

MANOR AT FAIR HILL FARM, LLC

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Manor at Fair Hill Farm, LLC

Report on the Financial Statements

We have audited the accompanying financial statements of Manor at Fair Hill Farm, 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

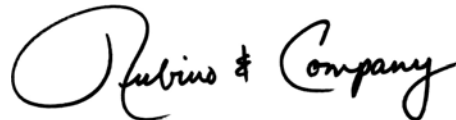
In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Manor at Fair Hill Farm, LLC as of June 30, 2020 and 2019, and the statements of operations, changes in net deficit, and its cash flows for the year then ended June 30, 2020 and 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 Fair Hill Farm, 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 cursive script that reads "Rubins & Company". The signature is written in black ink and is positioned above the date and location text.

December 17, 2020
Bethesda, Maryland

MANOR AT FAIR HILL FARM, LLC
BALANCE SHEETS
JUNE 30, 2020 AND 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 239,855	\$ 300,930
Accounts receivable and other assets	7,055	25,209
Total unrestricted current assets	246,910	326,139
Restricted cash and equivalents	604,004	631,152
Customer deposits	51,517	47,786
Total restricted cash and cash equivalents	655,521	678,938
Noncurrent assets:		
Property & equipment, net of depreciation	17,675,154	17,908,205
Total noncurrent assets	17,675,154	17,908,205
Total assets	\$ 18,577,585	\$ 18,913,282
LIABILITIES		
Unrestricted current liabilities:		
Accounts payable and accrued liabilities	\$ 15,395	\$ 28,003
Accrued interest payable	423,390	153,452
Interfund payable	63,491	57,467
Mortgage notes and loans payable - current	238,773	210,215
Total unrestricted current liabilities	741,049	449,137
Current Liabilities Payable from Restricted Assets:		
Customer deposit payable	50,367	46,711
Total current liabilities payable from restricted assets	50,367	46,711
Noncurrent liabilities:		
Loans payable to Montgomery County	6,576,505	6,576,505
Mortgage payable - HOC	476,161	476,161
PNC loan payable - net of unamortized issuance costs	11,323,472	11,526,056
Deferred revenue	-	8,564
Total noncurrent liabilities	18,376,138	18,587,286
Total liabilities	19,167,554	19,083,134
Partner's equity (deficit)	(589,969)	(169,852)
Total liabilities and partner's equity (deficit)	\$ 18,577,585	\$ 18,913,282

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

MANOR AT FAIR HILL FARM, 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	\$ 1,516,748	\$ 954,548
Other Income	<u>42,428</u>	<u>-</u>
Total operating revenues	<u>1,559,176</u>	<u>954,548</u>
 Operating Expenses		
Administrative	220,505	136,127
Maintenance	229,791	126,373
Depreciation and Amortization	419,383	274,671
Utilities	85,743	50,816
Fringe Benefits	46,466	29,600
Interest expense	749,145	441,280
Other	148,914	69,430
Bad debt expense	<u>553</u>	<u>-</u>
Total operating expenses	<u>1,900,500</u>	<u>1,128,297</u>
Operating income (loss)	<u>(341,324)</u>	<u>(173,749)</u>
 Nonoperating Revenue		
Investment income	<u>3,097</u>	<u>3,897</u>
Total nonoperating revenue	<u>3,097</u>	<u>3,897</u>
Net income (loss)	<u>(338,227)</u>	<u>(169,852)</u>

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

MANOR AT FAIR HILL FARM, 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>(169,852)</u>
Balance, June 30, 2019	(169,852)
Distributions	(81,890)
Change in net deficit	<u>(338,227)</u>
Balance, June 30, 2020	<u><u>\$ (589,969)</u></u>

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

MANOR AT FAIR HILL FARM, LLC
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Net income (loss)	\$ (338,227)	\$ (169,852)
Reconciling adjustments:		
Depreciation	380,551	248,783
Amortization of debt issuance cost	38,832	25,888
Changes in operating assets and liabilities		
Accounts receivable and other assets	18,154	(25,209)
Tenant security deposits	3,656	46,711
Accounts payable and accrued expense	(12,608)	28,003
Accrued interest payable	269,938	153,452
Deferred revenue	<u>(8,564)</u>	<u>8,564</u>
Net cash provided by operating activities	<u>351,732</u>	<u>316,340</u>
Cash flows from investing activities		
Increase in due to affiliate	6,024	533,628
Purchase of property and equipment	<u>(147,500)</u>	<u>(18,156,988)</u>
Net cash used by investing activities	<u>(141,476)</u>	<u>(17,623,360)</u>
Cash flows from financing activities		
Payments on mortgage payable	(212,858)	(115,964)
Payments on debt issuance cost	-	(77,669)
Distribution to members	(81,890)	-
Issuance of mortgage payable	<u>-</u>	<u>18,480,521</u>
Net cash (used) provided by financing activities	<u>(294,748)</u>	<u>18,286,888</u>
Net (decrease) increase in cash and cash equivalents	(84,492)	979,868
Cash and cash equivalents, beginning of year (as restated)	<u>979,868</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 895,376</u>	<u>\$ 979,868</u>
Interest paid	<u>\$ 479,207</u>	<u>\$ 287,828</u>

