 and 2016 (As Adjusted)**

**2. CHANGE IN ACCOUNTING PRINCIPLE**

During the year ended June 30, 2017, the Project affected a change in accounting principle related to Accounting Standard Update (ASU) number 2015-03. ASU 2015-03 updated FASB ASC 835, *Interest*, by simplifying the presentation of debt issuance costs. The Project transitioned from reporting financing fees net of amortization as a deferred asset on the balance sheet, to reporting them as a direct deduction from the related debt. The change in accounting principle was retrospectively applied to the June 30, 2016 financial statements and resulted in the following adjustments:

Financial Statement Line Item	Balance As Previously Reported	Balance As Adjusted
<b>Balance Sheet</b>		
Financing Fees	\$ 21,972	\$ -
Long-Term Debt - Mortgage Payable - First Mortgage	1,204,948	1,182,976

**3. CONCENTRATION OF RISK**

The Project maintains cash balances at various financial institutions. These balances are secured by the Federal Deposit Insurance Corporation. At June 30, 2017 and 2016, cash balances did not exceed the insured amounts. Management monitors the rating of the banks regularly in accordance with CDA guidelines.

**4. CASH - ESCROW AND TENANTS' SECURITY DEPOSITS**

The amounts of \$14,475, and \$14,191, respectively, as of June 30, 2017 and 2016, on the accompanying balance sheets, represent funds deposited in a savings account with a balance which is at least equal to the tenants' security deposit liability. Maryland Rent Escrow Law also requires the Project to maintain a separate account for deposits paid by the tenants, and to credit the deposits with interest at 1.5% a year at six-month intervals. Tenant security deposits are held in a federally insured bank.

**5. RENTS RECEIVABLE**

Management is of the opinion that all of the Project's rents receivable are fully collectible and that no allowance for doubtful accounts is required.

**6. LONG-TERM DEBT**

Development, construction and equipping of the Project was financed in part by a long-term mortgage in the amount of \$1,204,948 from the DHCD. Financing fees related to the mortgage were \$21,972 and are not being amortized due to perpetuity of the loan. The related Deed of Trust Note calls for interest at a rate equal to the Maryland State Bonds which were issued to provide the funding for the program. Repayment of principal and any accrued interest are deferred in perpetuity until the occurrence of any of the following events:

- a) The Project is no longer used to provide housing for low-income households;
- b) The refinancing, sale, transfer or conveyance of the Project;
- c) Any encumbrance of the Project without prior written consent of the DHCD, or
- d) Any event of default.

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**Dayspring Townhomes**  
**Notes To Financial Statements**  
**(Continued)**

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**June 30, 2017 and 2016 (As Adjusted)**

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**7. SUBSEQUENT EVENTS**

Management has evaluated events and transactions subsequent to the balance sheet date for potential recognition or disclosure through the independent auditors' report date, the date the financial statements were available to be issued. There were no events that required recognition or disclosure in the financial statements.

**SUPPLEMENTARY  
INFORMATION**

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**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Balance Sheet Data**

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**June 30, 2017**

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**Assets**

CURRENT ASSETS

1120	Cash - Operations	\$ 16,420
1130	Tenant Accounts Receivable	5,826
1200	Prepaid Expenses	<u>7,371</u>
1100T	Total Current Assets	<u>29,617</u>

DEPOSITS HELD IN TRUST - FUNDED

1191	Tenant Deposits Held In Trust	<u>14,475</u>
	Total Deposits Held In Trust - Funded	<u>14,475</u>

RESTRICTED DEPOSITS AND FUNDED RESERVES

1310	Escrow Deposits	4,003
1320	Reserve For Replacements	<u>397,550</u>
1300T	Total Restricted Deposits And Funded Reserves	<u>401,553</u>

