

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

James G. Zupka, CPA, Inc.
Certified Public Accountants

PMHA EDEN PLACE, LLC
HUD PROJECT NO. 043-EH220-NP-L8-WAH
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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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, 2021, 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, 2021, 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 12 to 16 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 30, 2022, 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.

James G. Zupka, CPA, Inc.
Certified Public Accountants

March 30, 2022

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 40,756
Accounts Receivable	1,780
Restricted Deposits	258,449
Other Current Assets	5,329
Total Current Assets	306,314

Property and Equipment

Land	61,944
Building and Equipment	1,461,831
Furniture, Fixtures, and Equipment	20,291
Construction in Progress	348,238
	1,892,304
Less: Accumulated Depreciation	(1,188,052)
Net Property and Equipment	704,252

TOTAL ASSETS **\$ 1,010,566**

LIABILITIES AND NET DEFICIT

Current Liabilities

Current Portion of Long-Term Debt	\$ 29,088
Accounts Payable	9,546
Security Deposits	12,249
Accrued Interest	166
Other Current Liabilities	2,016
Total Current Liabilities	53,065

Long-Term Liabilities

Mortgage Notes Payable	1,506,105
Total Long-Term Liabilities	1,506,105
Total Liabilities	1,559,170

Net Deficit **(548,604)**

TOTAL LIABILITIES AND NET DEFICIT **\$ 1,010,566**

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, 2021

<u>REVENUE</u>	
Rent Revenue	\$ 342,606
Financial Revenue	204
Other Revenue	3,558
TOTAL INCOME	<u>346,368</u>
<u>EXPENSES</u>	
Program Services:	
Utilities	58,154
Operating and Maintenance	72,643
Taxes and Insurance	5,804
Interest and Financing Costs	62,015
Depreciation	41,581
Total Program Services	<u>240,197</u>
Supporting Services:	
Administrative	90,699
Total Supporting Services	<u>90,699</u>
TOTAL EXPENSES	<u>330,896</u>
Change in Net Deficit	15,472
Net Deficit, Beginning of Year	<u>(564,076)</u>
NET DEFICIT, END OF YEAR	<u>\$ (548,604)</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, 2021

Cash Flows from Operating Activities

Rental Receipts	\$ 340,569
Interest Receipts	2
Other Cash Receipts	3,558
Administrative Disbursements	(50,825)
Utilities Disbursements	(58,154)
Payroll Disbursements	(56,638)
Property Insurance	(5,804)
Operating and Maintenance Disbursements	(52,326)
Real Estate Tax	(23,860)
Net Cash Provided by Operating Activities	96,522

Cash Flows from Investing Activities

Deposits to Reserve for Replacement	(15,084)
Residual Receipts	(318)
Withdrawal from Reserve for Replacements	338,824
Withdrawal from Taxes and Insurance Escrow	24,717
Property and Equipment Purchased	(331,759)
Net Cash Provided by Investing Activities	16,380

Cash Flows from Financing Activities

Principal Payments on Mortgage	(27,950)
Interest Payment on Mortgage	(62,015)
Net Cash Used for Financing Activities	(89,965)
Net Increase in Cash and Cash Equivalents	22,937

Cash and Cash Equivalents at Beginning of Year	17,819
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Cash and Cash Equivalents at End of Year	\$ 40,756
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Reconciliation of Net Profit to

Net Cash From Operating Activities:

Change in Net Deficit	\$ 15,472
Adjustments to Reconcile Change in Net Deficit to	
Net Cash Provided by Operating Activities:	
Depreciation	41,581
Interest Expense	62,015
Interest Income Retained in Restricted Deposit Accounts	(202)
Changes in Assets and Liabilities:	
Accounts Receivable	(647)
Prepaid Insurance	606
Accounts Payable	931
Accrued Real Estate Taxes	(23,860)
Deposits and Prepayment Liabilities	(1,390)
Other Current Liabilities	2,016
Net Cash Provided by Operating Activities	\$ 96,522

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, 2021

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, 2021 was \$201,158. 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, 2021
(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 charge s, 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 \$42,536 of financial assets available within one year of the balance sheet date for general expenditure, consisting of cash and cash equivalents of \$40,756 and accounts receivable of \$1,780. 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.

