



BROOKSIDE GLEN LIMITED PARTNERSHIP

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

BROOKSIDE GLEN LIMITED PARTNERSHIP

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INDEPENDENT AUDITOR'S REPORT

November 30, 2022

To the Partners
Brookside Glen Limited Partnership
Kensington, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Brookside Glen Limited Partnership, which comprise the balance sheets as of June 30, 2022 and 2021, and the related statements of operations, changes in partners' equity, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Brookside Glen Limited Partnership's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Brookside Glen Limited Partnership as of June 30, 2022 and 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

To the Partners
Brookside Glen Limited Partnership
Kensington, Maryland

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Brookside Glen Limited Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Brookside Glen Limited Partnership's ability to continue as a going concern for a reasonable period of time.

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

To the Partners
Brookside Glen Limited Partnership
Kensington, Maryland

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Detailed Balance Sheets, Detailed Statements of Operations, Balance Sheet Data and Statement of Operations Data is presented for purposes of additional analysis and is 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.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

BROOKSIDE GLEN LIMITED PARTNERSHIP
BALANCE SHEETS
JUNE 30, 2022 AND 2021

	2022	2021
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 823,874	\$ 681,469
Accounts receivable and other assets	117,271	241,856
Total Current Assets	941,145	923,325
RESTRICTED ASSETS:		
Restricted cash and cash equivalents	979,568	1,027,231
Tenant security deposits	58,722	58,703
Total Restricted Assets	1,038,290	1,085,934
NONCURRENT ASSETS:		
Property and equipment, net	5,861,410	6,209,309
Deferred charges, net	45,869	50,039
Total Noncurrent Assets	5,907,279	6,259,348
TOTAL ASSETS	\$ 7,886,714	\$ 8,268,607
 <u>LIABILITIES AND PARTNERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 134,843	\$ 69,432
Interfund payable	222,508	221,311
Accrued interest payable	19,426	20,466
Note payable to Montgomery County, current portion	22,226	22,221
Note payable, current portion	267,951	255,800
Total Current Liabilities	666,954	589,230
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Tenant security deposits payable	53,927	56,521
Total Current Liabilities Payable from Restricted Assets	53,927	56,521
NONCURRENT LIABILITIES:		
Notes payable, noncurrent	4,737,630	5,005,581
Less: unamortized debt issuance costs	(51,991)	(56,718)
Total Notes Payable, Net	4,685,639	4,948,863
Note payable to Montgomery County, noncurrent	565,864	584,868
Total Noncurrent Liabilities	5,251,503	5,533,731
TOTAL LIABILITIES	5,972,384	6,179,482
PARTNERS' EQUITY	1,914,330	2,089,125
TOTAL LIABILITIES AND PARTNERS' EQUITY	\$ 7,886,714	\$ 8,268,607

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

**BROOKSIDE GLEN LIMITED PARTNERSHIP
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Dwelling rental	\$ 1,495,598	\$ 1,523,446
Management fees and other income	6,490	39,922
Total Operating Revenues	<u>1,502,088</u>	<u>1,563,368</u>
OPERATING EXPENSES		
Administrative	180,147	164,325
Maintenance	455,141	235,718
Depreciation and amortization	352,069	345,295
Utilities	169,028	143,741
Fringe benefits	40,698	43,766
Interest expense	204,925	198,905
Other	161,353	155,144
Bad debt	112,169	50,848
Total Operating Expenses	<u>1,675,530</u>	<u>1,337,742</u>
Operating income (loss)	(173,442)	225,626
NONOPERATING ACTIVITY		
Investment income (loss)	<u>(1,353)</u>	<u>(734)</u>
NET INCOME (LOSS)	<u>\$ (174,795)</u>	<u>\$ 224,892</u>

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

**BROOKSIDE GLEN LIMITED PARTNERSHIP
STATEMENTS OF CHANGES IN PARTNERS' EQUITY
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Partners' equity, beginning of year	\$ 2,089,125	\$ 1,864,233
Operating income (loss)	<u>(174,795)</u>	<u>224,892</u>
Partners' equity, end of year	<u>\$ 1,914,330</u>	<u>\$ 2,089,125</u>

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

**BROOKSIDE GLEN LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:		
Operating income (loss):	\$ (174,795)	\$ 224,892
Depreciation and amortization	352,069	345,295
Amortization of debt issuance costs (a component of interest expense)	4,727	4,727
(Increase) Decrease in:		
Accounts receivable and other assets	124,584	(121,931)
Increase (Decrease) in:		
Accounts payable and accrued expenses	65,411	(24,772)
Tenant security deposits payable	(2,594)	(2,227)
Accrued interest payable	(1,040)	(714)
NET CASH FROM OPERATING ACTIVITIES	<u>368,362</u>	<u>425,270</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for property and equipment	-	(75,681)
NET CASH FROM INVESTING ACTIVITIES	<u>-</u>	<u>(75,681)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(274,799)	(244,200)
Advances from (to) HOC	1,197	7,941
NET CASH FROM FINANCING ACTIVITIES	<u>(273,602)</u>	<u>(236,259)</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	94,761	113,330
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	<u>1,767,403</u>	<u>1,654,073</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	<u>\$ 1,862,164</u>	<u>\$ 1,767,403</u>
Cash and cash equivalents	\$ 823,874	\$ 681,469
Restricted cash and cash equivalents	979,568	1,027,231
Tenant security deposits	58,722	58,703
Total cash, cash equivalents, and restricted cash	<u>\$ 1,862,164</u>	<u>\$ 1,767,403</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 201,238</u>	<u>\$ 194,892</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Brookside Glen Limited Partnership ("the Partnership") was established in June 2003 as a Maryland limited partnership for the purpose of acquiring and operating a 90-unit apartment community ("the Project") consisting of 84 townhome units and 6 flats located in Wheaton, Maryland. The Partnership's ownership is comprised of the Housing Opportunities Commission of Montgomery County, Maryland ("HOC") and Brookside Glen Apartments Development Corporation ("Brookside").