PROPERTY AND EQUIPMENT

1410	Land And Land Improvements	70,187
1420	Buildings	1,440,621
1440	Building Equipment (Portable)	36,520
1450	Furniture For Project / Tenant Use	1,687
1465	Office Equipment	<u>7,090</u>
1400T	Total Fixed Assets	1,556,105
1495	Less: Accumulated Depreciation	<u>934,283</u>
1400N	Total Property And Equipment	<u>621,822</u>

1000T TOTAL ASSETS	<u><u>\$ 1,067,467</u></u>
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**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Balance Sheet Data**

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**June 30, 2017**

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**Liabilities And Fund Balance**

CURRENT LIABILITIES

2110	Accounts Payable - Operations	\$ 9,067
2120	Accrued Wages Payable	961
2210	Prepaid Revenue	<u>69</u>
2122T	Total Current Liabilities	<u>10,097</u>

DEPOSIT LIABILITIES

2191	Tenant Security Deposits Held In Trust (Contra)	<u>14,663</u>
	Total Deposits Liabilities	<u>14,663</u>

LONG-TERM LIABILITIES

2320	Mortgage Payable - First Mortgage, Net Of Unamortized Financing Fees Of \$21,972	<u>1,182,976</u>
2300T	Total Long-Term Liabilities	<u>1,182,976</u>

2000T TOTAL LIABILITIES 1,207,736

FUND BALANCE

3130	Fund Balance	<u>(140,269)</u>
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2033T TOTAL LIABILITIES AND FUND BALANCE \$ 1,067,467

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**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Statement Of Operations Data**

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**For The Year Ended June 30, 2017**

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RENTAL REVENUE

5120	Rent Revenue - Gross Potential	\$ 168,863
5100T	Total Rental Revenue	<u>168,863</u>

VACANCIES

5220	Apartments	<u>1,910</u>
5200T	Total Vacancies	<u>1,910</u>
5152N	Net Rental Revenue	<u>166,953</u>

FINANCIAL REVENUE

5410	Financial Revenue - Project Operations	5
5440	Revenue From Investments - Replacement Reserve	<u>394</u>
5400T	Total Financial Revenue	<u>399</u>

OTHER REVENUE

5910	Laundry And Vending Revenue	4,347
5920	Tenant Charges	<u>273</u>
5900T	Total Other Revenue	<u>4,620</u>
5000T	Total Revenue	<u>171,972</u>

**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Statement Of Operations Data**  
**(Continued)**

**For The Year Ended June 30, 2017**

**ADMINISTRATIVE EXPENSES**

6210	Advertising And Marketing	\$	126
6250	Other Renting Expense		216
6311	Office Expenses		5,370
6312	Office Or Model Apartment Rent		6,060
6320	Management Fee		9,360
6330	Manager Or Superintendent Salaries		20,234
6340	Legal Expense - Project		746
6350	Audit Expense		3,750
6351	Bookkeeping Fees / Accounting Services		1,404
6370	Bad Debt Expense		244
6390	Miscellaneous Administrative Expenses - Seminars And Training \$55		55
			<hr/>
6263T	Total Administrative Expenses		47,565
			<hr/>

**UTILITY EXPENSES**

6450	Electricity		9,713
6451	Water		23,183
			<hr/>
6400T	Total Utility Expenses		32,896
			<hr/>

**OPERATING AND MAINTENANCE EXPENSES**

6510	Payroll		24,885
6515	Supplies		10,849
6520	Contracts		9,813
6525	Garbage And Trash Removal		5,153
6530	Security Payroll / Contract		238
6548	Snow Removal		580
6590	Miscellaneous Operating And Maintenance Expenses - Gas \$624; Uniforms \$1,022		1,646
			<hr/>
6500T	Total Operating And Maintenance Expenses		53,164
			<hr/>

**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Statement Of Operations Data**  
**(Continued)**

**For The Year Ended June 30, 2017**

**TAXES AND INSURANCE**

6711	Payroll Taxes (Project's Share)	\$	3,731
6720	Property And Liability Insurance (Hazard)		2,457
6722	Workmens' Compensation		1,167
6723	Health Insurance And Other Employee Benefits		8,375
6700T	Total Taxes And Insurance		15,730

