

for 12 February 2014
Newton CPC public hearing

Proposal
54 Taft Avenue
Affordable Housing
(CAN-DO)



Sponsor's organizational finances:

- ◆ 2013: completed audit
- ◆ 2014: budget, YTD, profit & loss projection (as of 3 December 2014)
- ◆ 2015: draft budget (as of 3 December 2014)

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

**Financial Statements
December 31, 2013
(With Comparative Totals for 2012)**



SANDBERG & CREEDEN, P.C.
Certified Public Accountants
331 Page Street
Stoughton, MA 02072

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

FINANCIAL STATEMENTS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

Table of Contents

	<u>PAGE</u>
Independent Auditors' Report	1-2
<u>Financial Statements</u>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6-7
Notes to Financial Statements	8-19
<u>Additional Information</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21



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To the Board of Directors of
Citizens for Affordable Housing in Newton
Development Organization, Inc.
W. Newton, Massachusetts

Independent Auditor's Report

Report on Financial Statements

We have audited the accompanying financial statements of Citizens for Affordable Housing in Newton Development Organization, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Citizens for Affordable Housing in Newton Development Organization, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2014, on our consideration of Citizens for Affordable Housing in Newton Development Organization, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Citizens for Affordable Housing in Newton Development Organization, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Citizens for Affordable Housing in Newton Development Organization, Inc.'s 2012 financial statements, and our report dated March 29, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.


SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
April 21, 2014



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	<u>ASSETS</u>	
	<u>2013</u>	<u>2012</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 96,643	\$ 59,796
Operating reserves	864	363
Accounts receivable	13,403	4,311
Pledge receivable		2,548
Prepaid expenses		<u>295</u>
Total current assets	<u>110,910</u>	<u>67,313</u>
 <u>Property and Equipment</u>		
Land	1,466,852	1,466,852
Buildings	4,354,310	4,354,310
Building improvements	3,481,173	3,463,602
Furniture and equipment	<u>26,326</u>	<u>20,704</u>
Subtotal	9,328,661	9,305,468
Less: accumulated depreciation	<u>2,176,124</u>	<u>1,916,350</u>
Total property and equipment	<u>7,152,537</u>	<u>7,389,118</u>
 <u>Other Assets</u>		
Replacement reserves	29,277	34,059
Housing under development	935,180	666,482
Tenant security deposits account	<u>29,973</u>	<u>28,107</u>
Total other assets	<u>994,430</u>	<u>728,648</u>
 <u>Total Assets</u>	 <u>\$ 8,257,877</u>	 <u>\$ 8,185,079</u>
	 <u>LIABILITIES AND NET ASSETS</u>	
<u>Current Liabilities</u>		
Notes payable	\$ 25,000	\$ 25,000
Mortgage payable - current portion	57,141	709,846
Accounts payable	43,920	64,053
Tenant security deposits	29,973	28,107
Accrued and deferred interest	60,504	60,504
Revolving loan pool	20,000	20,000
Deferred rental income		<u>2,400</u>
Total current liabilities	<u>236,538</u>	<u>909,910</u>
 <u>Long-Term Liabilities</u>		
Mortgage payable	<u>8,661,334</u>	<u>7,842,149</u>
Total long-term liabilities	<u>8,661,334</u>	<u>7,842,149</u>
 <u>Net Assets</u>		
Unrestricted	(644,995)	(569,528)
Temporarily restricted	<u>5,000</u>	<u>2,548</u>
Total net assets	<u>(639,995)</u>	<u>(566,980)</u>
 <u>Total Liabilities and Net Assets</u>	 <u>\$ 8,257,877</u>	 <u>\$ 8,185,079</u>

See accompanying notes. See Independent Auditors' Report.



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Support:				
Contributions	\$ 22,070	\$ 55,000	\$ 77,070	\$ 17,625
Special events	95,775		95,775	110,101
Released from restrictions	52,548	(52,548)		
Revenue:				
Government grants	25,088		25,088	25,375
Rental income	445,933		445,933	433,142
Management fees	2,400		2,400	7,496
Development fees	61,945		61,945	62,564
Interest income	150		150	139
Total support and revenue	705,909	2,452	708,361	656,442
<u>Expenses</u>				
Housing development	67,867		67,867	71,221
Rental activities	672,061		672,061	630,504
Total program expenses	739,928		739,928	701,725
General and administrative	80,976		80,976	87,224
Fundraising	36,481		36,481	34,294
Total expenses	857,385		857,385	823,243
<u>Change in Net Assets – Before Other Income (Loss)</u>	(151,476)	2,452	(149,024)	(166,801)
<u>Other Income (Loss)</u>				
Debt forgiveness	76,009		76,009	
Total other income	76,009		76,009	
<u>Change in Net Assets – After Other Income (Loss)</u>	(75,467)	2,452	(73,015)	(166,801)
<u>Net Assets - Beginning of Year</u>	(569,528)	2,548	(566,980)	(400,179)
<u>Net Assets - End of Year</u>	\$ (644,995)	\$ 5,000	\$ (639,995)	\$ (566,980)

See accompanying notes. See Independent Auditors' Report.





CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 DECEMBER 31, 2012
 (WITH COMPARATIVE TOTALS FOR 2011)

	2013				2012	
	Housing Development	Rental Activities	Total Program	General and Administrative	Fundraising	Total
Salaries	\$ 24,835	\$ 43,769	68,604	\$ 29,180	\$ 9,504	\$ 107,288
Payroll taxes	1,899	3,363	5,262	2,308	637	8,207
Employee benefits	1,784	5,430	7,214	1,900	1,293	10,407
Salaries and related expenses	<u>28,518</u>	<u>52,562</u>	<u>81,080</u>	<u>33,388</u>	<u>11,434</u>	<u>125,902</u>
Advertising				300		300
Bad debt		3,908	3,908			3,908
Bank charges		20	20		990	1,010
Condo fees		4,646	4,646			4,646
Conferences						455
Consultants	6,515	19,019	25,534	10,642	3,986	40,162
Depreciation		258,660	258,660	1,114		259,774
Donations		500	500	1,230		1,730
Dues and subscriptions				2,555		2,555
Event expenses					11,593	11,593
Exterminating		410	410			410
Filing fees	15	800	815	250		1,065
Facility maintenance	686	28,356	29,042			29,042
Insurance		27,986	27,986	4,215		32,201
Interest	13,239	103,133	116,372	128		116,500
Landscaping	40	5,282	5,322			5,322
Legal fees		4,103	4,103			4,103
Management fees						45
Miscellaneous		45	45			45
Payroll services	404	634	1,038		141	1,737
Postage				558		558
Printing and public relations				519	1,263	1,782
Professional fees		940	940	1,649	3,245	5,834
Real estate taxes				8,500		8,500
Rent	8,173	59,177	67,350	9,945	2,358	67,350
Repairs and maintenance	6,085	9,684	15,769			28,072
Security	1,069	37,085	38,154			38,154
Supplies		1,525	1,525			1,525
Supportive services		9,459	9,459	1,336	490	1,826
Telephone and internet	1,009	1,578	2,587	2,217	350	9,459
Travel				51	631	5,154
Utilities	2,114	42,549	44,663			682
Vehicle expenses						44,663
Total	<u>\$ 67,867</u>	<u>\$ 672,061</u>	<u>\$ 739,928</u>	<u>\$ 80,976</u>	<u>\$ 36,481</u>	<u>\$ 857,385</u>
						<u>\$ 823,243</u>

See accompanying notes. See Independent Auditors' Report.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013	2012
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ (73,015)	\$ (166,801)
Adjustment to reconcile change in net assets to cash provided by operating activities:		
Depreciation	259,774	239,852
Debt forgiveness	(76,009)	
(Increase) decrease in:		
Accounts receivable	(9,092)	402
Prepaid insurance	295	(295)
Pledges receivable	2,548	5,025
Increase (decrease) in:		
Accounts payable	(20,133)	(41,915)
Tenant security deposits	1,866	2,592
Deferred rental income	(2,400)	
	<u>83,834</u>	<u>38,860</u>
<u>Net Cash Provided by Operating Activities</u>		
<u>Cash Flows From Investing Activities</u>		
Purchase of land, building and improvements	(23,193)	(447,557)
Purchase of land and building for development	(268,698)	(666,482)
Purchase of equipment		(5,952)
Increase in replacement reserves (net)	4,782	(3,148)
Deposits		1,000
Tenant security deposits (net)	(1,866)	(2,592)
	<u>(288,975)</u>	<u>(1,124,731)</u>
<u>Net Cash (Used) by Investing Activities</u>		
<u>Cash Flows From Financing Activities</u>		
Proceeds from mortgages	843,067	1,164,081
Repayment of mortgage principal and notes payable	(600,578)	(91,934)
	<u>242,489</u>	<u>1,072,147</u>
<u>Net Cash Provided by Financing Activities</u>		
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>37,348</u>	<u>(13,724)</u>
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>60,159</u>	<u>73,883</u>
	<u>Beginning</u>	<u>Ending</u>
Cash and cash equivalents	\$ 59,796	\$ 96,643
Operating reserves	363	864
	<u>\$ 60,159</u>	<u>\$ 97,507</u>

See accompanying notes. See Independent Auditors' Report.



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

(Continued)

	<u>2013</u>	<u>2012</u>
<u>Cash and Cash Equivalents - End of Year</u>	<u>\$ 97,507</u>	<u>\$ 60,159</u>
SUPPLEMENTAL INFORMATION:		
Interest paid and expensed	<u>\$ 116,500</u>	<u>\$ 124,173</u>
Write off of fully depreciated equipment	<u>\$ 0</u>	<u>\$ 950</u>

See accompanying notes. See Independent Auditors' Report.



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1. Organization

Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO), was organized in January, 1994 in the Commonwealth of Massachusetts as a not-for-profit corporation. The purpose of the Organization is to expand the supply of decent and affordable housing in Newton, Massachusetts. The purpose is accomplished by promoting the development, construction and conversion of properties and serving as a Community Housing Development Organization.

The organization has developed 42 units of housing. It presently owns and manages 27 units and two units are currently under development. Included in its portfolio are units which serve victims of domestic violence; adults with developmental disabilities, formerly homeless veterans and low income families.

Note 2. Summary of Significant Accounting Policies

- a. Standards of Accounting and Reporting
The Organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for "Not-for-Profit Organizations".

- b. Financial Statement Presentation
The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Accordingly, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2013 or 2012 and accordingly, these financials do not reflect any activities related to this class of net assets for 2013 or 2012.