Basis of Accounting and presentation

The Partnership's financial statements are prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned, and expenses are recorded when incurred in accordance with accounting principles generally accepted in the United States of America.

Rental Income

All leases between the partnership and tenants of the property are operating leases. Rental income is recognized as rental charges become due and is reported net of rental concessions and allowance for uncollectible accounts. Rental concessions provided to tenants during the year ended June 30, 2022 and 2021 were \$15,358 and \$10,367, respectively. Rental payments received in advance are reported as a liability - accounts payable and accrued liabilities until earned.

Depreciation

Rental properties are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of assets as follows:

Building	40 years
Building and site improvements	10 - 15 years
Equipment and miscellaneous assets	10 - 15 years

Impairment of Long-lived Assets

The Partnership reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to managements' estimate of the undiscounted cash flows expected to be generated and any estimated proceeds from the eventual disposition of the asset. If the long-lived asset is considered to be impaired, the impairment loss to be recognized is measured at the amount by which the carrying amount of the assets exceeds the estimated fair value as determined from an appraisal, discounted cash flow analysis, or other valuation techniques. No impairment loss has been recognized during the years ended June 30, 2022 and 2021.

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes

The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through to and are reported by its partners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax position in order to qualify as a pass-through entity. These financial statements do not reflect a provision for income taxes, and the Partnership has no other tax positions which must be considered for disclosure.

The Partnership is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. As of June 30, 2022, tax years 2019 through 2021 are open for examination by taxing authorities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The Partnership's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and mortgage payable. Receivables are reported at their net realizable value, which approximates fair value. All other financial instruments are stated at cost, which approximates fair value.

Accounts Receivable

Accounts receivable are reported net of an allowance for doubtful accounts. An allowance for doubtful accounts is established for receivables that are 90 or more days past due. Unpaid balances remaining after the stated payment terms are considered past due. An allowance is established through a charge to income. Recoveries of previously charged-off accounts are recorded when received. At June 30, 2022 and 2021, the allowance for doubtful accounts amounted to \$73,334 and \$38,332, respectively.

Deferred Charges and Amortization

Deferred charges consist of costs incurred related to the titling and recording of the Partnership property. These costs are being amortized on the straight-line method over 30 years. As of June 30, 2022 and 2021, the accumulated amortization was \$79,228 and \$75,058, respectively, and the amortization expense for the years ended June 30, 2022 and 2021 was \$4,170 for each year.

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Debt Issuance Costs and Amortization

Debt issuance costs, net of amortization, are reported as a direct deduction from the face amount of the mortgage note payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the straight-line method which approximates the effective yield method over the term of the related mortgage note payable. Accumulated amortization relating to debt issuance costs for the years ended June 30, 2022 and 2021 was \$89,807 and \$85,080, respectively. The amount of amortization expense included as interest expense for the years ended June 30, 2022 and 2021 was \$4,727 for each year.

Advertising Costs

Advertising costs are charged to operations when incurred.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 2,266,800	\$ 2,266,800
Buildings	7,817,284	7,817,284
Building improvements	2,807,714	2,807,714
Site improvements	27,256	27,256
Equipment	36,124	36,124
Miscellaneous fixed assets	146,399	146,399
Accumulated depreciation	<u>(7,240,167)</u>	<u>(6,892,268)</u>
Total Property and Equipment	<u>\$ 5,861,410</u>	<u>\$ 6,209,309</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$347,899 and \$341,125, respectively.

NOTE 3 NOTES PAYABLE

The Partnership's long-term debt is comprised of the following:

Note Payable – HOC

The Deed of Trust Note, in the original amount of \$7,090,000, is held by the HOC and is payable in monthly installments of \$36,559, including interest at 4.65 percent. The note is secured by a first Deed of Trust, Security Agreement, and Assignment of Rents on and related to the Project. If

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 3 NOTES PAYABLE (cont'd)

is also subject to the terms and conditions of a Regulatory Agreement which stipulates certain controls on the occupancy of the Project. The loan was financed from tax exempt Multifamily Housing Development Bonds, Series A of 2003 issued by the HOC. As of June 30, 2022 and 2021, the outstanding principal balance on this note was \$3,793,875 and \$4,049,675, respectively.

