Public Notice

In accordance with the Statutes of the State of Illinois and the Ordinances of the City of Highland Park, a **Regular Meeting** of the City of Highland Park Housing Commission, the Peers Housing Association, Walnut Housing Association, Ravinia Housing Association and Sunset Woods Association will be held at the hour of **6:30 P.M. on Wednesday, January 4, 2016 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois**. The Meeting will be held in the **Pre-Session Room** on the second floor.

City of Highland Park
Housing Commission
Wednesday, January 4, 2016, at 6:30 p.m.
AGENDA

I. Call to order

II. Roll Call

III. Business from the Public (Citizens Wishing to Be Heard Regarding Items not on the Agenda)

IV. Approval of Regular Meeting Minutes

V. Scheduled Business

1. Items for Omnibus Vote Consideration
   - Payment of Invoices
   - Ratification of Payments

2. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
   - Consideration of December Management Reports for Peers, Walnut, and Ravinia
   - Housing Trust Fund financials
   - Sunset Woods Financials
   - Other Sunset Woods business

3. Review of auditor bid proposal/contract renewals

VI. Executive Session for Matters relating to Real Estate Acquisition, Litigation, and Personnel Matters

VII. Other Business

VIII. Adjournment

EVERGREEN
Real Estate Services, L.L.C.
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Chicago, IL 60661-1414
www.evergreen-housing.com
Phone: 312-234-9400
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Polly Kuehl

Brent Norvik

MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl & Brent Norvik

RE: **December Management Report / November Financial Statements**

At Peers, the plumbing project is complete, and we will be reinstalling the carpet shortly. Despite some delays, the project went fairly smoothly, with minimal complaints from the residnts. Peers also had a common area heating issue right before the holidays, but it was able to be resolved quickly with an outside contractor. The replacement heater for the common areas at Walnut is working fine as well. Even with the bout of harsh weather we had, snow removal has been taken care of in a timely manner, and the staff has made sure that the walks have been salted on a regular basis.

Frank B. Peers

Occupancy: Peers currently has 2 vacant units, and is at 97% occupancy. There are pending applications on both of them

Physical: Regular maintenance work orders and preventative tasks were completed during the month of December. The work on the first floor plumbing issue has been completed. There was a circuit board that had to be replaced for the common area heater.

Social Programs: Residents Christmas Tree/Hanukkah Bush decorating party took place on 12/5. On 12/12 Lily the therapy dog visited in her Santa outfit. The HP Senior Center singers performed on 12/18. The resdients luncheon took place on 12/21 and was catered by Italian Kitchen. A New Years Eve pizza party is planned for 12/31.

Financial: Net Operating Income (NOI) for November was negative to budget at ($3,779). YTD NOI is negative to budget at ($28,223). Cash carryover is $23,918.

Income – Income for the month of November was negative to budget at ($4,304).

Expenses – Expense line items that were significantly negative to budget include:

- Consulting Study Costs (#6380) Rent Comp Study. ($1,200)
- Tenant Retention (#6395) - Reflects the cost of an key tags for residents, and a resident meeting ($699).
- Grounds Contractor (#6537) - Variance reflects the cost of fall cleanup and dead tree removal. ($950)
- Plumbing Repair (#6595) - Variance reflects the cost of rodding out a storm drain, and fixing a leaking sink. ($2,381)

Walnut Place

Occupancy: Walnut is at 100% occupancy.

Physical: Regular maintenance work orders and preventative tasks were performed during December. The building's common area heating unit has been repaired.

Social Programs: Residents Christmas Tree/Hanukkah Bush decorating party took place on 12/2. On 12/28 Lily the therapy dog will visit in her Santa outfit. The residents luncheon took place on 12/20 and was catered by Italian Kitchen. It was followed by Bingo. A New Years Eve pizza party is planned for 12/31.

Financial: **Net Operating Income (NOI) for November was negative to budget by ($1,783). The YTD NOI is positive to budget by $29,080. Cash carryover is $12,164.**

Income - Income for the month of November was negative to budget by ($2,332). This is due to the grant money budgeted monthly, but being paid in a lump sum.

Expenses – Expense line items that were significantly negative to budget include:

- Elevator Contractor (Annual Maintenance) (#6551) - Reflects the cost of the annual pressure test on the elevators at Walnut. ($606)
- Fire Protection (#6582) – Reflects the cost of a fire pump leak repair.($685)
- Carpentry Repairs (#6594) – Replacement of glass patio doors. ($1,035)

Ravinia Housing

Occupancy: Ravinia is 92% occupied. We had two move outs in the last 13 days. We are going off of the waitlist to fill the units.

Physical: Regular maintenance work orders and preventative tasks were performed during December.

Financial: **Net Operating Income (NOI) for November was negative to budget by ($7,196). YTD NOI is positive to budget by $2,711. Cash carryover is $10,282.**

Income –Income is positive to budget at $257.

Expenses – Expense line items that were significantly negative to budget include:

- Office Supplies (6311) – Variance reflects the cost of phone bills from October and November paid in October. ($438)
- Misc Admin Expenses (#6390) Reflects the cost of additional compliance support for the MOR. ($428)
- Misc Repair Contractors (#6520)- The bulk of the variance reflects the cost of interior and exterior repairs to units for the REAC inspection. These bills were paid over the coarse of the last 3 months. ($14,756)

On behalf of Evergreen Real Estate Services, and the Highland Park Staff, have a Happy New Year.

Accounts Receivable Up-Date

December 2016

Frank B. Peers

Tenant A/R decreased from $2,259 at the end of November to $2,240 at the end of December. The breakdown is as follows:

Current	$	6
30 Days	$	
60 Days	$	
90+ Days	$	2,235
Prepaid	$	(1)

Subsidy A/R increased from ($1,873) at the end of November to $459 at the end of December. The breakdown is as follows:

Current	$	3,968
30 Days	$	1,099
60 Days	$	
90+ Days	$	
Prepaid	$	(4,608)

Walnut Place

Tenant A/R increased from $19,435 at the end of November to $19,600 at the end of December. The breakdown is as follows:

Current	$	728
30 Days	$	706
60 Days	$	706
90+ Days	$	18,782
Prepaid	$	(1,322)

Subsidy A/R increased from ($834) at the end of November to ($594) at the end of November. The breakdown is as follows:

Current	$	2,081
30 Days	$	989
60 Days	$	304
90+ Days	$	
Prepaid	$	(3,968)

Ravinia Housing

Tenant A/R increased from $22,258 at the end of November to $23,785 at the end of December. The breakdown is as follows:

Current	$ 1,589
30 Days	$ 1,173
60 Days	$ 1,195
90+ Days	$ 21,035
Prepaid	$ (1,207)

Subsidy A/R increased from ($2,185) at the end of November to ($658) at the end of December. The breakdown is as follows:

Current	$ 2,291
30 Days	$ 710
60 Days	$ 0
90+ Days	$ 0
Prepaid	$ (3,659)

FRANK B. PEERS HOUSING
Balance Sheet
Month Ending 11/30/2016

ASSETS

Current Assets	
1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	23,918.60
1130-0000 - Tenant/member accounts receivable	2,269.73
1131-0000 - Accounts receivable - subsidy	4,086.00
1240-0000 - Prepaid property and liability insurance	22,009.44
Total Current Assets	52,583.77
Other Assets	
1192-0000 - Tenant Sec Dep	22,866.46
1310-0000 - Real estate tax escrow	105,786.66
1311-0000 - Insurance escrow	10,767.81
1330-0000 - Debt Service Escrow	138,936.44
1320 - Replacement Reserve	224,885.78
1340 - Residual Receipt	17,531.09
Total Other Assets	520,774.24
Fixed Assets	
1420-0000 - Building	1,843,785.15
1420-0001 - Building Improvements	165,020.52
1430-0000 - Land Improvements	1,621,801.79
1450-0000 - Furniture for project/tenant use	574,009.36
1497-0000 - Site improvements	172,218.77
4120-0000 - Accum depr - buildings	(3,574,707.19)
1498-0000 - Current F/A	24,889.36
Total Fixed Assets	827,017.76
Financing Costs	
1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(81,426.22)
Total Financing Costs	110,972.63
Partnership Assets	
1701-0000 - Cash - Partnership	45,067.91
1702-0000 - Partnership MM	2,054,373.23
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	2,366,454.83
Total Assets	**3,877,803.23**

FRANK B. PEERS HOUSING
Balance Sheet
Month Ending 11/30/2016

Liabilities & Equity

Current Liabilities	
2110-0000 - Accounts payable	4,542.82
2114-0000 - 401K Payable	23.33
2120-0000 - Accrued wages and p/r taxes payable	5,256.93
2150-0000 - Accrued property taxes	109,103.07
2180-0000 - Misc current liabilities	9,573.66
Total Current Liabilities	128,499.81
Non-Current Liabilities	
2190-0000 - Misc Clearing	31.00
2191-0000 - Security deposits-residential	18,053.00
2191-0001 - Pet Deposit	595.00
2210-0000 - Prepaid Rent	11.00
2211-0000 - Prepaid HUD	6,832.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,342,004.02
Total Non-Current Liabilities	3,657,526.02
Owner's Equity	
3100-0000 - Limited Partners Equity	2,370,233.54
3111-0000 - Contributions - Current Year	5,982.00
3209-0000 - Prior Year Retained Earnings	(2,447,481.63)
3210-0000 - Retained earnings	146,073.53
Current YTD Earnings	16,969.96
Total Owner's Equity	91,777.40
Total Liability & Owner Equity	**3,877,803.23**