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- c. Cash and Cash Equivalents
For purposes of the statement of cash flows, Citizens for Affordable Housing in Newton Development Organization, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- d. Property and Equipment
These assets are stated at cost or if donated, at fair value at date of receipt. Maintenance repairs and minor repairs are expensed as incurred and major renewals in excess of \$1,000 which extend the life of the assets are capitalized.
- e. Restricted and Unrestricted Revenue
Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a time or purpose restriction expires, restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restrictions.
- f. Depreciation
Provisions for depreciation are made in the accounts using the straight-line method. Equipment is being depreciated over 3-7 years and the building and improvements over 20-27.5 years.
- g. Allocation of Expenses
Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.
- h. Donated Materials and Services
Donated goods and services represent the estimated fair market value of materials and services provided. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. No in-kind goods or services were received or recorded in 2012 and 2013.
- i. Use of Estimates
The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- j. Summarized Comparative Financial Statements
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended 2012, from which the summarized information was derived.

Note 3. Tax Status

Citizens for Affordable Housing in Newton Development Organization, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(1).

Unrelated business income, of which the Organization had none for the year ending December 31, 2013, would be subject to Federal and State taxes. Consequently, the accompanying financial statements do not reflect any provision for income taxes.

Accounting principles generally accepted in the United States of America require the Organization management to evaluate tax positions taken by the Organization and recognize a tax liability (or assets) if it has taken an uncertain position that more likely would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken and has conclude that as of December 31, 2013, 2012 and 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The tax returns are subject to routine audits by taxing jurisdictions, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for the years prior to 2010.

Note 4. Concentration of Credit Risk

Credit risk with respect to receivables is considered low because a substantial portion is due from tenants. Tenant receivables are closely monitored by management and rental property management companies with strict guidelines in place when balances initially become delinquent.

The Organization maintains its cash balances at several financial institutions. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2013 cash balances were fully insured.



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 5. Property Under Development

At December 31, 2013, the Organization had the following site including land, building and improvements under development:

	<u>Land</u>	<u>Building and Improvements</u>	<u>Total</u>
Eddy Street	<u>\$ 282,600</u>	<u>\$ 652,580</u>	<u>\$ 935,180</u>

Note 6. Note Payable

The Organization has a note payable from an individual dated July 23, 2007 for \$25,000 at a zero interest rate due December 31, 2014. The balance as of December 31, 2013 and 2012 was \$25,000.

Note 7. Mortgage Payable

	<u>Current</u>	<u>2013 Long Term</u>	<u>Total</u>	<u>2012 Total</u>
<u>Nonantum Place - Three Unit Residential</u>				
Community Economic Development Corporation (CEDAC) date of 1/3/97 of \$90,000 at 0%; due 2017; a cash payment due annually if gross receipts exceeds 105% of cash expenditures; Organization in compliance and all payments deferred; accrued interest totaled \$35,975.	\$	\$ 90,000	\$ 90,000	\$ 90,000
The Village Bank Loan dated 12/28/06, of \$130,000 at a variable rate of 6%; requiring monthly payments of \$784.76; due 12/28/21.	2,148	114,245	116,393	118,653
Newton Community Development Authority dated 7/8/10 of \$189,000; forgivable deferred loan at 0% interest as long as affordable housing use is maintained.		<u>189,000</u>	<u>189,000</u>	<u>189,000</u>
Subtotal Nonantum Place	<u>2,148</u>	<u>393,245</u>	<u>395,393</u>	<u>397,653</u>

Christina Street - Five Unit Residential

Newton Community Development Authority dated 8/26/99 of \$225,000 at 7%; due forty years from project completion; one-fifteenth of original principal, \$15,000, and accrued interest due each annual anniversary date of completion; payment deferred if Organization in compliance; secured by third mortgage on property.		225,000	225,000	225,000
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**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 7. Mortgage Payable (Continued)

	2013		2012	
	Current	Long Term	Total	Total
<u>Christina Street – Five Unit Residential</u> (Continued)				
Boston Community Loan Fund dated 5/23/02 of \$101,942 at 7%; due in monthly payments of \$677.94, balance due 1/15/2024; secured by Second mortgage on the subject property.	1,453	91,918	93,371	94,824
Newton Community Development Authority dated 12/02 of \$45,150 at 7.25%; balance due 12/2012; secured by second mortgage on the subject property; The note was forgiven in 2013.				45,150
The Village Bank dated 7/18/02 of \$688,315 at a variable interest rate of 3.125%; requiring monthly payments of \$1,391.70; balance due 7/18/2032.	7,129	225,554	232,683	241,709
Community Economic Development Corporation (CEDAC) dated 8/15/2002 of \$125,000 at 0%; no interest accrued unless in default; balance due 7/15/2032.		125,000	125,000	125,000
Newton Community Development Authority dated 2/12/04 of \$11,665; forgivable deferred loan at 7.25% per annum; due 2/12/14 as long as Organization continues to own property and verification of restrictions are filed timely and events of acceleration have not occurred.		11,665	11,665	11,665
Newton Community Development Authority dated 8/22/12 of \$11,320 at a 0% interest rate; balance due if there is a change of ownership, or if the organization is out of compliance.		11,320	11,320	
Subtotal Christina Street	8,582	690,457	699,039	743,348
<u>Webster Street – Six Units Residential</u>				
Newton Community Development Authority dated 8/23/00 of \$237,957 at 7%; due forty years from project completion; one-fortieth of original principal, \$5,625, and accrued interest due each annual anniversary date of completion; payment deferred if Organization in compliance; secured by third mortgage on property.		237,957	237,957	237,957



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 7. Mortgage Payable (Continued)