Minimum remaining loan principal payments on this note, as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 267,951
2024	280,680
2025	294,014
2026	307,980
2027	322,611
2028 - 2032	1,858,021
2033 - 2034	<u>462,618</u>
Total	3,793,875
Less: current portion	<u>(267,951)</u>
Long-term portion	<u>\$ 3,525,924</u>

Note Payable – Montgomery County, Maryland

On June 20, 2003, the Partnership assumed the HOC's obligations under a loan agreement with Montgomery County, Maryland. The original amount of the loan to the HOC was \$800,000. Proceeds from the loan were used to partially finance the acquisition and construction costs of the Project. The loan is evidenced by a note and is secured by a Deed of Trust, Security Agreement, and Assignment of Rents. It is also subject to the terms and conditions of a Regulatory Agreement executed between the HOC and Montgomery County, Maryland dated June 23, 1994. The loan is subject to a Regulatory Agreement that requires the Partnership to initially make available 15 units for occupancy by low-income tenants ("HOME tenants") and to the extent that net cash flow, as defined in the Agreement, is positive for any fiscal year, to use such funds to subsidize as many as 10 additional HOME units ("Added HOME Units") up to a maximum of 25 units. The Partnership reported positive net cash flow for each fiscal year ended June 30, 2003 through June 30, 2008. As of June 30, 2016, 25 of the units in the Project were designated as HOME units.

According to the Regulatory Agreement, the Partnership is required to begin accruing interest on the note at a rate of three percent per annum, sixty days after the completion of the first fiscal year in which the net cash flow from the Project supports all the ten Added HOME Units ("the Achievement Date"). Starting on the first day of the month after the Achievement Date, and on the first day of each month after that date, the Partnership is required to pay principal

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 3 NOTES PAYABLE (cont'd)

and interest in equal monthly installments. The loan will be amortized over a 30-year term. Notwithstanding any other provision of this note, the entire unpaid principal balance together with any accrued and unpaid interest will be due in full on the expiration of the 30-year term.

In April 2020, Montgomery County, Maryland provided for a Deferment Period on the county housing loan through June 30, 2021. As of June 30, 2022 and 2021, the outstanding principal balance on this loan was \$588,090 and \$607,089 respectively.

Minimum remaining loan principal payments on this note, as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2023	\$ 22,226
2024	20,267
2025	20,883
2026	21,518
2027	22,173
2028 - 2032	121,400
2033 - 2037	141,021
2038 - 2042	163,813
2043	54,789
Total	<u>588,090</u>
Less: current portion	<u>(22,226)</u>
Long-term portion	<u>\$ 565,864</u>

Note Payable – Department of Housing and Community Development

On June 20, 2003, the Partnership assumed the HOC's obligations under a loan agreement with the Department of Housing and Community Development of the State of Maryland ("DHCD"). The original amount of the loan to the HOC was \$1,300,000. Proceeds from the loan were used to partially finance the acquisition and construction costs of the Project. The unpaid balance on the loan on June 20, 2003, the date that the Partnership assumed the debt, was \$1,211,706. The loan is evidenced by a Deed of Trust Note and is secured by a subordinated Deed of Trust, Security Agreement, and Assignment of Rents on and related to the Project. In connection with the assumption of this loan, the Partnership also assumed the terms and conditions of a Regulatory Agreement that was executed between the HOC and the DHCD dated May 24, 1994. The loan is non-interest bearing and will remain unpaid in perpetuity, provided the Project complies with income guidelines that are stipulated in the Regulatory Agreement. If the Project defaults, the Partnership will be required to pay the \$1,211,706 plus accrued interest of 6.5 percent simple interest per annum. The unpaid balance on this loan as of June 30, 2022 and 2021 was \$1,211,706.

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 RELATED PARTY TRANSACTIONS

Management Services

The HOC provides asset management services to the Partnership including investment of funds, procurement, contracting, and other services necessary for the operation of its property. During the years ended June 30, 2022 and 2021, the Partnership paid the HOC \$96,290 for asset management services. The HOC's fees are based on its direct, incremental cost of providing the services to the Partnership. As such, the results of operations of the Partnership could be materially different if such costs were charged on another basis or if the Partnership was a stand-alone entity.

Interfund Payable

The HOC advances funds to pay for certain operating expenses of the Partnership. The Partnership owed the HOC \$222,508 and \$221,311 as of June 30, 2022 and 2021, respectively, for services provided and funds advanced by the HOC.

See Note 3 for the note payable to the HOC.

NOTE 5 RESERVE FOR REPLACEMENTS

The Regulatory Agreement related to the \$7,090,000 Deed of Trust Note requires the Partnership to maintain a Reserve for Replacement account, with an initial deposit of \$3,000 and fixed monthly deposits (contributions) thereafter. The monthly contribution was \$4,679 and \$4,565 for the years ended June 30, 2022 and 2021, respectively. The balance in this account at June 30, 2022 and 2021, inclusive of interest earned, was \$452,422 and \$516,614, respectively, as follows:

	2022	2021
Beginning balance	\$ 516,614	\$ 580,811
Monthly deposits	56,148	54,780
Withdrawals	(120,573)	(123,025)
Interest income	233	4,048
Balance, June 30	\$ 452,422	\$ 516,614

During fiscal years 2022 and 2021, \$120,573 and \$123,025, respectively, was released from this account for payment to cover the cost of appliances, carpeting, flooring, and building repairs.