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 11/30/2016			Year To Date 11/30/2016			Year Ending 12/31/2016
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	22,759.00	20,236.00	2,523.00	226,903.00	222,357.00	4,546.00	242,593.00
5121-0000 - Tenant assistant payments	65,533.00	68,955.00	(3,422.00)	744,309.00	756,497.00	(12,188.00)	825,452.00
5140-0000 - Commercial base rent	359.10	60.00	299.10	959.10	660.00	299.10	720.00
TOTAL RESIDENTIAL RENTAL INCOME	88,651.10	89,251.00	(599.90)	972,171.10	979,514.00	(7,342.90)	1,068,765.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(5,064.00)	(1,000.00)	(4,064.00)	(29,762.00)	(11,000.00)	(18,762.00)	(12,000.00)
5221-0000 - Non-Revenue Units	(1,309.00)	(1,304.00)	(5.00)	(14,399.00)	(14,327.00)	(72.00)	(15,631.00)
TOTAL VACANCIES & ADJUSTMENTS	(6,373.00)	(2,304.00)	(4,069.00)	(44,161.00)	(25,327.00)	(18,834.00)	(27,631.00)
OTHER INCOME							
5910-0000 - Laundry income	401.25	0.00	401.25	1,202.50	1,800.00	(597.50)	1,800.00
5922-0000 - Late fees	0.00	9.00	(9.00)	85.00	99.00	(14.00)	108.00
5938-0000 - Cleaning Fee/Turnover	0.00	0.00	0.00	130.00	0.00	130.00	0.00
5945-0000 - Damages	0.00	20.00	(20.00)	750.00	170.00	580.00	180.00
5990-0000 - Misc other income	12.00	20.00	(8.00)	137.66	220.00	(82.34)	240.00
5413-0000 - Interest income - escrow	0.00	0.00	0.00	676.35	3.00	673.35	4.00
TOTAL OTHER INCOME	413.25	49.00	364.25	2,981.51	2,292.00	689.51	2,332.00
GROSS OPERATING INCOME	82,691.35	86,996.00	(4,304.65)	930,991.61	956,479.00	(25,487.39)	1,043,466.00
ADVERTISING & RENTING EXPENSE							
6211-0000 - Marketing/Promotions	0.00	590.00	590.00	801.30	6,490.00	5,688.70	7,080.00
6213-0000 - Employee Recruitment	0.00	42.00	42.00	61.69	462.00	400.31	504.00
6253-0000 - Credit Report Fees	112.00	28.00	(84.00)	196.00	350.00	154.00	378.00
TOTAL ADVERTISING & RENTING EXPENSE	112.00	660.00	548.00	1,058.99	7,302.00	6,243.01	7,962.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	512.10	425.00	(87.10)	4,887.41	4,675.00	(212.41)	5,100.00
6316-0000 - Office Equipment	155.51	250.00	94.49	2,668.65	2,750.00	81.35	3,000.00
6320-0000 - Management fee	4,247.90	4,506.00	258.10	48,187.75	49,566.00	1,378.25	54,072.00
6340-0000 - Legal Expense - Project	0.00	367.00	367.00	0.00	4,037.00	4,037.00	4,404.00
6350-0000 - Audit Expense	0.00	0.00	0.00	14,700.00	14,200.00	(500.00)	14,200.00
6360-0000 - Telephone	1,016.30	900.00	(116.30)	14,366.14	9,900.00	(4,466.14)	10,800.00
6360-0001 - Answering Service/ Pagers	33.00	44.00	11.00	405.00	484.00	79.00	528.00
6365-0000 - Training & Education Expense	12.22	75.00	62.78	1,066.87	825.00	(241.87)	900.00
6370-0000 - Bad debts	0.00	0.00	0.00	122.00	0.00	(122.00)	0.00
6380-0000 - Consulting/study costs	1,200.00	0.00	(1,200.00)	1,200.00	2,000.00	800.00	2,000.00
6390-0000 - Misc administrative expenses	568.74	200.00	(368.74)	6,604.07	2,200.00	(4,404.07)	2,400.00
6390-0002 - Computer Supplies/Data Processing	200.20	180.00	(20.20)	3,552.10	1,980.00	(1,572.10)	2,160.00
6395-0000 - Tenant Retention	1,699.64	1,000.00	(699.64)	9,085.45	6,000.00	(3,085.45)	7,000.00
6431-0000 - Travel & Expense Reimbursement	202.15	170.00	(32.15)	2,847.50	1,870.00	(977.50)	2,040.00
6851-0000 - Bank Service Fees	0.00	0.00	0.00	30.00	11.00	(19.00)	14.00
6860-0000 - Security Deposit Interest	(0.55)	0.00	0.55	(4.89)	0.00	4.89	0.00
TOTAL ADMINISTRATIVE EXPENSE	9,847.21	8,117.00	(1,730.21)	109,718.05	100,498.00	(9,220.05)	108,618.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	5,133.69	4,917.00	(216.69)	62,858.58	58,847.00	(4,011.58)	63,764.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 11/30/2016			Year To Date 11/30/2016			Year Ending 12/31/2016
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6510-0000 - Janitor and cleaning payroll	1,195.14	1,541.00	345.86	14,608.48	18,403.00	3,794.52	19,944.00
6540-0000 - Repairs payroll	3,998.66	4,482.00	483.34	47,885.87	53,356.00	5,470.13	57,838.00
6900-0000 - Social Service Coordinator	572.90	850.00	277.10	6,415.99	9,350.00	2,934.01	10,200.00
6715-0000 - Payroll Taxes	790.12	766.00	(24.12)	11,833.97	11,482.00	(351.97)	12,322.00
6722-0000 - Workers compensation	260.43	411.00	150.57	2,635.90	4,407.00	1,771.10	4,818.00
6723-0000 - Employee Health Ins/Other Benefits	784.41	461.00	(323.41)	6,665.77	5,119.00	(1,546.77)	5,580.00
6724-0000 - Union Benefits	460.59	1,468.00	1,007.41	14,502.35	16,148.00	1,645.65	17,616.00
6726-0001 - Contingency	0.00	0.00	0.00	2,950.00	2,140.00	(810.00)	3,186.00
TOTAL PAYROLL & RELATED COSTS	13,195.94	14,896.00	1,700.06	170,356.91	179,252.00	8,895.09	195,268.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	897.35	400.00	(497.35)	6,327.48	4,400.00	(1,927.48)	4,800.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	1,280.00	1,280.00	1,280.00
6519-0000 - Exterminating Contract	0.00	120.00	120.00	660.00	2,080.00	1,420.00	2,200.00
6525-0000 - Rubbish removal	394.00	360.00	(34.00)	4,384.00	3,960.00	(424.00)	4,320.00
6530-0000 - Security Contract	0.00	0.00	0.00	162.00	243.00	81.00	324.00
TOTAL OPERATING EXPENSES	1,291.35	880.00	(411.35)	11,533.48	11,963.00	429.52	12,924.00
UTILITIES							
6450-0000 - Electricity	1,424.26	1,850.00	425.74	18,605.08	20,350.00	1,744.92	22,200.00
6451-0000 - Water	1,326.30	1,425.00	98.70	16,365.36	15,675.00	(690.36)	17,100.00
6452-0000 - Gas	1,737.96	2,084.00	346.04	16,564.88	22,924.00	6,359.12	25,008.00
TOTAL UTILITIES	4,488.52	5,359.00	870.48	51,535.32	58,949.00	7,413.68	64,308.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	227.79	0.00	(227.79)	943.80	0.00	(943.80)	0.00
6537-0000 - Grounds Contractor (Landscaper)	1,995.00	650.00	(1,345.00)	14,419.00	10,550.00	(3,869.00)	10,550.00
6541-0000 - Repair materials (general supplies)	75.37	60.00	(15.37)	1,618.36	660.00	(958.36)	720.00
6541-0001 - Appliance Parts	187.45	35.00	(152.45)	1,718.58	385.00	(1,333.58)	420.00
6541-0002 - Plumbing Supplies	226.51	110.00	(116.51)	3,021.13	1,210.00	(1,811.13)	1,320.00
6541-0003 - Electrical Supplies	77.41	75.00	(2.41)	734.35	825.00	90.65	900.00
6541-0004 - Heating/Cooling Supplies	253.94	50.00	(203.94)	270.39	550.00	279.61	600.00
6541-0005 - Hand Tools	(70.13)	0.00	70.13	0.00	0.00	0.00	0.00
6541-0007 - Safety Equipment	0.00	0.00	0.00	46.46	400.00	353.54	400.00
6541-0008 - Flooring/Tile Supplies (i.e.VCT)	0.00	35.00	35.00	0.00	385.00	385.00	420.00
6541-0009 - Window Supplies	0.00	125.00	125.00	885.18	1,375.00	489.82	1,500.00
6541-0010 - Carpentry/Hardware	70.13	70.00	(0.13)	359.70	770.00	410.30	840.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	0.00	0.00	2,950.72	1,923.00	(1,027.72)	2,564.00
6546-0000 - Heating/Cooling Contractor	445.00	500.00	55.00	9,248.07	5,500.00	(3,748.07)	6,000.00
6548-0000 - Snow removal	0.00	0.00	0.00	2,375.00	6,700.00	4,325.00	8,700.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	300.00	300.00	850.00	3,300.00	2,450.00	3,600.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	850.00	850.00	25,226.00	9,350.00	(15,876.00)	10,200.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	0.00	0.00	877.28	2,000.00	1,122.72	2,000.00
6564-0001 - Painting Supplies	0.00	150.00	150.00	0.00	1,650.00	1,650.00	1,800.00
6581-0000 - Window Washing	615.00	1,500.00	885.00	615.00	1,500.00	885.00	1,500.00
6582-0000 - Fire Protection	400.00	0.00	(400.00)	1,463.75	0.00	(1,463.75)	0.00
6582-0001 - Fire Safety Equipment	0.00	40.00	40.00	0.00	440.00	440.00	480.00
6591-0000 - Electrical Repairs	(2,090.00)	50.00	2,140.00	2,526.68	550.00	(1,976.68)	600.00
6592-0000 - Boiler Repairs	0.00	50.00	50.00	1,198.11	550.00	(648.11)	600.00
6594-0000 - Carpentry Repairs	265.50	90.00	(175.50)	1,850.66	990.00	(860.66)	1,080.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 11/30/2016			Year To Date 11/30/2016			Year Ending 12/31/2016
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6595-0000 - Plumbing Repairs	2,881.03	500.00	(2,381.03)	19,157.98	5,500.00	(13,657.98)	6,000.00
6596-0000 - Floor Repairs/Cleaning	0.00	0.00	0.00	1,809.00	900.00	(909.00)	900.00
TOTAL MAINTENANCE EXPENSES	5,560.00	5,240.00	(320.00)	94,165.20	57,963.00	(36,202.20)	63,694.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	10,874.00	10,874.00	0.00	99,097.81	119,614.00	20,516.19	130,488.00
6720-0000 - Property and liability insurance	2,751.17	2,619.00	(132.17)	28,752.35	27,941.00	(811.35)	30,560.00
TOTAL TAXES AND INSURANCE	13,625.17	13,493.00	(132.17)	127,850.16	147,555.00	19,704.84	161,048.00
TOTAL OPERATING EXPENSES	48,120.19	48,645.00	524.81	566,218.11	563,482.00	(2,736.11)	613,822.00
NET OPERATING INCOME (LOSS)	34,571.16	38,351.00	(3,779.84)	364,773.50	392,997.00	(28,223.50)	429,644.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	17,686.39	17,686.00	(0.39)	197,951.30	197,951.00	(0.30)	215,574.00
TOTAL FINANCIAL EXPENSES	17,686.39	17,686.00	(0.39)	197,951.30	197,951.00	(0.30)	215,574.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	16,884.77	20,665.00	(3,780.23)	166,822.20	195,046.00	(28,223.80)	214,070.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	85.19	0.00	85.19	2,558.29	0.00	2,558.29	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(6,337.00)	0.00	(6,337.00)	0.00
Total Partnership Activity	85.19	0.00	85.19	(3,778.71)	0.00	(3,778.71)	0.00
NET INCOME (LOSS)	16,969.96	20,665.00	(3,695.04)	163,043.49	195,046.00	(32,002.51)	214,070.00
Cash Flow - Financing Activities							
7104-0000 - Replacement Reserve	1,800.02	1,700.00	(100.02)	19,100.08	18,700.00	(400.08)	20,400.00
7108-0000 - Mortgage Payable (long term)	12,801.15	12,801.00	(0.15)	137,411.64	137,410.00	(1.64)	150,274.00
Total Cash Flow - Financing Activities	14,601.17	14,501.00	(100.17)	156,511.72	156,110.00	(401.72)	170,674.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	(635,000.00)	(635,000.00)	(655,000.00)
6991-0000 - Capital expenditures	0.00	3,750.00	3,750.00	10,592.06	41,250.00	30,657.94	45,000.00
6991-0002 - Windows	0.00	0.00	0.00	0.00	600,000.00	600,000.00	600,000.00
6991-0016 - Concrete Repairs	0.00	500.00	500.00	0.00	5,500.00	5,500.00	6,000.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	624.00	0.00	(624.00)	0.00
6993-0003 - A/C Replacements	0.00	250.00	250.00	2,179.20	2,750.00	570.80	3,000.00
6994-0000 - Carpet & tile	0.00	600.00	600.00	11,494.10	6,600.00	(4,894.10)	7,200.00
6995-0000 - Draperies and Blinds	0.00	1,000.00	1,000.00	0.00	11,000.00	11,000.00	12,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	6,100.00	6,100.00	24,889.36	32,100.00	7,210.64	18,200.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	2,368.79	64.00	2,304.79	(18,357.59)	6,836.00	(25,193.59)	25,196.00

			Frank B. Peers Capital Improvements Up-Date 11/30/2016								
Task			Date for Bids	Date for Work	Estimated $ Use of Reserves	Estimated $ Use of Operating	Comments	FMCS Role Lead, Assist or None	$ Actual Complete Operations	$ Actual Reserves Spent	Replacment Reserve Request Date
	Window updates			TBD	$ 600,000.00		$4,632 contributed				
	Capital Expenditures			TBD	$ 45,000.00				$ 10,954.00		
	A/C Replacements			TBD	$ 3,000.00				2,706		
	Carpet and tile			TBD	$ 7,200.00				$ 10,967.00		
	Concrete Repairs			TBD							
	Draperies and Blinds			TBD		$ 12,000.00					
	Appliance Replacemet								$ 624.00		
	Windows from Partnership Funds										
	Reserves 2016 Cash Flow										
Reserves Starting January 1, 2016		$ 207,213									
2016 Annual Deposit to Reserves		$ 20,400									
Expected Use of Reserves ($) 2016		$ (10,200)		Total	$ 655,200.00	$ 12,000.00			$ 25,251.00	-	
	IHDA Reserves										
Balance expected at the start of 2017		$ 217,413									

WALNUT PLACE
Balance Sheet
Month Ending 11/30/2016

ASSETS

Current Assets	
1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	12,163.97
1121-0002 - Cash - Srvc Coordinator	693.84
1130-0000 - Tenant/member accounts receivable	20,851.64
1131-0000 - Accounts receivable - subsidy	4,248.00
1240-0000 - Prepaid property and liability insurance	23,634.09
Total Current Assets	62,491.54
Other Assets	
1192-0000 - Tenant Sec Dep	25,257.72
1310-0000 - Real estate tax escrow	152,502.35
1311-0000 - Insurance escrow	11,396.70
1330-0000 - Debt Service Escrow	82,241.37
1140-0000 - Accounts Receivable - Other	540.00
1320 - Replacement Reserve	124,646.26
1340 - Residual Receipt	27,130.83
Total Other Assets	423,715.23
Fixed Assets	
1410-0000 - Land	220,000.00
1420-0000 - Building	2,907,088.00
1420-0001 - Building Improvements	204,681.22
1430-0000 - Land Improvements	321,376.00
1440-0000 - Building Equipment Portable	354,185.56
1450-0000 - Furniture for project/tenant use	447,466.03
1497-0000 - Site improvements	4,550.00
4120-0000 - Accum depr - buildings	(3,656,798.74)
1498-0000 - Current F/A	20,244.36
Total Fixed Assets	822,792.43
Financing Costs	
1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(65,465.51)
Total Financing Costs	109,347.52
Partnership Assets	
1701-0000 - Cash - Partnership	104,811.80
Total Partnership Assets	104,811.80
Total Assets	**1,523,158.52**

WALNUT PLACE
Balance Sheet
Month Ending 11/30/2016

Liabilities & Equity

Current Liabilities	
2110-0000 - Accounts payable	3,391.71
2114-0000 - 401K Payable	0.12
2120-0000 - Accrued wages and p/r taxes payable	5,256.93
2150-0000 - Accrued property taxes	117,576.70
2180-0000 - Misc current liabilities	7,009.70
Total Current Liabilities	133,235.16
Non-Current Liabilities	
2190-0000 - Misc Clearing	303.00
2191-0000 - Security deposits-residential	19,472.00
2191-0001 - Pet Deposit	1,275.00
2210-0000 - Prepaid Rent	1,417.01
2211-0000 - Prepaid HUD	5,250.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	209,107.00
2320-0000 - Mortgage Payable (long term)	1,295,406.87
Total Non-Current Liabilities	4,078,230.88
Owner's Equity	
3100-0000 - Limited Partners Equity	104,382.98
3209-0000 - Prior Year Retained Earnings	(3,052,320.28)
3210-0000 - Retained earnings	237,290.77
Current YTD Earnings	22,339.01
Total Owner's Equity	(2,688,307.52)
Total Liability & Owner Equity	**1,523,158.52**