	2013		2012	
	Current	Long Term	Total	Total
<u>Webster Street – Six Units Residential</u> (Continued)				
The Village Bank dated 3/14/02 of \$325,000 at a variable interest rate of 2.875%; due in monthly payments of \$1,476.51; balance due 3/14/2032.	7,944	243,851	251,795	261,529
Community Economic Development Corporation (CEDAC) dated 4/22/02 of \$389,811 at 0%; deferred grant loan with a twenty year permanent affordable housing restriction expiring 4/22/2022.		389,811	389,811	389,811
Massachusetts Housing and Community Development dated 1/9/2002 of \$250,000 at 0% interest rate; deferred grant loan with permanent affordable housing restriction; balance due 5/1/32.		250,000	250,000	250,000
The Newton Community Development Authority dated July 2, 2009 of \$8,150 at 0% interest rate; balance due July 2, 2014; 20% of loan amount will be forgiven annually with compliance of terms and conditions of loan.	1,087	2,173	3,260	8,150
Subtotal Webster Street	<u>9,031</u>	<u>1,123,792</u>	<u>1,132,823</u>	<u>1,147,447</u>
<u>18-20 Cambria Road – Two Units Residential</u>				
City of Newton, Community Preservation Grant (CPA) dated 9/29/03; deferred grant loan with a permanent affordable housing restriction;		200,000	200,000	200,000
The Village Bank dated 12/19/02 of \$400,000 at a variable interest rate of 3.125%; due in monthly payments of \$1,490.33; balance due 1/19/33.	4,854	248,415	253,269	262,753
Newton Community Development Authority dated 12/19/02 of \$200,000 at 7%; due 50 years from completion; no interest accrual as cancellation of obligation expected.		200,000	200,000	200,000



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 7. Mortgage Payable (Continued)

	2013		2012	
	Current	Long Term	Total	Total
<u>18-20 Cambria Road – Two Units Residential</u> (Continued)				
Newton Community Development Authority dated 7/22/03 of \$25,969; deleading grant of \$19,475 and asbestos grant of \$6,494; forgivable deferred loan in ten years as long as no change in use; mortgage was forgiven in 2013.				25,969
Newton Community Development Authority dated 10/29/08 of \$6,910; comprised of CDBG funds; forgivable deferred loan in five years as long as no change in use.		6,910	6,910	6,910
Cambridge Savings Bank construction loan dated 12/30/03 up to \$2,775,000, at 6%, due 12/1/2005; additional \$144,204 drawn 2007 and reduced by sale proceeds, remaining \$198,276 restructured; due March 31, 2018; 3.5% fixed for three years through March 31, 2012; re-priced at 250 bps over the 3 year FHLB rate for years 4-6 and 6-9, current monthly payment \$899.	4,823	172,649	177,472	181,810
Newton Community Development Authority dated 12/31/11; deferred grant loan with a permanent affordability housing restriction, due upon sale or transfer of land.		32,450	32,450	32,450
Subtotal 18-20 Cambria Road	9,677	860,424	870,101	909,892

11-13 Cambria Road – Two Units Residential

Newton Community Development Authority dated 1/6/06; of \$200,000 at 0%; forgivable deferred loan provided the property complies with Community Development Block Grant program regulations and requirements for no less than 50 years.		200,000	200,000	200,000
City of Newton, Community Preservation Grant (CPA) dated 5/16/06; deferred grant loan with a permanent affordable housing restriction for no less than 50 years.		350,000	350,000	350,000



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 7. Mortgage Payable (Continued)

	2013			2012
	Current	Long Term	Total	Total

11-13 Cambria Road – Two Units Residential (Continued)

The Village Bank dated July 14, 2009 of \$240,000 at 6%; due in monthly payments of \$1,384.98; an additional \$7,400 was added to principal on 12/21/11 balance due on 7/14/24 at a current rate of 5.25%.

	4,591	227,006	231,597	235,769
Subtotal Cambria Road	4,591	777,006	781,597	785,769

Falmouth Road – Two Unit Residential

The Village Bank loan dated 10/12/05 of \$287,500; interest at 5.25%; due in monthly payments of \$1,749.34. An additional \$20,000 was added to principal on 7/29/11, balance due 10/12/2020.

	7,003	263,087	270,090	276,522
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City of Newton, Community Preservation Funding (CPA), dated 8/11/2005 of \$275,000, deferred grant loan with a permanent affordable housing restriction and repayment of \$237,500 to MHIC; only payable if the terms of the deed restriction are violated.

		275,000	275,000	275,000
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Newton Community Development Authority deferred loan dated 8/11/2005 of \$62,500; comprised of CDBG funds; zero interest balance forgivable 10/2054.

		62,500	62,500	62,500
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Newton Community Development Authority deferred loan dated 10/15/04 of \$200,000; balance due 10/15/54.

		200,000	200,000	200,000
Subtotal Falmouth Road	7,003	800,587	807,590	814,022

Jackson Road – Two Unit Residential

The Village Bank loan dated 10/12/05 of \$287,500; interest at 5.25%; due in monthly payments of \$1,749.34. An additional \$20,000 was added to principal on 7/29/11, balance due 10/12/2020.

