

SEACLIFF APARTMENTS  
FINANCIAL STATEMENTS  
December 31, 2017 and 2016

SEACLIFF APARTMENTS  
PROJECT NO. ME36-H017-408  
FINANCIAL STATEMENTS  
December 31, 2017 and 2016

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## INDEPENDENT AUDITOR'S REPORT

To the Partners  
of Seacliff Apartments

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Seacliff Apartments, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Seacliff Apartments as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 12 through 18 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
Certified Public Accountants

February 27, 2018  
South Portland, Maine

SEACLIFF APARTMENTS  
STATEMENTS OF FINANCIAL POSITION

December 31, 2017 and 2016

ASSETS

	2017	2016
<b>CURRENT ASSETS</b>		
1120 Cash - Operations	\$ 171,166	\$ 141,218
1130 Tenant Accounts Receivable	11,822	6,064
1131 Allowance for Doubtful Accounts	(9,395)	(4,213)
1100T Total Current Assets	173,593	143,069
<b>DEPOSITS HELD IN TRUST</b>		
1191 Tenant Security Deposits	15,463	12,936
<b>RESTRICTED DEPOSITS</b>		
1310 Tax and Insurance Escrow	7,492	14,657
1320 Replacement Reserve (Note 4)	234,322	197,324
1340 Residual Receipts Reserve (Note 4)	12,507	12,503
1300T Total Restricted Deposits	254,321	224,484
<b>FIXED ASSETS (Note 2)</b>		
1410 Land and Improvements	1,280,947	1,280,947
1420 Buildings and Improvements	1,965,046	1,965,046
1460 Furnishings and Equipment	103,429	103,429
1400T Total Fixed Assets	3,349,422	3,349,422
1495 Less Accumulated Depreciation	329,441	249,662
1400N Net Fixed Assets	3,019,981	3,099,760
1000T TOTAL ASSETS	\$ 3,463,358	\$ 3,480,249

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS  
STATEMENTS OF FINANCIAL POSITION  
(Continued)

December 31, 2017 and 2016

LIABILITIES AND NET ASSETS

LIABILITIES

	2017	2016
CURRENT LIABILITIES		
2110 Accounts Payable - Operations (Note 5)	\$ 17,187	\$ 32,405
2131 Accrued Interest Payable	3,279	609
2170 Current Portion of Mortgage Notes Payable	98,881	90,842
2210 Prepaid Rent	141	-
2122T Total Current Liabilities	119,488	123,856
DEPOSIT LIABILITIES		
2191 Tenant Security Deposits (Contra)	13,154	12,993
LONG-TERM LIABILITIES		
2320 Mortgage Notes Payable (Note 2)	1,983,419	2,078,971
2340 Less Debt Issuance Costs	(37,881)	(40,420)
2300T Total Long-term Liabilities	1,945,538	2,038,551
2000T TOTAL LIABILITIES	2,078,180	2,175,400
	NET ASSETS	
3130/3131 Unrestricted Net Assets	1,385,178	1,304,849
2033T TOTAL LIABILITIES AND NET ASSETS	\$ 3,463,358	\$ 3,480,249

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS  
STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2017 and 2016

	2017	2016
<b>REVENUES</b>		
5120 Rent Revenue - Gross Potential	\$ 210,065	\$ 201,745
5121 Tenant Assistance Payments (Note 3)	445,438	543,869
5190 Miscellaneous Rent Revenue (Note 4)	103,290	31
	758,793	745,645
5100T Total Rent Revenue		
5220/5200T Total Vacancies	14,420	6,836
	744,373	738,809
5152N Net Rental Revenue		
5410 Financial Revenue - Project Operations	1,233	277
5430 Revenue from Investments - Residual Receipts	36	12
5440 Revenue from Investments - Replacement Reserve	215	184
	1,484	473
5400T Total Financial Revenue		
5910 Laundry and Vending	2,729	1,916
5920 Tenant Charges	2,389	2,266
5990 Miscellaneous Revenue	1,313	97
	6,431	4,279
5900T Total Other Revenue		
5000T Total Revenue	752,288	743,561
<b>EXPENSES</b>		
6204 Management Consultants	-	360
6311 Office Expenses	249	1,019
6320 Management Fee	89,325	88,653
6340 Legal Expense	4,622	87
6350 Audit Expense	5,300	5,450
6370 Bad Debts	5,338	4,213
6390 Miscellaneous Administrative Expenses	2,256	1,245
	107,090	101,027
6263T Total Administrative Expenses		
6420 Fuel	1,855	2,408
6450 Electricity	44,738	35,965
6451 Water	6,921	7,852
6453 Sewer	11,069	11,416
	64,583	57,641
6400T Total Utilities Expense		
6510 Payroll	44,522	67,213
6515 Supplies	30,671	28,861
6520 Contracts	29,891	51,413
6525 Garbage and Trash Removal	1,496	1,346
6570 Vehicle Maintenance and Repairs	6,597	7,389
6590 Miscellaneous Operating and Maintenance Expenses	1,968	-
	115,145	156,222
6500T Total Operating and Maintenance Expenses		

See accompanying notes to the financial statements.

