

**DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2023 AND 2022

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

INDEX
YEARS ENDED DECEMBER 31, 2023 AND 2022

Independent Auditor's Report	1-3
Balance Sheets	4-5
Statements of Operations	6
Statements of Changes in Members' Equity	7
Statements of Cash Flows	8
Notes to the Financial Statements	9-18
Supplementary Information - NJHMFA	
Schedules of Income and Expenses	20-21
Schedules of Changes in Fixed Asset Accounts	22
Schedules of Changes in Reserve Account Balances	23
Schedules of Accounts Payable	24
Schedules of Computation of Management Fee	25
Schedules of Computation of PILOT	26
Supplementary Information - HUD	
Balance Sheet Data	28-29
Statement of Operations Data	30-32
Statement of Changes in Members' Equity Data	33
Statement of Cash Flows Data	34-35
Schedule of Reserve for Replacement	36
Computation of Surplus Cash	37
Schedule of Changes in Fixed Asset Accounts	38
Schedule of Miscellaneous Sub-Account Groups	39-40

Other Information Required by U.S. Department of Housing and Urban Development (HUD) and New Jersey Housing and Mortgage Finance Agency (NJHMFA)

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	42-43
Independent Auditor's Report on Compliance for Each Major HUD Program and on Internal Control Over Compliance Required by the <i>Consolidated Audit Guide</i> for Audits of HUD Programs	44-46
Schedule of Findings, Questioned Costs and Recommendations	47
Schedule of the Status of Prior Audit Findings, Questioned Costs and Recommendations	48
Project Owner's Certification	49
Management Agent's Certification	50
Certificate of Managing Member	51
Independent Auditor's Report on Standard HUD Compliance and Other Certifications as Required by the New Jersey Housing and Mortgage Finance Agency	52-53

INDEPENDENT AUDITOR'S REPORT

To the Members
Dubin Senior Housing, LLC
Spring Valley, NY

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Dubin Senior Housing, LLC, PROJECT NO. NJ16H085002, which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in members' equity and cash flows for the year ended December 31, 2023 and 2022, and the related notes to the financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Dubin Senior Housing, LLC, as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023 and 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As more fully described in Note 2 to the financial statements, Dubin Senior Housing, LLC recorded reserve refund income for the year ended December 31, 2023 and has classified its depreciation expense for 2023 and 2022 to conform with New Jersey Housing and Mortgage Finance Agency (NJHMFA) requirements. In our opinion, accounting principles generally accepted in the United States of America require that such income not be recorded and the classification of depreciation not be presented as described in Note 2.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dubin Senior Housing, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dubin Senior Housing, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dubin Senior Housing, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dubin Senior Housing, LLC's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 20 to 40 is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information shown on pages 20 to 40 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 27, 2024, on our consideration of Dubin Senior Housing, LLC'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 the effectiveness of Dubin Senior Housing, LLC's 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 Dubin Senior Housing, LLC's internal control over financial reporting and compliance.

Montvale, New Jersey
March 27, 2024

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current Assets:		
Cash - Operations	\$ 268,232	\$ 137,446
Receivables, Net	34,607	32,284
Prepaid Expenses	21,528	29,292
Total Current Assets	<u>324,367</u>	<u>199,022</u>
Deposits:		
Escrow Deposits	329,167	410,770
Replacement Reserves	900,664	1,519,094
Tenant/Patient Deposits Held in Trust	51,207	49,280
Other Reserves	160,048	159,554
Total Deposits	<u>1,441,086</u>	<u>2,138,698</u>
Fixed Assets:		
Land	1,361,411	1,361,411
Buildings	14,450,999	12,314,999
Construction in Progress	214,916	2,036,325
Total Fixed Assets at Cost	<u>16,027,326</u>	<u>15,712,735</u>
Accumulated Depreciation	<u>(1,158,216)</u>	<u>(793,653)</u>
Net Fixed Assets	14,869,110	14,919,082
Other Assets:		
Miscellaneous Other Assets	138,941	35,935
Total Other Assets	<u>138,941</u>	<u>35,935</u>
TOTAL ASSETS	<u><u>\$ 16,773,504</u></u>	<u><u>\$ 17,292,737</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

LIABILITIES AND EQUITY

	<u>2023</u>	<u>2022</u>
Current Liabilities:		
Accounts Payable - Operations	\$ 101,031	\$ 1,120,435
Accrued Interest Payable	12,734	13,277
Accrued Property Taxes	160,100	144,067
Mortgage Payable - Short Term	119,925	113,239
Other Mortgages Payable (Short Term) (Net of Unarmortized Debt Issuance Costs of \$0 and \$9,169, respectively)	7,494,291	7,634,466
Other Loans and Notes (Short Term)	-	15,000
Total Current Liabilities	<u>7,888,081</u>	<u>9,040,484</u>
Deposits and Unearned Income:		
Prepaid Revenue	27,663	17,918
Tenant/Patient Deposits Held in Trust (Contra)	51,045	48,971
Total Deposits and Unearned Income	<u>78,708</u>	<u>66,889</u>
Long-Term Liabilities:		
Mortgage Payable - First Mortgage	2,537,699	2,657,624
Total Long-Term Liabilities	<u>2,537,699</u>	<u>2,657,624</u>
Total Liabilities	<u>10,504,488</u>	<u>11,764,997</u>
Owners' Equity:		
Members' Equity	5,368,352	4,008,646
Reserve for Repair and Replacements	900,664	1,519,094
Total Owners' Equity	<u>6,269,016</u>	<u>5,527,740</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$ 16,773,504</u></u>	<u><u>\$ 17,292,737</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>REVENUES</u>	<u>2023</u>	<u>2022</u>
Rent Revenue - Gross Potential		\$ 675,281	\$ 636,171
Tenant Assistance Payments		2,085,534	1,886,514
Special Claims Revenue		18,571	18,125
Less: Vacancy and Collection Losses		30,271	49,492
Net Rents		<u>2,749,115</u>	<u>2,491,318</u>
Meal Services Income		71,098	137,735
Interest Income		9,236	569
Other Income		164,623	57,796
Total Revenues		<u>2,994,072</u>	<u>2,687,418</u>
	<u>EXPENSES</u>		
Administrative		156,651	208,161
Salaries and Related Charges		148,496	218,428
Maintenance and Repairs		8,537	42,242
Maintenance Contracts		320,479	291,618
Utilities		344,083	315,329
Management Fee		108,298	96,842
Payment in Lieu of Taxes		160,100	144,067
Property and Liability Insurance		82,154	76,030
Total Expenses		<u>1,328,798</u>	<u>1,392,717</u>
Net Income Before Depreciation, Interest and Reserves		<u>1,665,274</u>	<u>1,294,701</u>
Interest and Reserve			
Interest on Mortgage		491,429	516,915
Fees and Charges		71,067	47,390
Total Interest and Reserves		<u>562,496</u>	<u>564,305</u>
Net Income (Loss) before Depreciation		<u>1,102,778</u>	<u>730,396</u>
Depreciation Expense (equal to mortgage principal amortization paid in the period)		262,583	249,968
Net Income (Loss) before Excess Depreciation		<u>840,195</u>	<u>480,428</u>
Reserve Refunds		(621,491)	-
Excess Depreciation		101,980	58,683
Net Income or Loss for the Period		<u>\$ 1,359,706</u>	<u>\$ 421,745</u>