	7,004	263,088	270,092	276,522
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**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 7. Mortgage Payable (Continued)

	2013		2012	
	Current	Long Term	Total	Total
<u>Jackson Road – Two Unit Residential</u> (Continued)				
City of Newton, Community Preservation Funding (CPA), dated 8/11/2005 of \$275,000, deferred grant loan with a permanent affordable housing restriction and repayment of \$237,500 to MHIC; only payable if the terms of the deed restriction are violated.		275,000	275,000	275,000
Newton Community Development Authority deferred loan dated 8/11/2005 of \$62,500; comprised of CDBG funds; zero interest balance forgivable 10/2054.		62,500	62,500	62,500
Newton Community Development Authority deferred loan dated 10/15/04 of \$200,000; balance due 10/15/2054.		200,000	200,000	200,000
Subtotal Jackson Road	7,004	800,588	807,592	814,022
<u>Veteran House-Two Unit Residential</u>				
The Village Bank dated November 16, 2009 of \$666,300 at 5.25% interest rate; payments of interest only are due and payable monthly; balance due November 16, 2010; \$300,000 to be repaid upon receipt of loan funds from the Newton Community Development Authority (CDBG) approved 12/30/10; due in Monthly payments of \$1,084.34; due 1/16/27.	3,174	185,979	189,153	192,014
Newton Community Development Authority deferred loan dated 12/30/10 of \$300,000; payable 50 years from completion date to 12/30/60.		300,000	300,000	300,000
City of Newton, Community Preservation Grant (CPA) dated 7/17/10 of \$375,000; deferred grant loan to 7/17/40 with a permanent affordable housing restriction.		375,000	375,000	375,000
The Village Bank dated 2/2/10 of \$50,000; comprised of the Federal Home Loan of Boston Funds; balance due in 5 years of date of completion.		50,000	50,000	50,000
Subtotal Veteran House	3,174	910,979	914,153	917,014



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 7. Mortgage Payable (Continued)

	2013			2012
	Current	Long Term	Total	Total
<u>61 Pearl Street</u>				
Cambridge Savings Bank construction loan dated 1/7/11 up to \$807,000 at 4% due 1/1/21; a portion was subsequently paid down during FY12, by the Organization. An additional \$45,627 was added to principal in FY12; due in monthly payments of \$956.78 at an interest rate of 3.20% through 12/31/17; re-priced at 200 bps over the 5 year FHLB rate for years 6-9 with a floor rate of 3.25%; due 1/1/23.	4,612	212,228	216,840	221,226
City of Newton, Community Preservation Grant (CPA) dated 9/2/11 up to \$665,000 of which \$205,000 used to reduce Cambridge Savings Bank loan; deferred grant loan with a permanent affordable housing restriction.		665,000	665,000	661,602
Newton Community Development Authority deferred loan dated 3/31/11 of \$480,000; comprised of CDBG and HOME funds; zero interest balance forgivable 50 years from completion of construction.		480,000	480,000	480,000
Subtotal Pearl Street	4,612	1,357,228	1,361,840	1,362,828
<u>54 Eddy Street</u>				
The Village Bank Loan dated 7/31/12 of \$660,000; amended on April 22, 2014. Interest rate at 4.5%; due on April 30, 2044.	1,319	118,681	120,000	660,000
Newton Community Development Authority dated 3/7/13 up to \$690,250 at 0% interest rate; balance due 3/7/33; secured by mortgage on the subject property.		650,203	650,203	
City of Newton, Community Preservation Grant (CPA) dated 2/25/2013 up to \$255,000; deferred grant loan with a permanent affordable housing restriction.		178,144	178,144	
Subtotal Eddy Street	1,319	947,028	948,347	660,000
<u>Total Mortgages Payable</u>	<u>\$ 57,141</u>	<u>\$ 8,661,334</u>	<u>\$ 8,718,475</u>	<u>\$ 8,551,995</u>



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note 7. Mortgage Payable (Continued)

	<u>2013</u>		<u>2012</u>
	<u>Current</u>	<u>Long Term</u>	<u>Total</u>
Future minimum payments of principal are as follows:			
2014			\$ 57,141
2015			61,852
2016			62,825
2017			66,148
2018			69,660
2019 and thereafter no deed restriction		5,224,313	
2019 and thereafter payable only if in violation of use or deed restrictions		<u>3,176,536</u>	
			8,400,849
Total			<u>\$ 8,718,475</u>

Note 8. Revolving Loan Pool

In 1999, the Organization received a \$20,000 grant from the Newton Community Development Authority to establish a revolving account, which will provide immediate funding for deposits and down payments to acquire property for use as affordable housing.

Note 9. Compensated Absences

Vacation and sick pay are considered expenditures in the year paid. Upon termination the employee is compensated for any accrued but unused vacation pay. The Organization has not accrued compensated absences because the amount cannot be reasonably estimated.

Note 10. Developer Fees

The Organization earns developer fees from the renovation of housing projects. These fees fluctuate throughout the course of a project due to budget changes. The amount received during 2013 and 2012 totaled \$61,945 and \$62,564, respectively.

Note 11. Lead Free Forgivable Grant/Loans

The Organization has received a number of grants to remove lead from various developments ranging from \$2,998 to \$30,000. These grants are reduced over a five year period by the City of Newton. Many of these grants were reported as revenue in the years received. All properties receiving these grants are currently operating as income eligible housing. Total forgiven in 2013 was \$76,009.

Note 12. Contract Management Services

Two residential rental properties, Nonantum Place and Christina Street, were managed by the Newton Community Development Foundation through June 30, 2012. Contracted management fees for the year ended 2012 was \$10,871.



**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

(Continued)

Note 13. Retirement Plan

The Organization established a 401(k) P/S Plan effective January 1, 2011 replacing a plan established in 2001 which covered only the Executive Director. The 401 (k) plan covers all eligible employees as identified in the plan document. The plan provides for an employee elective deferral contribution along with a matching employer contribution. The amount of the matching employer contribution is determined annually by the Board of Directors. Pension expense for 2013 and 2012 totaled \$6,615 and \$6,615, respectively. The estimated unfunded benefit totals \$30,828 and is included as an accrued liability.