Recent Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*. The ASU is designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The ASU is effective for periods beginning after December 15, 2021. It can be adopted either retrospectively to each prior reporting period presented or as a cumulative effect adjustment as of the date of adoption. The LLC is currently evaluating the impact of adopting this new ASU.

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 3: MORTGAGE NOTE PAYABLE

The LLC has a mortgage note payable to The Savings Bank with total principal outstanding at December 31, 2021 of \$1,535,193. 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. This mortgage is guaranteed by HUD.

Current maturities of the mortgage note payable for the five years subsequent to December 31, 2021 and the aggregate thereafter approximate the following:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 29,088	\$ 60,876	\$ 89,964
2023	30,273	59,691	89,964
2024	31,339	58,625	89,964
2025	32,783	57,181	89,964
2026	34,119	55,845	89,964
2027 and thereafter	1,377,591	759,417	2,137,008
Totals	<u>\$ 1,535,193</u>	<u>\$ 1,051,635</u>	<u>\$ 2,586,828</u>

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.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will likely impact subsequent periods of the LLC. The impact on the LLC's future operating costs and revenues cannot be estimated.

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 reserves, which were \$245,882 at December 31, 2021, respectively, are held in separate accounts and generally are not available for operating purposes. During the year ended December 31, 2021, \$338,824 was expended from the reserves.

NOTE 6: SUBSEQUENT EVENTS

Subsequent events were evaluated through March 30, 2022, 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, 2021

STATEMENT OF NET POSITION

ASSETS

Current Assets

1120	Cash in Bank	\$ 40,756
1130	Accounts Receivable	1,780
1200	Prepaid Insurance and Other	5,329
	Total Current Assets	47,865

DEPOSITS HELD

1191	Tenant Security Deposits	12,249
		12,249

FUNDED RESERVES

1321	Replacement Reserve	118,331
1330	Other Reserves	127,551
1340	Residual Receipts	318
	Total Funded Reserves	246,200

Property and Equipment

1410	Land	61,944
1420	Building and Equipment	1,461,831
1465	Office Equipment	1,341
1460	Furniture and Fixtures	13,634
1470	Maintenance Equipment	5,316
1490	Construction in Progress	348,238
		1,892,304
4100	Less: Accumulated Depreciation	(1,188,052)
	Net Property and Equipment	704,252

TOTAL ASSETS

\$ 1,010,566

LIABILITIES AND NET DEFICIT

Current Liabilities

2110	Accounts Payable	\$ 9,546
2120	Wages Payable	2,016
2131	Accrued Interest	166
2330	Mortgage Note Payable	29,088
	Total Current Liabilities	40,816

Deposits Held

2191	Tenant Security Deposits	12,249
	Total Deposits Held	12,249

Long-Term Liabilities

2320	Mortgage Note Payable	1,506,105
	Total Liabilities	1,559,170

Net Deficit

3210	Deficiency from Operations	(548,604)
	Total Net Deficit	(548,604)

TOTAL LIABILITIES AND NET DEFICIT

\$ 1,010,566

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, 2021
(CONTINUED)**

STATEMENT OF ACTIVITIES

RENT REVENUE

5120	Apartments or Member Carrying Charges (Co-ops)	\$ 152,782
5121	Tenant Assistance Payments	201,518
5220	Vacancies	(11,694)
	Total Rent Revenue	<u>342,606</u>

FINANCIAL REVENUE

5440	Revenue from Investments - Replacement Reserve	202
5490	Revenue from Investments - Miscellaneous	2
	Total Financial Revenue	<u>204</u>

OTHER REVENUE

5910	Laundry and Vending	3,277
5920	Tenant Charges	281
	Total Other Revenue	<u>3,558</u>

	TOTAL REVENUE	<u><u>\$ 346,368</u></u>
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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, 2021
(CONTINUED)

STATEMENT OF ACTIVITIES

(Continued)