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 6 OPERATING RESERVES

The Regulatory Agreement related to the \$1,211,706 Deed of Trust Note requires the Partnership to maintain a Project Reserve Fund with monthly deposits of \$1,354 to a reserve account established for that purpose. Surplus cash was recalculated during fiscal year 2017, and a deposit in the amount of \$91,355 was deposited into the operating reserve account. The Agreement further requires the Partnership to deposit to the Project Reserve Account any cash remaining at the end of an annual fiscal period. Such deposits are required to be made within 90 days after the end of each fiscal period. No deposits were made to the Project Reserve Fund from inception of the loan through June 30, 2007. In 2009, the DHCD waived all deposit requirements through June 30, 2007 and established the funded reserve requirements as of June 30, 2007 at \$376,852. The balance in the Project Reserve Fund account at June 30, 2022 and 2021, inclusive of interest earned, were \$482,051 and \$465,646, respectively, as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 465,646	\$ 367,327
Monthly deposits	16,250	18,958
Annual deposit – surplus cash	-	79,260
Interest income	<u>155</u>	<u>101</u>
Balance, June 30	<u>\$ 482,051</u>	<u>\$ 465,646</u>

NOTE 7 MORTGAGE ESCROW

The Regulatory Agreement related to the \$7,090,000 Deed of Trust Note requires the Partnership to maintain a Mortgage Escrow account for the payment of mortgage insurance. The annual contribution for the years ended June 30, 2022 and 2021 was \$19,577 and \$16,833, respectively. The balance in the Mortgage Escrow account at June 30, 2022 and 2021, inclusive of interest earned, was \$42,912 and \$44,971, respectively, as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 44,971	\$ 28,138
Deposits	19,577	16,833
Withdrawals	<u>19,453</u>	<u>-</u>
Balance, June 30	<u>\$ 45,095</u>	<u>\$ 44,971</u>

NOTE 8 MANAGEMENT AGREEMENT

Effective July 1, 2019, the Partnership entered into a management service agreement with Edgewood Management Corporation initially for a two-year period and now on a month-to-month basis. The compensation to Edgewood Management Company is \$40 per occupied unit

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 8 MANAGEMENT AGREEMENT (cont'd)

per month up to a maximum of \$3,600 per month for 100 percent occupancy. Property management fees paid for the years ended June 30, 2022 and 2021 were \$39,346 and \$41,760, respectively.

NOTE 9 COMMITMENT AND CONTINGENCIES

The Partnership has agreed to occupancy requirements under regulatory agreements with the Maryland Department of Housing and Community Development ("DHCD") and Montgomery County, Maryland. The occupancy requirements under the regulatory agreements require that 45 units (25 Home units and 20 PRHP units) to very low-income persons or families whose income is equal to or less than 50 percent of the median income for the Washington Metropolitan Statistical Area.

NOTE 10 CUSTODIAL CREDIT RISK

Cash balances as of June 30, 2022 at the various financial institutions that exceeded \$250,000 were entirely insured and collateralized with either U.S. treasuries or other securities held by institution's agent in the HOC's name.

NOTE 11 UNCERTAINTIES

Early in 2020, an outbreak of a novel strain of the coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state, and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Partnership's financial position, results of operations, and cash flows. While the Partnership has not seen a significant impact on occupancy resulting from the COVID-19 outbreak as of the date of this report, if the outbreak continues to cause weakness in local economies, that could cause a negative impact on occupancy levels and/or increase in bad debts and other financial concerns.

NOTE 12 SURPLUS CASH

The computation of surplus cash for the project reserve fund for the year ended June 30, 2022 is as follows:

Cash on hand:	
Cash – operating	\$ 823,874
Cash – tenant security deposit	58,722
Total cash on hand	<u>882,596</u>

BROOKSIDE GLEN LIMITED PARTNERSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 12 SURPLUS CASH (cont'd)

Current obligations:

DHCD Reserve Fund deposit	1,354
Accrued mortgage interest payable	19,426
Accounts payable and accrued liabilities	134,843
Interfund payable	222,508
Estimated property insurance premium	25,752
Estimated mortgage insurance premium	19,558
Estimated water bills	139,509
Estimated other taxes	6,098
HOC reserve for replacements	133,004
Tenant security deposit liability	53,927
Total required payments	<u>755,979</u>

Surplus Cash	<u>\$ 126,617</u>
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NOTE 13 SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 30, 2022, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTARY INFORMATION

