

**THE MANOR AT COLESVILLE, LLC**

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**FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 AND 2020  
AND  
INDEPENDENT AUDITOR'S REPORT**

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6903 Rockledge Drive  
Suite 300  
Bethesda, MD 20817  
301-564-3636



1950 Old Gallows Road  
Suite 440  
Vienna, VA 22182  
703-506-9700

**RUBINO**

STRENGTH IN NUMBERS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management  
The Manor at Colesville, LLC

### Report on the Financial Statements

We have audited the accompanying financial statements of The Manor at Colesville, LLC, which comprise the balance sheets as of June 30, 2021 and 2020, and the related statements of operations, member's equity (deficit), 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.

### *Auditor's 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. Those standards require that we plan and perform the audit 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 auditor's 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.

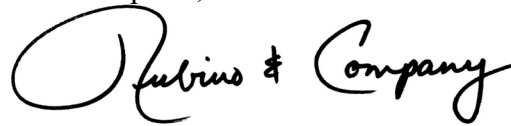
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Manor at Colesville, LLC as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying detailed schedules of revenues and expenses and schedules of surplus cash for the years ended June 30, 2021 and 2020 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Rubins & Company". The signature is written in black ink and is positioned above the date and location text.

December 10, 2021  
Bethesda, Maryland

**THE MANOR AT COLESVILLE, LLC**  
**BALANCE SHEETS**  
**JUNE 30, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 163,361	\$ 224,669
Accounts receivable and other assets	<u>24,673</u>	<u>4,963</u>
Total unrestricted current assets	<u>188,034</u>	<u>229,632</u>
Restricted cash and equivalents	504,579	519,260
Customer deposits	<u>35,444</u>	<u>37,021</u>
Total restricted cash and cash equivalents	540,023	556,281
Noncurrent assets:		
Property and equipment, net of depreciation	<u>12,994,538</u>	<u>13,221,507</u>
Total noncurrent assets	<u>12,994,538</u>	<u>13,221,507</u>
Total assets	<u>\$ 13,722,595</u>	<u>\$ 14,007,420</u>

**LIABILITIES AND MEMBER'S EQUITY (DEFICIT)**

Current liabilities:		
Accounts payable and accrued liabilities	\$ 27,754	\$ 23,925
Deferred revenue	6,431	7,046
Accrued interest payable	500,691	369,616
Interfund payable	237,552	120,368
Mortgage notes and loans payable - current	<u>7,596,061</u>	<u>159,993</u>
Total unrestricted current liabilities	<u>8,368,489</u>	<u>680,948</u>
Current liabilities payable from restricted assets:		
Customer deposit payable	<u>34,443</u>	<u>36,021</u>
Total current liabilities payable from restricted assets	<u>34,443</u>	<u>36,021</u>
Noncurrent liabilities:		
Loans payable to Montgomery County	5,879,550	5,879,550
Due to affiliate	319,057	319,057
PNC loan - net of unamortized issuance costs	<u>-</u>	<u>7,584,980</u>
Total non-current liabilities	<u>6,198,607</u>	<u>13,783,587</u>
Total liabilities	14,601,539	14,500,556
Member's equity (deficit)	<u>(878,944)</u>	<u>(493,136)</u>
Total liabilities and member's equity (deficit)	<u>\$ 13,722,595</u>	<u>\$ 14,007,420</u>

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

**THE MANOR AT COLESVILLE, LLC**  
**STATEMENTS OF OPERATIONS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Operating Revenue		
Dwelling rental	\$ 1,138,074	\$ 1,156,260
Miscellaneous income	<u>17,174</u>	<u>10,670</u>
Total operating revenues	<u>1,155,248</u>	<u>1,166,930</u>
Operating Expenses		
Administrative	180,242	190,116
Maintenance	237,085	178,138
Depreciation	287,903	282,878
Utilities	77,453	74,987
Fringe benefits	36,414	42,699
Interest expense	450,636	559,787
Bad debt expense	1,489	616
Other	<u>126,462</u>	<u>118,987</u>
Total operating expenses	<u>1,397,684</u>	<u>1,448,208</u>
Operating income (loss)	(242,436)	(281,278)
Nonoperating Revenue		
Investment income	<u>137</u>	<u>2,628</u>
Total nonoperating revenue (expense)	<u>137</u>	<u>2,628</u>
Net Income (Loss)	<u>\$ (242,299)</u>	<u>\$ (278,650)</u>

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

**THE MANOR AT COLESVILLE, LLC**  
**STATEMENTS OF MEMBER'S EQUITY (DEFICIT)**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