EXPENSES

Administrative Expenses

6210 Advertising	\$ 723
6310 Office Salaries	23,315
6311 Office Supplies	10,679
6320 Management Fee	23,948
6340 Legal	247
6350 Auditing Expenses (Project)	13,053
6360 Telephone and Answering Service	1,922
6370 Bad Debt Expense	89
6390 Miscellaneous	164
Total Administrative Expenses	<u>74,140</u>

Utilities Expenses

6450 Electricity (Light and Miscellaneous Power)	39,203
6451 Water	12,944
6452 Gas	6,007
Total Utilities Expense	<u>58,154</u>

Operating and Maintenance Expenses

6517 Janitor and Cleaning Contract	18,660
6519 Exterminating Payroll/Contract	1,373
6525 Garbage and Trash Removal	3,884
6537 Grounds Contract	2,301
6540 Repairs-Payroll	19,700
6541 Repairs-Material	7,540
6542 Repairs-Contract	8,900
6545 Elevator Maintenance/Contract	4,141
6590 Miscellaneous Expenses	7,064
Total Operating and Maintenance Expense	<u>73,563</u>

Taxes and Insurance

6720 Property and Liability Insurance	5,804
6723 Health Insurance and Other Benefits	15,639
Total Taxes and Insurance	<u>21,443</u>

Financial Expenses

6820 Interest on Mortgage Payable	62,015
Total Financial Expenses	<u>62,015</u>
Total Expenses Before Depreciation	<u>289,315</u>

Change in Net Deficit Before Depreciation	57,053
6600 Depreciation	41,581
Change in Net Deficit	<u>15,472</u>

Net Deficit, January 1, 2021	<u>(564,076)</u>
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Net Deficit, December 31, 2021	<u>\$ (548,604)</u>
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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, 2021
 (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, 2021, 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, 2021	\$	569,420
Remove Prior Year Construction and Rehabilitation Reserve Reported as Replacement Reserve		(459,110)
Add:		
Deposits		15,084
Withdrawn		(7,121)
Interest Income		58
Balance, December 31, 2021	\$	118,331

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

Cash	\$	53,005
Current Obligations:		
Accounts Payable Due Within 30 Days		9,546
Mortgage Payment - Due Within 30 Days		7,497
Tenant Security Deposits		12,249
Wages Payable		2,016
Replacement Reserve Deposit - Due Within 30 Days		1,278
Total Current Obligations		32,586
Surplus Cash	\$	20,419

PMHA EDEN PLACE, LLC
HUD PROJECT 043-EH220-NP-L8-WAH
SUPPLEMENTARY INFORMATION REQUIRED BY HUD
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

CHANGES IN PROPERTY AND EQUIPMENT

	Balance 1/1/2021	Additions	Deductions	Balance 12/31/2021
Land	\$ 61,944	\$ 0	\$ 0	\$ 61,944
Building and Equipment	1,454,710	7,121	0	1,461,831
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	23,600	324,638	0	348,238
Total Assets	\$ 1,560,545	\$ 331,759	\$ 0	\$ 1,892,304

	Accumulated Depreciation				Net Book Value 12/31/2021
	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	
Land	\$ 0	\$ 0	\$ 0	\$ 0	\$ 61,944
Buildings and Equipment	1,126,180	41,581	0	1,167,761	294,070
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
Construction in Progress	0	0	0	0	348,238
Total Accumulated Depreciation	\$ 1,146,471	\$ 41,581	\$ 0	\$ 1,188,052	\$ 704,252

JAMES G. ZUPKA, C.P.A., INC.

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**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, 2021, 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 30, 2022.

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.

James G. Zupka, CPA, Inc.
Certified Public Accountants

March 30, 2022

**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, 2021**

There were no findings or questioned costs for the year ended December 31, 2020.

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

MORTGAGOR'S CERTIFICATION

FOR THE YEAR ENDED DECEMBER 31, 2021

We hereby certify that we have examined the accompanying 2021 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, 2021

We hereby certify that we have examined the accompanying 2021 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