BROOKSIDE GLEN LIMITED PARTNERSHIP
DETAILED BALANCE SHEETS
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ACCOUNTS RECEIVABLE AND OTHER ASSETS		
Maryland State receivable	\$ 22,137	\$ 11,469
Other receivables	-	95,039
Tenant receivables	122,916	129,260
Allowance for doubtful accounts	(73,334)	(38,332)
Prepaid other expense	42,306	42,694
Prepaid Insurance	1,625	-
Prepaid mortgage insurance	1,621	1,726
Total Accounts Receivable and Other Assets	<u>\$ 117,271</u>	<u>\$ 241,856</u>
RESTRICTED CASH AND CASH EQUIVALENTS		
Operating reserves	\$ 482,051	\$ 465,646
Reserve for replacements	452,422	516,614
Mortgage escrow	45,095	44,971
Total Restricted Cash and Cash Equivalents	<u>\$ 979,568</u>	<u>\$ 1,027,231</u>
PROPERTY AND EQUIPMENT, NET		
Land	\$ 2,266,800	\$ 2,266,800
Buildings	7,817,284	7,817,284
Buildings improvements	2,807,714	2,807,714
Fixed building equipment - dwelling	36,124	36,124
Miscellaneous fixed assets	146,399	146,399
Site improvements	27,256	27,256
Accumulated depreciation	(7,240,167)	(6,892,268)
Property and Equipment, Net	<u>\$ 5,861,410</u>	<u>\$ 6,209,309</u>
DEFERRED CHARGES, NET		
Deferred title	\$ 125,097	\$ 125,097
Accumulated amortization	(79,228)	(75,058)
Deferred Charges, Net	<u>\$ 45,869</u>	<u>\$ 50,039</u>
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES		
Accounts payable - others	\$ 618	\$ 6,233
Accounts payable - vendors	1,601	1,602
Clearing resident refunds	2,109	1,558
Accrued salaries	6,428	4,450
Retirement contribution	57	-
Residential rent prepaid	55,861	40,708
Accrued expenses	5,761	9,261
Accrued other	62,408	5,620
Total Accounts Payable and Accrued Liabilities	<u>\$ 134,843</u>	<u>\$ 69,432</u>
NONCURRENT NOTES PAYABLE, NET		
Note payable - state - long-term	\$ 1,211,706	\$ 1,211,706
Note payable - long-term	3,525,924	3,793,875
Less: unamortized debt issuance costs	(51,991)	(56,718)
Total Noncurrent Notes Payable, net	<u>\$ 4,685,639</u>	<u>\$ 4,948,863</u>
NOTE PAYABLE TO MONTGOMERY COUNTY - LONG-TERM		
	<u>\$ 565,864</u>	<u>\$ 584,868</u>
	<u>\$ 565,864</u>	<u>\$ 584,868</u>

**BROOKSIDE GLEN LIMITED PARTNERSHIP
 DETAILED STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<u>OPERATING REVENUES</u>		
DWELLING RENTAL:		
Rent - current residents	\$ 1,326,055	\$ 1,354,690
Rent- subsidies	257,046	249,667
Concessions	(15,358)	(10,367)
Vacancy loss	(74,609)	(72,895)
Other rent fees	2,642	1,948
Late fees/NSF	(178)	403
Total Dwelling Rental	1,495,598	1,523,446
MANAGEMENT FEES AND OTHER INCOME:		
Parking income	640	380
User fees	285	297
Miscellaneous income	-	33,655
Transfer between funds	1,335	1,360
Transfer between funds - rental license	4,230	4,230
Total Management Fees and Other Income	6,490	39,922
TOTAL OPERATING REVENUES	1,502,088	1,563,368
<u>OPERATING EXPENSES</u>		
ADMINISTRATIVE:		
Temporary agency - administrative	34,769	4,352
Office salaries	48,237	57,372
Auditing fees	11,490	8,620
Contract management fee	39,346	41,760
Miscellaneous operating expenses	3,237	2,287
Postage	747	697
Printing/reproduction	285	947
Other office supplies	3,774	4,986
Food and beverage	10	330
Professional associations dues	189	239
Legal services - general	6,601	12,184
Legal services - litigation	-	479
Advertising	8,054	10,018
Marketing/public relations services	-	1,516
Office equipment rent	-	1,045
Local phone bill	7,159	4,934
Computer software	11,778	7,715
Internet access charges	-	330
Rental license	4,233	4,230
Bank fees	238	284
Total Administrative	180,147	164,325

(Continued on next page.)

**BROOKSIDE GLEN LIMITED PARTNERSHIP
 DETAILED STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

<u>OPERATING EXPENSES</u>	<u>2022</u>	<u>2021</u>
MAINTENANCE:		
Contract maintenance/janitor salary	111,781	104,872
Kitchen and bath supplies	-	4
Electrical supplies	8,548	3,638
Appliance supplies	3,049	693
Plumbing supplies	7,833	4,179
Employee uniforms	4,187	3,930
Grounds and landscaping supplies	643	251
Cleaning and janitorial supplies	4,043	4,238
Health and safety materials	-	161
Windows and glass	3,898	254
Hardware supplies	2,717	1,171
HVAC supplies	1,627	1,655
Painting and wallcoverings	-	286
Miscellaneous supplies	2,044	321
Electrical contracts	3,696	2,461
Plumbing contracts	7,835	7,252
Cleaning and janitorial contracts	879	10,457
Grounds and landscaping contracts	43,228	14,172
Roofing and gutter contracts	-	350
HVAC contracts	9,421	4,034
Flooring and carpeting contracts	16,205	3,653
Paint/wallcovering int. contracts	23,408	25,635
Exterminating contracts	8,242	6,759
Snow removal contracts	35,231	1,216
Miscellaneous contracts	13,285	300
Windows and glass - capital	1,580	973
Windows and Glass Contracts	279	-
Flooring and carpeting - capital	45,219	18,197
Plumbing equipment - capital	55,005	342
Miscellaneous Contracts-Capital	2,250	1,535
Appliance equipment - capital	39,008	12,729
Total Maintenance	<u>455,141</u>	<u>235,718</u>
UTILITIES:		
Water bill	139,509	120,325
Electric bill	11,690	11,045
Natural gas	3,347	3,345
Trash collection	6,469	5,920
Trash collection - bulk	8,013	3,106
Total Utilities	<u>169,028</u>	<u>143,741</u>

(Continued on next page.)