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<b>Balance, June 30, 2019</b>	\$ (131,206)
Change in net deficit	(278,650)
Distribution	<u>(83,280)</u>
<b>Balance, June 30, 2020</b>	(493,136)
Change in net deficit	(242,299)
Distribution	<u>(143,509)</u>
<b>Balance, June 30, 2021</b>	<u><u>\$ (878,944)</u></u>

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

**THE MANOR AT COLESVILLE, LLC**  
**STATEMENT OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Net income (loss)	\$ (242,299)	\$ (278,650)
Reconciling adjustments:		
Depreciation	287,903	282,879
Amortization of debt issuance cost	11,125	33,389
Changes in operating assets and liabilities		
Accounts receivable and other assets	(19,710)	12,948
Customer deposits	(1,578)	(449)
Accounts payable and accrued expense	3,829	(5,454)
Accrued interest payable	131,075	205,301
Deferred revenue	(615)	148
Net cash provided by operating activities	<u>169,730</u>	<u>250,112</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>(60,934)</u>	<u>(177,036)</u>
Net cash used by investing activities	<u>(60,934)</u>	<u>(177,036)</u>
Cash flows from financing activities		
Payments on mortgage payable	(160,037)	(142,628)
Increase in due to affiliate	117,184	81,632
Distribution to member	<u>(143,509)</u>	<u>(83,280)</u>
Net cash used by financing activities	<u>(186,362)</u>	<u>(144,276)</u>
Net decrease in cash and cash equivalents	(77,566)	(71,200)
Cash and cash equivalents, beginning of year	<u>780,950</u>	<u>852,150</u>
Cash and cash equivalents, end of year	<u>\$ 703,384</u>	<u>\$ 780,950</u>

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



**THE MANOR AT COLESVILLE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

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**1. Organization**

The Manor at Colesville, LLC (the Company), is a limited liability company formed under the laws of the State of Maryland on September 19, 2018, whose principal asset is an apartment complex located at 601 E Randolph Rd, Silver Spring, MD 20904. The Company's sole member is Housing Opportunities Commission of Montgomery County. The 83-unit property consists of 23 one-bedroom and 60 two-bedroom units. All units are restricted to households with incomes at or below 40% AMI or 60% AMI. Five units of the property are AHA accessible.

**2. Summary of Significant Accounting Policies**

Method of Accounting

The Company prepares its financial statements on the accrual basis of accounting. Under this basis, revenues are recognized when earned and expenses are recognized when incurred. The accounting policies conform to accounting principles generally accepted in the United States of America.

Use of Estimates

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

Cash and Cash Equivalents

Short-term liquid investments (including securities purchased under agreements to resell) with original maturities of less than three months are considered to be cash equivalents. The Property considers the following as cash and cash equivalents: the reserve for replacement, debt service reserve, customer deposit, and operating fund.

Rental Income

Rental income is recognized as rental payments become due. Rental payments received in advance are deferred until earned. All leases between the Company and tenants of the property are operating leases.

**THE MANOR AT COLESVILLE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

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**2. Summary of Significant Accounting Policies (continued)**

Deferred Charges

Under ASC-835, Interest, as issued by the Financial Accounting Standards Board (FASB), the deferred charges are recorded as a reduction of the related debt balance and the amortization of the charges is included in interest expense.

Amortization included in interest expense for these loan and mortgage financing fees for the years ended June 30, 2021 and 2020 is \$11,125 and \$33,389, and accumulated amortization is \$66,772 and \$55,647, respectively.

Accounts Receivable and Bad Debts

Accounts receivable are reported at their outstanding balances, reduced by an allowance for doubtful accounts.

Management periodically evaluates the need for an allowance for doubtful accounts by considering the Company's past receivables loss experience, known and inherent risks in the account receivables population, adverse situations that may affect a debtor's ability to pay, and current economic conditions.

The allowance for doubtful accounts is increased by charges to bad debt expense and decreased by charge offs of the account receivables balances. Account receivables are considered past due after the tenth of the month in which they were due. Accounts receivable are considered uncollectible if they are outstanding over 90 days.

There was no allowance for doubtful accounts as of June 30, 2021 and 2020.

Property and Equipment

Land and building and improvements are recorded at cost. Building and improvements are depreciated over their estimated useful lives of 10 to 40 years using the straight-line method.

Property and equipment include property held for and under development, operating properties, and fixed assets used in operations that cost \$5,000 or more and have an estimated useful life of at least two years.