## SEACLIFF APARTMENTS

STATEMENTS OF ACTIVITIES  
(Continued)

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
6710 Real Estate Taxes	35,000	35,000
6720 Property and Liability Insurance	19,267	13,241
6722 Workmen's Compensation	-	2,089
6723 Health Insurance and Other Employee Benefits	<u>14,464</u>	<u>18,278</u>
6700T Total Taxes and Insurance	<u>68,731</u>	<u>68,608</u>
6820 Interest on Mortgages Payable	111,744	116,250
6890 Miscellaneous Financial Expenses (Note 4)	<u>103,290</u>	<u>31</u>
6800T Total Financial Expenses	<u>215,034</u>	<u>116,281</u>
6990 Tenant Service Payroll	21,317	7,236
6990 Miscellaneous Resident Services Expenses	<u>280</u>	<u>152</u>
6900T Total Resident Services Expenses	<u>21,597</u>	<u>7,388</u>
6000T Total Cost of Operations Before Depreciation	<u>592,180</u>	<u>507,167</u>
5060T Income Before Depreciation and Amortization	160,108	236,394
6600 Depreciation Expense	<u>79,779</u>	<u>79,779</u>
5060N/3247/3250 Change in Net Assets	80,329	156,615
S1100-050/060 UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>1,304,849</u>	<u>1,148,234</u>
3130/3131 UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 1,385,178</u>	<u>\$ 1,304,849</u>

See accompanying notes to the financial statements.



SEACLIFF APARTMENTS  
STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
S1200-010 Rental Receipts	\$ 640,648	\$ 737,121
S1200-020 Interest Receipts	1,484	473
S1200-030 Other Operating Receipts	<u>6,431</u>	<u>4,279</u>
S1200-040 Total Receipts	<u>648,563</u>	<u>741,873</u>
S1200-050 Administrative	(19,111)	(11,346)
S1200-070 Management Fee	(94,435)	(82,134)
S1200-090 Utilities	(57,239)	(64,442)
S1200-110 Operating and Maintenance	(117,310)	(137,428)
S1200-120 Real Estate Taxes	(35,000)	(35,000)
S1200-140 Property Insurance	(19,267)	(11,251)
S1200-150 Miscellaneous Taxes and Insurance	(12,958)	(29,612)
S1200-160 Tenant Security Deposits	(2,366)	2,059
S1200-170 Other Operating Expenses	(37,044)	(6,218)
S1200-180 Interest on Mortgages	<u>(106,535)</u>	<u>(113,736)</u>
S1200-230 Total Disbursements	<u>(501,265)</u>	<u>(489,108)</u>
S1200-240 Net Cash Provided by Operating Activities	<u>147,298</u>	<u>252,765</u>
Cash Flows from Investing Activities:		
S1200-250 Net Deposits to the Reserve for Replacement Account	(36,998)	(33,033)
S1200-255 Net Withdrawals from (Deposits to) the Tax and Insurance Escrow	7,165	(4,444)
S1200-260 Net Withdrawals from (Deposits to) the Residual Receipts Reserve	<u>(4)</u>	<u>19</u>
S1200-350 Net Cash Used by Investing Activities	<u>(29,837)</u>	<u>(37,458)</u>
Cash Flows from Financing Activities:		
S1200-360 Payment of Mortgage Principal	<u>(87,513)</u>	<u>(86,372)</u>
S1200-460 Net Cash Used by Financing Activities	<u>(87,513)</u>	<u>(86,372)</u>
S1200-470 Net Increase in Cash	29,948	128,935
S1200-480 Cash at Beginning of Year	<u>141,218</u>	<u>12,283</u>
S1200T Cash at End of Year	<u>\$ 171,166</u>	<u>\$ 141,218</u>

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS  
STATEMENTS OF CASH FLOWS  
(Continued)