**FINANCIAL EXPENSES**

6890	Miscellaneous Financial Expenses - Security Deposit Interest Expense \$188		188
6800T	Total Financial Expenses		188
6000T	Total Expenses Before Depreciation		149,543
5060T	Profit Before Depreciation		22,429
6600	Depreciation		44,250
5060N	Operating Loss		(21,821)
3250	Net Loss	\$	(21,821)

S1000-010	Total mortgage principal payments required during the year -	\$	-
S1000-020	Total of 12 monthly deposits during the year into the replacement reserve account, as required by the regulatory agreement -	\$	19,524
S1000-030	Replacement reserves or residual receipts releases which are included as expense items on this profit and loss statement -	\$	6,370
S1000-040	Project improvement reserve releases under the flexible subsidy program that are included as expense items on this profit and loss statement -	\$	-

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**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Statement Of Changes In Fund Balance Data**

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**For The Year Ended June 30, 2017**

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S1100-010	FUND BALANCE - BEGINNING OF YEAR	\$ (118,448)
3250	LESS: NET LOSS FOR THE YEAR	<u>(21,821)</u>
3130	FUND BALANCE - END OF YEAR	<u><u>\$ (140,269)</u></u>

**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Statement Of Cash Flows Data**

**For The Year Ended June 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received For:		
S1200-010	Rental Income	\$ 166,865
S1200-020	Interest Income	399
S1200-030	Other Income	<u>4,620</u>
S1200-040	Total Cash Receipts	<u>171,884</u>
Cash Paid For Services And To Employees For:		
S1200-050	Administrative Expenses	(17,771)
S1200-070	Management Fees	(9,360)
S1200-090	Utilities	(32,276)
S1200-100	Salaries And Wages	(44,158)
S1200-110	Operating And Maintenance	(28,187)
S1200-140	Property Insurance	(9,828)
S1200-150	Miscellaneous Taxes And Insurance	<u>(13,273)</u>
S1200-230	Total Cash Disbursements	<u>(154,853)</u>
S1200-240	Net Cash Provided By Operating Activities	<u>17,031</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
S1200-245	Increase In Escrows And Other Reserves	(977)
S1200-250	Decrease In Replacement Reserve Fund	19,473
S1200-330	Acquisition Of Property & Equipment	<u>(38,324)</u>
S1200-350	Net Cash Used In Investing Activities	<u>(19,828)</u>
S1200-470	Net Decrease In Cash	(2,797)
S1200-480	Unrestricted Cash - Beginning Of Year	<u>19,217</u>
S1200T	Unrestricted Cash - End Of Year	<u><u>\$ 16,420</u></u>

**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Statement Of Cash Flows Data**  
**(Continued)**

**For The Year Ended June 30, 2017**

RECONCILIATION OF NET LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
3250	Net Loss	\$ (21,821)
	Adjustments To Reconcile Net Loss To Net Cash Provided By Operating Activities	
6600	Depreciation	44,250
	Increase In Operating Assets	
S1200-490	Tenant Accounts Receivable	(117)
S1200-520	Prepaid Expenses	(7,371)
S1200-530	Tenant Security Deposits	(284)
	Increase In Operating Liabilities	
S1200-540	Accounts Payable	912
S1200-560	Accrued Expenses	961
S1200-580	Security Deposit Liability	472
S1200-590	Prepaid Revenue	<u>29</u>
S1200-610	Net Cash Provided By Operating Activities	<u><u>\$ 17,031</u></u>

**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**(Continued)**

**June 30, 2017**

LETTERS OF CREDIT – None

MORTGAGES PAYABLE – \$1,204,948

LOANS AND NOTES PAYABLE (other than mortgages) – None

ACCOUNTS AND NOTES RECEIVABLE (other than from regular tenants) – None

IDENTITY OF INTEREST ENTITIES AND ACTIVITIES – None

RESERVE FOR REPLACEMENTS:

In accordance with the provisions of the regulatory agreement, restricted cash is held by several financial institutions, to be used for replacement of property with the approval of CDA, as follows:

Balance - July 01, 2016	\$	417,023
Monthly deposits (\$1,627 x 12)		19,524
Interest earned		394
Authorized Releases		<u>(39,391)</u>
Balance - June 30, 2017; confirmed with banks	\$	<u><u>397,550</u></u>

MORTGAGE ESCROW DEPOSITS:

Restricted cash is held by CNB Bank, as follows:

Balance - July 01, 2016	\$	3,026
Monthly deposits		10,800
Interest earned		5
Expensed Withdrawals		<u>(9,828)</u>
Balance - June 30, 2017	\$	<u><u>4,003</u></u>
Amount Required For Future Payments	\$	<u><u>-</u></u>

RESIDUAL RECEIPTS – None

CHANGES IN FIXED ASSET ACCOUNTS – See Pages 21-21A

CASH FLOW LOAN PAYMENTS – None

THE MORTGAGOR AND MANAGEMENT AGENT HAVE AGREED TO OBTAIN CONTRACT MATERIALS, SUPPLIES AND SERVICES AT THE LOWEST POSSIBLE COST.

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**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**Schedule Of Surplus Cash**

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**June 30, 2017**

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CASH		
S1300-010	Cash	<u>\$ 30,895</u>
S1300-040	Total Cash	<u>30,895</u>
CURRENT OBLIGATIONS		
S1300-075	Accounts Payable - 30 Days	9,067
S1300-100	Accrued Expenses (Not Escrowed)	961
2210	Prepaid Revenue	69
2191	Tenant/Patient Deposits Held In Trust (Contra)	<u>14,663</u>
S1300-140	Total Current Obligations	<u>24,760</u>
S1300-150	Surplus Cash (Deficiency)	<u><u>\$ 6,135</u></u>

**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**(Continued)**

**For The Year Ended June 30, 2017**

CHANGES IN FIXED ASSETS:

		ASSETS			
		Balance 7/1/2016	Additions	Deductions	Balance 6/30/2017
1410	Land And Land Improvements	\$ 77,370	\$ 19,782	\$ 26,965	\$ 70,187
1420	Buildings	1,426,026	14,595	-	1,440,621
1440	Building Equipment - Portable	33,290	3,230	-	36,520
1450	Furniture - For Project And Tenant Use	19,346	-	17,659	1,687
1465	Office Equipment	6,373	717	-	7,090
<b>TOTAL</b>		<b>\$ 1,562,405</b>	<b>\$ 38,324</b>	<b>\$ 44,624</b>	<b>\$ 1,556,105</b>

FIXED ASSET ADDITIONS CONSIST OF:

1410	Playground Equipment	\$ 19,782
1420	Heat Pumps	\$ 14,595
1440	Ranges And Refrigerators	\$ 3,230
1465	Computer	\$ 717

FIXED ASSET DISPOSALS CONSIST OF:

1410	Playground Improvements	\$ 26,965
1450	Playground Equipment	\$ 17,659

**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**(Continued)**

**For The Year Ended June 30, 2017**

ACCUMULATED DEPRECIATION					
	Balance 7/1/2016	Net Provisions	Deductions	Balance 6/30/2017	Book Value 6/30/2017
1495	\$ 59,284	\$ 2,147	\$ 26,965	\$ 34,466	\$ 35,721
1495	827,307	38,708	-	866,015	574,606
1495	24,099	2,493	-	26,592	9,928
1495	19,346	-	17,659	1,687	-
1495	4,621	902	-	5,523	1,567
	\$ 934,657	\$ 44,250	\$ 44,624	\$ 934,283	\$ 621,822