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

MANOR AT FAIR HILL FARM, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND 2019

1. Organization

The Manor at Fair Hill Farm, LLC, is a Limited Liability Corporation formed under the laws of the State of Maryland, whose principal asset is an apartment complex located at 18301 Georgia Ave, Olney, MD 20832. The 101-unit property consists of 32 one-bedroom and 69 two-bedroom units. All units are restricted to households with incomes at or below 40% AMI or 60% AMI. The Corporation began operations on September 19, 2018.

Housing projects undertaken, financed, or assisted by the Corporation and the projects' related expenditures must be approved by the Housing Opportunities Commission of Montgomery County, Maryland, (a component unit of Montgomery County, Maryland) (HOC). The Corporation is legally separate from HOC, but the Corporation's financial statements are included in the Opportunity Housing Fund of HOC as a blended component unit. The Corporation's directors must be commissioners of HOC and, therefore, HOC can significantly influence the programs, projects, activities of, and the level of service performed by the Corporation.

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.

MANOR AT FAIR HILL FARM, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND 2019

2. Summary of Significant Accounting Policies (continued)

Cash – Operations

Cash consists of demand deposits with federally insured financial institutions to be used in the Corporation's operations. The Corporation's bank account balances may, at times, exceed federally insured limits. Management, however, does not consider this a significant concentration of credit risk.

Cash – Restricted

The Manor at Fair Hill Farm sets aside cash balances restricted for specific future needs. Pursuant to the mortgage loan agreement, loan proceeds for property capital improvements are set aside in the renovation escrow account.

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 are \$38,832 and \$25,888, and accumulated amortization are \$64,720 and \$25,888, 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 accounts receivable 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 accounts receivable balances. Accounts receivable 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.

MANOR AT FAIR HILL FARM, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND 2019

2. Summary of Significant Accounting Policies (continued)

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 includes 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.

The Corporation reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Revenue Recognition

Rental income is recognized as rentals become due. Rental payments received in advanced are deferred until earned in accordance with rental agreements. All leases between the Corporation and the tenants of the property are operating leases.

Advertising

Advertising costs are expensed as incurred. Total advertising costs for the years ended June 30, 2020 and 2019, amounted to \$4,324 and \$4,807, respectively.

Risks and Uncertainties

The Corporation's operations are concentrated in the multifamily real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of Federal, state and local regulatory agencies. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden, if any, to comply with a change.

MANOR AT FAIR HILL FARM, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND 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

The Corporation maintains its cash balances in several accounts in various banks. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each bank. Additionally, the Corporation is included with the Housing Opportunities Commission of Montgomery County, Maryland (the “Commission”) as part of the agency funds and was entirely insured or collateralized with securities held by the Commission’s agent in the Commission’s name.

Cash and Cash equivalents including restricted cash and cash equivalents, consists of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Operating cash and cash equivalents - unrestricted	\$ 239,855	\$ 300,930
Tenant security deposits - restricted	51,517	47,786
Replacement reserve - restricted	122,460	152,038
Debt service reserve - restricted	<u>481,544</u>	<u>479,114</u>
Total cash and cash equivalents	<u>\$ 895,376</u>	<u>\$ 979,868</u>

MANOR AT FAIR HILL FARM, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND 2019

4. Property and Equipment

Rental property is carried at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, using the straight-line method.

Property and equipment is comprised of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Land	\$ 3,230,000	\$ 3,230,000
Buildings	<u>15,074,488</u>	<u>14,926,988</u>
Subtotal	\$ 18,304,488	\$ 18,156,988
Less: accumulated depreciation	<u>(629,334)</u>	<u>(248,783)</u>
Total	<u>\$ 17,675,154</u>	<u>\$ 17,908,205</u>

Depreciation expense for the years ended June 30, 2020 and 2019, totaled \$380,551 and \$248,783, respectively.

5. Deferred Charges

Deferred charges consist of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financing and Recording Fees	\$ 11,904	\$ 11,904
Commitment fees	<u>65,765</u>	<u>65,765</u>
	77,669	77,669
Accumulated amortization	<u>(64,720)</u>	<u>(25,888)</u>
Total Deferred Charges	<u>\$ 12,949</u>	<u>\$ 51,781</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 the fiscal year ended June 30, 2020 and 2019 were \$38,832 and \$25,888, and the accumulated amortization were \$64,720 and \$25,888, respectively.