Note 16. Leases

Citizens for Affordable Housing in Newton Development Organization, Inc. entered into a lease agreement extension expiring June 1, 2014. The lease requires monthly payments of \$2,301. Rent expense for the year ended 2013 and 2012, totaled \$28,072 and \$27,099, respectively. Future minimum rental payments for the year ending December 31 are as follows:

2014	\$ 13,806
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Note 17. Related Party Activity

In accordance with the Agency's articles of Organization one Board member is an income eligible tenant in one of the units authorized and monitored by the U. S. Department of Housing and Urban Development. Two members work at banks that lend money to the Organization in positions that do not influence lending decisions.

Note 18. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 1, 2014 the date which the financial statements were available to be issued.

There were no subsequent events to be disclosed based on this evaluation.



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To the Board of Directors of
Citizens for Affordable Housing in Newton
Development Organization, Inc.
West Newton, Massachusetts

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Citizens for Affordable Housing in Newton Development Organization, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Citizens for Affordable Housing in Newton Development Organization, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Citizens for Affordable Housing in Newton Development Organization, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
April 21, 2014



**CAN-DO
2014 BUDGET**

As of 3 December 2014

	PROPERTY DEVELOPMENT	PROPERTIES	OPERATING	TOTAL
	Budget	Budget	Budget	Budget
Ordinary Income/Expense				
Income				
4000 - Grants				
4010 - CHODO	0	0	8,000	8,000
4050 - HUD	0	0	0	0
4060 - Garfield Grant	0	7,350	0	7,350
4000 - Grants - Other	0	0	8,000	8,000
Total 4000 - Grants	0	7,350	16,000	23,350
4100 - Contributions & Donations	0	0	21,000	21,000
4102 - Fundraising	0	0	100,000	100,000
4150 - Rent	0	500,504	0	500,504
4160 - Vacancies	0	-20,024	0	-20,024
4200 - Interest Income	0	0	120	120
4250 - Laundry Income	0	4,840	0	4,840
4500 - Developer Fees	82,000	0	0	82,000
4550 - Management Fee Income	0	2,400	26,405	28,805
Total Income	82,000	495,070	163,525	740,595
Expense				
6010 - Insurance				
6155 - Insurance D & O	0	0	2,600	2,600
6156 - Insurance-Facilities	0	31,660	0	31,660
6157 - Insurance -Office & Auto	0	0	1,320	1,320
6159 - Worker's Comp Insurance	0	0	400	400
Total 6010 - Insurance	0	31,660	4,320	35,980
6020 - Management Fees				
6170 - Management Fee Expense	0	26,405	0	26,405
Total 6020 - Management Fees	0	26,405	0	26,405
6030 - Administrative Expenses				
5000 - Salary and Related				
5100 - Wages				
5110 - Executive	26,000	41,600	36,400	104,000
5120 - Administration	0	3,400	6,600	10,000
Total 5100 - Wages	26,000	45,000	43,000	114,000
5150 - Payroll Taxes	2,080	3,600	3,440	9,120
5200 - Health Benefits	1,500	2,400	2,100	6,000
5300 - Retirement Plan	1,720	2,780	2,500	7,000
5310 - Disability & Life Benefits	125	200	175	500
Total 5000 - Salary and Related	31,425	53,980	51,215	136,620
6100 - Advertising	0	0	300	300
6120 - Bank Charges	0	0	1,130	1,130
6135 - Conference Fees	0	0	1,000	1,000
6145 - Donations	0	500	2,000	2,500
6150 - Dues and Subscriptions	0	0	1,800	1,800
6175 - Postage and Delivery	0	0	1,780	1,780
6180 - Printing	0	0	4,500	4,500
6185 - Payroll Fees	350	560	490	1,400
6190 - Professional Fees - Accounting	5,700	19,000	13,800	38,500
6191 - Professional Fees - Audit	0	0	10,000	10,000
6192 - Public Relations	0	0	1,500	1,500
6195 - Filing Fees	0	800	300	1,100
6200 - Rent Expense	7,000	11,200	9,800	28,000
6205 - Supplies	0	0	2,300	2,300
6230 - Telephone				
6231 - Verizon	680	1,028	892	2,600
6233 - CellullarOne	320	577	528	1,425
Total 6230 - Telephone	1,000	1,605	1,420	4,025
6238 - Auto lease	1,080	810	810	2,700
6320 - Legal Fees	0	3,000	0	3,000
6315 - Consultant	0	0	500	500
6359 - Internet expense	0	0	500	500
6600 - Website	0	0	500	500
6710 - Fundraising Fees & Events	0	0	12,000	12,000
Total 6030 - Administrative Expenses	46,555	91,455	117,645	255,655