**Dayspring Townhomes**  
**Supporting Data Required By CDA**  
**(Continued)**

**For The Year Ended June 30, 2017**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Rental Income	\$ 168,863	\$ 168,000	\$ 863
Vacancies	(1,910)	(3,300)	1,390
Financial Revenue	399	1,010	(611)
Other Revenue	4,620	5,450	(830)
	<u>171,972</u>	<u>171,160</u>	<u>812</u>
<b>Total Revenue</b>			
<b>EXPENSES</b>			
Administrative	47,565	39,264	8,301
Utilities	32,896	35,500	(2,604)
Operating And Maintenance	53,164	51,285	1,879
Taxes And Insurance	15,730	23,590	(7,860)
Financial	188	-	188
Depreciation	44,250	-	44,250
	<u>193,793</u>	<u>149,639</u>	<u>44,154</u>
<b>Total Expenses</b>			
<b>NET PROFIT (LOSS)</b>	<u>\$ (21,821)</u>	<u>\$ 21,521</u>	<u>\$ (43,342)</u>

**Independent Auditors' Report**

**On Internal Control Over Financial Reporting And On Compliance**

**And Other Matters Based On An Audit Of Financial Statements**

**Performed In Accordance With Government Auditing Standards**

**Commissioners Of Caroline County**  
**Dayspring Townhomes**  
Ridgely, Maryland 21660

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Dayspring Townhomes, CDA Project Number 26.06.0001, which comprise the balance sheet as of June 30, 2017, and the related statements of operations, changes in fund balance, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated September 27, 2017.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Dayspring Townhomes' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dayspring Townhomes' internal control. Accordingly, we do not express an opinion on the effectiveness of the Dayspring Townhomes' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable

Dayspring Townhomes  
Independent Auditors' Report  
On Internal Control Over Financial Reporting And On Compliance  
And Other Matters Based On An Audit Of Financial Statements  
Performed In Accordance With *Government Auditing Standards*  
Page Two

possibility that a material misstatement of Dayspring Townhomes' financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Compliance And Other Matters***

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

***Purpose of this Report***

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

***Hertzbach & Company, P.A.***

Owings Mills, Maryland  
September 27, 2017

**Independent Auditors' Report On Compliance**  
**For Each Major DHCD-Assisted Program And Report**  
**On Internal Control Over Compliance Required By The**  
**Consolidated Audit Guide For Audits Of HUD Programs And The Maryland DHCD Audit Guide**

**Commissioners of Caroline County**  
**Dayspring Townhomes**  
Ridgely, Maryland 21660

***Report on Compliance for Each Major DHCD-Assisted Program***

We have audited Dayspring Townhomes, CDA Project Number 26.06.0001, compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs and the Audit Guide issued by the Maryland Department of Housing and Community Development (DHCD) (the Guides)*, that could have a direct and material effect on each of Dayspring Townhomes' major DHCD-assisted programs for the year ended June 30, 2017. Dayspring Townhomes' major DHCD-assisted programs are as follows: CDA Loan.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its DHCD-assisted programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Dayspring Townhomes' major DHCD-assisted programs based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *the Guides*. Those standards and *the Guides* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major DHCD-assisted program

Dayspring Townhomes  
Independent Auditors' Report On Compliance  
For Each Major HUD Program And Report  
On Internal Control Over Compliance Required By  
The *Consolidated Audit Guide For Audits Of HUD Programs*  
And *The Maryland DHCD Audit Guide*  
Page Two

occurred. An audit includes examining, on a test basis, evidence about Dayspring Townhomes' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major DHCD-assisted program. However, our audit does not provide a legal determination of Dayspring Townhomes' compliance.

***Opinion on Each Major DHCD-Assisted Program***

In our opinion, Dayspring Townhomes complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major DHCD-assisted programs for the year ended June 30, 2017.

***Report On Internal Control Over Compliance***

Management of Dayspring Townhomes is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dayspring Townhomes' internal control over compliance with the requirements that could have a direct and material effect on each major DHCD-assisted program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major DHCD-assisted program and to test and report on internal control over compliance in accordance with the *Guides*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dayspring Townhomes' internal control over compliance.