See independent auditor's report and accompanying notes to the financial statements. Page 6

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

STATEMENTS OF CHANGES IN MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022

Undesignated	2023	2022
Members' Equity - Beginning of Year	\$ 4,008,646	\$ 3,586,901
Net Income	1,359,706	421,745
Members' Equity - End of Year	5,368,352	4,008,646
Designated		
Reserve for Repairs and Replacements - Beginning of Year	1,519,094	1,518,031
Interest Income	3,061	1,063
Reserve Refunds	(621,491)	-
Reserve for Repairs and Replacements - End of Year	900,664	1,519,094
Total		
Total Equity - Beginning of Year	5,527,740	5,104,932
Net Income	1,359,706	421,745
Interest Income	3,061	1,063
Reserve Refunds	(621,491)	-
Total Equity - End of Year	<u>\$ 6,269,016</u>	<u>\$ 5,527,740</u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flow from Operating Activities:		
Net Income	\$ 1,359,706	\$ 421,745
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	364,563	308,651
Amortization of Debt Issuance Costs Included in Interest	9,169	22,007
Reserve Refunds	(621,491)	-
Interest Income - Repair and Replacement Reserve	3,061	1,063
Bad Debt Expense	252	2,742
Changes in Operating Assets and Liabilities		
(Increase) Decrease in Tenant/Member Accounts Receivable	(21,618)	10,166
Decrease (Increase) in Accounts Receivable - Other	19,043	(8,925)
Decrease (Increase) in Prepaid Expenses	7,764	(403)
Increase (Decrease) in Accounts Payable	9,795	(4,049)
Increase in Accrued Liabilities	16,033	4,772
Decrease in Accrued Interest Payable	(543)	(512)
Increase in Tenant Security Deposits Held In Trust	2,074	1,621
Increase (Decrease) in Prepaid Revenue	9,745	(3,472)
Other Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	-	20,000
Net Cash Provided by Operating Activities	<u>1,157,553</u>	<u>775,406</u>
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	<u>(1,343,790)</u>	<u>(453,136)</u>
Net Cash Used in Investing Activities	<u>(1,343,790)</u>	<u>(453,136)</u>
Cash Flow from Financing Activities:		
Principal Payments - Mortgage	(113,239)	(106,927)
Principal Payments - Second Mortgage	(149,344)	(143,041)
Proceeds from Mortgages, Loans, or Notes Payable	-	15,000
Principal Payments on Loans or Notes Payable	(15,000)	-
Other Financing Activities	<u>(103,006)</u>	<u>(55,935)</u>
Net Cash Used in Financing Activities	<u>(380,589)</u>	<u>(290,903)</u>
Net Increase in Cash, Cash Equivalents, and Restricted Cash	(566,826)	31,367
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	2,276,144	2,244,777
Cash, Cash Equivalents, and Restricted Cash at End of Year	<u>\$ 1,709,318</u>	<u>\$ 2,276,144</u>

Supplemental Disclosure of Cash Flow Information:

Total Cash Paid for Interest	\$ 482,803	\$ 495,420
See independent auditor's report and accompanying notes to the financial statements. Page 8		

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 1 - Organization

Nature of Business

Dubin Senior Housing, LLC was organized as a Limited Liability Company (the LLC) on June 7, 2019 under the laws of the state of New Jersey, for the purpose of interest in real property. The LLC has elected to be treated as a partnership for federal income tax purposes. In 2020, the LLC acquired a rental housing Project known as Bernard Dubin House Apartments, (the "Project"), 145 apartment units located in Cherry Hill, New Jersey. The Project was financed with a NJHMFA insured loan pursuant to Section 542(c) of the Housing and Community Development Act of 1992 and is subject to the terms of its Financing, Deed Restriction and Regulatory Agreement with NJHMFA. The Project also has a Section 8 Housing Assistance Contract (the HAP Contract) for 145 units with the U.S. Department of Housing and Urban Development (HUD). Under this program, the LLC provides housing to eligible elderly low-income renters. Lower rent charged to tenants is recovered by the LLC through rent subsidies provided by HUD. For the years ended December 31, 2023 and 2022, rental revenue from HUD totaled \$2,104,105 and \$1,904,639, respectively. In addition, the LLC receives reimbursements from the State of New Jersey for expenses incurred in providing meals under the Congregate Housing Services Program.

Low Income Housing Tax Credit

The Project qualified for low-income housing credits in accordance with Section 42 of the Internal Revenue Code, which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. The Project must meet the provisions of these regulations during each of the initial fifteen consecutive years through June 2022, to remain qualified to receive the tax credits.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements of the LLC are prepared on the accrual basis of accounting and in accordance with the New Jersey Housing and Mortgage Finance Agency (NJHMFA) Policies and Procedures Manual.

The accounting practices prescribed or permitted by NJHMFA differ from accounting principles generally accepted in the United States of America as follows:

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

- The financial statements include a provision for repair and replacement reserve, along with a credit to members' equity (reserve for replacements) for the same amount. The effect of this entry is to create a segregation of members' equity for future major repairs. During the years ended December 31, 2023 and 2022 there were no additional provisions as the reserve deposits were suspended.
- The financial statements include reserve refunds income, along with a debit to members' equity (reserve for replacements) for the same amount. The effect of this entry is to create a segregation of members' equity for future major repairs.
- Depreciation for the period is separated into two accounts: (1) depreciation, which is defined as the amount of principal paid on the first mortgage during the period, and (2) excess depreciation, which is defined as the balance of depreciation in excess of the amount of mortgage principal paid during the period.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may differ from those estimates.

Revenue Recognition

The LLC recognizes revenue from its tenants on an accrual basis when earned in accordance with accounting principles generally accepted in the United States of America.

Rental income is presented net of vacancies and concessions. Rental payments received in advance are deferred until earned. All leases between the LLC and the tenants of the Project are operating leases. Other income includes fees for late payments, cleaning, damages, laundry facilities and other charges and is recorded when earned. Advance receipts of revenue are deferred and classified as liabilities until earned.

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Leases

The LLC, as lessor, enters into lease agreements with the tenants of the Project. The initial lease term is for twelve months. After the initial term ends, the lease continues for successive terms, until terminated by the tenant or the Project. The leases do not grant any right to the tenant to purchase the underlying asset. The LLC classifies the leases as operating leases and recognizes lease income, as rental income, monthly.