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 11/30/2016			Year To Date 11/30/2016			Year Ending 12/31/2016
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	21,357.00	24,570.00	(3,213.00)	251,713.00	267,630.00	(15,917.00)	292,200.00
5121-0000 - Tenant assistant payments	69,915.00	67,502.00	2,413.00	740,311.00	726,794.00	13,517.00	794,296.00
5140-0000 - Commercial base rent	192.22	0.00	192.22	192.22	0.00	192.22	0.00
TOTAL RESIDENTIAL RENTAL INCOME	91,464.22	92,072.00	(607.78)	992,216.22	994,424.00	(2,207.78)	1,086,496.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(1,307.00)	1,307.00	(21,295.00)	(14,377.00)	(6,918.00)	(15,684.00)
5221-0000 - Non-Revenue Units	(1,329.00)	(1,325.00)	(4.00)	(14,443.00)	(14,431.00)	(12.00)	(15,756.00)
TOTAL VACANCIES & ADJUSTMENTS	(1,329.00)	(2,632.00)	1,303.00	(35,738.00)	(28,808.00)	(6,930.00)	(31,440.00)
OTHER INCOME							
5910-0000 - Laundry income	787.00	530.00	257.00	2,435.00	3,180.00	(745.00)	3,180.00
5920-0000 - Nsf check fee	0.00	0.00	0.00	25.00	25.00	0.00	25.00
5922-0000 - Late fees	24.00	20.00	4.00	118.00	220.00	(102.00)	240.00
5938-0000 - Cleaning Fee/Turnover	0.00	0.00	0.00	1,725.00	80.00	1,645.00	120.00
5940-0000 - Forfeited Tenant Security Deposits	0.00	0.00	0.00	444.00	0.00	444.00	0.00
5945-0000 - Damages	0.00	10.00	(10.00)	0.00	160.00	(160.00)	180.00
5990-0000 - Misc other income	21.00	0.00	21.00	739.73	150.00	589.73	150.00
5411-0000 - Grant Monies Income	0.00	3,298.00	(3,298.00)	35,005.93	36,278.00	(1,272.07)	39,576.00
5413-0000 - Interest income - escrow	0.00	1.00	(1.00)	548.88	5.00	543.88	5.00
TOTAL OTHER INCOME	832.00	3,859.00	(3,027.00)	41,041.54	40,098.00	943.54	43,476.00
GROSS OPERATING INCOME	90,967.22	93,299.00	(2,331.78)	997,519.76	1,005,714.00	(8,194.24)	1,098,532.00
ADVERTISING & RENTING EXPENSE							
6211-0000 - Marketing/Promotions	0.00	0.00	0.00	623.30	0.00	(623.30)	0.00
6253-0000 - Credit Report Fees	14.00	28.00	14.00	112.00	438.00	326.00	466.00
TOTAL ADVERTISING & RENTING EXPENSE	14.00	28.00	14.00	735.30	438.00	(297.30)	466.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	769.69	425.00	(344.69)	5,289.83	4,675.00	(614.83)	5,100.00
6316-0000 - Office Equipment	155.50	250.00	94.50	2,668.58	2,750.00	81.42	3,000.00
6320-0000 - Management fee	4,813.85	4,559.00	(254.85)	49,917.39	49,725.00	(192.39)	54,284.00
6340-0000 - Legal Expense - Project	0.00	0.00	0.00	3,575.00	2,400.00	(1,175.00)	2,400.00
6350-0000 - Audit Expense	0.00	0.00	0.00	0.00	0.00	0.00	14,000.00
6360-0000 - Telephone	437.44	900.00	462.56	11,938.06	9,900.00	(2,038.06)	10,800.00
6360-0001 - Answering Service/ Pagers	33.00	44.00	11.00	330.00	484.00	154.00	528.00
6365-0000 - Training & Education Expense	12.22	0.00	(12.22)	634.30	0.00	(634.30)	0.00
6370-0000 - Bad debts	0.00	0.00	0.00	55.00	0.00	(55.00)	1,307.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	500.00	2,000.00	1,500.00	2,000.00
6390-0000 - Misc administrative expenses	345.86	200.00	(145.86)	6,637.49	2,040.00	(4,597.49)	2,240.00
6390-0002 - Computer Supplies/Data Processing	200.20	180.00	(20.20)	2,688.34	2,080.00	(608.34)	2,260.00
6395-0000 - Tenant Retention	1,048.28	1,000.00	(48.28)	5,644.68	6,000.00	355.32	7,000.00
6431-0000 - Travel & Expense Reimbursement	202.15	170.00	(32.15)	2,689.51	1,870.00	(819.51)	2,040.00
6851-0000 - Bank Service Fees	0.00	0.00	0.00	4.50	10.00	5.50	10.00
6860-0000 - Security Deposit Interest	(1.03)	(1.00)	0.03	39.35	(3.00)	(42.35)	(4.00)
TOTAL ADMINISTRATIVE EXPENSE	8,017.16	7,727.00	(290.16)	92,612.03	83,931.00	(8,681.03)	106,965.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 11/30/2016			Year To Date 11/30/2016			Year Ending 12/31/2016
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	5,133.69	4,917.00	(216.69)	63,034.51	58,847.00	(4,187.51)	63,764.00
6510-0000 - Janitor and cleaning payroll	1,195.14	1,211.00	15.86	14,777.44	14,461.00	(316.44)	15,672.00
6540-0000 - Repairs payroll	3,998.66	4,398.00	399.34	47,547.47	52,432.00	4,884.53	56,830.00
6900-0000 - Social Service Coordinator	3,512.98	3,298.00	(214.98)	38,214.34	36,278.00	(1,936.34)	39,576.00
6715-0000 - Payroll Taxes	790.12	742.00	(48.12)	11,569.53	11,091.00	(478.53)	11,907.00
6722-0000 - Workers compensation	260.43	411.00	150.57	2,658.71	4,407.00	1,748.29	4,818.00
6723-0000 - Employee Health Ins/Other Benefits	784.41	461.00	(323.41)	6,950.70	5,119.00	(1,831.70)	5,580.00
6724-0000 - Union Benefits	913.55	1,347.00	433.45	14,502.35	14,817.00	314.65	16,164.00
6726-0001 - Contingency	0.00	0.00	0.00	500.00	1,936.00	1,436.00	2,970.00
TOTAL PAYROLL & RELATED COSTS	16,588.98	16,785.00	196.02	199,755.05	199,388.00	(367.05)	217,281.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	321.66	380.00	58.34	4,268.48	4,180.00	(88.48)	4,560.00
6519-0000 - Exterminating Contract	0.00	100.00	100.00	630.00	1,900.00	1,270.00	2,000.00
6525-0000 - Rubbish removal	394.00	360.00	(34.00)	4,371.50	3,960.00	(411.50)	4,320.00
6530-0000 - Security Contract	0.00	0.00	0.00	249.08	243.00	(6.08)	324.00
TOTAL OPERATING EXPENSES	715.66	840.00	124.34	9,519.06	10,283.00	763.94	11,204.00
UTILITIES							
6450-0000 - Electricity	809.72	1,300.00	490.28	13,276.76	14,300.00	1,023.24	15,600.00
6451-0000 - Water	1,686.31	625.00	(1,061.31)	8,316.43	6,875.00	(1,441.43)	7,500.00
6452-0000 - Gas	1,382.30	1,475.00	92.70	16,473.66	16,225.00	(248.66)	17,700.00
TOTAL UTILITIES	3,878.33	3,400.00	(478.33)	38,066.85	37,400.00	(666.85)	40,800.00
MAINTENANCE EXPENSES							
6537-0000 - Grounds Contractor (Landscaper)	700.00	700.00	0.00	10,060.00	8,800.00	(1,260.00)	8,800.00
6541-0000 - Repair materials (general supplies)	26.17	60.00	33.83	257.96	660.00	402.04	720.00
6541-0001 - Appliance Parts	44.11	35.00	(9.11)	682.30	385.00	(297.30)	420.00
6541-0002 - Plumbing Supplies	143.08	110.00	(33.08)	548.68	1,210.00	661.32	1,320.00
6541-0003 - Electrical Supplies	0.00	75.00	75.00	500.97	825.00	324.03	900.00
6541-0004 - Heating/Cooling Supplies	253.93	50.00	(203.93)	253.93	550.00	296.07	600.00
6541-0005 - Hand Tools	(8.98)	0.00	8.98	0.00	0.00	0.00	0.00
6541-0007 - Safety Equipment	0.00	60.00	60.00	0.00	660.00	660.00	720.00
6541-0008 - Flooring/Tile Supplies (i.e.VCT)	0.00	35.00	35.00	0.00	385.00	385.00	420.00
6541-0009 - Window Supplies	0.00	125.00	125.00	0.00	1,375.00	1,375.00	1,500.00
6541-0010 - Carpentry/Hardware	76.76	70.00	(6.76)	903.84	770.00	(133.84)	840.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	1,260.78	655.00	(605.78)	3,474.64	2,630.00	(844.64)	2,630.00
6546-0000 - Heating/Cooling Contractor	661.00	500.00	(161.00)	5,516.00	5,500.00	(16.00)	6,000.00
6548-0000 - Snow removal	0.00	0.00	0.00	3,650.00	11,000.00	7,350.00	12,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	300.00	300.00	0.00	3,300.00	3,300.00	3,600.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	850.00	850.00	12,675.00	9,350.00	(3,325.00)	10,200.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	0.00	0.00	0.00	2,000.00	2,000.00	2,000.00
6564-0001 - Painting Supplies	0.00	75.00	75.00	0.00	825.00	825.00	900.00
6581-0000 - Window Washing	0.00	850.00	850.00	0.00	2,130.00	2,130.00	2,130.00
6582-0000 - Fire Protection	834.69	150.00	(684.69)	3,953.00	1,650.00	(2,303.00)	1,800.00
6582-0001 - Fire Safety Equipment	0.00	0.00	0.00	0.00	120.00	120.00	120.00
6591-0000 - Electrical Repairs	0.00	120.00	120.00	2,380.16	1,320.00	(1,060.16)	1,440.00
6592-0000 - Boiler Repairs	0.00	100.00	100.00	517.00	1,100.00	583.00	1,200.00
6594-0000 - Carpentry Repairs	1,120.50	85.00	(1,035.50)	2,226.23	935.00	(1,291.23)	1,020.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 11/30/2016			Year To Date 11/30/2016			Year Ending 12/31/2016
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6595-0000 - Plumbing Repairs	0.00	475.00	475.00	10,520.54	5,225.00	(5,295.54)	5,700.00
6596-0000 - Floor Repairs/Cleaning	0.00	600.00	600.00	1,484.00	600.00	(884.00)	600.00
6598-0000 - Roof Repairs	0.00	167.00	167.00	2,350.00	1,837.00	(513.00)	2,004.00
TOTAL MAINTENANCE EXPENSES	5,112.04	6,247.00	1,134.96	61,954.25	65,142.00	3,187.75	69,584.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	12,735.00	12,735.00	0.00	96,140.05	140,085.00	43,944.95	152,820.00
6720-0000 - Property and liability insurance	2,954.26	2,802.00	(152.26)	30,494.03	29,884.00	(610.03)	32,686.00
TOTAL TAXES AND INSURANCE	15,689.26	15,537.00	(152.26)	126,634.08	169,969.00	43,334.92	185,506.00
TOTAL OPERATING EXPENSES	50,015.43	50,564.00	548.57	529,276.62	566,551.00	37,274.38	631,806.00
NET OPERATING INCOME (LOSS)	40,951.79	42,735.00	(1,783.21)	468,243.14	439,163.00	29,080.14	466,726.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	18,619.67	18,620.00	0.33	208,680.29	208,860.00	179.71	227,408.00
TOTAL FINANCIAL EXPENSES	18,619.67	18,620.00	0.33	208,680.29	208,860.00	179.71	227,408.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	22,332.12	24,115.00	(1,782.88)	259,562.85	230,303.00	29,259.85	239,318.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	6.89	0.00	6.89	76.93	0.00	76.93	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(10.00)	0.00	(10.00)	0.00
Total Partnership Activity	6.89	0.00	6.89	66.93	0.00	66.93	0.00
NET INCOME (LOSS)	22,339.01	24,115.00	(1,775.99)	259,629.78	230,303.00	29,326.78	239,318.00
Cash Flow - Financing Activities							
7104-0000 - Replacement Reserve	1,833.00	1,833.00	0.00	20,163.56	20,166.00	2.44	22,000.00
7108-0000 - Mortgage Payable (long term)	14,867.28	14,867.00	(0.28)	159,676.16	159,676.00	(0.16)	174,615.00
Total Cash Flow - Financing Activities	16,700.28	16,700.00	(0.28)	179,839.72	179,842.00	2.28	196,615.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	(5,000.00)	0.00	5,000.00	0.00
6991-0000 - Capital expenditures	0.00	0.00	0.00	11,370.06	8,000.00	(3,370.06)	8,000.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	1,129.00	3,000.00	1,871.00	3,000.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	2,905.60	3,600.00	694.40	3,600.00
6994-0000 - Carpet & tile	0.00	1,200.00	1,200.00	4,839.70	13,200.00	8,360.30	14,400.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	1,200.00	1,200.00	15,244.36	27,800.00	12,555.64	29,000.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	5,638.73	6,215.00	(576.27)	64,545.70	22,661.00	41,884.70	13,703.00

			Walnut Place Capital Improvements Up-Date 11/30/2016								
	Task		Date for Bids	Date for Work	Estimated $ Use of Reserves	Estimated $ Use of Operating	Comments	FMCS Role Lead, Assist or None	$ Actual Operating Spent	$ Actual Reserves Spent	Replacment Reserve Request Date
	Appliance Replacement			TBD	$ 3,000.00				$ 505.00		
	A/C Replacements			TBD	$ 3,500.00				$ 3,529.00		
	Carpet and tile-unit turnover			TBD	$ 14,400.00				$ 2,818.00		
	Other			TBD	$ 8,000.00						
	Capital Expenditures								$ 11,370.00	replacement of two compressors	
	Reserves 2016 Cash Flow										
Reserves Starting January 2016		$ 106,168									
2015 Annual Escrow Deposit		$ 22,008									
Expected Use of Reserves $ in 2016		$ (28,900)		Total	28,900	-			$ 18,222.00	-	
Balance expected at start of 2017		$ 99,276									

RAVINIA HOUSING
Balance Sheet
Month Ending 11/30/2016

ASSETS

Current Assets	
1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	10,282.52
1130-0000 - Tenant/member accounts receivable	23,375.45
1130-1000 - Allowance for Doubtful Accounts	(19,948.30)
1131-0000 - Accounts receivable - subsidy	2,212.00
1240-0000 - Prepaid property and liability insurance	8,679.42
1250-0000 - Prepaid Mortgage Insurance	431.31
Total Current Assets	25,182.40
Other Assets	
1192-0000 - Tenant Sec Dep	7,576.26
1310-0000 - Real estate tax escrow	7,625.07
1311-0000 - Insurance escrow	5,608.02
1312-0000 - Mortgage Insurance Escrow	1,294.03
1320 - Replacement Reserve	369,962.46
Total Other Assets	392,065.84
Fixed Assets	
1420-0000 - Building	1,062,791.20
1420-0001 - Building Improvements	200,692.41
1430-0000 - Land Improvements	355,339.84
1450-0000 - Furniture for project/tenant use	297,692.93
1497-0000 - Site improvements	193,982.00
4120-0000 - Accum depr - buildings	(1,444,352.46)
1498-0000 - Current F/A	19,293.41
Total Fixed Assets	685,439.33
Financing Costs	
1900-0001 - Deferred Financing Costs	62,658.71
1999-0000 - Accum Amort - Bond Costs	(8,182.30)
Total Financing Costs	54,476.41
Partnership Assets	
1701-0000 - Cash - Partnership	85,030.90
1702-1000 - Partnership F/A	62,063.00
1703-0000 - Partnership Receivable	11,730.00
Total Partnership Assets	158,823.90
Total Assets	**1,315,987.88**

RAVINIA HOUSING
Balance Sheet
Month Ending 11/30/2016

Liabilities & Equity

Current Liabilities	
2110-0000 - Accounts payable	16,229.28
2114-0000 - 401K Payable	30.36
2120-0000 - Accrued wages and p/r taxes payable	1,433.69
2130-0000 - Accrued interest - mortgage	(2.54)
2131-0001 - Accrued Interest - 2nd Note	57,553.59
2139-0001 - Accrued Interest - Capital Recovery Payment	15,253.00
2150-0000 - Accrued property taxes	27,177.16
2180-0000 - Misc current liabilities	2,799.17
2180-1000 - Prepaid Insurance Claim	1,528.51
Total Current Liabilities	122,002.22
Non-Current Liabilities	
2190-0000 - Misc Clearing	247.00
2191-0000 - Security deposits-residential	7,323.19
2210-0000 - Prepaid Rent	1,117.00
2211-0000 - Prepaid HUD	4,403.00
2310-1000 - Notes Payable - (Long Term)	62,062.71
2320-1000 - Mortgage payable - 2nd note	712,929.63
2320-0000 - Mortgage Payable (long term)	381,717.35
Total Non-Current Liabilities	1,169,799.88
Owner's Equity	
3100-0000 - Limited Partners Equity	98,828.78
3209-0000 - Prior Year Retained Earnings	(116,848.75)
3210-0000 - Retained earnings	52,264.64
Current YTD Earnings	(10,058.89)
Total Owner's Equity	24,185.78
Total Liability & Owner Equity	**1,315,987.88**

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 11/30/2016			Year To Date 11/30/2016			Year Ending 12/31/2016
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	6,990.00	8,745.00	(1,755.00)	66,435.00	95,455.00	(29,020.00)	104,200.00
5121-0000 - Tenant assistant payments	15,880.00	14,386.00	1,494.00	184,792.00	156,570.00	28,222.00	170,956.00
TOTAL RESIDENTIAL RENTAL INCOME	22,870.00	23,131.00	(261.00)	251,227.00	252,025.00	(798.00)	275,156.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(132.00)	(700.00)	568.00	(559.00)	(7,700.00)	7,141.00	(8,400.00)
TOTAL VACANCIES & ADJUSTMENTS	(132.00)	(700.00)	568.00	(559.00)	(7,700.00)	7,141.00	(8,400.00)
OTHER INCOME							
5920-0000 - Nsf check fee	0.00	0.00	0.00	0.00	50.00	(50.00)	50.00
5922-0000 - Late fees	15.00	20.00	(5.00)	247.00	270.00	(23.00)	300.00
5938-0000 - Cleaning Fee/Turnover	0.00	0.00	0.00	50.00	0.00	50.00	0.00
5945-0000 - Damages	0.00	30.00	(30.00)	0.00	330.00	(330.00)	360.00
5990-0000 - Misc other income	0.00	0.00	0.00	101.00	0.00	101.00	0.00
5413-0000 - Interest income - escrow	9.38	24.00	(14.62)	124.87	264.00	(139.13)	288.00
TOTAL OTHER INCOME	24.38	74.00	(49.62)	522.87	914.00	(391.13)	998.00
GROSS OPERATING INCOME	22,762.38	22,505.00	257.38	251,190.87	245,239.00	5,951.87	267,754.00
ADVERTISING & RENTING EXPENSE							
6211-0000 - Marketing/Promotions	0.00	0.00	0.00	282.90	0.00	(282.90)	0.00
6250-0000 - Renting expenses	0.00	53.00	53.00	14.00	583.00	569.00	636.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	53.00	53.00	296.90	583.00	286.10	636.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	713.25	275.00	(438.25)	7,987.00	3,025.00	(4,962.00)	3,300.00
6320-0000 - Management fee	915.19	900.00	(15.19)	9,680.78	9,900.00	219.22	10,800.00
6320-0970 - Asset Management Fee	0.00	0.00	0.00	3,022.36	0.00	(3,022.36)	0.00
6340-0000 - Legal Expense - Project	0.00	525.00	525.00	3,000.00	5,775.00	2,775.00	6,300.00
6350-0000 - Audit Expense	0.00	460.00	460.00	5,500.00	5,060.00	(440.00)	5,520.00
6365-0000 - Training & Education Expense	3.34	15.00	11.66	172.99	165.00	(7.99)	180.00
6370-0000 - Bad debts	0.00	250.00	250.00	0.00	2,750.00	2,750.00	3,000.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	0.00	2,000.00	2,000.00	2,000.00
6390-0000 - Misc administrative expenses	527.91	100.00	(427.91)	4,713.63	1,640.00	(3,073.63)	1,740.00
6390-0002 - Computer Supplies/Data Processing	89.65	81.00	(8.65)	1,054.70	891.00	(163.70)	972.00
6860-0000 - Security Deposit Interest	(0.18)	0.00	0.18	(1.86)	0.00	1.86	0.00
TOTAL ADMINISTRATIVE EXPENSE	2,249.16	2,606.00	356.84	35,129.60	31,206.00	(3,923.60)	33,812.00
PAYROLL & RELATED COSTS							
6330-0000 - Manager Salary	526.14	600.00	73.86	6,313.68	7,200.00	886.32	7,836.00
6310-0000 - Office salaries	873.93	741.00	(132.93)	11,198.27	8,939.00	(2,259.27)	9,698.00
6510-0000 - Janitor and cleaning payroll	1,416.49	1,249.00	(167.49)	16,956.09	14,859.00	(2,097.09)	16,186.00
6540-0000 - Repairs payroll	0.00	0.00	0.00	313.00	0.00	(313.00)	0.00
6715-0000 - Payroll Taxes	215.48	177.00	(38.48)	3,173.23	2,609.00	(564.23)	2,798.00
6722-0000 - Workers compensation	71.02	130.00	58.98	451.12	1,388.00	936.88	1,518.00
6723-0000 - Employee Health Ins/Other Benefits	213.95	143.00	(70.95)	1,806.59	1,599.00	(207.59)	1,742.00
6724-0000 - Union Benefits	249.13	244.00	(5.13)	3,955.03	2,684.00	(1,271.03)	2,928.00