**CAN-DO
2014 BUDGET**

As of 3 December 2014

	<u>PROPERTY DEVELOPMENT</u>	<u>PROPERTIES</u>	<u>OPERATING</u>	<u>TOTAL</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
6040 · Supportive Services				
6172 · Supportive Services Expense	0	0	0	0
Total 6040 · Supportive Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6050 · Condo Fees				
6173 · Condo Fees Expense	0	4,656	0	4,656
Total 6050 · Condo Fees	<u>0</u>	<u>4,656</u>	<u>0</u>	<u>4,656</u>
6060 · Landscaping / Snow				
6220 · Landscaping	160	6,100	0	6,260
6222 · Snow Removal	900	19,500	0	20,400
Total 6060 · Landscaping / Snow	<u>1,060</u>	<u>25,600</u>	<u>0</u>	<u>26,660</u>
6070 · Facility Maintenance				
6210 · Exterminating	0	980	0	980
6221 · Facility Maintenance Expense	0	50,870	0	50,870
6345 · Security	0	1,500	0	1,500
Total 6070 · Facility Maintenance	<u>0</u>	<u>53,350</u>	<u>0</u>	<u>53,350</u>
6075 · Utilities				
6355 · Utilities Expenses				
6356 · Gas/Electric	240	16,400	0	16,640
6358 · Water	200	28,100	0	28,300
Total 6355 · Utilities Expenses	<u>440</u>	<u>44,500</u>	<u>0</u>	<u>44,940</u>
Total 6075 · Utilities	440	44,500	0	44,940
6080 · Property Taxes				
6400 · Property Taxes Expenses	8,000	67,260	0	75,260
Total 6080 · Property Taxes	<u>8,000</u>	<u>67,260</u>	<u>0</u>	<u>75,260</u>
Total Expense	<u>56,055</u>	<u>344,886</u>	<u>121,965</u>	<u>522,906</u>
Net Ordinary Income	25,945	150,184	41,560	217,689
Other Income/Expense				
Other Expense				
Total 9010 · Interest Expense	12,000	102,630	0	114,630
9301 · Capital renovations	0	14,000	0	14,000
Total 9300 · Capital Costs	<u>0</u>	<u>14,000</u>	<u>0</u>	<u>14,000</u>
Total Other Expense	<u>12,000</u>	<u>116,630</u>	<u>0</u>	<u>128,630</u>
Net Other Income	<u>-12,000</u>	<u>-116,630</u>	<u>0</u>	<u>-128,630</u>
Net Income	<u>13,945</u>	<u>33,554</u>	<u>41,560</u>	<u>89,059</u>
less Principal Payments	0	-69,175	-29,443	-98,618
plus Reserves drawn for Capital Costs	0	14,000	0	14,000
less Reserve Contributions	0	-5,000	0	-5,000
Budgeted Cash Flow	<u>13,945</u>	<u>-26,621</u>	<u>12,117</u>	<u>-559</u>

CAN-DO
Profit & Loss Projection vs. Budget

As of 3 December 2014

	<u>2014 Projected</u>	<u>Full Year Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
4000 · Grants	15,525	23,350	66%
4100 · Contributions & Donations	21,000	21,000	100%
4101 · Fundraising Revenues	100,078	100,000	100%
4150 · Rent	507,950	500,504	101%
4160 · Vacancies	-21,675	-20,024	108%
4200 · Interest Income	127	120	106%
4250 · Laundry Income	3,745	4,840	77%
4300 · Other Income	1,500	0	100%
4500 · Developer Fees	20,000	82,000	24%
4550 · Management Fee Income	28,800	28,805	100%
Total Income	<u>677,050</u>	<u>740,595</u>	<u>91%</u>
Expense			
6010 · Insurance	36,600	35,980	102%
6020 · Management Fees	26,405	26,405	100%
6030 · Administrative Expenses	255,700	255,655	100%
6040 · Supportive Services	625	0	100%
6050 · Condo Fees	4,650	4,656	100%
6060 · Landscaping / Snow	18,900	26,660	71%
6070 · Facility Maintenance	64,500	53,350	121%
6075 · Utilities	46,220	44,940	103%
6080 · Property Taxes	69,600	75,260	92%
Total Expense	<u>523,200</u>	<u>522,906</u>	<u>100%</u>
Net Ordinary Income	153,850	217,689	71%
Other Income/Expense			
Other Expense			
9010 · Interest Expense	102,250	114,630	89%
9200 · Development Costs	5,500	0	
9300 · Capital Costs	10,000	14,000	71%
Total Other Expense	<u>117,750</u>	<u>128,630</u>	<u>92%</u>
Net Other Income	<u>-117,750</u>	<u>-128,630</u>	<u>92%</u>
Net Income	<u><u>36,100</u></u>	<u><u>89,059</u></u>	<u><u>41%</u></u>
note:N.I. excludes depreciation	261,800	261,800	

CAN-DO
Profit & Loss Projection vs. Budget

As of 3 December 2014

	2014 Projected	Full Year Budget	% of Budget
Net Income	36,100	89,059	
less Principal Payments	-98,618	-98,618	
change in restricted fund	-500		
less deposit on new Project	-10,000		
plus Reserves drawn	14,000	14,000	
less Reserve Contributions	-7,000	-5,000	
Net Cash Flow	-66,018	-559	

Balances of Cash and Reserves:

Operating/ Property Cash	19,877
Cash Operating Reserves	8,728
Total Cash	28,605
 Replacement Reserve Account	 22,651