Government Assistance

The LLC analogizes government assistance to the contribution model, as provided by the Accounting Standards Codification 958-605-25. Under this model, income is not recognized until all conditions are substantially met and there are no barriers to overcome to entitle the recipient to the assets transferred or promised. Once all barriers are substantially met, the assistance is unconditional, and a receivable, as applicable, and income are recognized.

Cash Equivalents

For purposes of the statement of cash flows, the LLC considers all highly liquid investments purchased with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Tenant receivables are reported net of allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection and a review of the current status of tenant accounts receivable. The allowance for doubtful accounts as of December 31, 2023 and 2022 was \$11,703 and \$12,330.

Fixed Assets

Fixed assets are recorded at cost and depreciated over their estimated useful lives using the straight-line method for financial reporting purposes. The LLC capitalizes all acquisitions of property and equipment in excess of \$25,000. Expenditures for maintenance and repairs are charged as expenses when incurred. For the years ended December 31, 2023 and 2022, depreciation expense totaled \$364,563 and \$308,651, respectively.

DUBIN SENIOR HOUSING, LLC
NJHMF A PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Impairment of Long-Lived Assets

The LLC reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There was no impairment loss recognized for the years ended December 31, 2023 and 2022.

Debt Issuance Costs

Debt issuance costs, net of accumulated amortization are included as a reduction in the mortgage liability. All costs are considered to be long-term. The amounts are amortizing over the term of the loan using the straight-line method, which approximates the effective interest method.

Advertising Costs

Advertising costs are charged to operations when incurred. For the years ended December 31, 2023 and 2022, advertising costs totaled \$3,300 and \$4,878, respectively.

Income Taxes

The LLC has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions, and tax credits are passed through and are reported by its owners on their respective income tax returns. The LLC's federal tax status as a pass-through entity is based on its legal status as an LLC. Accordingly, these financial statements do not reflect a provision for income taxes.

Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. For the years ended December 31, 2023 and 2022, there were no uncertain tax positions.

Reclassifications

Reclassifications have been made to the prior year balances to conform to the current year presentation.

DUBIN SENIOR HOUSING, LLC
NJHMF A PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Adoption of New Accounting Pronouncement

As of January 1, 2022, the LLC adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842) and related amendments. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. The LLC elected to adopt the ASU using the modified retrospective method. The LLC elected the “package of three” practical expedients at adoption, as permitted under the transition guidance:

- i. The LLC did not reassess if expired or existing contracts are or contain a lease.
- ii. The LLC did not reassess the lease classification for any expired or existing leases.
- iii. The LLC did not reassess initial direct costs for existing leases.

Additionally,

- The LLC did not elect the hindsight practical expedient to determine the lease term and for assessing impairment of the right of use assets for existing leases.
- The LLC elected the land easement practical expedient and has not reassessed whether any existing or expired land easements that were not previously classified as leases are or contain a lease.
- The LLC made an accounting policy election to not apply the recognition requirements of the new standard to leases with terms of twelve months or less and which do not include an option to purchase the underlying assets which is reasonably certain of exercise.

The adoption of the ASU did not have a significant impact on these financial statements.

Adoption of Accounting Pronouncement

In November 2021, the FASB issued ASU No. 2021-10 Government Assistance (Topic 832), which requires annual disclosures of transactions with a government, that are accounted for by applying a grant or contribution accounting model by analogy. These required disclosures include information on the nature of transactions and related accounting policies used to account for transactions, detail on the line items on the balance sheet and income statement affected by these transactions including amounts applicable to each line, and significant terms and conditions of the transactions including commitments and contingencies. The ASU is effective for fiscal years beginning after December 15, 2021.

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 3 - Mortgage Notes Payable

First Mortgage

Upon acquisition of the Project in 2020, the LLC assumed the existing mortgage with NJHMFA, in the original principal amount of \$3,850,000. The mortgage is payable in monthly installments of \$22,468 including interest at 5.75% per annum. In addition, deposits for real estate taxes, insurance, MIP and replacement reserve escrow accounts are required as needed. The Project is also required to maintain the balances in the medical insurance, minimum, special and operating deficit escrows held by the mortgagee. The mortgage matures on July 1, 2038 and is secured by the real estate and personal property of the LLC.

For the years ended December 31, 2023 and 2022, interest expense for the first mortgage totaled \$155,828 and \$162,172, respectively.

Second Mortgage

Upon acquisition of the Project in 2020, the LLC financed the Project with a mortgage from The Westchester Bank in the original principal amount of \$8,000,000. The mortgage is payable in monthly installments of \$39,648 including interest at 4.25% per annum. The mortgage had an original maturity date of May 28, 2023, and was extended through April 30, 2024. The mortgage is subordinate to the first mortgage and is secured by the real estate and personal property of the LLC.

For the years ended December 31, 2023 and 2022, interest expense for the second mortgage totaled \$335,601 and \$354,743, respectively.

Maturities

The following schedule outlines the principal amounts due on the mortgages as of December 31, 2023.

	First Mortgage	Second Mortgage	Total
2024	\$ 119,925	\$ 7,494,291	\$ 7,614,216
2025	127,005	-	127,005
2026	134,504	-	134,504
2027	142,445	-	142,445
2028	150,855	-	150,855
Thereafter,	1,982,890	-	1,982,890
Total Mortgage Payable:	<u>\$ 2,657,624</u>	<u>\$ 7,494,291</u>	<u>\$ 10,151,915</u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Debt Issuance Costs

The Debt Issuance Costs, of the second mortgage, of \$66,020 were amortized over the original three-year term of the mortgage. As of December 31, 2023 and 2022, accumulated amortization was \$66,020 and \$56,851, respectively, and the net amount of the Debt Issuance Costs was \$0 and \$9,169, respectively. The net amount is included as a reduction in the mortgage liability. For the years ended December 31, 2023 and 2022, amortization expense of \$9,169 and \$22,007, respectively, was included as a component of interest expense.

The LLC is working on refinancing the first and second mortgage. As of December 31, 2023 and 2022, the Project incurred related costs of \$138,941 and \$35,935, respectively, which are included as a miscellaneous other asset on the balance sheet.

Note 4 - Related Party Transactions

Management Fee

Management of the Project was performed by Capital Realty Group, Inc, an entity owned by the members of the LLC. The management agent and its affiliates pay certain operating expenses and payroll on behalf of the LLC and are reimbursed by the LLC. The management agreement approved by NJHMFA for the years ended December 31, 2023 and 2022 provided for a management fee of \$62.24 and \$56.33 per unit per month, respectively. For the years ended December 31, 2023 and 2022, the LLC incurred management fees in the amount of \$108,298 and \$96,842, respectively, which are included on the Statement of Operations as Management Fee.

Major Renovations - Non Cash Investing Activity

The LLC contracted with CRG Developers, Inc., a related entity, for the management and completion of its rehabilitation work. The total cost of the work performed of \$2,036,325 was billed to the project as of December 31, 2022. During the years ended December 31, 2023 and 2022, \$1,016,325 and \$420,000, respectively, were paid to CRD Developers, Inc., for this contract. As of December 31, 2023 and 2022, \$0 and \$1,016,325, respectively, were payable to CRG Developers, Inc., and included in accounts payable on the balance sheet.