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 11/30/2016			Year To Date 11/30/2016			Year Ending 12/31/2016
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
TOTAL PAYROLL & RELATED COSTS	3,566.14	3,284.00	(282.14)	44,167.01	39,278.00	(4,889.01)	42,706.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	191.16	114.00	(77.16)	2,949.15	1,254.00	(1,695.15)	1,368.00
6520-0000 - Miscellaneous Repair Contractors	17,885.87	3,100.00	(14,785.87)	67,596.01	34,100.00	(33,496.01)	37,200.00
6525-0000 - Rubbish removal	393.00	500.00	107.00	4,398.00	5,500.00	1,102.00	6,000.00
TOTAL OPERATING EXPENSES	18,470.03	3,714.00	(14,756.03)	74,943.16	40,854.00	(34,089.16)	44,568.00
UTILITIES							
6450-0000 - Electricity	256.04	240.00	(16.04)	2,542.31	2,640.00	97.69	2,880.00
6451-0000 - Water	33.30	97.00	63.70	627.24	1,067.00	439.76	1,164.00
6452-0000 - Gas	79.38	167.00	87.62	116.61	1,837.00	1,720.39	2,004.00
TOTAL UTILITIES	368.72	504.00	135.28	3,286.16	5,544.00	2,257.84	6,048.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	4,220.00	4,220.00	0.00	8,850.55	46,420.00	37,569.45	50,640.00
6720-0000 - Property and liability insurance	1,084.93	1,043.00	(41.93)	11,575.49	11,123.00	(452.49)	12,166.00
TOTAL TAXES AND INSURANCE	5,304.93	5,263.00	(41.93)	20,426.04	57,543.00	37,116.96	62,806.00
TOTAL OPERATING EXPENSES	29,958.98	15,424.00	(14,534.98)	178,248.87	175,008.00	(3,240.87)	190,576.00
NET OPERATING INCOME (LOSS)	(7,196.60)	7,081.00	(14,277.60)	72,942.00	70,231.00	2,711.00	77,178.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	2,916.71	2,917.00	0.29	32,221.77	32,222.00	0.23	35,136.00
6850-0000 - Mortgage Service Fee	143.77	154.00	10.23	1,587.39	1,680.00	92.61	1,834.00
TOTAL FINANCIAL EXPENSES	3,060.48	3,071.00	10.52	33,809.16	33,902.00	92.84	36,970.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(10,257.08)	4,010.00	(14,267.08)	39,132.84	36,329.00	2,803.84	40,208.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	5.59	0.00	5.59	3,082.91	0.00	3,082.91	0.00
8010-0000 - Other Entity Expense	192.60	0.00	192.60	(10.00)	0.00	(10.00)	0.00
Total Partnership Activity	198.19	0.00	198.19	3,072.91	0.00	3,072.91	0.00
NET INCOME (LOSS)	(10,058.89)	4,010.00	(14,068.89)	42,205.75	36,329.00	5,876.75	40,208.00
Cash Flow - Financing Activities							
7104-0000 - Replacement Reserve	1,366.87	1,435.00	68.13	15,220.07	15,513.00	292.93	16,948.00
7108-0000 - Mortgage Payable (long term)	676.36	676.00	(0.36)	7,302.56	7,302.00	(0.56)	7,981.00
Total Cash Flow - Financing Activities	2,043.23	2,111.00	67.77	22,522.63	22,815.00	292.37	24,929.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	(1,250.00)	(1,250.00)	(32,801.08)	(12,750.00)	20,051.08	(14,000.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	14,516.95	0.00	(14,516.95)	0.00
6993-0000 - Appliance Replacement	1,038.00	250.00	(788.00)	4,776.46	1,750.00	(3,026.46)	2,000.00
6994-0000 - Carpet & tile	0.00	1,000.00	1,000.00	0.00	11,000.00	11,000.00	12,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	1,038.00	0.00	(1,038.00)	(13,507.67)	0.00	13,507.67	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(13,140.12)	1,899.00	(15,039.12)	33,190.79	13,514.00	19,676.79	15,279.00

			Ravinia Housing Capital Improvements 11/30/2016									
	Task		Date for Work	$ Use of R&R	$ Use of Constructi	$ Use of Operating	Comments	FMCS Role Lead, Assist or None	Date Complete	$ Actual Complete Operations	$ Actual Reserves Spent	Replacment Reserve Request Date
	Appliance Replacement		TBD	$ 2,000.00						$ 4,727.00		
	Carpet and Tile Replacement		TBD	$ 12,000.00								
	Capital Expenditures									$ 14,517.00		$32,801.00
	Reserves Cash Flow											
Reserves Starting January 1, 2016		$ 388,799										
2016 Annual Deposit		$ 16,404										
Use of Reserves in FY 2016		$ (14,000)	TOTAL	14,000	-	-			TOTAL	$ 19,244.00	-	
Balance expected January 1, 2017		$ 391,203										

	Highland Park Housing Commission - Cash Fund Balances as of 11/30/16					
	Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods Association		
Management Funds:				12 Rental Units	2 Rental Units	Total
Checking	23,919.00	12,164.00	10,282.00	87,928.00	44,072.00	132,000.00
				3,818.00		
Security Deposit	22,866.00	25,258.00	7,576.00	10,615.00	2,232.00	12,847.00
Replacement Reserve	224,886.00	124,646.00	369,962.00	-		
Residual Receipts	17,531.00	27,130.00	-	-		
Operating Reserve	-	-	-	9,215.00		9,215.00
Construction Escrow			16.00			
Total Management Funds	289,202.00	189,198.00	387,836.00	111,576.00	46,304.00	154,062.00
Association Funds:						
Assn Money Mkt Ckg		104,812.00	85,031.00	105,202.00		105,202.00
Assn MaxSafe Money Market	103,635.00					
Assn Small Business Ckg	45,068.00			11,524.00		11,524.00
Association CDs						
CD # 1- matures 1/7/2017	508,914.00					
CD # 2 - matures 10/7/2016	508,824.00					
Total Association Funds	1,166,441.00	104,812.00	85,031.00	116,726.00		116,726.00
Total Mgmt & Assn Funds	1,455,643.00	294,010.00	472,867.00	228,302.00	46,304.00	270,788.00
Association Receivables (Liability)						
1) Due from Hsg. Trst. Fd 277 GB	7,492.00					
2) Due from Hsg. Trst Fd. Emerg.	689.00					
3) Due from Sunset Woods / (Due to Peers)	258,832.00			(258,832.00)		

Sunset Woods Housing 12
Balance Sheet
November 30, 2016

ASSETS

Current Assets		
FBHP General Checking	$ 87,928.08	
FBHP Security Dep. Savings	10,615.74	
FBHP Savings	9,214.70	
Tax Reserve	3,818.10	
Accounts Receivable	912.00	
A/R, Transfers	20.00	
Total Current Assets		112,508.62
Property and Equipment		
Building	1,552,988.40	
Appliances	474.17	
Accum Dep Building	(341,105.14)	
Total Property and Equipment		1,212,357.43
Other Assets		
Total Other Assets		0.00
Total Assets		$ 1,324,866.05

LIABILITIES AND CAPITAL

Current Liabilities		
Accrued RE Tax	$ 12,784.40	
Security Deposits	9,505.00	
Total Current Liabilities		22,289.40
Long-Term Liabilities		
Notes Payable, Lake Co	72,231.18	
Notes Payable, FBHP	407,252.16	
Notes Payable, IHDA	135,819.60	
Total Long-Term Liabilities		615,302.94
Total Liabilities		637,592.34
Capital		
Equity-Retained Earnings	659,758.91	
Net Income	27,514.80	
Total Capital		687,273.71
Total Liabilities & Capital		$ 1,324,866.05

Sunset Woods Housing 12
Income Statement
Compared with Budget
For the Eleven Months Ending November 30, 2016

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	$ 10,696.00	$ 8,924.33	1,771.67	$ 110,042.93	$ 98,167.63	11,875.30
Late & NSF Fees	26.00	0.00	26.00	63.00	0.00	63.00
Misc. Income	0.00	0.00	0.00	341.00	0.00	341.00
Interest Income	0.00	0.00	0.00	52.02	0.00	52.02
Vacancy	0.00	0.00	0.00	(154.93)	0.00	(154.93)
Total Revenues	10,722.00	8,924.33	1,797.67	110,344.02	98,167.63	12,176.39
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	10,722.00	8,924.33	1,797.67	110,344.02	98,167.63	12,176.39
Expenses						
Office Supplies	0.00	10.00	(10.00)	314.09	92.00	222.09
Management Fee	637.20	580.08	57.12	7,213.95	6,380.88	833.07
Credit Ck Fees	0.00	4.00	(4.00)	20.95	44.00	(23.05)
Government Fees	0.00	96.00	(96.00)	0.00	1,054.00	(1,054.00)
Software/Data Processing	27.12	0.00	27.12	286.99	0.00	286.99
Carpet Cleaning	0.00	83.00	(83.00)	0.00	917.00	(917.00)
Heating & Air	0.00	42.00	(42.00)	1,266.00	458.00	808.00
Electrical & Plumbing Maint	52.50	42.00	10.50	392.50	458.00	(65.50)
Painting & Decorating	0.00	100.00	(100.00)	530.00	1,100.00	(570.00)
Appliance Repairs	0.00	66.67	(66.67)	0.00	733.37	(733.37)
Supplies	120.47	66.67	53.80	2,400.75	733.37	1,667.38
Carpet	0.00	0.00	0.00	855.10	0.00	855.10
Refridgerators	298.00	0.00	298.00	298.00	0.00	298.00
Maintenance	0.00	100.00	(100.00)	(455.27)	1,100.00	(1,555.27)
Electricity	0.00	0.00	0.00	287.95	0.00	287.95
Condo Assessment Rental Units	2,756.40	2,564.00	192.40	32,565.90	28,204.00	4,361.90
Cable TV	600.00	540.00	60.00	5,400.00	5,940.00	(540.00)
Real Estate tax expense	0.00	1,167.00	(1,167.00)	11,462.04	12,833.00	(1,370.96)
Loan Interest	1,619.51	2,500.00	(880.49)	17,313.27	27,500.00	(10,186.73)
Bldg Insurance	2,677.00	217.00	2,460.00	2,677.00	2,383.00	294.00
Total Expenses	8,788.20	8,178.42	609.78	82,829.22	89,930.62	(7,101.40)
Net Income	$ 1,933.80	$ 745.91	1,187.89	$ 27,514.80	$ 8,237.01	19,277.79

Sunset Woods Housing 12

Account Register

For the Period From Nov 1, 2016 to Nov 30, 2016

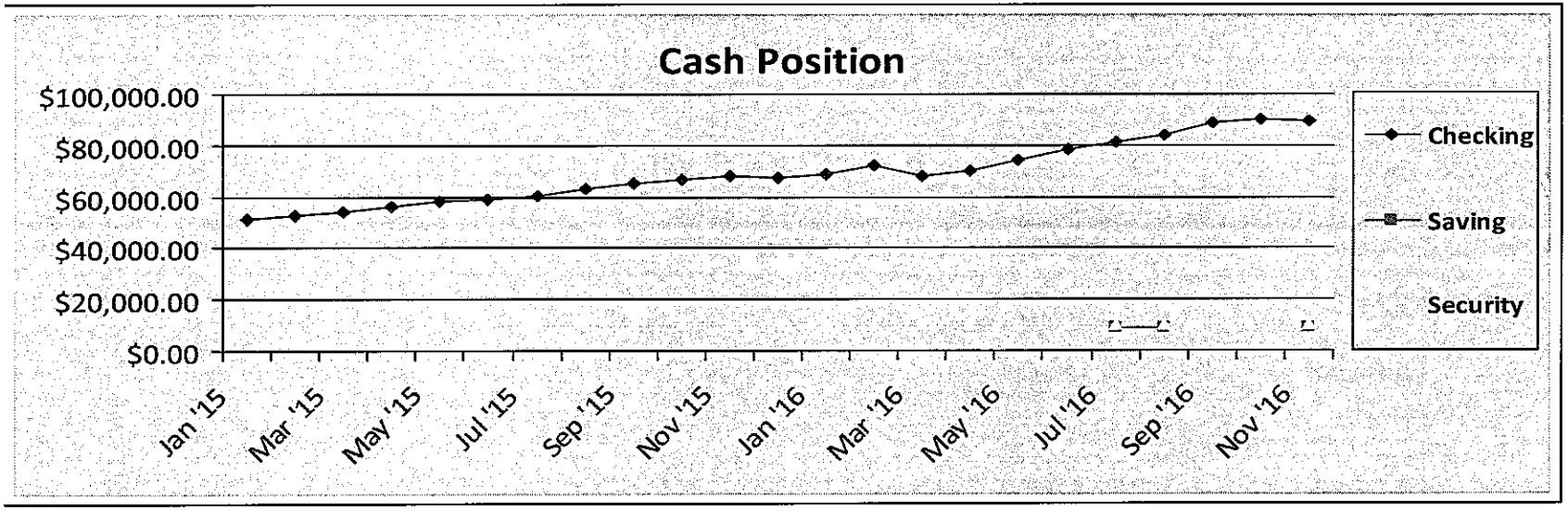
1103M13 - FBHP General Checking

Filter Criteria includes: Report order is by Date.

