

**PMHA EDEN PLACE, LLC
HUD PROJECT NO. 043-EH220-NP-L8-WAH**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

Zupka & Associates
Certified Public Accountants

PMHA EDEN PLACE, LLC
HUD PROJECT NO. 043-EH220-NP-L8-WAH
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Partners of
PMHA Eden Place, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PMHA Eden Place, LLC, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PMHA Eden Place, LLC as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 PMHA Eden Place, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. 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 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 PMHA Eden Place, LLC's ability to continue as a going concern for one year after the date 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 opinions. 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 and *Government Auditing Standards* will always detect 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 and *Government Auditing Standards*, 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 PMHA Eden Place, LLC'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 PMHA Eden Place, LLC's ability to continue as a going concern for a reasonable period of time.

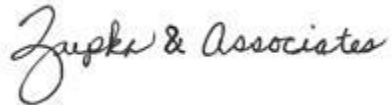
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included on pages 10 to 14 is presented for purposes of additional analysis as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 29, 2024, on our consideration of PMHA Eden Place, LLC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PMHA Eden Place, LLC's internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PMHA Eden Place, LLC's internal control over financial reporting and compliance.



Zupka & Associates
Certified Public Accountants

March 29, 2024

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 42,979
Accounts Receivable	1,658
Restricted Deposits	200,134
Other Current Assets	4,524
Total Current Assets	249,295

Property and Equipment

Land	61,944
Building and Equipment	1,858,806
Furniture, Fixtures, and Equipment	20,291
	1,941,041
Less: Accumulated Depreciation	(1,283,465)

Net Property and Equipment	657,576
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TOTAL ASSETS	\$ 906,871
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LIABILITIES AND NET DEFICIT

Current Liabilities

Current Portion of Long-Term Debt	\$ 31,339
Accounts Payable	7,529
Security Deposits	13,961
Other Current Liabilities	1,583
Total Current Liabilities	54,412

Long-Term Liabilities

Mortgage Notes Payable	1,444,489
Total Long-Term Liabilities	1,444,489
Total Liabilities	1,498,901

<u>Net Deficit</u>	(592,030)
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TOTAL LIABILITIES AND NET DEFICIT	\$ 906,871
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See accompanying notes to the financial statements.

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>REVENUE</u>	
Rent Revenue	\$ 368,754
Financial Revenue	97
Other Revenue	2,938
TOTAL INCOME	<u>371,789</u>
<u>EXPENSES</u>	
Program Services:	
Utilities	67,934
Operating and Maintenance	100,669
Taxes and Insurance	6,600
Interest and Financing Costs	59,690
Depreciation	54,304
Total Program Services	<u>289,197</u>
Supporting Services:	
Administrative	71,397
Total Supporting Services	<u>71,397</u>
TOTAL EXPENSES	<u>360,594</u>
Change in Net Deficit	11,195
Net Deficit, Beginning of Year	<u>(603,225)</u>
NET DEFICIT, END OF YEAR	<u>\$ (592,030)</u>

See accompanying notes to the financial statements.

**PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Cash Flows from Operating Activities</u>	
Rental Receipts	\$ 367,616
Interest Receipts	97
Other Cash Receipts	2,938
Administrative Disbursements	(36,838)
Utilities Disbursements	(67,934)
Payroll Disbursements	(58,079)
Property Insurance	(6,320)
Operating and Maintenance Disbursements	(76,537)
Interest Expense	(59,690)
Net Cash Provided by Operating Activities	<u>65,253</u>
<u>Cash Flows from Investing Activities</u>	
Deposits to Reserve for Replacement	(11,914)
Withdrawal from Construction Reserves	1,042
Net Cash Provided by Investing Activities	<u>(10,872)</u>
<u>Cash Flows from Financing Activities</u>	
Principal Payments on Mortgage	(30,275)
Net Cash Used for Financing Activities	<u>(30,275)</u>
Net Decrease in Cash and Cash Equivalents	24,106
Cash and Cash Equivalents at Beginning of Year	<u>18,873</u>
Cash and Cash Equivalents at End of Year	<u>\$ 42,979</u>
<u>Reconciliation of Net Profit to</u>	
<u>Net Cash From Operating Activities:</u>	
Change in Net Deficit	\$ 11,195
Adjustments to Reconcile Change in Net Deficit to	
Net Cash Provided by Operating Activities:	
Depreciation	54,304
Changes in Assets and Liabilities:	
Accounts Receivable	(1,138)
Prepaid Insurance	280
Accounts Payable	1,875
Other Current Liabilities	(1,263)
Net Cash Provided by Operating Activities	<u>\$ 65,253</u>

See accompanying notes to the financial statements.