Maintenance, repairs, and minor renewals which do not significantly improve or extend the lives of the respective assets are charged against operations when incurred. Additions, improvements, and major renewals are capitalized

**THE MANOR AT COLESVILLE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

**2. Summary of Significant Accounting Policies (continued)**

Subsequent Events

Management has evaluated subsequent events through December 10, 2021, which is the date the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provide evidence about conditions that existed at the statement of position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of position date, but disclosures of such events, if any, are included in the accompanying notes.

**3. Cash and Cash Equivalents**

Cash and cash equivalents, including restricted cash and cash equivalents, consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Operating cash and cash equivalents - unrestricted	\$ 163,361	\$ 224,669
Tenant security deposits - restricted	35,444	37,021
Replacement reserves - restricted	181,829	196,596
Debt service reserve - restricted	<u>322,750</u>	<u>322,664</u>
Total cash and cash equivalents	<u>\$ 703,384</u>	<u>\$ 780,950</u>

**4. Property and Equipment**

Property and equipment was comprised of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 2,750,000	\$ 2,750,000
Buildings and improvement	<u>10,994,559</u>	<u>10,933,625</u>
Subtotal	13,744,559	13,683,625
Less: accumulated depreciation	<u>(750,021)</u>	<u>(462,118)</u>
Total	<u>\$ 12,994,538</u>	<u>\$ 13,221,507</u>

Depreciation expense for the years ended June 30, 2021 and 2020, totaled \$287,903 and \$282,878, respectively.

**THE MANOR AT COLESVILLE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

**5. Deferred Charges**

Deferred charges consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Loan Origination fee	\$ 7,976	\$ 7,976
Commitment fees	<u>58,796</u>	<u>58,796</u>
	66,772	66,772
Accumulated amortization	<u>66,772</u>	<u>55,647</u>
Total Deferred Charges	<u>\$ -</u>	<u>\$ 11,125</u>

Unamortized loan costs are deducted from the face amount of the related mortgage loan payable on the balance sheets. Amortization of loan costs are included in interest expense on the statements of operations. Amortization expense on commitment and loan fees for 2021 and 2020 are \$11,125 and \$33,389, and the accumulated amortization was \$66,772 and \$55,647, respectively.

**6. Income Taxes**

The Property is a component unit of the Housing Opportunities Commission of Montgomery County, Maryland (HOC) and is therefore exempt from income taxation. Therefore, the accompanying financial statements do not include a provision for income taxes.

**7. Replacement Reserve**

In accordance with the Company's loan agreement, the Company shall fund and therefore maintain, a replacement reserve account with an aggregate balance of not less than \$150,000 for the purpose of paying the cost of any major repair and replacement of the Company due to a casualty or condemnation or as otherwise permitted in writing by PNC Bank, N.A (PNC). If the account is less than \$150,000, the Company shall deposit funds from the available cash to restore to an amount equal to \$150,000. As of June 30, 2021 and 2020, the Company has \$181,829 and \$196,596, respectively of replacement funds.

Restricted cash is held in escrow to be used for replacement of property with the approval of HOC. Below is the activity related to the replacement reserve accounts during fiscal year:

**THE MANOR AT COLESVILLE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

**7. Replacement Reserve (continued)**

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 196,596	\$ 210,743
Deposit	24,900	30,216
Interest	51	999
Withdrawals	<u>(39,718)</u>	<u>(45,362)</u>
Ending balance	<u>\$ 181,829</u>	<u>\$ 196,596</u>

**8. Debt Service Reserve Account**

As of June 30, 2021 and 2020, the Company has \$322,750 and \$322,664, respectively in its debt service reserve account. As per the note agreement with PNC, the Company has to maintain an aggregate balance in such an account of not less than \$319,057. Additions to the account for the years ended June 30, 2021 and 2020 were \$86 and \$1,628, respectively, and was from interest income.

**9. Mortgage Payable**

Note payable consist of the following as of June 30:

<u>Loaned From</u>	<u>Beginning Balance</u>	<u>Principal Paid</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
PNC Loan	\$ 7,756,098	\$ 160,037	\$ 7,596,061	\$ 7,596,061	\$ -
Montgomery County Loan	5,879,550	-	5,879,550	-	5,879,550
Due to affiliate	<u>319,057</u>	<u>-</u>	<u>319,057</u>	<u>-</u>	<u>319,057</u>
Total long-term debt	<u>\$ 13,954,705</u>	<u>\$ 160,037</u>	<u>\$ 13,794,668</u>	<u>\$ 7,596,061</u>	<u>\$ 6,198,607</u>

Mortgage loan payable to PNC bank consists of an original amount, \$7,976,429: requiring monthly principal and interest payments of \$38,644 with an interest rate of 4.122%, due November 2020. The note is secured by a mortgage on the buildings and improvements.