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			87,675.77
11/1/16	HAPPD1611	Other	HAPPD1611	3,615.00		91,290.77
11/1/16	IHDA1611	Other	ihda/auto pymt		100.00	91,190.77
11/3/16	Sunset Rent 11.3.16	Other	Sunset Rent 11.3.16	2,370.00		93,560.77
11/9/16	1723	Withdrawal	NFP		2,677.00	90,883.77
11/10/16	RP1611	Other	rent - tiersky, nacsa	610.00		91,493.77
11/10/16	Sunset Rent 11.9.16	Other	Sunset Rent 11.9.16	2,551.00		94,044.77
11/16/16	1724	Withdrawal	Housing Opportunity Dev. Corp.		1,055.67	92,989.10
11/17/16	Onesite1611	Other	Onesite Fees		27.12	92,961.98
11/20/16	1725	Withdrawal	Sunset Woods Condominium Assoc		3,356.40	89,605.58
11/22/16	1726	Withdrawal	At Your Service Maintenance, L		52.50	89,553.08
11/26/16	loan16	Other	FBHP/auto pymt		3,201.00	86,352.08
11/30/16	Sunset Rent 11.30.16	Other	Sunset Rent 11.30.16	1,576.00		87,928.08
			Total	10,722.00	10,469.69	

Sunset Woods November 30, 2016

Ending balance checking	$89,761
Ending balance Security Deposits	$10,619
Ending Balance Savings	$9,217
TOTAL	$109,597



Sunset Woods
RENT ROLL DETAIL
12/8/2016 2:33:04 PM
As of Date: 11/30/2016
Parameters: Property - ALL; Unit Designation - ALL; Subjournal - ALL; Sort By - Unit; Display - Market +

Unit	Floor Plan	Move-In	Dep On Hand	Total Charges	RENT	SUBRENT
1-103	1BR x 1BA	09/01/2013	1104.00	854.00	343.00	511.00
1-112	1BR x 1BA	04/08/2016	471.00	685.00	685.00	0.00
1-203	1BR x 1BA	10/15/2002	785.00	664.00	232.00	432.00
1-212	1BR x 1BA	06/01/2006	835.00	854.00	444.00	410.00
1-214	1BR x 1BA	01/01/2013	850.00	854.00	284.00	570.00
1-216	1BR x 1BA	10/15/2002	785.00	664.00	349.00	315.00
1-237	2BR x 2BA	09/01/2002	750.00	880.00	880.00	0.00
1-303	1BR x 1BA	01/01/2013	785.00	1576.00	1576.00	0.00
1-312	1BR x 1BA	04/01/2010	800.00	854.00	213.00	641.00
1-314	1BR x 1BA	06/10/2011	866.00	664.00	427.00	237.00
1-316	1BR x 1BA	07/01/2009	800.00	665.00	166.00	499.00
1-337	2BR x 2BA	01/01/2013	690.00	880.00	880.00	0.00
TOTAL			9,521.00	10,094.00	6,479.00	3,615.00

SWA 2 Rental
Balance Sheet
November 30, 2016

ASSETS

Current Assets			
FBHP Checking	$ 44,071.83		
FBHP Security Dep Savings	2,232.08		
Financing Costs	8,135.00		
Total Current Assets			54,438.91
Property and Equipment			
Building Unit 231	135,000.32		
Building Unit 319	134,999.62		
Accum Dep Building	(56,850.86)		
Accum Amort Fees	(678.00)		
Total Property and Equipment			212,471.08
Other Assets			
Total Other Assets			0.00
Total Assets			$ 266,909.99

LIABILITIES AND CAPITAL

Current Liabilities			
Due to Peers Housing Assn	$ 258,832.40		
Accrued RE Tax	6,434.84		
Security Deposits	2,123.00		
Total Current Liabilities			267,390.24
Long-Term Liabilities			
Total Long-Term Liabilities			0.00
Total Liabilities			267,390.24
Capital			
Equity-Retained Earnings	(7,565.50)		
Net Income	7,085.25		
Total Capital			(480.25)
Total Liabilities & Capital			$ 266,909.99

SWA 2 Rental
Income Statement
Compared with Budget
For the Eleven Months Ending November 30, 2016

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	$ 2,199.00	$ 1,911.00	288.00	$ 23,973.00	$ 21,017.00	2,956.00
Interest Income	0.00	0.00	0.00	2.80	0.00	2.80
Total Revenues	2,199.00	1,911.00	288.00	23,975.80	21,017.00	2,958.80
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	2,199.00	1,911.00	288.00	23,975.80	21,017.00	2,958.80
Expenses						
Office Supplies	0.00	4.00	(4.00)	0.00	45.00	(45.00)
Management Fee	213.02	125.00	88.02	1,831.56	1,365.00	466.56
Software/Data Processing	4.52	0.00	4.52	44.36	0.00	44.36
Heating & Air	0.00	42.00	(42.00)	291.50	458.00	(166.50)
Supplies	0.23	9.00	(8.77)	81.28	91.00	(9.72)
Maintenance	0.00	42.00	(42.00)	0.00	458.00	(458.00)
Condo Asst Rental Units	672.74	626.00	46.74	7,560.17	6,886.00	674.17
Cable TV	100.00	90.00	10.00	1,000.00	990.00	10.00
Real Estate tax expense	0.00	566.66	(566.66)	6,079.68	6,233.34	(153.66)
Bank Service Charges	0.00	0.00	0.00	2.00	0.00	2.00
Bldg Insurance	0.00	34.00	(34.00)	0.00	366.00	(366.00)
Total Expenses	990.51	1,538.66	(548.15)	16,890.55	16,892.34	(1.79)
Net Income	$ 1,208.49	$ 372.34	836.15	$ 7,085.25	$ 4,124.66	2,960.59

SWA 2 Rental

Account Register

For the Period From Nov 1, 2016 to Nov 30, 2016

1103M14 - FBHP Checking

Filter Criteria includes: Report order is by Date.

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			42,863.34
11/16/16	1200	Withdrawal	Housing Opportunity Developmen		213.25	42,650.09
11/17/16	Onesite1611	Other	Onesite Fees		4.52	42,645.57
11/27/16	1201	Withdrawal	Sunset Woods Condominium Assoc		772.74	41,872.83
11/30/16	SWA Rent 11.30.16	Other	SWA Rent 11.30.16	2,199.00		44,071.83
			Total	2,199.00	990.51	

Sunset Woods Rental
RENT ROLL DETAIL
12/8/2016 2:44:01 PM
As of Date: 11/30/2016
Parameters: Property - ALL; Unit Designation - ALL; Subjournal - ALL; Sort By - Unit; Display -

Unit	Floor Plan	Move-In	Dep On Hand	Balance	Total Charges	RENT
1-231	2BR x 2BA	08/01/2011	1033.00	-1079.00	1079.00	1079.00
1-319	2BR x 2BA	05/01/2011	1090.00	-1120.00	1120.00	1120.00
TOTAL			2,123.00		2,199.00	2,199.00

Later, Charmain

From: roserusso@hodc.org
Sent: Monday, December 12, 2016 11:42 AM
To: Later, Charmain
Subject: carpet cleaning
Attachments: Duraclean invoice.pdf

In 2015, Highland Park paid for the carpets to be cleaned for those who wanted it. There were 10 who initially asked for it. I am attaching the invoice. I called Duraclean this morning and they said they would keep the prices the same. $125 for the 1BR and $185 for the 2 BR. It would seem spring time would be the best time to do this-after the snow and salt and slush season. So maybe next April? I would contact everyone about a month prior to see who wants it done.

Rose

Rose Russo, HCCP, SHCM, C14P
Asset Management Supervisor
Housing Opportunity Development Corporation
P.O. Box 480
Techny, IL 60082
Phone: 847-564-2900 Fax: 847-564-2992
www.hodc.org

Duraclean®

220 Campus Drive
Arlington Heights, IL 60004
800.862.5326
Fax: 847.704.7101

Service Slip / Invoice

INVOICE: 21891
DATE: 06/08/15
ORDER: 21891

Bill-To: [108305]
Housing Opportunity Dev. Corp.
Melanie William
Po Box 480
2001 Waukegan Rd
Techny, IL 60082-0480

Work Location: [110315] 847-564-2900
Housing Opportunity Development
Melanie Williams
891 Central Ave
Highland Park, IL 60035-5627

Work Date	Time	Technician	Time In
06/05/15	08:45 AM		

Purchase Order	Terms	Last Service	Map Code	Time Out
	DUE UPON RECEIPT	06/05/15		

Quantity	Item	Description	Price	Total
1	CRPT	Clean Carpet - Apt. 212 - 1 Bedroom	$125.0000	$125.00
1	CRPT	Clean Carpet - Apt. 231 - 2 Bedroom – SW A	$185.0000	$185.00
1	CRPT	Clean Carpet - Apt. 237 - 1 Bedroom	$125.0000	$125.00
1	CRPT	Clean Carpet - Apt. 312 - 1 Bedroom	$125.0000	$125.00
1	CRPT	Clean Carpet - Apt. 314 - 1 Bedroom	$125.0000	$125.00
1	CRPT	Clean Carpet - Apt. 316 - 1 Bedroom	$125.0000	$125.00
1	CRPT	Clean Carpet - Apt. 337 - 1 Bedroom	$125.0000	$125.00

Apt. 103, 216 & 303 not done.

SUBTOTAL	$935.00
TAX	$0.00
TOTAL	$935.00
AMT. PAID	$0.00
BALANCE	~~$935.00~~ 750.

* Charges outstanding over 30 days from the date of service are subject to a FINANCE CHARGE. The annual percentage rate is 18.0%. Customer agrees to pay accrued expenses in the event of collection.

I hereby acknowledge the satisfactory completion of all services rendered, and agree to pay the cost of services as specified above.

X _____
CUSTOMER SIGNATURE

PLEASE PAY FROM THIS INVOICE

December 9, 2016

Charmain Later, Senior Planner
Sunset Woods Association
Community Development Department
1150 Half Day Road
Highland Park, IL 60035

RE: 2016, 2017, 2018, and 2019 Audit and Tax Return for Sunset Woods Association

Dear Charmain:

We are pleased to confirm our understanding of the services we are to provide for Sunset Woods Association (the "Organization") for the years ENDING December 31, 2016, 20 17, 2018, and 20 19 (the "Engagement Years").

Audit

We will audit the financial statements of the Organization, which consists of the statement of financial position as of the end of each of the Engagement Years, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the notes to the financial statements, which will we will create, if necessary.

Audit Objective

The objective of our audit is the expression of an opinion about whether the Organization's financial statements are fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles ("GAAP"). Our audit will be conducted in accordance with the GAAS. We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the board of directors of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with senior management of the Organization in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures – General

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill the Organization for responding to this inquiry. At the conclusion of our audit, we will require senior management of the Organization to make written representations about the financial statements and related matters. These representations from senior management of the Organization are in the form of a

letter attesting to the completeness and truthfulness of the Organization's financial statements and the representations and disclosures the Organization made to us during the course of our work. The Organization agrees that we will rely upon these representations in conducting our engagement and that false representations could cause us to expend unnecessary efforts or could cause a material error or a fraud to go undetected by our procedures. In view of the foregoing, the Organization agrees that we shall not be responsible for any misstatements in the Organization's financial statements that we may fail to detect as a result of the senior management's or the Organization's knowing misrepresentations to us.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by senior management of the Organization, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

We will not perform a detailed examination of all transactions. Due to the inherent limitations of an audit, combined with the inherent limitations of internal control, there is a risk that material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of the Organization of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the Engagement Period and does not extend to any prior or later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to the senior management of the Organization, and those charged with governance, internal control related matters that came to our attention that are required to be communicated under professional standards.

Tax

We will also prepare the federal and state income tax returns for the Organization for each of the Engagement Years, from information that the Organization will furnish to us. Our fees are based on the understanding that the Organization will provide us with all the necessary workpapers and schedules to prepare the tax returns. These schedules include, but are not limited to, financial

statements and other supporting documentation as necessary. The Organization is responsible for overseeing the tax services and any other nonattest services we provide by designating an individual from the Organization's senior management with suitable skill, knowledge, and experience. The Organization is also responsible for evaluating the adequacy and results of these services and accepting responsibility for them. The Organization is also responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

This letter agreement does not include the preparation of the Organization's tax returns for any states other than the Organization's state of domicile. Our fee for preparation of Organization tax returns for states other than the domiciliary state is $500 per return.

This letter agreement does not include any tax-related services other than for the entity's federal and state income tax filing requirements for each of the Engagement Years. Any other tax compliance requirements, including without limitation payroll taxes, sales and use taxes, personal or real property tax statements, benefit plan filings, employment-related reporting and/or any federal, state or local tax or regulatory filing requirement, for which we have not explicitly agreed to assist the Organization in this letter agreement, must first be agreed upon in a separate, mutually executed written agreement. We have no obligation to provide such services unless and until there is a mutually executed letter agreement. We do not offer nor provide any investment advice under any circumstances.

We will use our judgment in resolving questions where tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by the Organization, we will resolve such questions in the Organization's favor whenever possible, provided the position meets the substantial authority standard of Treasury Department Circular 230. Prior to filing all tax returns, the Organization accepts responsibility for reviewing and understanding the outcome of these tax matters and assumes full responsibility for the conclusions.

Unless we are otherwise advised by the Organization, all travel, entertainment, gifts, and related expenses (if any) are supported by the necessary documentation and record-keeping requirements under Section 274 of the Internal Revenue Code. If the Organization has any questions as to the type of records required, please ask us for advice in that regard. The Organization agrees that it will furnish us with all the information required for preparing the returns.

Subject to any applicable statute of limitations, the taxing authority with which a tax return is filed may select it for examination. If the Organization's return is selected for examination, the Organization must provide any documents, schedules and other items that support or substantiate the information on the return. The Organization is responsible for maintaining copies of such support until the applicable statute of limitations has expired. By the Organization's signature below, the Organization agrees and acknowledge we do not have any responsibility with regard to such state or federal tax examination and that this letter agreement does not constitute an engagement to assist or represent the Organization during a tax return examination. If the Organization's return is selected for examination and the Organization wants to engage us to assist and represent the Organization, we would only do so under the terms and fee arrangements of a separate mutually executed letter agreement.

The law provides for a penalty to be imposed when a taxpayer makes a substantial understatement of its liability. For partnerships and individual taxpayers, a substantial understatement exists when the understatement for the year exceeds the greater of 10 percent of the tax required to be shown on the return or $5,000. The penalty is 20 percent of the tax underpayment. Taxpayers other than "tax shelters" may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) that the relevant facts affecting the item's tax treatment were adequately disclosed on the return. A taxpayer is considered a "tax shelter" if its principal purpose is to avoid federal income tax. Because a partnership is an entity whose tax attributes flow through to its partners, the penalty for substantial understatement of tax relating to partnership items may be imposed on the partners. The Organization agrees to advise us if it desires that disclosure be made in the Organization's returns or if it wants us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is "substantial authority" for the position proposed to be taken on such issues in the Organization's returns.

The Organization has the ultimate responsibility for the contents of the income tax returns being filed and, therefore, it should review them carefully before signing them. The Organization agrees that we are not responsible for ensuring that the Organization is in compliance with all federal and state tax laws. We would be pleased to provide the Organization with other services upon the Organization's request, subject to a separate written letter agreement.

Management Responsibilities

The Organization is responsible for the preparation of the financial statements and supplementary information in accordance with GAAP. The Organization agrees to include our report on the financial statements and supplementary information in any document that contains, and indicates that we have reported on, the financial statements or supplementary information. The Organization also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. The Organization is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in accordance with GAAP.

The Organization must provide all financial records and related information to us and the Organization is responsible for the accuracy and completeness of that information. The Organization must provide us with access to all information that is relevant to the preparation and fair presentation of the financial statements. The Organization must also provide us any additional information that we may request for the purpose of the audit and unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence.

The Organization has engaged us to assemble its financial statements, including the calculation of depreciation (hereinafter collectively referred to as "Assistive Services"). The Organization remains responsible for related management decisions and functions, and for designating a competent employee to oversee such Assistive Services. The Organization is responsible for evaluating the adequacy and results of the Assistive Services performed and accepting

responsibility for the results of the Assistive Services. The Organization also agrees to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

The Organization's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We are not responsible for ensuring that the Organization employ adequate staff possessed with sufficient knowledge and employ proper procedures to maintain proper accounting, management and other business systems, practices and policies or telling the Organization how to properly run the Organization.

