

MANOR AT COLESVILLE, LLC

**FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019
AND
INDEPENDENT AUDITOR'S REPORT**

TABLE OF CONTENTS

DESCRIPTION	PAGE
Independent Auditor's Report	1 – 2
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Net Deficit	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 13
Supplemental Information	
Detailed Schedules of Revenues and Expenses	14 - 16
Schedules of Surplus Cash	17



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 (a Maryland Corporation), which comprise the statements of balance sheets as of June 30, 2020 and 2019, and the related statements of operations, changes in net deficit, and cash flows for the year ended June 30, 2020 and eight months ended June 30, 2019, 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 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

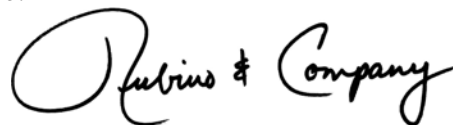
In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Manor at Colesville, LLC as of June 30, 2020 and 2019, and the statements of operations, changes in net deficit, and its cash flows for the year then ended June 30, 2020 and eight months ended June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As explained in Note 2 of the financial statements, in 2020 Manor at Colesville, LLC adopted ASU 2016-19 New accounting for Statement of Net Cash flow. Our opinion is not modified with respect to this matter.

Other Matter – Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the June 30, 2020 and 2019 financial statements as a whole. The accompanying detailed schedule of revenues and expenses and schedule of surplus cash for the year ended June 30, 2020 and 2019 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 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Rubino & Company". The signature is written in a cursive, flowing style.

December 17, 2020
Bethesda, Maryland

MANOR AT COLESVILLE, LLC
BALANCE SHEETS
JUNE 30, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 224,669	\$ 282,903
Accounts receivable and other assets	<u>4,963</u>	<u>17,909</u>
Total unrestricted current assets	<u>229,632</u>	<u>300,812</u>
Restricted cash and equivalents	519,260	531,779
Customer deposits	<u>37,021</u>	<u>37,468</u>
Total restricted cash and cash equivalents	556,281	569,247
Noncurrent assets:		
Property & equipment, net of depreciation	<u>13,221,507</u>	<u>13,327,350</u>
Total noncurrent assets	<u>13,221,507</u>	<u>13,327,350</u>
Total assets	<u>\$ 14,007,420</u>	<u>\$ 14,197,409</u>

LIABILITIES AND NET ASSETS

Unrestricted current liabilities:		
Accounts payable and accrued liabilities	\$ 23,925	\$ 29,379
Accrued interest payable	369,616	164,315
Interfund payable	120,368	38,736
Mortgage notes and loans payable - current	<u>159,993</u>	<u>140,858</u>
Total unrestricted current liabilities	<u>673,902</u>	<u>373,288</u>
Current Liabilities Payable from Restricted Assets:		
Customer deposit payable	<u>36,021</u>	<u>36,468</u>
Total current liabilities payable from restricted assets	<u>36,021</u>	<u>36,468</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	7,584,980	7,713,354
Deferred revenue	<u>7,046</u>	<u>6,898</u>
Total non-current liabilities	<u>13,790,633</u>	<u>13,918,859</u>
Total liabilities	14,500,556	14,328,615
Partner's equity (deficit)	<u>(493,136)</u>	<u>(131,206)</u>
Total liabilities and partner's equity (deficit)	<u>\$ 14,007,420</u>	<u>\$ 14,197,409</u>

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

MANOR AT COLESVILLE, LLC
STATEMENTS OF OPERATIONS
YEARS ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
Operating Revenue		
Dwelling rental	\$ 1,156,260	\$ 769,768
Miscellaneous income	<u>10,670</u>	<u>4,348</u>
Total operating revenues	<u>1,166,930</u>	<u>774,116</u>
Operating Expenses		
Administrative	190,116	119,629
Maintenance	178,138	100,638
Depreciation and Amortization	316,267	201,497
Utilities	74,987	46,572
Fringe benefits	42,699	27,206
Interest expense	526,398	357,155
Bad debt expense	616	-
Other	<u>118,985</u>	<u>55,882</u>
Total operating expenses	<u>1,448,206</u>	<u>908,579</u>
Operating income (loss)	(281,276)	(134,463)
Nonoperating Revenue		
Investment income	<u>2,628</u>	<u>3,257</u>
Total nonoperating revenue (expense)	<u>2,628</u>	<u>3,257</u>
Net Income (Loss)	<u>\$ (278,648)</u>	<u>\$ (131,206)</u>