**MANOR AT FAIR HILL FARM, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND 2019**

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 therefor 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 have \$122,460 and \$152,038 of replacement reserve 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 years 2020 and 2019:

Beginning balance	\$ 152,038	\$ -
Deposit	35,581	173,199
Interest	667	943
Withdrawals	<u>(65,826)</u>	<u>(22,104)</u>
Ending balance	<u>\$ 122,460</u>	<u>\$ 152,038</u>

8. Debt Service Reserve Account

As of June 30, 2020 and 2019, the Corporation has \$481,544 and \$479,114 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 \$476,161. HOC funded the debt service reserve deposit and is reflected as a mortgage payable as of June 30, 2020. Total debt service reserve additions amounted to \$481,544 which relates to the initial deposit of \$476,161 in 2019 as well as \$2,430 and \$2,965 of interest income earned for 2020 and 2019.

**MANOR AT FAIR HILL FARM, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND 2019**

9. Mortgage Payable

Note payable consist of the following as of June 30, 2020:

<u>Loaned From</u>	<u>Beginning Balance</u>	<u>Additions to Loan</u>	<u>Principal Paid</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
PNC Loan	\$ 11,788,052	\$ -	\$ 212,858	\$ 11,575,194	\$ 238,773	\$ 11,336,421
Montgomery County, DHCA Loan	6,576,505	-	-	6,576,505	-	6,576,505
Mortgage Payable - HOC (Note 7)	476,161	-	-	476,161	-	476,161
Total long-term debt	<u>\$ 18,840,718</u>	<u>\$ -</u>	<u>\$ 212,858</u>	<u>\$ 18,627,860</u>	<u>\$ 238,773</u>	<u>\$ 18,389,087</u>

Mortgage loan payable to PNC bank consists of an original amount, \$11,904,016 that requires monthly principal and interest payments of \$57,672 with an interest rate of 4.122%, due November 2020. The note is secured by a mortgage on the buildings and improvements. As of June 30, 2020 the balance outstanding was \$11,575,194. The loan was subsequently extended to November 1, 2021 in October 2020 and the monthly payments modified to \$47,639 beginning in December 2020.

Aggregate maturities required on mortgage payable, assuming no change in the current terms, consist of the following for each of the years ending June 30:

2021	\$ 238,773
2022	<u>11,336,421</u>
Subtotal	11,575,194
Less: Current portion	<u>(238,773)</u>
Total long-term	<u>\$ 11,336,421</u>

10. Mortgage Payable (continued)

Montgomery County Loan relates to a Subordination agreement dated November 1, 2018 between Montgomery County, Maryland and PNC Bank, National Association and is acknowledged and agreed by The Manor at Fair Hill Farm, LLC in the amount \$6,576,505.

MANOR AT FAIR HILL FARM, LLC
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020 AND 2019

11. Commitments and Contingencies

In November 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 paid during the period ended June 30, 2020 and 2019 were \$58,197 and \$36,888.

12. Building Acquisition

The Corporation financed the purchase of a 101-unit property in November 2018 for \$18,156,988. The purchase of the property consisted of Land and Building. This acquisition was financed through a Mortgage Payable with PNC and Montgomery County (Department of Housing and Community Affairs loan) as discussed in Note 9.

13. 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 FAIR HILL FARM, LLC
DETAILED SCHEDULES OF REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

REVENUE	<u>2020</u>	<u>2019</u>
Rent: Current Residents	\$ 1,254,941	\$ 823,652
Rent: Subsidies	268,482	172,524
Concessions	(6,405)	(6,854)
Vacancy Loss	(37,590)	(56,088)
Other Rent Fees	10,351	4,475
Late Fees/NSF	1,214	999
Laundry Income	25,455	15,765
Forfeited Tenant Deposit	300	75
TOTAL DWELLING RENTAL INCOME	<u>\$ 1,516,748</u>	<u>\$ 954,548</u>
OTHER INCOME	<u>\$ 42,428</u>	<u>\$ -</u>
 ADMINISTRATIVE EXPENSES		
Contract Admin Salary	\$ 92,695	\$ 55,760
Contract Bonus/Commissions	725	1,000
Contract Management Fee	58,197	36,888
Misc Operating Expenses	-	38
Postage	717	629
Printing/Reproduction	885	924
Paper, Pads, Etc	1,273	232
Other Office Supplies	632	229
Mag. and Newspaper Subscription	1,017	444
Local Mileage and Travel	461	530
Gasoline	1,628	791
Vehicle Repairs and Maintenance	4,875	1,630
Legal Services-General	674	1,534
Other Operating Professional Services	-	63
Advertising	4,324	4,807
Credit Check Services	688	625
Office Equipment Rent	-	524
Furniture and Misc Equipment Rental	14,875	9,831
Local Phone Bill	7,231	4,629
Computer Software	5,765	2,333
Internet Access Charges	1,065	728
Rental License Fees	4,700	-
Building Rent	-	100
Audit fees	8,770	-
Other Licenses, Fees and Permits	-	119
Monitoring Fee	-	3,500
Bank Fees	86	254
Sec Dep Interest Expense	(224)	560
Misc Program Supplies	9,446	7,425
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 220,505</u>	<u>\$ 136,127</u>