The Organization is responsible for establishing and maintaining internal controls, including the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving management and also for any employees who have significant roles in internal control. In addition, the Organization must inform us of any fraud by anyone where the fraud could have a material effect on the financial statements. The Organization's responsibilities include informing us of the Organization's knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators or others. In addition, the Organization is responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

Engagement Administration and Other

We understand that the Organization's employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

The Organization have informed us that its audited financial statements are due by April 1, 2017, and the Organization's tax returns are due by April 1, 2017. In order for us to meet those deadlines we need to receive the Organization's final trial balance and provided-by-client schedules by February 1, 2017. We consider a final trial balance to be a trial balance that includes all prior and current year-end adjusting and closing entries. If there are more than two client-proposed entries to the final trial balance, then we will not consider that to be a final trial balance; in circumstances resulting in substantial changes to the trial balance being discovered during the course of the audit, we cannot ensure that the reports will be issued by the aforementioned due dates. In addition, failure to provide the proper documentation or support for testing when requested may further delay delivery of the reports by the aforementioned due dates. Attachment A details the documentation we will need to complete our procedures.

Based on our testing, we may have further questions or require additional information. Our ability to complete the engagement by the aforementioned due dates is contingent upon the Organization's timely cooperation with such follow-up requests.

We will provide copies of our reports to the Organization, and management is responsible for further distribution of the reports and the financial statements.

Our audit engagement, for each Engagement Year, ends on delivery of an approved audit report for such Engagement Year. Our audit engagement does not include general consulting and advisory services ("Consulting Services"), other than as set forth in this letter agreement. The terms and conditions of any Consulting Services or follow-up services other than as described in this letter agreement must be mutually agreed upon in a separate written agreement.

Expected Fees

Our fee for the audit and tax returns is as listed in Attachment A to this letter agreement. Our fee is based on anticipated cooperation from the Organization's personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If additional time and effort is necessary to obtain documentation required by applicable professional standards ("Unanticipated Services"), we will notify the Organization with a revised fee quote and not perform additional work until the Organization have given us its written authorization to proceed. The Organization agrees and acknowledges that it may be necessary for us to disengage prior to completion of this engagement if we cannot satisfy our professional standards without performing Unanticipated Services that the Organization declines to approve. The Organization will also be billed for travel, approved in advance by the management of the Organization. If we are compelled to respond to a subpoena or other enforceable order for document production, deposition or other testimony related to this engagement, the Organization agrees to pay us for all time at our standard hourly rates and out-of-pocket costs we incur in complying with such requirements. The preceding sentence shall apply regardless of how much time has elapsed since we completed our engagement, and regardless of whether the Organization is the party compelling us to produce documents or appear for testimony.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation and must be paid before our work product is delivered. After 30 days, a late charge will be imposed on unpaid fees at a rate of 10% per annum, assessed monthly based on 0.83% of the account's balance of past due invoices. Work may be suspended if the Organization's account is not paid and will not be resumed until the Organization's account is paid in full. If we elect to terminate our services for nonpayment, nonapproval of Unanticipated Services or because our professional standards require disengagement, our engagement will be deemed to have been completed upon notification of termination, even if we have not completed our report. The Organization will be obligated to compensate us for all time expended, and to reimburse us for all out-of- pocket expenditures through the date of termination.

Commented [A1]: Does mean the current engagement or the fees earned later if accountant has to go to court?

Unless otherwise prohibited by law or regulation, the maximum amount of damages the Organization may receive as a result of any determination that some or all of the services we performed under this and/or other letter agreements between us and the Organization were deficient, or for breach of contract, nonfeasance or negligence, shall be the fees paid to us for the disputed services. Similarly, the maximum amount of damages the Organization can receive related to services the Organization assert or believe we were required to perform, but which we did not perform, shall be the fees paid to us for said non-performed services. The Organization and

we agree that, because of the difficulty of determining and/or quantifying damages for breach of this agreement or for our negligence, said amount shall constitute liquidated damages for any claims the Organization may assert arising from or related to this agreement. In no event shall we be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to the Organization or to any third party (including without limitation, lost profits, opportunity costs, etc.).

Commented [A2]: This limitation is not something to which we have to agree. Note it also absolves them for their own negligence.

The working papers prepared in conjunction with this engagement are our property, constitute confidential information and will be retained by us in accordance with our policies and procedures in accordance with applicable regulatory requirements. The Organization must maintain its own copy of documents provided to, or received from, us during the course of this engagement. The preceding sentence shall apply even if we have established a "client portal" within which the Organization has the ability to upload, download or reference certain documents related to the services we have provided to the Organization. Please note that documents on our client portal are generally purged automatically within a year of being posted to the portal, although certain archival copies of final deliverables may be retained for longer periods of time at our sole discretion.

Before providing us with any documents that contain credit card or individuals' social security numbers, please first mask or redact such numbers. If the Organization chooses to send any type of confidential information to us electronically, we strongly recommend that the Organization use the secure transmission and/or client portal features of our ShareFile system, or the Organization may useits own encrypted email service if the Organization prefers. Our ShareFile service can be found at https://novoco.sharefile.com/. The signature block of our emails contains a link that will allow the Organization to easily send documents to one of our personnel. If the Organization chooses to electronically send us confidential information by any unsecure means, including without limitation unencrypted email, the Organization agrees to bear all risks and damages that may result if the communication is intercepted.

Any facsimile, Internet or other e-mail communication is tentative and preliminary and any work product is not final until received in signed form. As such, the Organization agrees not to act upon any information received in a facsimile, Internet or other e-mail communication until, and unless, the Organization receives such information in signed form. The Organization agrees to obtain our written permission before providing copies of the work product from this engagement to third parties. If the Organization fails to obtain such permission from us, the Organization agrees to reimburse us for any costs and expenses we may incur as a result of the Organization's provision of the work product to one or more third parties.

Some of the services described in this letter agreement may be provided by partners of an affiliate controlled by Novogradac & Company LLP. We believe this letter agreement accurately summarizes the significant terms of our engagement. If the Organization has any questions, please let us know. If the Organization agrees with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us so that we may begin work on this engagement. If we do not receive this executed engagement letter (and any required retainer) in our office within thirty days of the date of this letter, our offer to perform these professional services is automatically withdrawn. If we do agree in writing to extend the timeframe for execution of this letter agreement,

Commented [A3]: What is this??

Commented [A4R3]: Richard,
Can you get clarification on this? Who exactly will be preparing the audit?

please be aware that late initiation of the engagement will affect the timeframe for delivery of draft and final work products. We appreciate the opportunity to be of service to the Organization.

Very truly yours,
NOVOGRADAC & COMPANY LLP

_____
Dirk A. Wallace (Dec 9, 2016)

by:

Dirk A. Wallace

RESPONSE:

This letter correctly sets forth the Organization's understanding for services to be provided, and the undersigned is authorized to bind the Organization:

Accepted by:
Sunset Woods Association

By: _____
Charles Adler, President

Date: _____

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Audit and Tax Fee Schedule
Attachment A
2016

Year	Total	Audit	Tax
2016	$7,300	$5,800	$1,500
2017	$7,500	$5,950	$1,550
2018	$7,750	$6,150	$1,600
2019	$7,950	$6,300	$1,650

November 28, 2016

To Ravinia Housing Association:

Ford & Company LLP is pleased to confirm our understanding of the services we are to provide for Ravinia Housing Association ("Association") for the year ended December 31, 2016. We will audit the financial statements of the Association, which comprise the statement(s) of financial position as of December 31, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, if any. Also, the schedule of expenditures of federal awards and the supplementary information accompanying the financial statements ("Supplementary Information"), required by the U.S. Department of Housing and Urban Development ("HUD")'s *Uniform Financial Reporting Standards for HUD Housing Programs*, will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures. These procedures include comparing and reconciling the Supplementary Information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America ("GAAS") and we will provide an opinion on the Supplementary Information in relation to the financial statements as a whole, [in a separate written report accompanying our auditor's report on the financial statements (the "Auditor's Report") OR in a report combined with our auditor's report on the financial statements (the "Auditor's Report")].

Commented [A1]: Client must decide which it is before executing the letter agreement.

AUDIT OBJECTIVES

The objective of our audit is the expression of an opinion about whether the Association's financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles ("GAAP") and to report on the fairness of the Supplementary Information when considered in relation to the financial statements as a whole (the "Supplementary Information Report"). The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the

#49027905_v2

"Supplementary Information Report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. The Supplementary Information Report on internal control over compliance will include a paragraph that states that the purpose of such report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both the *Government Auditing Standards* and Uniform Guidance will state that the Supplementary Information Report is not suitable for any other purpose.

Our audit will be conducted in accordance with the GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to Ravinia Housing Association. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion on the financial statements or the single audit compliance opinions are other than unmodified, we will discuss the reasons with the Association in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

AUDIT PROCEDURES-GENERAL

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management of the Association, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Association or to acts by management or employees acting on behalf of the Association. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with the GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of

management of the Association of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of cash, receivables, loan balances, and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from the Association's attorneys as part of the engagement, and they may bill the Association for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from the Association about the Association's responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS.

AUDIT PROCEDURES- INTERNAL CONTROL

Our audit will include obtaining an understanding of the Association and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our Supplementary Information Report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to the Association, and those charged with governance, internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

AUDIT PROCEDURES- COMPLIANCE

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Association's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the Association has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Association's major programs. The purpose of these procedures will be to express an opinion on the Association's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

OTHER SERVICES

We will prepare the entity's federal and state information returns for the year ended December 31, 2016, based on information provided by the Association. We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Association in conformity with GAAP and the Uniform Guidance, and the supplementary information required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, based on information provided by the Association. These nonaudit services do not constitute an audit under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise the Association's management with regard to tax positions taken in the preparation of the tax return, but the Association's management must make all decisions with regard to those matters.

MANAGEMENT RESPONSIBILITIES

The Association's Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. The Association's management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. The Association is also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, the supplementary

information required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, and related notes in conformity with GAAP; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements).

The Association's management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. The Association is also responsible for providing us with (1) access to all information of which the Association is aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the Association from whom we determine are necessary to obtain audit evidence.

The Association's responsibilities also include identifying any significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information. The Association's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The Association is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Association involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. The Association's responsibilities include informing us of the knowledge of the Association's management of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees, granters, regulators, or others. In addition, the Association is responsible for identifying and ensuring that the Association complies with applicable laws, regulations, contracts, agreements, and grants. The Association's Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provision of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is the responsibility of the Association's management to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified; including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review no later than sixteen (16) days prior to it being due.

The Association is responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. The Association will include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we reported on the schedule of expenditures of federal awards. The Association will include the audited financial

statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. The Association's responsibilities include acknowledging to us in the representation letter that (1) the Association is responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) the Association believes the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) the Association has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Commented [A2]: Another client decision.

The Association is also responsible for the preparation of the Supplementary Information, which we have been engaged to report on, in conformity with GAAP. The Association will include our Supplementary Information Report on the Supplementary Information in any document that contains, and indicates that we have reported on, the Supplementary Information . The Association will also [include the audited financial statements with any presentation of the Supplementary Information that includes our the Supplementary Information Report OR make the audited financial statements readily available for users of the Supplementary Information no later than the date the Supplementary Information is issued with the Supplementary Information Report]. The Association's responsibilities include acknowledging to us in the Association's Management representation letter that (1) the Association is responsible for presentation of the Supplementary Information in accordance with GAAP; (2) the Association believes the Supplementary Information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) the Association has disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the Supplementary Information.

Commented [A3]: Same as the decision on page 1

The Association's management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The Association's management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter agreement. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. The Association is also responsible for providing its management's views on our current findings, conclusions, and recommendations, as well as the Association's planned corrective actions for the report, and for the timing and format for providing that information.

The Association's Management is also responsible for ensuring that the electronic submission of required financial and compliance data to HUD's Real Estate Assessment Center ("REAC") is complete, accurate, and timely, in accordance with the Association's regulatory and contractual obligations to HUD. Performance of the agree-upon procedure required by HUD relating to the

electronic submission of the Association's financial information will be addressed in a separate letter agreement and is subject to a separate fee.

The Association will assume all management responsibilities relating to the tax services, financial statements, schedule of expenditures of federal awards, other supplementary information, and related notes, and any other nonaudit services we provide. The Association will be required to acknowledge in the management representation letter the tax services provided and our assistance with preparation of the financial statements, schedule of expenditures of federal awards, other supplementary information, and related notes, and that the Association has evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, schedule of expenditures of federal awards, other supplementary information, and related notes prior to their issuance and have accepted responsibility for them. Further, the Association will oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for overseeing such services.

ENGAGEMENT ADMINISTRATION, FEES, AND OTHER

We may from time to time, and depending on the circumstances, use third-party service providers in serving the Association's account. We may share confidential information about the Association with these service providers, but remain committed to maintaining the confidentiality and security of the Association's information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of the Association's personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of the Association's information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of the Association's confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, the Association will be asked to provide its consent prior to the sharing of its confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Commented [A4]: Is the client ok with this?

We understand that the Association's employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is the Association management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate the electronic submission and certification with the Association. If applicable, we will provide copies of our report for the Association to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of thirty (30) calendar days after receipt of the auditors' reports or nine (9) months after the end of the audit period.

We will provide copies of our reports to the Association; however, its management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation,

or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Ford & Company, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate Ford & Company, LLP employees will be made available upon request and in a timely manner to the Secretary of Housing and Urban Development or designee, the HUD Inspector General, the U.S. Government Accountability Office, or their representatives for purposes of a quality review of the audit covered by this Letter Agreement, to resolve audit findings, or to carry out oversight responsibilities. We will notify the Association of any such request. If requested, access to such audit documentation will be provided under the supervision of Ford & Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation (hardcopy or electronic) to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of six (6) years after the report release date or for any additional period requested by HUD. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Robert Ford is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately February 1, 2017 and to complete the Association's information returns and issue our reports no later than the due dates.

Our fees for these services will be $4,700 for the audit and services other than the preparation of information returns, and $1,000 for the information returns. The Association will also be billed for travel approved in advance in writing by senior management of the Association and other out-of-pocket costs such as report production, word processing, postage, etc. Additional expenses are estimated to be $100. The fee is based on anticipated cooperation from the Association's personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with senior management of the Association and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if the Association's account becomes ninety (90) days or more overdue and will not be resumed until the Association's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. The Association will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to be of service to the Association and believe this letter agreement accurately summarizes the significant terms of our engagement. If the Association has any questions, please let us know. If it agrees with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

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Very truly yours,

Ford & Company, LLP

RESPONSE:

This letter correctly sets forth the understanding of Ravinia Housing Association

Management signature: _____
Title: _____
Date: _____

#49027905_v2

November 28, 2016

To Ravinia Housing Association,

We are pleased to confirm our understanding of the services we are to provide for Ravinia Housing Association ("Association").

We will apply the agreed-upon procedure which the U.S. Department of Housing and Urban Development ("HUD"), Real Estate Assessment Center ("REAC"), has specified, listed in the attached schedule, to the electronic submission and related hard copy documents listed in the attached schedule on the last page of this letter agreement, as of and for the year ended December 31, 2016. This engagement is solely to assist the Association and HUD, REAC, in determining whether electronic submission of certain information agrees with the related hard copy documents included within the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) reporting package. Our engagement to apply the agreed-upon procedure will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedure described in the attached schedule either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedure, we will describe any restrictions on the performance of the procedure in our report, or we will not issue a report as a result of this engagement.

We will submit a report listing the procedure performed and our findings. This report is intended solely for the use of the Association and the HUD, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Our report will include a statement indicating that we have not performed any additional auditing procedures after the date of our reports on the audited financial statements and supplemental information, including a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to HUD, REAC.

The Association is responsible for establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. The Association is also responsible for the presentation of the electronic submission and related hard copy documents listed in the schedule attached as the page of this letter agreement as of and for the year ended December 31, 2016 in accordance with the agreed-upon procedure which HUD, REAC, has specified, listed in the attached schedule; and for

selecting the criteria and determining that such criteria are appropriate for purposes of the Association.