Note 5 - Federal Housing Administration (FHA) and New Jersey Housing and Mortgage Financing Agency (NJHMFA) Requirements

The Project is required to comply with the terms and agreements of its Section 542(c) Regulatory Agreement and Section 8 Housing Assistance Contract, which include, among other things the following provisions:

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

a. Reserve for Replacement Account

The Project is required to maintain a reserve for replacement account per NJHMFA regulations. NJHMFA has authorized the suspension of monthly deposits. Expenditures from the reserve account must be approved by NJHMFA. During the year ended December 31, 2023, NJHMFA approved the release of the reserve overage in the amount of \$621,491, of which \$144,920 was used to fund the tax and insurance escrows. As of December 31, 2023 and 2022, the amount available in the replacement reserve account was \$900,664 and \$1,519,094, respectively.

b. Distribution of Project Funds

The Contract does not contain any provisions to limit distributions to the owners. Therefore, the Project is not considered to be limited, by its Contract, to distributions of surplus cash as calculated in the attached supplemental data. These calculations are included for informational purposes only to facilitate the submission in HUD's REAC system.

c. Security Deposits

Cash receipts from tenant security deposits are required to be held in trust in a separate bank account in the name of the LLC. As of December 31, 2023 and 2022, the amounts held in the tenant security deposits account was \$51,207 and \$49,280, respectively.

Note 6 - Cash and Restricted Cash

The following table provides a reconciliation of Cash, and Restricted Cash, reported on the Balance Sheet that sum to the total of the same such amounts shown in the Statement of Cash Flows.

	2023	2022
Cash - Operating	\$ 268,232	\$ 137,446
Restricted Cash		
Tax, Insurance & Other	329,167	410,770
Replacement Reserve	900,664	1,519,094
Security Deposits	51,207	49,280
Operating Deficit Reserve	160,048	159,554
Total Restricted Cash	1,441,086	2,138,698
Total Cash, Cash Equivalents, and Restricted Cash shown in the Statement of Cash Flows:	<u><u>\$ 1,709,318</u></u>	<u><u>\$ 2,276,144</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 7 - Receivables

Receivables consist of the following as of December 31, 2023 and 2022:

	2023	2022
Tenant, Net of Allowance	\$ 11,704	\$ 12,331
Housing Assistance Payments	22,903	910
Meal Service - State of New Jersey	-	16,491
Other	-	2,552
Total Receivables	<u>\$ 34,607</u>	<u>\$ 32,284</u>

Note 8 - Other Income

Other Income consists of the following for the years ended December 31, 2023 and 2022:

	2023	2022
Employee Retention Tax Credit	\$ 96,443	\$ -
Antenna & Other	42,858	46,596
Cable Commission	10,875	-
Laundry & Vending	9,525	3,745
Tenant Charges	4,582	7,455
Other	340	-
Total Other Income	<u>\$ 164,623</u>	<u>\$ 57,796</u>

Employee Retention Tax Credit

The CARES Act, and subsequent amendments, provided for an Employee Retention Tax Credit (ERTC), a refundable payroll tax credit designed to help businesses retain their employees. Eligible businesses with certain declines in gross receipts, can receive up to \$7,000 per employee for the first three quarters of 2021. The LLC received \$96,443 in 2023 for the ERTC, which is presented as other income in the statement of operations. Amounts received are subject to audit by the IRS.

Note 9 - Concentrations of Credit Risk

Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, these balances may exceed the Federal Insurance limits; however, the LLC has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2023 and 2022.

DUBIN SENIOR HOUSING, LLC
NJHMFPA PROJECT NO. 1508
PROJECT NO. NJ16H085002

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

Note 10 - Current Vulnerability Due to Certain Concentrations

The LLC operates an affordable housing facility in Cherry Hill, New Jersey. The LLC's operations are concentrated in the multifamily real estate market. In addition, the LLC operates in a heavily regulated environment. The operations of the LLC are subject to the administrative directives, rules and regulations of state, federal and local regulatory agencies, including but not limited to, HUD. Accordingly, funding and other administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

Federally Subsidized Rental Income

HUD has contracted with the Project pursuant to Section 8 of the Housing Act of 1937 to make housing assistance payments to the LLC on behalf of qualified tenants. The current Contract is effective since June 1, 2020 through May 31, 2040. Under the HAP contract, the LLC must charge rents to tenants in accordance with a HUD approved rent schedule. All changes to rents must be approved by HUD.

Contingencies

Upon the acquisition of the Project, the LLC assumed the existing Housing Assistance Payment Contract with HUD, and entered into a renewal contract. The maximum annual amount of the commitment for housing assistance payments as of December 31, 2023 is \$2,952,000, per the HUD approved rent schedule, subject to congressional appropriations.

Note 11 - Subsequent Events

The LLC has evaluated subsequent events and transactions for potential recognition and disclosure in the financial statements through March 27, 2024, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION
REQUIRED BY NEW JERSEY HOUSING AND
MORTGAGE FINANCING AGENCY (NJHMFA)**

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULES OF INCOME AND EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Other Income		
Laundry Machines	\$ 9,525	\$ 3,745
Late Charges and Other	4,582	7,455
Cable Income	53,733	46,596
Employee Retention Tax Credit	96,443	-
Other	340	-
Total Other Income	<u><u>\$ 164,623</u></u>	<u><u>\$ 57,796</u></u>
Administrative Expenses		
Telephone	\$ 4,396	\$ 5,963
Postage	552	576
Other Office Expenses	23,278	24,158
Other Taxes	8,395	3,955
Advertising	3,300	4,878
Other Professional Fees	6,444	3,296
Legal Services	100	4,592
Auditing	12,000	12,000
Uniform Expenses	1,185	899
Bookkeeping, Accounting	1,619	6,109
Computer Charges	13,959	13,696
Meal Services	70,799	121,396
Miscellaneous Administrative Expenses	10,624	6,643
Total Administrative Expenses	<u><u>\$ 156,651</u></u>	<u><u>\$ 208,161</u></u>
Salaries and Related Charges		
Office and Administrative Salaries	\$ 65,077	\$ 86,404
Maintenance Salaries	64,260	93,620
Employee Benefits (Pension, Medical, etc.)	1,971	11,713
Employer's Payroll Taxes	14,559	19,133
Workmen's Compensation	2,629	7,558
Total Salaries and Related Charges	<u><u>\$ 148,496</u></u>	<u><u>\$ 218,428</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULES OF INCOME AND EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