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: ORGANIZATION AND OPERATIONS

Churches United for Senior Housing, Inc. (the Organization), the predecessor to PMHA Eden Place, LLC, was organized as a nonprofit corporation. The Organization owned real estate known as Eden Place, Circleville, Ohio (the Project) and operated thereon an apartment complex of 40 units, under Section 223(f) of the National Housing Act. Such projects are regulated by the United States Department of Housing and Urban Development (HUD) with respect to rent charges and operating methods. Management and the Board of Directors entered into an agreement to transition Churches United for Senior Housing, Inc. to become a subsidiary of Pickaway Metropolitan Housing Authority effective October 1, 2020. A new loan was approved and closed on October 1, 2020. This new loan was used to refinance existing debt and allow for updates on the property. Concurrent with this refinancing and restructure, a new entity PMHA Eden Place, LLC (the LLC) was formed. The Organization and HUD entered into a Housing Assistance Payments Contract, effective October 1, 2020, whereby HUD subsidizes the Organization to the extent of the fair market value of rents for the Project. The amount received in the year ended December 31, 2023 was \$209,847. The duration of the contract is 20 years.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying financial statements are presented on the accrual basis of accounting and in accordance with HUD guidelines. In using these methods, revenues are recorded in the period they are earned, and expenses are recorded in the period they are incurred.

Property and Equipment

Rental property is carried at cost. Expenditures for additions and major improvements that significantly extend the asset's life are capitalized, while expenditures for maintenance and repairs are expensed as incurred. The LLC uses the straight-line method for computing depreciation for financial reporting purposes. The estimated useful lives of the assets for determining depreciation are 40 years for buildings, 25 and 15 years for improvements, and 3 to 7 years for furniture, fixtures, and equipment.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. An impairment loss would be recognized in operations for the amount that the carrying value of an asset or asset group exceeds its fair value determined using applicable accounting standards. No impairments have been recorded in either year presented.

Net Assets Without Donor Restrictions

None of the LLC's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as without donor restrictions.

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Revenue Recognition

Revenues are recorded in accordance with Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*. The LLC recognizes revenue from tenant rent agreements in accordance with ASC 840 – *Leases*. Rental revenue is generated from base rents received through agreements with tenants and is recognized in the month earned as stated in the agreement. Revenues from all other sources, primarily laundry, vending, and late charges, are recognized as the service is provided or the customer is charged. The LLC generally meets its performance obligations related to laundry and vending services immediately.

Income Taxes

The LLC is exempt from income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Liquidity Management

The LLC has \$44,637 of financial assets available within one year of the balance sheet date for general expenditure, consisting of cash and cash equivalents of \$42,979 and accounts receivable of \$1,658. None of the financial assets are subject to restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The LLC has funded reserves set aside for significant reoccurring expenses such as taxes and insurance as well as major repair and maintenance projects. The LLC structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the LLC considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

NOTE 3: **MORTGAGE NOTE PAYABLE**

The LLC has a mortgage note payable to The Savings Bank with total principal outstanding at December 31, 2023 of \$1,475,828. The mortgage has a 30-year term and carries an interest rate of 4 percent. It is payable in monthly installments of \$7,497 (including interest) through September 30, 2050 and is secured by a 40-unit apartment building in Circleville, Ohio, which is the principal asset of the LLC.

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 3: **MORTGAGE NOTE PAYABLE** (Continued)

Current maturities of the mortgage note payable for the five years subsequent to December 31, 2023 and the aggregate thereafter approximate the following:

	Principal	Interest	Total
2024	\$ 31,339	\$ 58,625	\$ 89,964
2025	32,783	57,181	89,964
2026	34,119	55,845	89,964
2027	35,508	54,456	89,964
2028	36,803	53,161	89,964
2029 and thereafter	1,305,276	651,629	1,956,905
Totals	\$ 1,475,828	\$ 930,897	\$ 2,406,725