The Association will assume all management responsibilities relating to any nonattest services we provide. Further, the Association will oversee the nonattest services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for such services.

The Association will retain a copy of the Uniform Guidance reporting package in its entirety.

The attest documentation for this engagement is the property of Ford & Company, LLP and constitutes confidential information. However, we may be requested to make certain attest documentation available to the Secretary of Housing and Urban Development or designee, the HUD Inspector General, or the U.S. Government Accountability Office or their representatives, pursuant to authority given to them by law or regulation. We will notify the Association of any such request. If requested, access to such attest documentation will be provided under the supervision of Ford & Company, LLP personnel. Furthermore, upon request, we may provide copies of selected attest documentation to HUD or the Government Accountability Office representatives. HUD and the Government Accountability Office may decide to distribute the copies or information contained therein to others, including other governmental agencies.

Robert Ford is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We plan to begin the engagement on approximately February 1, 2017 and, unless unforeseeable problems are encountered, the engagement should be completed by the due date. At the conclusion of our engagement, we will require a representation letter from the Association's management that, among other things, will confirm its responsibility for the presentation of the electronic submission and the financial statements and supplemental information included in the OMB Circular A-133 reporting package.

Our fees for these services will be included in the overall audit invoice amount, covered by a separate letter agreement of even date herewith and is subject to the terms thereof related to payment of fees and invoices.

We appreciate the opportunity to be of service to the Association and believe this letter accurately summarizes the significant terms of our engagement related to the HUD, REAC matter. If the Association has any questions, please let us know. If the Association agrees with the terms of our engagement as described in this letter agreement, please sign the enclosed copy and return it to us. If the need for additional procedures arises, this letter agreement with the Association will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter agreement. If additional specified users of the report are added, we will require that they acknowledge in writing their responsibility for the sufficiency of the procedure.

Very truly yours,

Ford & Company, LLP

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RESPONSE:

This letter correctly sets forth the understanding of Ravinia Housing Association

Management signature: _____
Title: _____
Date: _____

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1) Compare the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column as shown in the chart below.

UFRS Rule Information	Hard Copy Document(s)
Balance Sheet, Revenue and Expense and Cash Flow Data (account numbers 1120 to 7100T and the S1200 series)	Supplementary Schedules with Financial Statement Data
Surplus Cash (S1300 series of accounts)	Computation of Surplus Cash, Distributions and Residual Receipts (Annual)
Footnotes (S3100 series of accounts)	Notes to the audited Financial Statements
Type of Opinion on the Financial Statements and Auditor Reports (S3400, S3500 and S3600 series of accounts)	Auditor's Reports on the Financial Statements, Compliance, and Internal Control
Type of Opinion on Supplemental Data (account S3400-100)	Auditor's Report on Supplementary Information
Audit Findings Narrative (S3800 series of accounts)	Schedule of Findings and Questioned Costs
General Information (S3300, S3700 and S3800 series of accounts)	Schedule of Findings and Questioned Costs and OMB Data Collection Form

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Mayer Hoffman McCann P.C.
An Independent CPA Firm

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Main: 312.602.6800 ▪ Fax: 312.602.6950 ▪ www.mhmcpa.com

December 8, 2016

Mr. Tom Koranda
Chief Financial Officer
Evergreen Real Estate Services
566 West Lake Street, Suite 400
Chicago, IL 60661

Dear Tom:

Mayer Hoffman McCann P.C. ("Firm") is pleased to confirm the arrangements of our engagement and the nature of the services we will provide the Peers Housing Association (the "Association") regarding Frank B. Peers Senior Housing (the "Project"). This Engagement Letter, which incorporates the attached Terms and Conditions, constitutes the entire agreement between the parties with respect to our performance of the professional services described herein.

ENGAGEMENT OBJECTIVES

We will audit the following financial statements of the Project as of December 31, 2016 and for the year then ended (the "Audit Year"), and the related notes to the financial statements:

1. Statements of financial position
2. Statements of activities
3. Statements of cash flows

Also, the schedule of expenditures of federal awards (the "Schedule") and the supplementary financial information (the "Supplementary Information") required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs* and audit Guidelines for Mortgagors of Multi-Family Housing Developments (the "IHDA Guidelines") will be subjected to the auditing procedures applied in our 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, in accordance with auditing standards generally accepted in the United States of America ("US GAAS"), and we will provide an opinion on it in relation to the financial statements as a whole.

OUR RESPONSIBILITIES

The objective of our audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and to report on the fairness of the Supplementary Information when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal controls related to the financial statements and compliance with the provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards.*

- Internal controls related to major programs and an opinion (or disclaimer of opinion) on compliance with the provision of laws, regulations, contracts, and grant agreements that could have a direct and material effect on each major program in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

The reports on internal control and compliance will each include a statement that the report is solely to describe (1) the scope and 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 internal control over financial reporting or on compliance (2) the scope of testing internal control over compliance for major programs and major program compliance and the results of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and Uniform Guidance in considering internal control over compliance and major program compliance, and (4) that the report is not suitable for any other purpose.

Audit

Our audit will be conducted in accordance with US GAAS, the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the provisions of Uniform Guidance. Our audit will include tests of the accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion on the financial statements or the Single Audit compliance opinion is other than unmodified, we will discuss the reasons with the management of the Association in advance of rendering such opinion. If, for any reason, we are unable to complete the audit, or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts (e.g., direct confirmation of cash, receivables, loan balances and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions, etc.). This may include the use of project or group based sampling, where applicable. We may also request written representations from the Association's attorney, regarding the Project, as part of the engagement and they may bill the Association or the Project for responding to this inquiry.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management of the Association as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriations of assets, or violations of laws or governmental regulations that are attributable to the Project or to acts by the management or employees of the Association on behalf of the Project.

As required by Uniform Guidance, our audit will include tests of transactions related to major federal award programs for compliance with applicable laws and regulations and the provisions of contracts and agreements. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal controls, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or to major programs. We will inform the appropriate level of management of the Association and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of the Association and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit under Office of Management and Budget ("OMB") requirements. Our responsibility as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Internal Control

Our audit will include obtaining an understanding of the Project and its environment, including internal controls sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect

on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

As required by Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Uniform Guidance.

An audit is not designed to provide assurance on internal controls or to identify control deficiencies. However, we will inform management of the Association and those charged with governance of internal control related matters that are required to be communicated under professional standards.

Compliance
As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Project's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

As required by Uniform Guidance and Illinois Housing Development Authority ("IHDA") Guidelines, we will plan and perform the audit to obtain reasonable assurance about whether the Project has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB *Compliance Supplement* and Uniform Guidance and IHDA Guidelines, as applicable, for the types of compliance requirements that could have a direct and material effect on each of the Project's major programs. The purpose of these procedures will be to express an opinion on the Project's compliance with the requirements applicable to each of its major programs in our report on compliance issued pursuant to Uniform Guidance.

The services described above do not relieve management of the Association or those charged with governance of their responsibilities.

THOSE CHARGED WITH GOVERNANCE
The preparation and presentation of the financial statements of the Project are the responsibility of management with oversight from those charged with governance. Those charged with governance are also responsible for overseeing the strategic direction of the Project and any obligations related to its accountability, resolving disagreements between the Association's management and us regarding financial reporting, appointing us to perform the services described above and informing us about all known or suspected fraud involving the Project. In turn, we will provide those charged with any communications required by the professional standards described above.

RESPONSIBILITIES OF THE ASSOCIATION'S MANAGEMENT

The Association's management is responsible for all management decisions and performing all management functions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee these services, any bookkeeping services, tax services, or other services we or our associated company CBIZ MHM, LLC provides. The Association's management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

The Association's management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. The Association's management is also responsible for providing us with (a) access to all information they are aware of that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the engagement described in this Engagement Letter, and (c) unrestricted access to persons within the Association from whom we determine it necessary to obtain information.

The Association's management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities, for the selection and application of accounting principles, for the safeguarding of assets, and for the preparation and fair presentation of the financial statements in conformity with US GAAP even though we may assist the Association's management with their preparation. Accordingly, the Association's management may be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that the Association's management has reviewed and approved the financial statements and related notes prior to their issuance and has accepted responsibility for them.

The Association's management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the Association's management's representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The Association's management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Project involving (a) its management, (b) its employees who have significant roles in internal controls, and (c) others where the fraud could have a material effect on the financial statements. The Association's management is also responsible for informing us of any known allegations of fraud or suspected fraud affecting the Project received in communications from employees, former employees, grantors, regulators, or others. In addition, the Association's management is also responsible for identifying and ensuring that the Project complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

The Association's management is responsible for the preparation of the Supplementary Information in conformity with the basis described previously in this Engagement Letter. The Association will include our report on the Supplementary Information in any document that contains, and indicates that we have reported on, the Supplementary Information. The Association will also include the audited financial statements with any presentation of the Supplementary Information that includes our report thereon.

During the course of our engagement, we will request information and explanations from the Association's Management regarding the Project. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that the Association's Management provide certain representations in a written representation letter. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from the Association's Management. In view of the foregoing, the Association will release our firm and its shareholders and other personnel from any liability and costs relating to our services under this Engagement Letter resulting from false or misleading representations made to us by any member of the Association's management.

The Association's management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. The Association's management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other related studies. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. The Association's management is responsible for providing its views on our current findings, conclusions, and recommendations, as well as its planned corrective actions for the report, and for the timing and format for providing that information.

OTHER SERVICES

Data Collection Form

We will complete the appropriate sections of the Data Collection Form, upload a PDF version of the Single Audit financial statements, perform the online auditor certification, submit this information to the Federal Clearinghouse, and notify the Association's Management once this is complete. The Association will receive notification via email from the Federal Audit Clearinghouse to certify the Data Collection Form is complete and accurate. We will provide copies of our reports to the Association; however, it is Association's responsibility to electronically certify the Data Collection Form using the new system at the Federal Audit Clearinghouse. The Data Collection Form and the reporting package must be electronically certified within the earlier of thirty (30) days after receipt of our reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency.

The Association must obtain our written consent before including its financial statements and our

report in an offering or other document, or otherwise distributing our report or referencing our Firm in connection on with an offering. The Association will provide reasonable notice to allow sufficient time for us to perform certain additional procedures. The Association will also provide us with a copy of the final reproduced material for our approval before it is distributed. Our fees for such services are included within those discussed elsewhere in this Engagement Letter.

As a result of our prior or future services, we might be requested to provide information or documents to the Association or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to the Project or the Association as a separate engagement. We shall be entitled to compensation for our time and reimbursement for our reasonable expenses (including legal fees) in complying with the request. For all requests, we will observe the confidentiality requirements of our profession and of the Terms and Conditions attached to this Engagement Letter and will notify the Association's Management promptly of the request.

Our relationship is strictly confidential. For that reason, it is our policy that we will not release any information to a third party either from our files or from material temporarily in our care without first obtaining the consent of the Association. We are permitted to provide CBIZ MHM, LLC with access to the Project's accounting, financial and other records we maintain so CBIZ MHM, LLC can provide the Association with tax, advisory and consulting services it has engaged CBIZ MHM, LLC to perform.

ENGAGEMENT FEES

We estimate that our fees for the services previously outlined in this Engagement Letter will be $12,300.

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services. Our fees include expenses in connection with these services, such as for travel, copies and printing, postage, etc.

Additionally, our fees are dependent on the availability, quality and completeness of the Project's records and, where applicable, upon the Association's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work. (e.g., Association employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with the Association's Management and arrive at a new fee estimate as soon as reasonably practicable and if agreed to by the Association. In addition, fees for any related projects, such as proposed business combinations or research and/or consultation on special business or financial

issues, will be billed separately from the fee referred to above and will be subject to separate arrangements.

We consider telephone calls and meetings on accounting and reporting matters to be an integral part of the engagement and no additional fees are charged for these services. If, however, there is a significant transaction or new accounting issue that requires us to spend a substantial amount of time that was not anticipated in our fees, there may be additional billings.

The fee estimate above assumes no adjustments will be necessary for routine accounting entries normally made before the beginning of the engagement. If, for any reason, we are asked to assist in the preparation of these entries, before beginning this service, we will provide an estimate of the time required to perform such services and the additional fees to be billed.

Invoices will be submitted as the work progresses and a final invoice will be submitted upon completion of the services. Invoices are payable upon receipt. If our invoices for this, or any other engagements the Association may have with us, are not paid within thirty (30) days after receipt by the Association, we may suspend or terminate our services for this or any other engagements. In the event our work is suspended or terminated as a result of nonpayment, the Association agrees we will not be responsible for any consequences.

For administrative convenience, the fees for our services will be invoiced through CBIZ MHM, LLC. If properly submitted invoices are not paid within thirty (30) days after receipt by the Association, a late charge may accrue at the lesser of (i) 1% per month or (ii) the highest rate allowable by law.

OTHER ENGAGEMENT MATTERS

This Engagement Letter and the attached Terms and Conditions set forth the rights and responsibilities of the parties with respect to the services to be provided. The Terms and Conditions are an integral part of this Engagement Letter. This engagement is being undertaken solely for the benefit of the Project and the Association and no other person shall be entitled to enforce the terms of this Engagement Letter.

These services are being provided under the American Institute of Certified Public Accountants ("AICPA") and the Government Accountability Office ("GAO") independence standards. If the Project becomes subject to Public Company Accounting Oversight Board ("PCAOB") and Securities and Exchange Commission ("SEC") independence standards, those standards will need to be followed. As a result, certain non-attest services that would not impair our independence under the AICPA standards may have impaired our past or may impair our future independence under the PCAOB and SEC standards.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of the Firm.

The audit documentation for this engagement is the property of the Firm and constitutes confidential information. However, pursuant to authority given to the Firm by law or regulation, it may be requested, to make certain audit documentation or any other documents needed to review the audit (hardcopy or electronic) available to IHDA, the Secretary of HUD, the HUD Inspector General and the GAO or their representatives (collectively, the "Requestors"). The Firm will notify the Association's Management of such request. Access to such audit documentation will be provided to the Requestors in our office under the supervision of the Firm's personnel. Furthermore, upon request, we may provide copies of selected audit documentation (hardcopy or electronic) workpapers to IHDA, HUD and GAO representatives, which may decide to distribute the copies or information contained therein to others, including other governmental agencies.

The undersigned is the engagement shareholder responsible for supervising the engagement and signing the report.

We appreciate the opportunity to provide these services and believe this Engagement Letter accurately summarizes the significant terms of our engagement. Please sign the enclosed copy of this Engagement Letter and return it to us.

Very truly yours,

Mayer Hoffman McCann P.C.

David M. Barrash
Shareholder
DMB:djc

Frank B Peers Senior Housing

For Owner:	For Management Company:
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Mayer Hoffman McCann P.C.
Engagement Letter
Terms and Conditions

A. Services. These Terms and Conditions and the engagement letter (the "Engagement Letter") to which these Terms and Conditions are attached (these Terms and Conditions, the Engagement Letter are collectively referred to as the "Agreement") constitute the entire agreement between the entity identified in the Engagement Letter (the "Client" or "you") and Mayer Hoffman McCann P.C. ("MHM"), regarding the services described in the Engagement Letter ("Services"). MHM's acceptance of this engagement is conditioned on confirming that it is independent under applicable standards. You will be informed promptly if MHM determines it is not independent.

B. Ownership. Client shall own the copyright in all written material originated and prepared for and delivered to the Client under this Agreement. However, MHM's workpapers, files, and MHM Confidential Information (as defined below) belong exclusively to MHM. The ideas, concepts, know-how, techniques, inventions, discoveries, and improvements developed during the course of this Agreement by MHM personnel, alone or in conjunction with Client personnel, may be used by MHM in any way it deems appropriate, including without limitation by or for its clients or customers, without any obligation to account, notwithstanding any provision in this Agreement to the contrary. MHM is in the business of providing attestation services for a wide variety of clients, and the Client understands that MHM will continue these activities. Accordingly, nothing in this Agreement shall preclude or limit MHM from providing attestation services, consulting services, and/or developing software or materials for itself or other clients, irrespective of the possible similarity of materials that might be delivered to the Client.