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

Dayspring Townhomes  
Independent Auditors' Report On Compliance  
For Each Major HUD Program And Report  
On Internal Control Over Compliance Required By  
*The Consolidated Audit Guide For Audits Of HUD Programs*  
*And The Maryland DHCD Audit Guide*  
Page Three

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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

*Hertzbach & Company, P.A.*

Owings Mills, Maryland  
September 27, 2017

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**Dayspring Townhomes**  
**Schedule Of Findings, Questioned Costs, And Recommendations**

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**June 30, 2017**

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Our audit disclosed no findings that are required to be reported herein under the HUD Consolidated Audit Guide and the Maryland DHCD Audit Guide.

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**Dayspring Townhomes**  
**Schedule Of The Status Of Prior Audit Findings, Questioned Costs, And**  
**Recommendations**

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**June 30, 2017**

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1. Prior Audit Period: July 1, 2015 – June 30, 2016

Audit Report, dated September 20, 2016, for the period ended June 30, 2016, issued by Hertzbach & Company, P.A.

There were no open findings from the prior audit period.

2. Current Audit Period: July 1, 2016 – June 30, 2017

There were no reports issued by HUD OIG or other Federal agencies or contract administrators during the period covered by this audit.

3. Current Audit Period: July 1, 2016 – June 30, 2017

There were no letters or reports issued by HUD or DHCD management during the period covered by this audit.

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**Dayspring Townhomes**  
**Statement Of Mortgagor's Certification**

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**June 30, 2017**

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Dayspring Townhomes  
CDA Project Number 26.06.0001

**CERTIFICATION OF OWNER**

We hereby certify that we have examined the accompanying financial statements and supplemental data of Dayspring Townhomes and, to the best of our knowledge and belief, the same are complete and accurate.

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

Commissioners of Caroline County

Owners Employer Identification Number:

52-6000905

Owners Mailing Address:

Commissioners of Caroline County  
109 Market St. Room 123  
Denton, MD 21629

Owners Telephone:

(301) 941-8040

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**Dayspring Townhomes**  
**Statement Of Management Agent's Certification**

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**June 30, 2017**

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Dayspring Townhomes  
CDA Project Number 26.06.0001

**MANAGEMENT AGENT'S CERTIFICATION**

We hereby certify that we have examined the accompanying financial statements and supplemental data of Dayspring Townhomes and, to the best of our knowledge and belief, the same are complete and accurate.

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Signature of Management  
Agent's Representative

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Title

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Name

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Date

East Coast Property Management, Inc.

Management Agent Employer Identification Number: 51-0385798

Management Agent Mailing Address: 977 East Masten Circle  
Milford, DE 19963

Management Agent Telephone: (302) 491-4000

Management Agent E-Mail Address: amuniz@ecpmgt.com

## ANNUAL AUDIT QUESTIONNAIRE

PROJECT NAME                      Dayspring Townhomes

PROJECT NUMBER                26.06.0001

FISCAL YEAR END                June 30, 2017

Answers to these questions should be based upon review of procedures and/or actual tests of transactions. Answers indicative of an adverse condition must be described in the audit report unless the mortgagor has written permission from DHCD to deviate from the requirements of law, regulation, contract, or grant.

EXAMINATION STATUS	YES	NO	N/A	WORKING PAPER REFERENCE
<b>1. Mortgage Status</b>				
a. Are payments on all mortgages current? First Lien Second Lien Third Lien Fourth Lien Fifth Lien			X	5300.25
b. Has the mortgagor complied with the terms and conditions of the Regulatory Agreement and/or workout agreements, as applicable?	X			Permanent File
<b>2. Books and Records</b>				
a. Are a complete set of books and records maintained in a satisfactory manner?	X			General Ledger
b. Does the mortgagor make frequent postings (at least monthly) to the ledger accounts?	X			General Ledger
<b>3. Cash Activities</b>				
a. Has the borrower made the required deposits to mortgage escrow accounts as required by the loan documents?	X			4400.45
b. Are security deposits kept separate and apart from all other funds of the project in an insured institution?	X			4100.15
c. Does the mortgagor keep sufficient funds in the security deposit account to equal or exceed the aggregate of all outstanding obligations to the tenants?	X			5100.30