Maintenance and Repairs		
Snow Removal	\$ -	\$ 11,107
Grounds and Landscaping	50	-
Painting and Decorating	3,762	1,033
Miscellaneous Maintenance Supplies	4,725	30,102
Total Maintenance and Repairs	<u>\$ 8,537</u>	<u>\$ 42,242</u>
Maintenance Contracts		
Fire System Monitoring	\$ 8,109	\$ 3,358
Cleaning	331	1,761
Elevator	31,634	34,032
Rubbish Removal	15,076	17,834
Heating and Air Conditioning	183,952	104,951
Grounds, Parking and Landscaping	7,356	10,322
Exterminating	8,782	12,359
Other Maintenance Contracts	65,239	107,001
Total Maintenance Contracts	<u>\$ 320,479</u>	<u>\$ 291,618</u>
Utilities		
Water	\$ 37,507	\$ 32,056
Sewer	64,938	65,916
Electricity	210,972	196,267
Gas	30,666	21,090
Total Utilities	<u>\$ 344,083</u>	<u>\$ 315,329</u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULES OF CHANGES IN FIXED ASSET ACCOUNTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Beginning Balance: Land	\$ 1,361,411	\$ 1,361,411
Land	1,361,411	1,361,411
Beginning Balance: Building	12,314,999	12,252,699
Building Additions		
Item Purchased - Fire Alarm System		
Total Amount -		30,800
Item Purchased - Pumps		
Total Amount -		31,500
Item Purchased - HVAC Unit		
Total Amount -	99,675	
Item Purchased - Building Renovations		
Total Amount -	2,036,325	
Buildings	14,450,999	12,314,999
Beginning Balance: Construction in Progress	2,036,325	1,403,138
Additions		
Item Purchased - Building Renovations		
Total Amount -		633,187
Item Purchased - ADA Units		
Total Amount -	93,270	
Item Purchased - First Floor Renovation		
Total Amount -	121,646	
Deductions		
Reclassification to Building		
Total Amount -	2,036,325	
Construction in Progress	214,916	2,036,325
Total Beginning Balance for Fixed Assets	15,712,735	15,017,248
Total Assets Additions	2,350,916	695,487
Total Asset Deductions	2,036,325	-
Total Fixed Assets	16,027,326	15,712,735
Beginning Balance for Accumulated Depreciation	793,653	485,002
Depreciation Expense	364,563	308,651
Ending Balance for Accumulated Depreciation	1,158,216	793,653
Total Net Book Value	<u>\$ 14,869,110</u>	<u>\$ 14,919,082</u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULES OF CHANGES IN RESERVE ACCOUNT BALANCES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Beginning Balance January 1, 2022	Deposits	Withdrawals	Interest	Adjustment to Beginning Balances	Ending Balance December 31, 2022
Real Estate Tax Escrow	\$ 278,122	\$ 90,096	\$ (139,295)	\$ 155	\$ -	\$ 229,078
Insurance Escrow	139,694	76,391	(77,799)	84	-	138,370
MIP Escrow	7,240	12,237	(12,406)	5	-	7,076
Special Two Escrow	10,015	-	-	7	-	10,022
Minimum Escrow	25,676	-	-	-	-	25,676
Special Escrow	548	-	-	-	-	548
Replacement Reserve	1,518,031	-	-	1,063	-	1,519,094
Tenant/Patient Deposits	48,667	5,724	(5,406)	295	-	49,280
Operating Deficit Reserve	159,442	-	-	112	-	159,554
Total	<u>\$ 2,187,435</u>	<u>\$ 184,448</u>	<u>\$ (234,906)</u>	<u>\$ 1,721</u>	<u>\$ -</u>	<u>\$ 2,138,698</u>

	Beginning Balance January 1, 2023	Deposits	Withdrawals	Interest	Adjustment to Beginning Balances	Ending Balance December 31, 2023
Real Estate Tax Escrow	\$ 229,078	\$ 86,996	\$ (144,067)	\$ 524	\$ -	\$ 172,531
Insurance Escrow	138,370	57,924	(78,378)	355	-	118,271
MIP Escrow	7,076	6,894	(11,892)	8	-	2,086
Special Two Escrow	10,022	-	-	31	-	10,053
Minimum Escrow	25,676	-	-	-	-	25,676
Special Escrow	548	-	-	2	-	550
Replacement Reserve	1,519,094	-	(621,491)	3,061	-	900,664
Tenant/Patient Deposits	49,280	5,921	(5,581)	1,587	-	51,207
Operating Deficit Reserve	159,554	-	-	494	-	160,048
Total	<u>\$ 2,138,698</u>	<u>\$ 157,735</u>	<u>\$ (861,409)</u>	<u>\$ 6,062</u>	<u>\$ -</u>	<u>\$ 1,441,086</u>

See Independent Auditor's Report

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULES OF ACCOUNTS PAYABLE
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Administrative	\$ 1,604	\$ 70
Advertising & Marketing	-	396
Audit	12,000	12,000
Building Improvements	16,289	1,045,489
Building Repairs	1,308	958
Cable TV	119	-
Cleaning	-	117
Electricity	17,536	15,749
Elevator Repairs	3,625	-
Elevator Contracts	4,373	2,346
Exterminator	1,401	-
Furniture & Equipment	1,298	-
Gas	4,084	11,041
Heating & Cooling	-	4,493
Internet	194	86
Landscaping & Grounds	1,513	-
Management Fee	12,122	5,968
Miscellaneous	7,329	956
Mortgage Insurance Premium	4,730	4,955
Office Supplies	402	2,801
Repairs & Maintenance	3,535	1,232
Salaries & Wages	614	-
Snow Removal	-	704
Supplies & Materials - Kitchen	525	8,448
Telephone	208	69
Trash Removal	1,646	11
Umbrella Policy	1,633	-
Water	2,943	2,546
Total Accounts Payable	<u>\$ 101,031</u>	<u>\$ 1,120,435</u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULES OF COMPUTATION OF MANAGEMENT FEE
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Per Unit Charge Approved by NJHMFA	\$ 62.24	\$ 56.33
Total Units (145 units x 12 months)	<u>1,740</u>	<u>1,740</u>
	108,298	98,014
 Miscellaneous Adjustment	 -	 (1,172)
 Management Fee Expense	 <u><u>\$ 108,298</u></u>	 <u><u>\$ 96,842</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULES OF COMPUTATION OF PILOT
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Gross Rents (Less Vacancy)	\$ 2,749,367	\$ 2,494,060
Less: Allowed Operating Expense Deduction	<u>200,000</u>	<u>200,000</u>
Total	2,549,367	2,294,060
 Rate	 <u>6.28%</u>	 <u>6.28%</u>
	160,100	144,067
 Accrued PILOT - Beginning of Year	 144,067	 139,295
Payments, Net	(144,067)	(139,295)
PILOT Expense	<u>160,100</u>	<u>144,067</u>
Accrued PILOT - End of Year	<u><u>\$ 160,100</u></u>	<u><u>\$ 144,067</u></u>

**SUPPLEMENTARY INFORMATION
REQUIRED BY U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT (HUD)**

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

BALANCE SHEET DATA
DECEMBER 31, 2023

ASSETS

Current Assets:

1120	Cash - Operations	\$ 268,232
1130	Tenant Accounts Receivable	23,407
1131	Allowance for Doubtful Accounts	11,703
1130N	Net Tenant Accounts Receivable	<u>11,704</u>
1135	Accounts Receivable - HUD	22,903
1200	Prepaid Expenses	<u>21,528</u>
1100T	Total Current Assets	324,367

1191	Tenant/Patient Deposits Held in Trust	51,207
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Deposits:

1310	Escrow Deposits	329,167
1320	Replacement Reserves	900,664
1330	Other Reserves	160,048
1300T	Total Deposits	<u>1,389,879</u>

Fixed Assets:

1410	Land	1,361,411
1420	Buildings	14,450,999
1490	Miscellaneous Fixed Assets	214,916
1400T	Total Fixed Assets	<u>16,027,326</u>
1495	Accumulated Depreciation	1,158,216
1400N	Net Fixed Assets	<u>14,869,110</u>

Other Assets:

1590	Miscellaneous Other Assets	138,941
1500T	Total Other Assets	<u>138,941</u>

1000T	TOTAL ASSETS	<u><u>\$ 16,773,504</u></u>
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**DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002**

**BALANCE SHEET DATA
DECEMBER 31, 2023**

LIABILITIES AND EQUITY

Current Liabilities:

2110	Accounts Payable - Operations	\$ 101,031
2131	Accrued Interest Payable	12,734
2150	Accrued Property Taxes	160,100
2170	Mortgage Payable - Short Term	119,925
2172	Other Mortgages Payable (Short Term)	7,494,291
2210	Prepaid Revenue	27,663
2122T	Total Current Liabilities	<u>7,915,744</u>
2191	Tenant/Patient Deposits Held in Trust (Contra)	51,045

Long-Term Liabilities:

2320	Mortgage Payable - First Mortgage	<u>2,537,699</u>
2300T	Total Long-Term Liabilities	<u>2,537,699</u>
2000T	Total Liabilities	<u>10,504,488</u>

Owners' Equity:

3130	Total Equity	6,269,016
2033T	TOTAL LIABILITIES AND EQUITY	<u><u>\$ 16,773,504</u></u>

**DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002**

**STATEMENT OF OPERATIONS DATA
YEAR ENDED DECEMBER 31, 2023**

REVENUES

Rental Revenue:

5120	Rent Revenue - Gross Potential	\$ 675,281
5121	Tenant Assistance Payments	2,085,534
5193	Special Claims Revenue	18,571
5100T	Total Rent Revenue	<u>2,779,386</u>

Vacancies:

5220	Apartments	29,855
5250	Rental Concessions	164
5200T	Total Vacancies	<u>30,019</u>

5152N	Net Rental Revenue (Rent Revenue Less Vacancies)	<u>2,749,367</u>
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5300	Assisted Living and Elderly Care	71,098
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Financial Revenue:

5410	Financial Revenue - Project Operations	9,236
5440	Revenue from Investments - Replacement Reserve	3,061
5400T	Total Financial Revenue	<u>12,297</u>

Other Revenue:

5910	Laundry and Vending Revenue	9,525
5920	Tenant Charges	4,582
5990	Miscellaneous Revenue	150,516
5900T	Total Other Revenue	<u>164,623</u>

5000T	Total Revenue	<u>2,997,385</u>
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DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

STATEMENT OF OPERATIONS DATA
YEAR ENDED DECEMBER 31, 2023

EXPENSES

Administrative:

6203	Conventions and Meetings	104
6204	Management Consultants	6,444
6210	Advertising and Marketing	3,300
6250	Other Renting Expenses	9,990
6310	Office Salaries	65,077
6311	Office Expenses	33,380
6320	Management Fee	108,298
6340	Legal Expense - Project	100
6350	Audit Expense	12,000
6351	Bookkeeping Fees/Accounting Services	1,619
6370	Bad Debts	252
6390	Miscellaneous Administrative Expenses	10,520
6263T	Total Administrative Expenses	<u>251,084</u>

Utilities:

6450	Electricity	210,972
6451	Water	37,507
6452	Gas	30,666
6453	Sewer	64,938
6400T	Total Utilities Expense	<u>344,083</u>

Operating and Maintenance:

6510	Payroll	64,260
6515	Supplies	8,537
6520	Contracts	121,275
6525	Garbage and Trash Removal	15,076
6546	Heating/Cooling Repairs and Maintenance	183,952
6580	Lease Expense	176
6500T	Total Operating and Maintenance Expenses	<u>393,276</u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

STATEMENT OF OPERATIONS DATA
YEAR ENDED DECEMBER 31, 2023

Taxes and Insurance:

6710	Real Estate Taxes	160,100
6711	Payroll Taxes	14,559
6720	Property and Liability Insurance	82,154
6722	Workmen's Compensation	2,629
6723	Health Insurance and Other Employee Benefits	1,971
6790	Miscellaneous Taxes, Licenses, Permits and Insurance	8,395
6700T	Total Taxes and Insurance	<u>269,808</u>

Financial:

6820	Interest on Mortgage Payable	155,828
6825	Interest on Other Mortgages	335,601
6850	Mortgage Insurance Premium/Service Charge	11,667
6890	Miscellaneous Financial Expenses	59,400
6800T	Total Financial Expenses	<u>562,496</u>

6900	Elderly Service Expense	70,799
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6000T	Total Cost of Operations before Depreciation	<u>1,891,546</u>
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5060T	Profit (Loss) before Depreciation	1,105,839
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6600	Depreciation Expenses	364,563
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5060N	Operating Profit or (Loss)	<u>741,276</u>
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3250	Net Income or Loss	<u><u>\$ 741,276</u></u>
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DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

STATEMENT OF CHANGES IN MEMBERS' EQUITY DATA
YEAR ENDED DECEMBER 31, 2023

S1100-010	Beginning of Year Balance	\$ 5,527,740
3250	Net Income or Loss	<u>741,276</u>
3130	End of Year - 3130	<u><u>\$ 6,269,016</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

STATEMENT OF CASH FLOWS DATA
YEAR ENDED DECEMBER 31, 2023

Cash Flows from Operating Activities:

S1200-010	Rental Receipts	\$ 2,737,494
S1200-020	Interest Receipts	12,297
S1200-030	Other Operating Receipts	254,764
S1200-040	Total Receipts	<u>3,004,555</u>
S1200-050	Administrative	(74,994)
S1200-070	Management Fee	(102,144)
S1200-090	Utilities	(348,855)
S1200-100	Salaries and Wages	(128,879)
S1200-110	Operating and Maintenance	(320,177)
S1200-120	Real Estate Taxes	(144,067)
S1200-140	Property Insurance	(79,755)
S1200-150	Miscellaneous Taxes and Insurance	(17,388)
S1200-160	Tenant Security Deposits	147
S1200-170	Other Operating Expenses	(78,722)
S1200-180	Interest on Mortgages	(156,371)
S1200-181	Interest Payments - Second Mortgage	(326,432)
S1200-210	Mortgage Insurance Premium (MIP)	(11,892)
S1200-220	Miscellaneous Financial	(59,400)
S1200-230	Total Disbursements	<u>(1,848,929)</u>
S1200-240	Net Cash Provided by Operating Activities	1,155,626