C. Confidentiality. MHM agrees that all financial, statistical, marketing, and personnel data relating to the Client's business, and other information identified as confidential by the Client, are confidential information of the Client ("Client Confidential Information"). The Client agrees that MHM's proprietary software, tools, and other methodologies and any other information identified as confidential by MHM are confidential information of MHM ("MHM Confidential Information"). Client Confidential Information and MHM Confidential Information are collectively referred to as "Confidential Information." Each party shall use Confidential Information of the other party only for the purposes of this Agreement and shall not disclose such Confidential Information to any third party without the other party's prior written consent, other than to MHM subcontractors hired in connection with this engagement, if any, and to each other's employees on a need-to-know basis in connection with this engagement. Each party agrees to take measures to protect the confidentiality of the other party's Confidential Information that, in the aggregate, are no less protective than those measures it uses to protect the confidentiality of its own Confidential Information, but at a minimum, each party shall take reasonable steps to advise their employees

(and, in the case of MHM, its subcontractors, if any) of the confidential nature of the ConfidentialInformation and of the prohibitions on copying or revealing such Confidential Information contained herein. MHM and the Client each agree to require that the other party's Confidential Information be kept in a reasonably secure location.

Neither party shall be obligated to treat as confidential, or otherwise be subject to the restrictions on use, disclosure, or treatment contained in this Agreement for any information disclosed by the other party (the "Disclosing Party") that: (i) otherwise has been or becomes publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure in breach hereof, (ii) is disclosed by the Disclosing Party to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to the non-Disclosing Party on a non-confidential basis from a source other than the Disclosing Party, which the non-Disclosing Party does not believe is prohibited from disclosing such information, (iv) is known by the non-Disclosing Party prior to its receipt from the Disclosing Party without any obligation of confidentiality with respect thereto, or (v) is developed by the non-Disclosing Party independently of any disclosures of such information made by the Disclosing Party to the non-Disclosing Party.

Neither party will be liable to the other for inadvertent or accidental disclosure of Confidential Information if the disclosure occurs notwithstanding the party's exercise of the same level of protection and care that such party customarily uses in safeguarding its own confidential information. Notwithstanding the foregoing, either party will be entitled to disclose Confidential Information of the other to a third party to the extent required by valid legal or regulatory process, provided that (and without breaching any legal or regulatory requirement) the party to which the request is made provides the Disclosing Party with prompt written notice and allows the Disclosing Party to seek a restraining order or other appropriate relief.

We may be requested to make certain workpapers or files available to certain regulatory agencies pursuant to authority given to it by law or regulation. If requested, access to such workpapers will be provided under the supervision of MHM's personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to certain regulatory agencies. Certain regulatory agencies may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

MHM utilizes various benchmarking tools, which provide access to financial benchmarking data related to companies in various industry segments. Notwithstanding any other language in this Agreement, you agree that MHM may submit your financial and other data to be used in these benchmarking tools on an anonymous basis (i.e., MHM will not disclose your identity).

D. Client Responsibilities. Client agrees to provide reasonable workspace, administrative support, computer facilities, and other support, which are necessary to perform the Services, including providing high-speed Internet access to our engagement team, if practicable and subject to the Client's reasonable security protocols, while working at the Client premises. Client agrees to perform those tasks in a timely fashion and provide the personnel agreed to by the parties. Client

personnel assigned to work on matters related to this engagement will be qualified for the tasks for which they are assigned. MHM's performance is dependent on Client carrying out its responsibilities as set out in this Agreement. Client's failure to satisfy its responsibilities under this Agreement may lead to an increase in MHM's fees, depending upon the extent to which we have to perform additional work or reschedule our commitments to deliver the Services, or our inability to provide the Services. Should Client fail to perform any of its obligations under this Agreement, MHM shall not be responsible for any delay or other consequences due to such failure.

E. Fees and Payment. Client shall pay MHM the fees set forth in the Engagement Letter. Client shall also be responsible for paying any taxes (such as applicable sales taxes, duties, or goods and services taxes) for which it is legally liable arising from this Agreement. Our invoices will be issued as set out in the Engagement Letter. All invoices will be due upon receipt unless stated otherwise in the Engagement Letter. Services rendered after the expiration of the term of the engagement or in addition to the scope contemplated herein and in the Engagement Letter, such as meetings, planning, etc., will be billed separately at our hourly rates, provided they have been agreed to in a letter agreement signed by the parties. MHM may receive rebates in connection with certain reimbursed expenses; MHM does not credit any such payments to Client but instead takes those payments in account when determining billing rates.

F. Term and Termination; Survival. This Agreement is effective from the commencement date stated in the Engagement Letter, if any, or where no commencement date is specified, from the date of signature by both parties. If MHM commenced the performance of the Services prior to the execution of this Agreement, this Agreement shall nonetheless cover the performance of such Services. This Agreement will continue until the services and deliverables have been provided unless it is terminated earlier in accordance with the terms set out herein. MHM shall be under no duty to update or revise its opinion or report, once issued, unless expressly engaged to do so by the Client, and MHM shall be under no duty to accept any such engagement. If we accept such an engagement, we will be required to perform certain procedures required by professional standards.

Either party may terminate this Agreement upon written notice to the other party irrespective of whether MHM has completed the Services. Client will be responsible for fees and expenses incurred through the date the termination notice is received. Where Client terminates this Agreement, Client also will pay MHM for additional costs incurred as a result of the termination.

The following sections of this Agreement will survive completion of the Services or its earlier termination: Confidentiality, Ownership, and such other provisions of this Agreement which by their nature are intended to survive.

G. General. This Agreement forms the entire agreement between the parties relating to the Services, and replaces and supersedes any previous proposals, correspondence, understandings, and any other communications, whether written or oral. This agreement shall be binding on all transferees, successors, and assigns of both MHM and Client. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. Each party acknowledges that this was a

negotiated contract, and as a result, no part of this contract shall be construed against either party based on drafting of the contract. If any provision of this Agreement is determined to be invalid under any applicable statue or rule of law, it is to that extent to be deemed omitted, and the balance of the Agreement shall remain enforceable. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver or discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

It is common practice for professional service firms, in discussions with prospective clients to make reference to prior work, and we would like to have the opportunity to do so with respect to this engagement. On completion of this engagement, MHM will be entitled to use the Client's name, logo(s), and a brief description of the Services in MHM newsletters, publications, or other marketing materials, as well as discussions with prospective clients.

H. Leased personnel. In performing our engagement we will lease professional and administrative staff, both of which are employed by CBIZ MHM, LLC or its related entities. These individuals will be under the direct control and supervision of MHM, which is solely responsible for the professional performance of our engagement. Additionally, the professional staff is subject to the standards governing the accounting profession, including the requirement to maintain the confidentiality of client information, and MHM and CBIZ MHM, LLC and its related entities have contractual agreements requiring confidential treatment of all client information.

MHM will use all reasonable efforts to perform the Services in accordance with any agreed upon timeframe. MHM has every expectation that this engagement will be conducted by the professionals designated for this engagement. If for any reason any of those individuals are not able to complete this engagement, professionals with similar qualifications and experience will be assigned to the engagement. Where any changes are necessary, MHM will give Client reasonable notice of the changes.

I. Independent Contractor. It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, partner, joint venturer, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

J. Employment offers to our personnel. During the term of this Agreement and for a period of one year thereafter, the parties agree not to hire, solicit, or attempt to solicit, whether directly or indirectly, the services of any staff, employee, consultant, or subcontractor of the other party

without the prior written consent of that party. Violation of this provision shall, in addition to other relief, require the breaching party to compensate the non-breaching party with 100 percent of the solicited person's annual compensation.

Professional standards require us to be independent with respect to the Association in the performance of our services. Any discussions that the Association has with personnel of MHM, CBIZ MHM, LLC, or related entities regarding potential employment with the Association could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Employment offers to any staff member working on your engagement without our prior knowledge may require substantial additional procedures to ensure the independence and objectivity of our engagement. Any additional costs incurred due to these procedures will be fully billable in addition to our fee.

K. Safe Environment. You agree that in any circumstances wherein MHM personnel are required to work at any premises or location operated or controlled by you, you will take all actions and precautions necessary to ensure that Client premises are free from all known or reasonably foreseeable safety hazards, and all forms of harassment and discrimination.

L. Property. The workpapers and files that MHM generates in connection with this engagement are the property of MHM. Upon the termination of this engagement, upon request we will return your original records to you. All MHM workpapers and files will be retained, pursuant to MHM's document retention policy.

M. Electronic Communication. In the interest of facilitating our services to you, we may communicate by facsimile transmission or by sending electronic mail over the Internet. Such communications may include information that is confidential to you. The firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

With regard to the electronic dissemination of financial statements, including financial statements published electronically on Client's Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document. Client shall bear the risk of any inconsistency between the electronic document and the original document.

N. Governing Law and Severability. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois (without giving effect to the choice of law principles thereof), and all claims relating to or arising out of this Agreement or related to MHM's services, whether sounding in contract, tort, or otherwise, shall likewise be governed by the laws of that State (without giving effect to its choice of law principles). If any provision of this Agreement is

found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this Agreement.

O. Dispute Resolution. Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, you agree that, notwithstanding any applicable statute of limitations, any claim based on this engagement must be filed within 24 months after performance of our service for continuing clients and 12 months for clients who discontinue their relationship with MHM, unless you have previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

If any dispute, controversy, or claim of any kind or type, whether based on contract, tort, statute, regulation, or otherwise, arises out of, or connected with, or relating in any way to this Agreement, or the relationship or the obligations of the parties, including without limitation any dispute as to the existence, validity, construction, interpretation, negotiation, performance, non-performance, breach, termination, or enforceability of this Agreement (the "Dispute"), and if (in the opinion of any party) the Dispute cannot be settled through direct discussions between the parties, the parties agree to first endeavor to resolve the Dispute through mediation under the Commercial Mediation Rules of the American Arbitration Association ("AAA"), before resorting to filing a lawsuit or to otherwise seek to enforce any party's rights. In both direct discussions and in mediation, the parties will exert their best efforts to discuss with each other in good faith their respective positions in an attempt to finally resolve the Dispute. The parties agree to share equally the costs and expenses of the mediation (which shall not include the costs incurred by each party for its own legal representation in connection with the mediation).

Each party may disclose any facts to the other party or to the mediator which it, in good faith, considers necessary to resolve the matter. All such discussions, however, will be for the purpose of assisting in settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the mediator will keep confidential all information disclosed during negotiations. The mediator may not act as a witness for either party in any subsequent arbitration between the parties. The mediation proceedings will conclude within 60 days from receipt of the written notice unless extended or terminated sooner by mutual consent. Each party will be responsible for its own expenses. The fees and expenses of the mediator, if any, will be borne equally by the parties.

If the parties cannot resolve the Dispute through mediation, either party may pursue action in a court of competent jurisdiction as set forth in these Terms and Conditions. Each of the parties irrevocably waives any right to trial by jury in any such action or in any other proceeding arising out of or relating to the Dispute or this Agreement.

P. Limitation on Damages. Unless otherwise prohibited by law or applicable professional standard, you agree that MHM and its personnel shall not be liable to you for any claims, liabilities, or expenses relating to this engagement for an aggregate amount in excess of the fees paid by you to MHM pursuant to this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of MHM. Unless otherwise prohibited by law or applicable professional standard, in no event shall MHM or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary losses or damages relating to this engagement. This limitation on liability provision shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), professional standard, or otherwise.

ILLINOIS HOUSING
DEVELOPMENT AUTHORITY

401 N. Michigan Avenue
Suite 700
Chicago IL 60611
312.836.5200
866.324.4431 TDD
www.ihda.org

Bruce Rauner, *Governor*

DEC 3 0 2016

Ms. Jane Smaga, M.S., CASPF, LSW
EVERGREEN Real Estate Services, L.L.C.
566 West Lake St. Suite 400
Chicago, Illinois 60661

RE: FRANK B. PEERS, TEB-2269
IL06H-121-021
Rent Schedule

Dear Ms. Smaga:

We have processed an Annual Adjustment Factor ("AAF") rent increase for the units covered by the Section 8 contract referenced above. As a result of that adjustment, we are approving the rents as shown below. The rents are effective January 1, 2017.

The utility allowances were reviewed and adjusted as shown below and will be effective on January 1, 2017.

Unit Type	Current Sec. 8 Rents	Increase Per New AAF	New Sec. 8 Rents	Current Utility Allowance	Utility Allowance Adjustment	New Utility Allowance
0 B	1,189	43	1,232	33	2	35
1 B	1,300	53	1,353	37	3	40

The project is receiving the appropriate AAF in accordance with U.S. Department of Housing and Urban Development ("HUD") Notice H-2002-10.

Enclosed is your new Illinois Housing Development Authority ("IHDA") Rent Schedule. Please maintain a copy on site in the manager's office, attach a copy to your most current Tenant Selection Plan, and do not vary from these rents.

If you have any questions, please contact me at 312-836-5294.

Sincerely,

Joanne Boots
Senior Program Administration Officer
Asset Management Services

Enclosure

Sec8AAFrentlr to owner cc agent onsite – Rent & UA change.doc

Illinois Housing Development Authority

RENTAL SCHEDULE

Development: FRANK B. PEERS SENIOR APTS.
Location: HIGHLAND PARK
HAP Anniversary Date: JANUARY 1ST

IHDA No. TEB-2269 ML-93
HUD or FHA No. IL06-H121-021
IHDA Tax Credits #
PIS Date
MSA
# of TC units 0

[ ] Family [X] Elderly
[ ] Handicap [ ] Sec. 236
[ ] R. A. P. [ ] Rent Supp.
[X] Sec. 8 [ ] Sec. 8 Mod Rehab
[ ] Tax Exempt 80/20

SCHEDULE REFLECTS CHANGE IN:	EFFECTIVE DATE
[X] RENTS	1/1/2017
[X] INCOME LIMITS	3/28/2016
[X] UTILITY ALLOWANCES	1/1/2017
[X] UA REVIEW DATE	12/9/2016
[ ] ALLOCATION	
[ ] INITIAL SCHEDULE	unknown
[ ] OTHER	

TOTAL NO. OF UNITS	UNIT SIZE	*RENTS SEC 8 RENT	*RENTS MARKET RATE	UTILITY ALLOWANCE	UNIT ALLOCATION SUBSIDY	UNIT ALLOCATION MARKET RATE	COMMENTS
6	0 BR	$1,232		$35	6		CHANGE: RENTS UA
61	1 BR	$1,353		$40	61		0 B 1189-1232 33-35
1	1 BR		$1,309			1	1 B 1309-1353 35-40
							UTILITY ALOWANCE BASELINE (YEAR 2)
							30%Income Limits provided for Income Targeting purposes.
68	TOTAL				67	1	

*Does not include utility allowance

GPI = $1,094,808

INCOME LIMITS (by Family Size)

County:	1	2	3	4	5	6	7	8
Cook [X] 50% (Very Low)	26,950	30,800	34,650	38,450	41,550	44,650	47,700	50,800
[ ] 60% (Low)								
Cook [X] 80% (Low)	43,050	49,200	55,350	61,500	66,450	71,350	76,300	81,200
[ ] 120% (Moderate)								
Cook [X] Other (Extremely Low Income Sec. 8)	16,150	18,450	20,750	24,300	28,440	32,580	36,730	40,890

Joanne Davis 12/9/2016
Senior Program Administration Officer Date

Program Administration Manager Date

Annie Smith 12/29/16
Asst. Director/Director, AMS Date
1/4/17

75

TEB-2269 ML-93 2017 01 RT UA INC Sec8re one pg