**BROOKSIDE GLEN LIMITED PARTNERSHIP
 DETAILED STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
OPERATING EXPENSES		
FRINGE BENEFITS:		
Contract managed benefits	40,371	43,494
Contract other training	327	272
Total Fringe Benefits	<u>40,698</u>	<u>43,766</u>
INTEREST EXPENSE:		
Interest payments - general	182,277	194,178
Debt insurance costs - amortization	4,727	4,727
Interest payments - Montgomery County	17,921	-
Total Interest Expenses	<u>204,925</u>	<u>198,905</u>
OTHER EXPENSES:		
Security contracts	13,379	3,122
Building insurance	2,640	2,840
Fire and hazard insurance	12,982	14,058
Liability insurance	9,500	9,283
Environmental insurance	630	210
COVID-19 expense	275	2,725
Other taxes	300	300
Solid waste tax	1,965	1,871
Water quality protect charge	3,833	3,634
Asset management fee	96,290	96,290
Mortgage insurance	19,558	20,811
Total Other Expenses	<u>161,353</u>	<u>155,144</u>
Depreciation and amortization	<u>352,069</u>	<u>345,295</u>
Bad debt	<u>112,169</u>	<u>50,848</u>
TOTAL OPERATING EXPENSES	<u>1,675,530</u>	<u>1,337,742</u>
OPERATING INCOME (LOSS)	(173,442)	225,626
Investment income (loss)	<u>(1,353)</u>	<u>(734)</u>
NET INCOME (LOSS)	<u>\$ (174,795)</u>	<u>\$ 224,892</u>

BALANCE SHEET DATA
PROJECT NAME: BROOKSIDE GLEN LIMITED PARTNERSHIP
AS OF JUNE 30, 2022

Part I	Description of Account	Acct. No.	Amount*	
CURRENT ASSETS 1100	Cash - Operations	1120	\$ 823,874	
	Construction Cash Account	1121	\$ -	
	Cash - Entity	1125	\$ -	
	Tenant Accounts Receivable	1130	\$ 122,916	
	Allowance for Doubtful Accounts	1131	\$ (73,334)	
	Accounts Receivable - HUD	1135	\$ 22,137	
	Accounts and Notes Receivable - Operations	1140	\$ -	
	Accounts and Notes Receivable - Entity	1145	\$ -	
	Accounts Receivable - Interest	1160	\$ -	
	Interest Reduction Payment Receivable	1165	\$ -	
	Short-term Investments - Operations	1170	\$ -	
	Short-term Investments - Entity	1175	\$ -	
	Miscellaneous Current Assets	1190	\$ -	
	Current Assets			\$ 895,593
	Tenant / Patient Deposits Held in Trust	1191	\$ 58,722	
	Miscellaneous Prepaid Expenses	1200	\$ 45,552	
	Total Current Assets			\$ 999,867
FUNDED RESERVES 1300	Escrows Deposits	1310	\$ -	
	Replacement Reserve	1320	\$ 452,422	
	Other Reserves	1330	\$ 527,146	
	Residual Receipts Reserve	1340	\$ -	
	Management Improvement Operating Plan	1381	\$ -	
	Total Funded Reserves			\$ 979,568
FIXED ASSETS 1400	Land	1410	\$ 2,266,800	
	Buildings	1420	\$ 10,652,254	
	Buildings Equipment (Portable)	1440	\$ 36,124	
	Furniture for Project / Tenant Use	1450	\$ -	
	Furnishings	1460	\$ -	
	Office Furniture and Equipment	1465	\$ -	
	Maintenance Equipment	1470	\$ -	
	Motor Vehicles	1480	\$ -	
	Miscellaneous Fixed Assets	1490	\$ 146,399	
		Total Fixed Assets		
	Less Accumulated Depreciation	1495	\$ (7,240,167)	
	Net Fixed Assets			\$ 5,861,410
INVESTMENTS 1500	Investments - Operations	1510	\$ -	
	Investments - Entity	1515	\$ -	
	Intangible Assets	1520	\$ 45,869	
	Miscellaneous Other Assets	1525	\$ -	
	Total Other Assets			\$ 45,869
	Total Assets			\$ 7,886,714