During October 2020, a one-year extension with the PNC loan was obtained. Under this extension the monthly payments were amended to \$31,921 beginning in December 2020 with a final maturity date of November 1, 2021.

**THE MANOR AT COLESVILLE, LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

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**9. Mortgage Payable (continued)**

Aggregate maturities required on mortgage payable, consist of the following for each of the years ending June 30:

	<u>\$</u>
2021	<u>7,596,061</u>
Less: Current portion	(7,596,061)
Less: Deferred charges	<u>          -</u>
Total	<u><u>\$          -</u></u>

Montgomery County Loan relates to a Subordination agreement dated September 24, 2018 between Montgomery County, Maryland and PNC Bank, National Association and is acknowledged and agreed by The Manor at Colesville, LLC in the amount \$5,879,550.

**10. Commitments and Contingencies**

In October 2018, the Company entered into a management agreement with Habitat America. The term of the agreement shall commence in November 2018 and shall be in effect for a period of one year. Subsequent to the one-year term, the agreement will continue on a month-to-month basis unless terminated in accordance with the agreement terms. Management fees during the year ended June 30, 2021 and 2020 were \$44,786 and \$46,061, respectively.

**11. Building Acquisition**

The Company financed the purchase of an 83-unit property in November 2018 for \$13,503,281. The purchase of the property consisted of land and building. This acquisition was financed through a Mortgage Payable with PNC and Montgomery County (DHCA loan) as discussed in Note 9.

**12. Reclassification**

Certain reclassifications have been made to prior year summarized balances in order to conform to current year presentation. The reclassifications did not affect member's equity (deficit) or changes therein.

**13. Subsequent Events**

Subsequent to June 30, 2021, the due date the PNC loan was extended until January 1, 2022 in anticipation of resyndication and refinancing of the Project during December 2021.

**SUPPLEMENTAL INFORMATION**

**THE MANOR AT COLESVILLE, LLC**  
**DETAILED SCHEDULES OF REVENUE AND EXPENSES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Rent: Current Residents	\$ 1,035,864	\$ 1,007,438
Rent: Subsidies	210,623	218,555
Concessions	(19,595)	(6,552)
Vacancy Loss	(104,659)	(81,659)
Other Rent Fees	5,668	5,493
Late Fees/NSF	208	1,698
Laundry Income	9,965	11,212
Forfeited Tenant Deposit	-	75
<b>TOTAL DWELLING RENTAL INCOME</b>	<b><u>\$ 1,138,074</u></b>	<b><u>\$ 1,156,260</u></b>
<b>ADMINISTRATIVE EXPENSES</b>		
Contract Admin Salary	\$ 61,789	\$ 76,205
Contract Bonus/Commissions	500	725
Contract Management Fee	44,786	46,061
Misc Operating Expenses	2,052	-
Postage	729	953
Printing/Reproduction	1,458	1,232
Paper, Pads, Etc	824	1,235
Other Office Supplies	520	915
Mag. and Newspaper Subscription	553	536
Local Mileage and Travel	2,543	1,148
Gasoline	479	1,411
Vehicle Repairs and Maintenance	3,858	3,522
Legal Services-General	1,124	5,663
Other Operating Professional Services	-	-
Advertising	16,108	13,749
Credit Check Services	1,148	672
Office Equipment Rent	248	164
Furniture and Misc Equipment Rental	5,054	5,022
Local Phone Bill	5,054	5,475
Computer Software	3,618	4,999
Internet Access Charges	3,092	1,954
Other Licenses, Fees and Permits	390	2,827
Monitoring Fee	9,130	-
Bank Fees	228	73
Sec Dep Interest Expense	322	595
Rental License Fees	3,901	3,901
Auditing Services	8,450	8,490
Misc Program Supplies	2,213	2,589
Building Rent	71	-
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b><u>\$ 180,242</u></b>	<b><u>\$ 190,116</u></b>