Cash Flow from Investing Activities:

S1200-245	Net Deposits to the Mortgage Escrow Account	81,603
S1200-250	Net Deposits to the Reserve for Replacement Account	618,430
S1200-255	Net Deposits to Other Reserves	(494)
S1200-330	Net Purchase of Fixed Assets	(1,343,790)
S1200-350	Net Cash Used in Investing Activities	<u>(644,251)</u>

Cash Flow from Financing Activities:

S1200-360	Principal Payments - First Mortgage	(113,239)
S1200-361	Principal Payments - Second Mortgage	(149,344)
S1200-370	Principal Payments on Loans or Notes Payable	(15,000)
S1200-450	Other Financing Activities	(103,006)
S1200-460	Net Cash Used in Financing Activities	<u>(380,589)</u>
S1200-470	Net Increase in Cash and Cash Equivalents	130,786
S1200-480	Beginning of Period Cash	137,446
S1200T	End of Period Cash	<u><u>\$ 268,232</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

STATEMENT OF CASH FLOWS DATA
YEAR ENDED DECEMBER 31, 2023

Reconciliation of Net Income to Net Cash Provided by Operating Activities:

3250	Net Income or Loss	\$ 741,276
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Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:

6600	Depreciation Expenses	364,563
S1200-486	Amortization of Debt Issuance Costs	9,169
S1200-490	Increase in Tenant/Member Accounts Receivable	(21,366)
S1200-500	Decrease in Accounts Receivable - Other	19,043
S1200-520	Decrease in Prepaid Expenses	7,764
S1200-530	Increase in Cash Restricted for Tenant Security Deposits	(1,927)
S1200-540	Increase in Accounts Payable	9,795
S1200-560	Increase in Accrued Liabilities	16,033
S1200-570	Decrease in Accrued Interest Payable	(543)
S1200-580	Increase in Tenant Security Deposits Held in Trust	2,074
S1200-590	Increase in Prepaid Revenue	9,745
S1200-610	Net Cash Provided by Operating Activities	<u><u>\$ 1,155,626</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULE OF RESERVE FOR REPLACEMENT
YEAR ENDED DECEMBER 31, 2023

1320P	Balance at Beginning of Year	\$ 1,519,094
1320INT	Interest on Replacement Reserve Accounts	3,061
1320WT	Approved Withdrawals	<u>621,491</u>
1320	Balance at End of Year, Confirmed by Mortgagee	<u>\$ 900,664</u>
1320R	Deposits Suspended or Waived Indicator	YES

**DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002**

**COMPUTATION OF SURPLUS CASH
YEAR ENDED DECEMBER 31, 2023**

S1300-010	Cash (Accounts 1120, 1191)	\$ 319,439
1135	Accounts Receivable - HUD	<u>22,903</u>
S1300-040	Total Cash	342,342
S1300-050	Accrued Mortgage Interest Payable	12,734
S1300-075	Accounts Payable - 30 Days	101,031
2210	Prepaid Revenue	27,663
2191	Tenant/Patient Deposits Held in Trust (Contra)	<u>51,045</u>
S1300-140	Total Current Obligations	<u>192,473</u>
S1300-150	Surplus Cash (Deficiency)	149,869
S1300-200	Amount Available for Distribution During Next Fiscal Period	<u><u>\$ 149,869</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS
YEAR ENDED DECEMBER 31, 2023

1410P	Beginning Balance: Land	\$ 1,361,411
1410	Land	<u>1,361,411</u>
1420P	Beginning Balance: Building	12,314,999
1420AT	Additions for 1420	2,136,000
	Details - Additions for 1420	
1420A-010	Item Purchased - HVAC Unit	
1420A-030	Total Amount - \$99,675	
1420A-010	Item Purchased - Building Renovations	
1420A-030	Total Amount - \$2,036,325	
1420	Buildings	<u>14,450,999</u>
1490P	Beginning Balance: Miscellaneous Fixed Assets	2,036,325
1490AT	Additions for 1490	214,916
	Details -Additions for 1490	
1490A-010	Item Purchased - ADA Units	
1490A-030	Total Amount - \$93,270	
1490A-010	Item Purchased - First Floor Renovation	
1490A-030	Total Amount - \$121,646	
1490DT	Deductions for 1490	2,036,325
	Details -Deductions for 1490	
1490D-010	Reclassification to Building	
1490D-030	Total Amount - \$2,036,325	
1490	Miscellaneous Fixed Assets	<u>214,916</u>
1400PT	Total Beginning Balance for Fixed Assets	15,712,735
1400AT	Total Assets Additions	2,350,916
1400DT	Total Asset Deductions	<u>2,036,325</u>
1400T	Total Fixed Assets	16,027,326
1495P	Beginning Balance for 1495	793,653
6600	Total Provisions	<u>364,563</u>
1495	Ending Balance for Accumulated Depreciation	1,158,216
1400N	Total Net Book Value	<u><u>\$ 14,869,110</u></u>

DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002

SCHEDULE OF MISCELLANEOUS SUB-ACCOUNT GROUPS
YEAR ENDED DECEMBER 31, 2023

1590	Detail - Miscellaneous Other Assets		
1590-005	Type of Asset - Other		
1590-010	Description- Refinance Fees		
1590-020	Amount - Miscellaneous Detail for 1590	\$	138,941
1330	Detail - Other Reserves		
1330-005	Description - Operating Deficits Reserve		
1330-010	Amount - Other Reserves Detail		160,048
2172	Detail - Other Mortgages Payable - Short Term		
2172-010	Type of Mortgage - Second		
2172-020	Short Term Mortgage Principal Payable		7,494,291
	Schedule of 5300 Accounts		
5332	Food		71,098
5990	Detail - Miscellaneous Revenue		
5990-010	Description - Employee Retention Tax Credit		96,443
5990-020	Amount		
5990-010	Description - Antenna Revenue		
5990-020	Amount		42,858
5990-010	Description - Cable Commission		
5990-020	Amount		10,875
5990-010	Description - Other		
5990-020	Amount		340
	Total 5990		<u>150,516</u>
6890	Detail - Miscellaneous Financial Expenses		
6890-010	Description - NJHMFA Fees and Charges		
6890-020	Amount		15,400
6890-010	Description - Extension Fees on Second Mortgage		
6890-020	Amount		44,000
	Total 6890		<u>59,400</u>
	Schedule of 6900 Accounts		
6932	Food		70,799