BALANCE SHEET DATA
PROJECT NAME: BROOKSIDE GLEN LIMITED PARTNERSHIP
YEAR ENDED: JUNE 30, 2022

Part I	Description of Account	Acct. No.	Amount*	
CURRENT LIABILITIES 2100	Bank Overdraft - Operations	2105	\$ -	
	Accounts Payable - Operations	2110	\$ 72,497	
	Accounts Payable - Construction / Development	2111	\$ -	
	Accounts Payable - Project Improvement	2112	\$ -	
	Accounts Payable - Entity	2113	\$ -	
	Accounts Payable - 236 Excess Income	2115	\$ -	
	Accounts Payable - Section 8 and Other	2116	\$ -	
	Accrued Wages Payable	2120	\$ 6,485	
	Accrued Payroll Taxes Payable	2121	\$ -	
	Accrued Management Fee Payable	2123	\$ -	
	Accrued Interest Payable - Section 236	2130	\$ -	
	Accrued Interest Payable - First Mortgage	2131	\$ 14,701	
	Accrued Interest Payable - Other Mortgages	2132	\$ 4,725	
	Accrued Interest Payable - Security Deposits	2133	\$ -	
	Accrued Interest Payable - Other Loans and Notes	2134	\$ -	
	Accrued Interest Payable - Flexible Subsidy Loan	2135	\$ -	
	Accrued Interest Payable - Capital Improvement	2136	\$ -	
	Accrued Interest Payable - Operating Loss Loan	2137	\$ -	
	Accrued Property Taxes	2150	\$ -	
	Note Payable - (Short-term)	2160	\$ -	
	Mortgage Payable - First Mortgage (Short-term)	2170	\$ 267,951	
	Mortgage Payable - Other (Short-term)	2172	\$ 22,226	
	Other Loans and Notes Payable, Surplus Cash	2173	\$ -	
	Other Loans and Notes Payable (Short-term)	2174	\$ -	
	Flexible Subsidy Loan Payable (Short-term)	2175	\$ -	
	Capital Improvement Loan Payable (Short-term)	2176	\$ -	
	Operating Loss Loan Payable (Short-term)	2177	\$ -	
Utility Allowance	2180	\$ -		
Miscellaneous Current Liabilities	2190	\$ 222,508		
Tenant / Patient Deposits Held in Trust (Contra)	2191	\$ 53,927		
Prepaid Revenue	2210	\$ 55,861		
	Total Current Liabilities			\$ 720,881
LONG TERM LIABILITIES 2300	Note Payable - (Long-term)	2310	\$ -	
	Note Payable, Surplus Cash	2311	\$ -	
	Mortgage Payable - First Mortgage (Long-term)	2320	\$ 3,525,924	
	Mortgage Payable - Other (Long-term)	2322	\$ 1,777,570	
	Other Loans and Notes Payable, Surplus Cash	2323	\$ -	
	Other Loans and Notes Payable	2324	\$ -	
	Flexible Subsidy Loan Payable	2325	\$ -	
	Capital Improvement Loan Payable	2326	\$ -	
	Operating Loss Loan Payable	2327	\$ -	
	Interest Payable - Notes	2328	\$ -	
	Miscellaneous Long-term Liabilities	2390	\$ (51,991)	
	Total Long-term Liabilities			\$ 5,251,503
	Total Liabilities			\$ 5,972,384
EQUITY	Total Equity (Deficit) / Retained Earnings	3130	\$ 1,914,330	
	Total Liabilities and Equity (Deficit)			\$ 7,886,714

STATEMENT OF OPERATIONS DATA
PROJECT NAME: BROOKSIDE GLEN LIMITED PARTNERSHIP
YEAR ENDED: JUNE 30, 2022

Part I	Description of Account	Acct. No.	Amount*	
RENTAL INCOME 5100	Rent Revenue - Gross Potential	5120	\$ 1,326,055	
	Tenant Assistance Payments	5121	\$ 257,046	
	Rent Revenue - Stores and Commercial	5140	\$ -	
	Garage and Parking Space	5170	\$ -	
	Flexible Subsidy Revenue	5180	\$ -	
	Miscellaneous Rent Revenue	5190	\$ -	
	Excess Rent	5191	\$ -	
	Rent Revenue - Insurance	5192	\$ -	
	Special Claims Revenue	5193	\$ -	
	Retained Excess Income	5194	\$ -	
	Lease Revenue (Nursing Homes)	5195	\$ -	
	Total Rent Revenue			\$ 1,583,101
VACANCIES 5200	Apartments	5220	\$ (74,609)	
	Stores and Commercial	5240	\$ -	
	Rental Concessions	5250	\$ (15,358)	
	Garage and Parking Space	5270	\$ -	
	Miscellaneous	5290	\$ -	
		Total Vacancies		
	Net Rent Revenue (Rent Revenue less Vacancies)			\$ 1,493,134
FINANCIAL REVENUE 5400	Nursing Homes / Assisted Living / Board and Care / Other Elderly Care / Coop / and Other Revenue	5300	\$ -	
	Members Group Life Insurance Expense (Coops)	5320	\$ -	
	Financial Revenue - Project Operations	5410	\$ 155	
	Revenue from Investments - Residual Receipts	5430	\$ -	
	Revenue from Investments - Replacement Reserve	5440	\$ 233	
	Expiration of Gift Donor Restrictions (Non-profits)	5460	\$ -	
	Gifts (Non-profits)	5470	\$ -	
	Revenue from Investments - Miscellaneous	5490	\$ -	
	Total Financial Revenue		\$ -	\$ 388
OTHER REVENUE 5900	Laundry and Vending Revenue	5910	\$ -	
	Tenant Charges (NSF and Late Charges)	5920	\$ 2,464	
	Damages and Cleaning Fees	5930	\$ -	
	Forfeited Tenant Security Deposits	5940	\$ -	
	Interest Reduction Payments Revenue	5945	\$ -	
	Miscellaneous Revenue: Miscellaneous Income, rental license fee	5990	\$ 6,490	
		Total Other Revenue		
	Total Revenue			\$ 1,502,476