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

MANOR AT COLESVILLE, LLC
STATEMENT OF CHANGES IN NET DEFICIT
YEARS ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

Balance, September 19, 2018	\$ -
Change in net deficit	<u>(131,206)</u>
Balance, June 30, 2019	<u><u>(131,206)</u></u>
Change in net deficit	(278,650)
Distribution	<u>(83,280)</u>
Balance, June 30, 2020	<u><u>\$ (493,136)</u></u>

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

MANOR AT COLESVILLE
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Net income (loss)	\$ (278,648)	\$ (131,206)
Reconciling adjustments:		
Depreciation	282,879	179,239
Amortization of debt issuance cost	33,389	22,258
Changes in operating assets and liabilities		
Accounts receivable and other assets	12,946	(17,909)
Customer deposits	(449)	36,468
Accounts payable and accrued expense	(5,454)	29,379
Accrued interest payable	205,301	164,315
Deferred revenue	148	6,898
Net cash provided by operating activities	<u>250,112</u>	<u>289,442</u>
Cash flows from investing activities		
Increase in due to affiliate	81,632	357,758
Purchases of property and equipment	<u>(177,036)</u>	<u>(13,506,554)</u>
Net cash used by investing activities	<u>(95,404)</u>	<u>(13,148,796)</u>
Cash flows from financing activities		
Payments on mortgage payable	(142,628)	(77,703)
Payments on debt issuance cost	-	(66,772)
Proceeds from mortgage payable	-	13,855,979
Distribution to members	<u>(83,280)</u>	<u>-</u>
Net cash (used) provided by financing activities	<u>(225,908)</u>	<u>13,711,504</u>
Net (decrease) increase in cash and cash equivalents	(71,200)	852,150
Cash and cash equivalents, beginning of year	<u>852,150</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 780,950</u>	<u>\$ 852,150</u>

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

MANOR AT COLESVILLE, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

1. Organization

Manor at Colesville, LLC, is a Limited Liability Corporation 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 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 Corporation 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 corporation and tenants of the property are operating leases.

MANOR AT COLESVILLE, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

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, 2020 and 2019 is \$33,389 and \$22,258, and accumulated amortization is \$55,647 and \$22,258, 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 Corporation'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, 2020 and 2019.

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

MANOR AT COLESVILLE, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

ASU 2016-19 New Acct for Statement of Net cash flow- In November 2016, the Financial Accounting Standards Board issued *ASU 2016-18, Statement of Cash Flows (Topic 230) – Restricted Cash*. Although previously available for early adoption, this standard was implemented by the Corporation during the fiscal year ended June 30, 2020.

While this ASU does change an entity’s consideration of restricted cash, it does require that the statement of cash flows explain the changes during the period of total cash, cash equivalents and amounts described as restricted cash. As a result, amounts previously described as restricted cash now are now included as cash equivalents on the Statement of cash flows.

Subsequent Events

Management has evaluated subsequent events through December 17, 2020, 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>2020</u>	<u>2019</u>
Operating cash and cash equivalents - unrestricted	\$ 224,669	\$ 282,903
Tenant security deposits - restricted	37,021	37,468
Replacement reserves - restricted	196,596	210,743
Debt service reserve - restricted	<u>322,664</u>	<u>321,036</u>
Total cash and cash equivalents	<u>\$ 780,950</u>	<u>\$ 852,150</u>

MANOR AT COLESVILLE, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

4. Property and Equipment

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

	<u>2020</u>	<u>2019</u>
Land	\$ 2,750,000	\$ 2,750,000
Buildings and improvement	<u>10,933,625</u>	<u>10,756,589</u>
Subtotal	\$ 13,683,625	\$ 13,506,589
Less: accumulated depreciation	<u>(462,118)</u>	<u>(179,239)</u>
Total	<u>\$ 13,221,507</u>	<u>\$ 13,327,350</u>

Depreciation expense for the years ended June 30, 2020 and 2019, totaled \$282,878 and \$179,239, respectively.

5. Deferred Charges

Deferred charges consisted of the following as of June 30:

	<u>2020</u>	<u>2019</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>55,647</u>	<u>22,258</u>
Total Deferred Charges	<u>\$ 11,125</u>	<u>\$ 44,514</u>

With the implementation of FASB ASC 835-30 Interest – Imputation of Interest – Simplifying the Presentation of Debt Issuance Costs, the Property has set off these Deferred Charges from the Mortgage Note Payable (Refer Note 10). Amortization expense on commitment and loan fees for 2020 and 2019 are \$33,389 and \$22,258, and the accumulated amortization was \$55,647 and \$22,258, respectively.