MANOR AT FAIR HILL FARM, LLC
DETAILED SCHEDULES OF REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

MAINTENANCE	<u>2020</u>	<u>2019</u>
Other Awards - Maintenance	\$ 400	\$ 400
Contract Maint/Jan Salary	56,295	38,078
Electrical Supplies	2,719	1,302
Appliance Supplies	913	766
Plumbing Supplies	2,301	1,492
Cleaning and Janitorial Supplies	1,175	567
Grounds and Landscaping Supplies	-	21
Health and Safety Materials	3,540	78
Locks, Keys	480	225
Windows and Glass	596	251
HVAC Supplies	3,819	706
Paint and Wallcoverings	237	1,437
Miscellaneous Supplies	212	704
Maintenance Equipment	1,064	117
Electrical Contracts	5,731	158
Cleaning and Janitorial Contracts	21,439	10,609
Grounds and Landscaping Contracts	11,791	5,995
Flooring and Carpeting Contracts	3,665	1,588
Paint/Wallcoverings Int. Contracts	16,005	5,193
Elevator Contracts	9,437	450
Exterminating Contracts	971	878
Snow Removal Contracts	330	3,778
Miscellaneous Contracts	36,764	10,158
Health and Safety Materials-Capital	-	2,970
Miscellaneous Equipment-Capital	-	1,805
Appliance Contracts-Capital	1,795	2,357
Plumbing Contracts-Capital	5,105	2,701
HVAC Contracts-Capital	22,498	6,957
Flooring/Carpet Contracts-Capital	14,420	17,667
Paint/Wallcovering Ext. Cont-Capital	2,207	1,695
Miscellaneous Contracts-Capital	-	5,270
COVID- 19 expenses	3,882	-
TOTAL MAINTENANCE EXPENSE	\$ <u>229,791</u>	\$ <u>126,373</u>

MANOR AT FAIR HILL FARM, LLC
DETAILED SCHEDULES OF REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

UTILITIES	<u>2020</u>	<u>2019</u>
Water Bill	\$ 44,370	\$ 18,483
Electric Bill	26,867	22,116
Trash Collection	14,506	10,217
TOTAL UTILITIES EXPENSE	<u>\$ 85,743</u>	<u>\$ 50,816</u>
FRINGE BENEFITS		
Contract Managed Benefits	\$ 45,803	\$ 29,047
Contract Other Training	663	553
TOTAL FRINGE BENEFITS	<u>\$ 46,466</u>	<u>\$ 29,600</u>
OTHER EXPENSES		
Vehicle Insurance	\$ 1,076	\$ 739
Fire & Hazard Insurance	9,700	-
Liability Insurance	8,810	-
Bond Insurance	7,437	4,958
Real Estate Tax	9,520	6,886
Other Taxes	504	2,474
Solid Waste Tax	1,622	-
Water Quality Protect Charge (RFSA)	2,115	-
Asset Management Fee Expense - Non-Federal	108,130	54,373
TOTAL OTHER EXPENSES	<u>\$ 148,914</u>	<u>\$ 69,430</u>

MANOR AT FAIR HILL FARM, LLC
SCHEDULE OF SURPLUS CASH
JUNE 30, 2020 and 2019

	2020	2019
Net Income (Loss)	\$ (338,227)	\$ (169,852)
Depreciation and amortization	419,383	274,671
Changes in (current assets)/current liabilities	5,546	2,794
Interest income - non-operating	(3,097)	(3,897)
Interest accrued on general partner loan	<u>269,938</u>	<u>153,452</u>
Net income before debt service and reserves	<u>353,543</u>	<u>257,168</u>
Debt service and replacement reserve		
Scheduled debt service	(238,773)	(210,215)
Deposits into reserve for replacement	<u>(35,581)</u>	<u>(20,200)</u>
Total	<u>(274,354)</u>	<u>(230,415)</u>
NET CASH FLOW (SURPLUS)	<u>\$ 79,189</u>	<u>\$ 26,753</u>