**DUBIN SENIOR HOUSING, LLC
NJHMFA PROJECT NO. 1508
PROJECT NO. NJ16H085002**

**SCHEDULE OF MISCELLANEOUS SUB-ACCOUNT GROUPS
YEAR ENDED DECEMBER 31, 2023**

S1200-450	Detail - Other Financing Activities	
S1200-451	Description - Refinance Fees	
S1200-452	Amount	(103,006)

**OTHER INFORMATION
REQUIRED BY U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT (HUD)
AND NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY (NJHMFA)**

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

To the Members
Dubin Senior Housing, LLC
Spring Valley, NY

We have audited, 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, the financial statements of Dubin Senior Housing, LLC, which comprise the balance sheet as of December 31, 2023, and the related statements of operations, changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fogel Klein LLP

Montvale, New Jersey

March 27, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR HUD PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE CONSOLIDATED
AUDIT GUIDE FOR AUDITS OF HUD PROGRAMS**

To the Members
Dubin Senior Housing, LLC
Spring Valley, NY

Report on Compliance for Each Major HUD Program

Opinion of Each Major HUD Program

We have audited Dubin Senior Housing, LLC's compliance with the compliance requirements described in the Consolidated Audit Guide for Audits of HUD Programs (Audit Guide) that could have a direct and material effect on each of Dubin Senior Housing, LLC's major U.S. Department of Housing and Urban Development (HUD) programs for the year ended December 31, 2023. Dubin Senior Housing, LLC's major HUD programs are as follows:

Major HUD Programs

Housing Assistance Payments Program (Section 8)

In our opinion, Dubin Senior Housing, LLC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major HUD programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Audit Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Dubin Senior Housing, LLC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that our audit evidence provides a reasonable basis for our opinion on compliance for each major HUD program. Our audit does not provide a legal determination of Dubin Senior Housing, LLC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules, and provisions of contracts or grant agreements applicable to Dubin Senior Housing, LLC's HUD programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Dubin Senior Housing, LLC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Audit Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Dubin Senior Housing, LLC's compliance with the requirements of each major HUD program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Dubin Senior Housing, LLC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Dubin Senior Housing, LLC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Dubin Senior Housing, LLC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide. Accordingly, this report is not suitable for any other purpose.

Montvale, New Jersey
March 27, 2024

**DUBIN SENIOR HOUSING, LLC
PROJECT NO. NJ16H085002**

**SCHEDULE OF FINDINGS, QUESTIONED COSTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023**

2023 Findings

Our audit disclosed no findings that are required to be reported herein under the HUD Consolidated Audit Guide.

**DUBIN SENIOR HOUSING, LLC
PROJECT NO. NJ16H085002**

**SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS, QUESTIONED COSTS AND
RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023**

Section I - Prior Audit Findings:

Auditor's report, dated March 27, 2023 for the years ended December 31, 2022 and 2021 issued by Fogel Klein LLP.

Section II - Findings Noted from Reports Issued by HUD OIG, other Federal Agencies or Contract Administrators:

There were no reports issued by HUD OIG or other federal agencies or contract administrators during the period covered by this audit.

Section III - Findings Noted from Letters or Reports Issued by HUD Management:

There were no letters or reports issued by HUD management during the period covered by this audit.

DUBIN SENIOR HOUSING, LLC
PROJECT NO. NJ16H085002

PROJECT OWNER'S CERTIFICATION
YEAR ENDED DECEMBER 31, 2023

We hereby certify that we have examined the accompanying financial statements and supplementary information of Dubin Senior Housing, LLC and, to the best of our knowledge and belief, the same are complete and accurate.

S2900-020	 _____ Moshe Eichler	<u>3/27/2024</u> S2900-050 Date
S2900-025	Manager	
S2900-030	 _____ Sam Horowitz	<u>3/27/2024</u> S2900-050 Date
S2900-035	Manager	
S2900-040	Auditee's Telephone Number:	845-356-7773
	Employer Identification Number:	84-2019471

DUBIN SENIOR HOUSING, LLC
PROJECT NO. NJ16H085002

MANAGEMENT AGENT'S CERTIFICATION
YEAR ENDED DECEMBER 31, 2023

I hereby certify that I have examined the accompanying financial statements and supplementary information of Dubin Senior Housing, LLC and, to the best of my knowledge and belief, the same are complete and accurate.

S3000-020	Capital Realty Group, Inc.	
S3000-040	20-1127702	
S3000-050	Name of Property Manager:	Moshe Eichler
S3000-030	 _____ Moshe Eichler 3/27/2024 _____ Date	

DUBIN SENIOR HOUSING, LLC
PROJECT NO. NJ16H085002

CERTIFICATE OF MANAGING MEMBER
YEARS ENDED DECEMBER 31, 2023 AND 2022

I also certify that all required federal, state and local income tax returns were filed on time and that related tax payments were also made on a timely basis.



Moshe Eichler
Managing Member

**INDEPENDENT AUDITOR'S REPORT ON STANDARD HUD COMPLIANCE AND OTHER
CERTIFICATIONS AS REQUIRED BY THE NEW JERSEY HOUSING AND MORTGAGE FINANCE
AGENCY**

To the Members
Dubin Senior Housing, LLC
Spring Valley, NY

Report on Compliance for Each Major HUD Program

We have audited Dubin Senior Housing, LLC's compliance with the common and specific program requirements that are applicable to each of its major HUD-assisted programs, for the year ended December 31, 2023. Dubin Senior Housing, LLC's major HUD programs are as follows:

Major HUD Program

Housing Assistance Payments Program (Section 8)

Management's Responsibility

Management is responsible for compliance with the common and specific program requirements that are applicable to its major HUD-assisted program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Dubin Senior Housing, LLC's major HUD program based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the most recent Consolidated Audit Guide, issued by the US Department of Housing and Urban Development, Office of Inspector General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Dubin Senior Housing, LLC's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Opinion on Each Major HUD Program

In our opinion, Dubin Senior Housing, LLC complied, in all material respects, with the compliance requirements referred to above that are applicable to its major HUD program for the year ended December 31, 2023.

Other Matters

We also attest to you that we have reviewed the following:

1. All reports required by HUD for timely filing and accuracy.
2. The validity of the HAP contract and amendments thereto.
3. The accuracy of the maximum chargeable rents.
4. The qualifications of the tenants as to admission and their required monthly contributions.
5. The certifications and recertifications of tenants.
6. The files located at the project, the managing agent's office, and supervisory managing agent's office for adequacy.

Based upon our review of the items 1 to 6 above, no material violations were found that would invalidate the future and uninterrupted receipt of the federal subsidies, under existing rules and regulations.

In connection with our audit, nothing came to our attention that caused us to believe that the LLC failed to file its federal, state and local income and payroll tax returns on a timely basis. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the LLC's noncompliance with the above referenced filing requirements insofar as they relate to accounting matters.

Purpose of this Report

This report is intended solely for the information and use of management and the New Jersey Housing and Mortgage Financing Agency and is not intended to be, and should not be, used by anyone other than these specific parties.

Montvale, New Jersey
March 27, 2024