6. Income Taxes

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

MANOR AT COLESVILLE, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

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, 2020 and 2019, the Corporation has \$196,596 and \$210,743, 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:

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 210,743	\$ -
Deposit	30,216	224,256
Interest	999	1,279
Withdrawals	<u>(45,362)</u>	<u>(14,792)</u>
Ending balance	<u>\$ 196,596</u>	<u>\$ 210,743</u>

8. Debt Service Reserve Account

As of June 30, 2020 and 2019, the Corporation has \$322,664 and \$321,036, respectively in its debt service reserve account. As per the note agreement with PNC, the Corporation has to maintain an aggregate balance in such an account of not less than \$319,057. Current year additions amount to \$1,628 which relate to interest income for 2020.

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	\$ 7,898,726	\$ 142,628	\$ 7,756,098	\$ 159,993	\$ 7,596,105
Montgomery County Loan	5,879,550	-	5,879,550	-	5,879,550
Due to affiliate (Note 7)	319,057	-	319,057	-	319,057
Total long-term debt	<u>\$ 14,097,333</u>	<u>\$ 142,628</u>	<u>\$ 13,954,705</u>	<u>\$ 159,993</u>	<u>\$ 13,794,712</u>

MANOR AT COLESVILLE, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

9. Mortgage Payable (continued)

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.

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

2020	\$ 159,993
2021	<u>7,596,105</u>
Less: Current portion	(159,993)
Less: Deferred charges	<u>(11,125)</u>
Total	<u>\$ 7,584,980</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 Corporation 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, 2020 and 2019 were \$46,061 and \$30,867, respectively.

11. Building Acquisition

The Corporation 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 with certain improvements performed during the year amounting to \$3,307. This acquisition was financed through a Mortgage Payable with PNC and Montgomery County (DHCA loan) as discussed in Note 8.

MANOR AT COLESVILLE, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

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 net position or changes therein.

SUPPLEMENTAL INFORMATION

MANOR AT COLESVILLE, LLC
DETAILED SCHEDULES OF REVENUE AND EXPENSES
YEARS ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

	2020	2019
REVENUE		
Rent: Current Residents	\$ 1,007,438	\$ 646,581
Rent: Subsidies	218,555	151,963
Concessions	(6,552)	(3,394)
Vacancy Loss	(81,659)	(36,136)
Other Rent Fees	5,493	2,471
Late Fees/NSF	1,698	1,221
Laundry Income	11,212	7,062
Forfeited Tenant Deposit	75	-
TOTAL DWELLING RENTAL INCOME	\$ 1,156,260	\$ 769,768
ADMINISTRATIVE EXPENSES		
Contract Admin Salary	\$ 76,205	\$ 52,833
Contract Bonus/Commissions	725	400
Contract Management Fee	46,061	30,867
Misc Operating Expenses	-	2,900
Postage	953	542
Printing/Reproduction	1,232	772
Paper, Pads, Etc	1,235	987
Other Office Supplies	915	410
Mag. and Newspaper Subscription	536	374
Local Mileage and Travel	1,148	864
Gasoline	1,411	647
Vehicle Repairs and Maintenance	3,522	1,520
Legal Services-General	5,663	619
Other Operating Professional Services	-	113
Advertising	13,749	3,816
Credit Check Services	672	159
Office Equipment Rent	164	1,585
Furniture and Misc Equipment Rental	5,022	3,435
Local Phone Bill	5,475	3,797
Computer Software	4,999	2,335
Internet Access Charges	1,954	1,520
Other Licenses, Fees and Permits	2,827	425
Monitoring Fee	-	2,905
Bank Fees	73	220
Sec Dep Interest Expense	595	286
Rental License Fees	3,901	-
Auditing Services	8,490	-
Misc Program Supplies	2,589	5,298
TOTAL ADMINISTRATIVE EXPENSES	\$ 190,116	\$ 119,629

MANOR AT COLESVILLE, LLC
DETAILED SCHEDULES OF REVENUE AND EXPENSES
YEARS ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