EXAMINATION STATUS	YES	NO	N/A	WORKING PAPER
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				REFERENCE
d. Is the project meeting all of its financial obligations as they become due?	X			5100.10 5100.15
e. Does the owner or his management agent have a fidelity bond in an amount at least equal to the requirements of the Regulator Agreement which provides coverage for all employees handling assets of the project?	X			Permanent File
f. Did cash disbursements exclude payments for items listed below?				
• Legal expenses incurred in the sale of partnership interests?			X	N/A
• The fee for the preparation of a partner's, shareholder's or individual's federal, state or local income tax returns?			X	N/A
• Advice to an owner on tax consequences of foreclosure?			X	N/A
• Reimbursement to the owners or affiliates while the mortgage is in default, or under workout arrangements for prior advances, capital expenditures and/or project acquisition costs?			X	N/A
• Letter of Credit fees?			X	N/A
g. Were distributions made to, or on behalf of the owners limited to those authorized by the Regulatory Agreement?			X	N/A
<b>Note:</b> <i>Distribution to non-profit mortgagor entities or principles may not be permitted by the Regulatory Agreement.</i>				
<b>Note:</b> <i>The use of rental proceeds to pay for costs included in the mortgagor's cost certification are unauthorized distributions of project income.</i>				
h. Was any surplus cash available for payment on cash flow debt per the Deed of Trust and Note remitted timely to DHCD?			X	N/A
i. Were residual receipts deposited with the mortgagee within ninety days after the close of the mortgagor's fiscal year?			X	N/A
j. If required, were excess rental collections in Section 236 projects remitted to HUD each month?			X	N/A

<b>EXAMINATION STATUS</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>	<b>WORKING PAPER REFERENCE</b>
k. Does the mortgagor have a formal collection policy?	X			Permanent File
l. Is the collection policy enforced?	X			Permanent File
m. Do tenant accounts receivable consist exclusively of amounts due from tenants?	X			4200.10
n. Have 'write-offs' of tenants' accounts been less than one percent of the gross rents?	X			Statement of Operations
o. Are accounts receivable other than tenants' receivables composed exclusively of amounts due from unrelated persons or firms?			X	N/A
p. Were payments for services, supplies or materials consistent with amounts normally paid for such services?	X			General Ledger
q. If applicable, were utility allowance payments to residents paid on a monthly basis?			X	N/A
<b>4. Management Compensation</b>				
Was compensation to the management agent limited to the amounts prescribed in the management agreement as written or amended?	X			7100.20
<b>5. Rents and Occupancy</b>				
a. Is the gross potential rental income from apartments equal to or less than that approved by HUD or DHCD?	X			7100.10
b. In subsidized projects, are dwelling unit contract rental rates and Fair Market Rent rates in Section 236 projects the same as those approved by HUD or DHCD?			X	N/A
<b>6. DHCD/HUD Subsidy Payments (Section 8 / RAP projects only)</b>				
a. Were the amounts requested from DHCD/HUD adequately supported by the accounting records?			X	N/A

<b>EXAMINATION STATUS</b>	<b>YES</b>	<b>NO</b>	<b>N/A</b>	<b>WORKING PAPER REFERENCE</b>
b. Were subsidy payments received recorded in the proper accounts?			X	N/A
<b>7. Ownership Interest</b>				
a. Were any changes of stockholders or investors during the current fiscal year approved by DHCD? Provide a schedule of significant changes.			X	N/A
b. Were all dividends paid or other distributions made to owners or stockholders, including distributions, purchase or redemption of stock, reflected in the equity statement?			X	N/A