**THE MANOR AT COLESVILLE, LLC**  
**DETAILED SCHEDULES OF REVENUE AND EXPENSES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>MAINTENANCE</b>		
Other Awards - Maintenance	\$ 200	\$ 400
Cntrct Maint/Jan Salary	53,913	60,631
Electrical Supplies	2,282	2,564
Appliance Supplies	1,056	946
Plumbing Supplies	4,468	2,274
Cleaning and Janitorial Supplies	547	1,165
Grounds and Landscaping Supplies	-	546
Health and Safety Materials	331	953
Locks, Keys	1,000	1,067
Windows and Glass	905	314
HVAC Supplies	4,644	2,201
Flooring and Carpeting	397	136
Paint and Wallcoverings	324	374
Miscellaneous Supplies	1,697	708
Maintenance Equipment	4,138	486
Electrical Contracts	7,060	2,139
Plumbing Contracts	1,669	-
Cleaning and Janitorial Contracts	20,648	19,433
Grounds and Landscaping Contracts	6,606	6,225
Roofing and Gutter Contracts	750	-
HVAC Contracts	-	1,919
Flooring and Carpeting Contracts	2,850	2,270
Paint/Wallcoverings Int. Contracts	16,199	9,727
Paint/Wallcoverings Ext. Contracts	468	800
Elevator Contracts	5,704	6,532
Exterminating Contracts	908	1,990
Snow Removal Contracts	14,846	359
Miscellaneous Contracts	14,303	11,308
Computer Equipment-Capital	1,229	-
Health and Safety Materials-Capital	12,518	1,714
Miscellaneous Equipment-Capital	620	2,085
Electrical Contracts-Capital	-	1,199
Appliance Contracts-Capital	4,178	3,401
Plumbing Contracts-Capital	8,126	547
Grounds/Landscaping Contracts-Capital	3,110	-
Roofing/Gutter Contracts-Capital	2,669	1,400
Flooring/Carpet Contracts-Capital	23,983	11,132
Paint/Wallcovering Int. Contracts-Capital	-	1,678
Asphalt/Concrete Contracts-Capital	-	2,800
Miscellaneous Contracts-Capital	983	7,882
COVID-19 - Coronavirus Expense	11,756	6,833
<b>TOTAL MAINTENANCE</b>	<b>\$ 237,085</b>	<b>\$ 178,138</b>

**THE MANOR AT COLESVILLE, LLC**  
**DETAILED SCHEDULES OF REVENUE AND EXPENSES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>UTILITIES</b>		
Water Bill	\$ 34,703	\$ 36,721
Electric Bill	31,196	30,185
Trash Collection	11,554	8,081
<b>TOTAL UTILITIES EXPENSE</b>	<b><u>\$ 77,453</u></b>	<b><u>\$ 74,987</u></b>
 <b>FRINGE BENEFITS</b>		
Contract Managed Benefits	\$ 35,517	\$ 42,102
Accrual Annual Leave	434	-
Contract Other Training	463	597
<b>TOTAL FRINGE BENEFITS</b>	<b><u>\$ 36,414</u></b>	<b><u>\$ 42,699</u></b>
 <b>BAD DEBT EXPENSES</b>		
Bad Debt Expenses - Tenants	\$ 1,489	\$ 616
<b>TOTAL BAD DEBT EXPENSES</b>	<b><u>\$ 1,489</u></b>	<b><u>\$ 616</u></b>
 <b>OTHER EXPENSES</b>		
Vehicle Insurance	\$ 149	\$ 596
Bond Insurance	1,698	3,397
Environmental Insurance	194	-
Real Estate Tax	9,137	6,425
Other Taxes	300	573
Solid Waste Tax	1,349	1,333
Security Contracts	916	656
Fire and Hazard Insurance	10,360	7,973
Liability Insurance	8,961	7,257
Water Quality Protect Charge (RFSA)	1,978	1,917
Asset Management Fee Expense - Non-Federal	88,800	88,860
Insurance Reserve	2,620	-
<b>TOTAL OTHER EXPENSES</b>	<b><u>\$ 126,462</u></b>	<b><u>\$ 118,987</u></b>

**THE MANOR AT COLESVILLE, LLC**  
**SCHEDULES OF SURPLUS CASH**  
**JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Net Income (Loss)	\$ (242,299)	\$ (278,650)
Depreciation and amortization	299,028	316,268
Changes in (current assets)/current liabilities	(16,496)	(7,492)
Interest income - non-operating	(137)	(2,628)
Interest accrued on general partner loan	<u>131,075</u>	<u>205,301</u>
Net income before debt service and reserves	<u>171,171</u>	<u>232,799</u>
Debt service and replacement reserve		
Scheduled debt service	(160,037)	(159,993)
Deposits into reserve for replacement	<u>(24,900)</u>	<u>(30,216)</u>
Total	<u>(184,937)</u>	<u>(190,209)</u>
<b>NET CASH FLOW (SURPLUS)</b>	<u>\$ (13,766)</u>	<u>\$ 42,590</u>