	2020	2019
MAINTENANCE		
Other Awards - Maintenance	\$ 400	\$ 400
Cntrct Maint/Jan Salary	60,631	33,930
Electrical Supplies	2,564	1,499
Appliance Supplies	946	137
Plumbing Supplies	2,274	876
Cleaning and Janitorial Supplies	1,165	669
Grounds and Landscaping Supplies	546	-
Health and Safety Materials	953	279
Locks, Keys	1,067	1,023
Windows and Glass	314	147
HVAC Supplies	2,201	638
Flooring and Carpeting	136	20
Paint and Wallcoverings	374	483
Miscellaneous Supplies	708	547
Maintenance Equipment	486	694
Electrical Contracts	2,139	2,211
Cleaning and Janitorial Contracts	19,433	10,574
Grounds and Landscaping Contracts	6,225	4,434
Roofing and Gutter Contracts	-	1,700
HVAC Contracts	1,919	951
Flooring and Carpeting Contracts	2,270	665
Paint/Wallcoverings Int. Contracts	9,727	4,639
Paint/Wallcoverings Ext. Contracts	800	-
Elevator Contracts	6,532	1,371
Exterminating Contracts	1,990	1,149
Snow Removal Contracts	359	2,404
Miscellaneous Contracts	11,308	4,122
Health and Safety Materials-Capital	1,714	3,035
Miscellaneous Equipment-Capital	2,085	1,805
Electrical Contracts-Capital	1,199	-
Appliance Contracts-Capital	3,401	1,643
Plumbing Contracts-Capital	547	424
Roofing/Gutter Contracts-Capital	1,400	-
HVAC Contracts-Capital	-	5,642
Flooring/Carpet Contracts-Capital	11,132	7,675
Paint/Wallcovering Int. Cont.-Capital	1,678	-
Asphalt/Concrete Contracts-Capital	2,800	-
Miscellaneous Contracts-Capital	7,882	4,852
COVID-19 - Coronavirus Expense	6,833	-
	\$ 178,138	\$ 100,638

MANOR AT COLESVILLE, LLC
DETAILED SCHEDULES OF REVENUE AND EXPENSES
YEARS ENDED JUNE 30, 2020 AND EIGHT MONTHS ENDED JUNE 30, 2019

	2020	2019
UTILITIES		
Water Bill	\$ 36,721	\$ 18,933
Electric Bill	30,185	23,262
Trash Collection	8,081	4,377
TOTAL UTILITIES EXPENSE	<u>\$ 74,987</u>	<u>\$ 46,572</u>
FRINGE BENEFITS		
Contract Managed Benefits	\$ 42,102	\$ 26,795
Contract Other Training	597	411
TOTAL FRINGE BENEFITS	<u>\$ 42,699</u>	<u>\$ 27,206</u>
BAD DEBT EXPENSES		
Bad Debt Expenses - Tenants	\$ 616	\$ -
TOTAL BAD DEBT EXPENSES	<u>\$ 616</u>	<u>\$ -</u>
OTHER EXPENSES		
Vehicle Insurance	\$ 597	\$ 565
Bond Insurance	3,397	2,265
Real Estate Tax	6,425	2,525
Other Taxes	573	1,894
Solid Waste Tax	1,333	2,525
Security Contracts	656	1,418
Fire & Hazard Insurance	7,970	-
Liability Insurance	7,257	-
Water Quality Protect Charge (RFSA)	1,917	-
Asset Management Fee Expense - Non-Federal	88,860	44,690
TOTAL OTHER EXPENSES	<u>\$ 118,985</u>	<u>\$ 55,882</u>

MANOR AT COLESVILLE, LLC
SCHEDULE OF SURPLUS CASH
JUNE 30, 2020 and 2019

	2020	2019
Net Income (Loss)	\$ (278,650)	\$ (131,206)
Depreciation and amortization	316,268	201,497
Changes in (current assets)/current liabilities	(7,492)	11,470
Interest income - non-operating	(2,628)	(3,257)
Interest accrued on general partner loan	<u>205,301</u>	<u>164,315</u>
Net income before debt service and reserves	<u>232,799</u>	<u>242,819</u>
Debt service and replacement reserve		
Scheduled debt service	(159,993)	(140,858)
Deposits into reserve for replacement	<u>(30,216)</u>	<u>(16,600)</u>
Total	<u>(190,209)</u>	<u>(157,458)</u>
NET CASH FLOW (SURPLUS)	<u><u>\$ 42,590</u></u>	<u><u>\$ 85,361</u></u>