CAN-DO
2015 BUDGET DRAFT

As of 3 December 2014

	PROPERTY DEVELOPMENT	PROPERTIES	OPERATING	TOTAL
	Budget	Budget	Budget	Budget
Ordinary Income/Expense				
Income				
4000 - Grants				
4010 - CHODO	0	0	7,000	7,000
4050 - HUD	0	0	0	0
4060 - Garfield Grant	0	7,350	0	7,350
4000 - Grants - Other	0	0	8,000	8,000
Total 4000 - Grants	0	7,350	15,000	22,350
4100 - Contributions & Donations	0	0	21,000	21,000
4102 - Fundraising	0	0	100,000	100,000
4150 - Rent	0	511,000	0	511,000
4160 - Vacancies	0	-20,440	0	-20,440
4200 - Interest Income	0	0	120	120
4250 - Laundry Income	0	4,840	0	4,840
4500 - Developer Fees	80,000	0	0	80,000
4550 - Management Fee Income	0	2,400	26,600	29,000
Total Income	80,000	505,150	162,720	747,870
Expense				
6010 - Insurance				
6155 - Insurance D & O	0	0	2,750	2,750
6156 - Insurance-Facilities	0	32,000	0	32,000
6157 - Insurance -Office & Auto	0	0	1,450	1,450
6159 - Worker's Comp Insurance	0	0	400	400
Total 6010 - Insurance	0	32,000	4,600	36,600
6020 - Management Fees				
6170 - Management Fee Expense	0	26,600	0	26,600
Total 6020 - Management Fees	0	26,600	0	26,600
6030 - Administrative Expenses				
5000 - Salary and Related				
5100 - Wages				
5110 - Executive	26,000	41,600	36,400	104,000
5120 - Administration	0	3,400	6,600	10,000
Total 5100 - Wages	26,000	45,000	43,000	114,000
5150 - Payroll Taxes	2,080	3,600	3,440	9,120
5200 - Health Benefits	1,500	2,400	2,100	6,000
5300 - Retirement Plan	1,720	2,780	2,500	7,000
5310 - Disability & Life Benefits	125	200	175	500
Total 5000 - Salary and Related	31,425	53,980	51,215	136,620
6100 - Advertising	0	0	300	300
6120 - Bank Charges	0	0	1,130	1,130
6135 - Conference Fees	0	0	1,000	1,000
6145 - Donations	0	500	2,000	2,500
6150 - Dues and Subscriptions	0	0	1,800	1,800
6175 - Postage and Delivery	0	0	1,780	1,780
6180 - Printing	0	0	4,500	4,500
6185 - Payroll Fees	400	600	500	1,500
6190 - Professional Fees - Accounting	5,700	19,000	13,800	38,500
6191 - Professional Fees - Audit	0	0	10,000	10,000
6192 - Public Relations	0	0	1,500	1,500
6195 - Filing Fees	0	800	300	1,100
6200 - Rent Expense	7,000	11,200	9,800	28,000
6205 - Supplies	0	0	2,300	2,300
6230 - Telephone				
6231 - Verizon	680	1,028	892	2,600
6233 - CellullarOne	305	642	603	1,550
Total 6230 - Telephone	985	1,670	1,495	4,150
6238 - Auto lease	1,080	810	810	2,700
6320 - Legal Fees	0	3,000	0	3,000
6315 - Consultant	0	0	500	500
6359 - Internet expense	0	0	500	500
6600 - Website	0	0	500	500
6710 - Fundraising Fees & Events	0	0	12,000	12,000
Total 6030 - Administrative Expenses	46,590	91,560	117,730	255,880

CAN-DO
2015 BUDGET DRAFT

As of 3 December 2014

	PROPERTY DEVELOPMENT	PROPERTIES	OPERATING	TOTAL
	Budget	Budget	Budget	Budget
6040 · Supportive Services				
6172 · Supportive Services Expense	0	0	0	0
Total 6040 · Supportive Services	0	0	0	0
6050 · Condo Fees				
6173 · Condo Fees Expense	0	4,700	0	4,700
Total 6050 · Condo Fees	0	4,700	0	4,700
6060 · Landscaping / Snow				
6220 · Landscaping	150	6,100	0	6,250
6222 · Snow Removal	900	19,500	0	20,400
Total 6060 · Landscaping / Snow	1,050	25,600	0	26,650
6070 · Facility Maintenance				
6210 · Exterminating	0	1,000	0	1,000
6221 · Facility Maintenance Expense	0	51,000	0	51,000
6345 · Security	0	1,500	0	1,500
Total 6070 · Facility Maintenance	0	53,500	0	53,500
6075 · Utilities				
6355 · Utilities Expenses				
6356 · Gas/Electric	240	16,400	0	16,640
6358 · Water	200	28,100	0	28,300
Total 6355 · Utilities Expenses	440	44,500	0	44,940
Total 6075 · Utilities	440	44,500	0	44,940
6080 · Property Taxes				
6400 · Property Taxes Expenses	8,000	73,000	0	81,000
Total 6080 · Property Taxes	8,000	73,000	0	81,000
Total Expense	56,080	351,460	122,330	529,870
Net Ordinary Income	23,920	153,690	40,390	218,000
Other Income/Expense				
Other Expense				
Total 9010 · Interest Expense	12,000	97,000	0	109,000
9301 · Capital renovations	0	15,000	0	15,000
Total 9300 · Capital Costs	0	15,000	0	15,000
Total Other Expense	12,000	112,000	0	124,000
Net Other Income	-12,000	-112,000	0	-124,000
Net Income	11,920	41,690	40,390	94,000
less Principal Payments	0	-72,000	-10,000	-82,000
less Retirement Contribution	0	0	0	0
plus Reserves drawn for Capital Costs	0	15,000	0	15,000
less Reserve Contributions	0	-15,000	0	-15,000
Budgeted Cash Flow	11,920	-30,310	30,390	12,000

Balances of Cash and Reserves:

Operating/ Property Cash	31,877
Cash Operating Reserves	8,728
Total Cash	40,605

Replacement Reserve Account **22,651**