NOTE 4: **CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The LLC's operations are concentrated in the multifamily real estate market. In addition, the Project operates in a heavily regulated environment. The operations of the LLC are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, the United States Department of Housing and Urban Development. Such administrative directives, rules and regulations are subject to change by an Act of Congress or an administrative change mandated by the above-mentioned agency. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 5: **FUNDED RESERVES**

In accordance with the terms of the contract with HUD, the LLC is required to set aside certain amounts for the replacement of property and other project expenditures as approved by HUD. These Replacement Reserves were \$145,731 at December 31, 2023, and are held in a separate account and not available for operating purposes. There were no amounts drawn from the Replacement Reserves in the period. Other restricted funds the LLC has at December 31, 2023 include a Construction Escrow with a balance of \$27,164, a Relocation Escrow with a balance of \$12,975, and a Residual Receipts account with a balance of \$303.

NOTE 6: **SUBSEQUENT EVENTS**

Subsequent events were evaluated through March 29, 2024, which is the date the financial statements were available to be issued.

**PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
DECEMBER 31, 2023**

STATEMENT OF NET POSITION

ASSETS

Current Assets

1120	Cash in Bank	\$ 42,979
1130	Accounts Receivable	1,658
1200	Prepaid Insurance and Other	4,524
	Total Current Assets	49,161

DEPOSITS HELD

1191	Tenant Security Deposits	13,961
		13,961

FUNDED RESERVES

1321	Replacement Reserve	145,731
1330	Other Reserves	40,139
1340	Residual Receipts	303
	Total Funded Reserves	186,173

Property and Equipment

1410	Land	61,944
1420	Building and Equipment	1,858,806
1465	Office Equipment	1,341
1460	Furniture and Fixtures	13,634
1470	Maintenance Equipment	5,316
		1,941,041
4100	Less: Accumulated Depreciation	(1,283,465)
	Net Property and Equipment	657,576

TOTAL ASSETS

\$ 906,871

LIABILITIES AND NET DEFICIT

Current Liabilities

2110	Accounts Payable	\$ 7,529
2120	Wages Payable	1,583
2170	Mortgage Note Payable	31,339
	Total Current Liabilities	40,451

Deposits Held

2191	Tenant Security Deposits	13,961
	Total Deposits Held	13,961

Long-Term Liabilities

2320	Mortgage Note Payable	1,444,489
	Total Liabilities	1,498,901

Net Deficit

3210	Deficiency from Operations	(592,030)
	Total Net Deficit	(592,030)

TOTAL LIABILITIES AND NET DEFICIT

\$ 906,871

See Independent Auditor's Report.

**PMHA EDEN PLACE, LLC
 HUD PROJECT 043-EH220-NP-L8-WAH
 SUPPLEMENTARY INFORMATION REQUIRED BY HUD
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (CONTINUED)**

STATEMENT OF ACTIVITIES

RENT REVENUE

5120	Apartments or Member Carrying Charges (Co-ops)	\$ 160,713
5121	Tenant Assistance Payments	209,847
5220	Vacancies	(1,806)
	Total Rent Revenue	368,754

FINANCIAL REVENUE

5440	Revenue from Investments - Replacement Reserve	71
5490	Revenue from Investments - Miscellaneous	26
	Total Financial Revenue	97

OTHER REVENUE

5910	Laundry and Vending	2,605
5920	Tenant Charges	333
	Total Other Revenue	2,938

TOTAL REVENUE	\$ 371,789
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See Independent Auditor's Report.

**PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)**

STATEMENT OF ACTIVITIES

(Continued)

EXPENSES

Administrative Expenses

6210	Advertising	\$	649
6310	Office Salaries		27,022
6311	Office Supplies		4,345
6320	Management Fee		21,054
6350	Auditing Expenses (Project)		6,500
6360	Telephone and Answering Service		2,051
6390	Miscellaneous		2,239
	Total Administrative Expenses		63,860

Utilities Expenses

6450	Electricity (Light and Miscellaneous Power)		49,224
6451	Water		15,490
6452	Gas		3,220
	Total Utilities Expense		67,934

Operating and Maintenance Expenses

6517	Janitor and Cleaning Contract		15,820
6519	Exterminating Payroll/Contract		975
6525	Garbage and Trash Removal		3,684
6537	Grounds Contract		2,730
6540	Repairs-Payroll		15,640
6541	Repairs-Material		10,383
6542	Repairs-Contract		30,886
6545	Elevator Maintenance/Contract		7,762
6590	Miscellaneous Expenses		6,172
	Total Operating and Maintenance Expense		94,052