STATEMENT OF OPERATIONS DATA
PROJECT NAME: BROOKSIDE GLEN LIMITED PARTNERSHIP
YEAR ENDED: JUNE 30, 2022

ADMINISTRATIVE EXPENSES 6200 6300	Conventions and Meetings	6203	\$ -	
	Management Consultants	6204	\$ -	
	Advertising and Marketing	6210	\$ 8,054	
	Other Renting Expenses	6250	\$ -	
	Office Salaries	6310	\$ 83,006	
	Office Expenses	6311	\$ 28,413	
	Office or Model Apartment Rent	6312	\$ -	
	Management Fee	6320	\$ 39,346	
	Manager or Superintendent Salaries	6330	\$ -	
	Administrative Rent Free Unit	6331	\$ -	
	Legal Expenses - Project	6340	\$ 6,601	
	Auditing Expense - Project	6350	\$ 11,490	
	Bookkeeping Fees / Accounting Services	6351	\$ -	
	Bad Debt Expense	6370	\$ 112,169	
	Miscellaneous Administrative Expenses	6390	\$ 99,527	
Total Administrative Expenses				\$ 388,606
UTILITIES EXPENSE 6400	Fuel Oil / Coal	6420	\$ -	
	Electricity (Lights and Miscellaneous Power)	6450	\$ 11,690	
	Water	6451	\$ 139,509	
	Gas	6452	\$ 3,347	
	Sewer	6453	\$ -	
	Total Utilities Expense			
OPERATING AND MAINTENANCE 6500	Payroll	6510	\$ 111,781	
	Supplies	6515	\$ 36,962	
	Contracts	6520	\$ 260,119	
	Operating and Maintenance Rent Free Unit	6521	\$ -	
	Garbage and Trash Removal	6525	\$ 14,482	
	Security Payroll / Contract	6530	\$ 13,379	
	Security Rent Free Unit	6531	\$ -	
	Heating / Cooling / Repairs and Maintenance	6546	\$ 11,048	
	Snow Removal	6548	\$ 35,231	
	Vehicle and Maintenance Equipment Operation	6570	\$ -	
	Miscellaneous Operating and Maintenance Expenses	6590	\$ -	
Total Operating and Maintenance Expense				\$ 483,002

STATEMENT OF OPERATIONS DATA
PROJECT NAME: BROOKSIDE GLEN LIMITED PARTNERSHIP
YEAR ENDED: JUNE 30, 2022

TAXES AND INSURANCE 6700	Real Estate Taxes	6710	\$ -	
	Payroll Taxes (FICA) (Project's Share)	6711	\$ 40,698	
	Property and Liability Insurance (Hazard)	6720	\$ 25,752	
	Fidelity Bond Insurance	6721	\$ -	
	Workmen's Compensation	6722	\$ -	
	Health Insurance and Other Employee Benefits	6723	\$ -	
	Miscellaneous Taxes, Licenses, Permits, and Insurance	6790	\$ 6,374	
	Total Taxes and Insurance			
Total Operating Expenses				\$ 1,098,978
FINANCIAL EXPENSES 6800	Interest on Bonds Payable	6819	\$ -	
	Interest on Mortgage Payable	6820	\$ 204,925	
	Interest on Notes Payable (Long-term)	6830	\$ -	
	Interest on Notes Payable (Short-term)	6840	\$ -	
	Mortgage Insurance Premium / Service Charge	6850	\$ 19,558	
	Miscellaneous Financial Expenses (Security Deposit Interest)	6890	\$ 1,741	
	Total Financial Expenses			
	Nursing Homes / Assisted Living / Board and Care / Other Elderly Care / Coop / and Other Expenses	6900	\$ -	
Total Cost of Operations Before Depreciation				\$ 1,325,202
DEPRECIATION 6600	Depreciation Expenses	6600	\$ 347,899	
	Amortization Expense	6610	\$ 4,170	
	Total Depreciation			\$ 352,069
CORPORATE OR MORTGAGOR ENTITY EXPENSES 7100	Entity Revenue	7105	\$ -	
	Officers Salaries	7110	\$ -	
	Legal Expenses	7120	\$ -	
	Federal, State, and Other Income Taxes	7130	\$ -	
	Interest Income	7140	\$ -	
	Interest on Notes Payable	7141	\$ -	
	Interest on Mortgage Payable	7142	\$ -	
	Other Expense (Security deposit interest)	7190	\$ -	
Net Entity Expenses				\$ 1,677,271
Profit or Loss (Net Income or Loss)				\$ (174,795)

Part II*

1. Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.	\$ 274,799
2. Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto, even if payments may be temporarily suspended or waived.	\$ 56,148
3. Replacement or Painting Reserve releases which are included as expense items on this Profit and Loss Statement.	\$ 120,573
4. Project Improvement Reserve Releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss Statement.	\$ -

* **Part II - Must be completed for all financial statements**