Taxes and Insurance

6720	Property and Liability Insurance		6,600
6723	Health Insurance and Other Benefits		14,154
	Total Taxes and Insurance		20,754

Financial Expenses

6820	Interest on Mortgage Payable		59,690
	Total Financial Expenses		59,690
	Total Expenses Before Depreciation		306,290

Change in Net Deficit Before Depreciation	65,499
6600 Depreciation	54,304
Change in Net Deficit	11,195

Net Deficit, January 1, 2022	(603,225)
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Net Deficit, December 31, 2022	\$ (592,030)
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See Independent Auditor's Report.

**PMHA EDEN PLACE, LLC
 HUD PROJECT 043-EH220-NP-L8-WAH
 SUPPLEMENTARY INFORMATION REQUIRED BY HUD
 FOR THE YEAR ENDED DECEMBER 31, 2023
 (CONTINUED)**

TENANT SECURITY DEPOSITS

Tenant security deposits are held in a separate bank account in the name of Eden Place-Security Deposits. The escrow amount at December 31, 2023, was adequately funded in comparison to the liability.

RESERVE FOR REPLACEMENTS

In accordance with the provisions of the regulatory agreement, this cash is restricted and held in a separate bank account to be used for replacement of property with the approval of HUD.

Balance, January 1, 2023		\$ 133,817
Add:		
Deposits		11,843
Withdrawn		0
Interest Income		71
		71
Balance, December 31, 2023		\$ 145,731

COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS, AND RESIDUAL RECEIPTS - ANNUAL

Cash		\$ 56,940
Current Obligations:		
Accounts Payable Due Within 30 Days		7,529
Mortgage Payment - Due Within 30 Days		7,497
Tenant Security Deposits		13,961
Wages Payable		1,583
Replacement Reserve Deposit - Due Within 30 Days		1,346
Replacement Reserve Funding Deficiency at December 31, 2023		3,961
Total Current Obligations		35,877
Surplus Cash		\$ 21,063

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

CHANGES IN PROPERTY AND EQUIPMENT

	Balance 1/1/2023	Additions	Deductions	Balance 12/31/2023
Land	\$ 61,944	\$ 0	\$ 0	\$ 61,944
Building and Equipment	1,461,831	396,975	0	1,858,806
Maintenance Equipment	5,316	0	0	5,316
Office Equipment	1,341	0	0	1,341
Furniture and Fixtures	13,634	0	0	13,634
Construction in Progress	396,975	0	(396,975)	0
Total Assets	\$ 1,941,041	\$ 396,975	\$ (396,975)	\$ 1,941,041

	Accumulated Depreciation				Net Book Value 12/31/2023
	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023	
Land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 61,944
Buildings and Equipment	1,208,870	54,304	0	1,263,174	595,632
Maintenance Equipment	5,316	0	0	5,316	0
Office Equipment	1,341	0	0	1,341	0
Furniture and Fixtures	13,634	0	0	13,634	0
Total Accumulated Depreciation	\$ 1,229,161	\$ 54,304	\$ 0	\$ 1,283,465	\$ 657,576

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Partners of
PMHA Eden Place, LLC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements PMHA Eden Place, LLC, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PMHA Eden Place, LLC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PMHA Eden Place, LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of PMHA Eden Place, LLC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Zupka & Associates
Certified Public Accountants

March 29, 2024

**PMHA EDEN PLACE, LLC
HUD PROJECT #043-EH220-NP-L8-WAH
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

There were no findings or questioned costs for the year ended December 31, 2022.

**PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH**

MORTGAGOR'S CERTIFICATION

FOR THE YEAR ENDED DECEMBER 31, 2023

We hereby certify that we have examined the accompanying 2023 financial statements and supplemental data of **PMHA EDEN PLACE, LLC**, and, to the best of our knowledge and belief, the same is complete and accurate.

Date

**PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH**

MANAGING AGENT'S CERTIFICATION

FOR THE YEAR ENDED DECEMBER 31, 2023

We hereby certify that we have examined the accompanying 2023 financial statements and supplemental data of **PMHA EDEN PLACE, LLC**, and, to the best of our knowledge and belief, the same is complete and accurate.

Date