For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities:		
3250 Change in Total Net Assets from Operations	\$ 80,329	\$ 156,615
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
6600 Depreciation	79,779	79,779
S1200-486 Amortization of Debt Issuance Costs	2,539	2,539
Changes in Operating Assets and Liabilities:		
S1200-490 Tenant Accounts Receivable	(576)	(401)
S1200-520 Prepaid Expenses	-	4,878
S1200-530 Tenant Security Deposits	(2,527)	1,139
S1200-540 Accounts Payable	(15,218)	15,096
S1200-560 Accrued Wages Payable	-	(6,519)
S1200-570 Accrued Interest Payable	2,670	(25)
S1200-580 Tenant Security Deposits	161	920
S1200-590 Prepaid Rent	141	(1,256)
S1200-610 Net Cash Provided by Operating Activities	\$ 147,298	\$ 252,765

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Seacliff Apartments (the Project) was acquired by Bath Housing Development Corporation on November 29, 2012 to own and operate a 50-unit low-income apartment complex in Bath, Maine, MSHA Project No. ME36-H017-408.

Method of Accounting - The financial statements of the Project are prepared on the accrual basis of accounting, and include only those assets, liabilities and results of operations which relate to the business of Seacliff Apartments.

Property and Equipment - Property and equipment are stated at cost. Buildings, improvements, and equipment are being depreciated using the straight-line method over their estimated useful lives. Repairs and maintenance are expensed and betterments and renewals are capitalized as incurred. When assets are retired or disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains and losses are reflected in income.

Debt Issuance Costs - Debt issuance costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the term of the debt using the straight-line method, which approximates the effective interest method. The unamortized amount is presented as a reduction of long-term debt on the balance sheet.

Income Taxes - No provision for taxes on income is made in the Project's financial statements since it is wholly owned by Bath Housing Development Corporation, a not-for-profit corporation, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

In accordance with accounting principles generally accepted in the United States of America, management has evaluated its exposure to material tax positions and determined that there are no such tax positions requiring accounting recognition. Informational returns filed by the Project are subject to examination by the Internal Revenue Service for a period of three years. While no informational returns are currently being examined by the Internal Revenue Service, the three previous tax years remain open. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Cash - For purposes of reporting cash flows, cash includes cash on hand and amounts due from banks. The statements of cash flows do not include tenant security deposits in cash. These funds are held in trust and may be returned to the tenants.

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 and 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. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through February 27, 2018, the date the financial statements were available to be issued.

SEACLIFF APARTMENTS

NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

NOTE 2 - MORTGAGE NOTES PAYABLE

A mortgage note is payable to Bath Savings Institution and is secured by the real estate and personal property. The note bears interest at 5.86% per annum, with monthly payments of principal and interest of \$10,526 until November 29, 2032. Effective February 28, 2014, the payment amount is \$10,616 pursuant to a note modification agreement executed on February 12, 2014. All other terms remain the same. The mortgage note balances at December 31, 2017 and 2016 were \$1,263,062 and \$1,314,678, respectively.

A second mortgage note is payable to Bath Housing Authority, a related party through common management, and is secured by the real estate and personal property. The note bears interest at 4.00% per annum, with monthly payments of principal and interest of \$6,060 until November 29, 2032. The mortgage note balances at December 31, 2017 and 2016 were \$819,238 and \$855,135, respectively.

The liability of the Project under the mortgage notes is limited to the underlying value of the real estate collateral.

The mortgage notes payable will be amortized as follows:

2018	\$ 98,881
2019	100,515
2020	105,743
2021	111,254
2022	117,062
Thereafter	<u>1,548,845</u>
	<u>\$ 2,082,300</u>

NOTE 3 - HOUSING ASSISTANCE AGREEMENT

The U.S. Department of Housing and Urban Development (HUD) has contracted with the Project under Section 8 of Title II of the Housing and Community Development Act of 1974, to make housing assistance payments to the Project on behalf of qualified tenants. The contract, dated October 1, 2012, is for a twenty-year period with two (2) five-year renewals. Effective October 1, 2017, gross contract rents equal \$764,580 and may not be increased without HUD approval.

NOTE 4 - COMMITMENTS

The Project makes deposits to an escrow account to fund expected future costs as determined by the Housing Assistance Payments contract:

<u>Escrow Account</u>	<u>Amount</u>
Replacement Reserve	Currently \$3,065 monthly

## SEACLIFF APARTMENTS

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### NOTE 4 - COMMITMENTS (Continued)

Under the terms of the Housing Assistance Agreement with HUD, the Project is required to deposit annual surplus cash into a residual receipts account. Use of residual receipt funds is contingent upon HUD's prior written approval.

In accordance with HUD Housing Notice H-2012-14, the Project is required to use funds in the residual receipts account to offset project based Section 8 housing assistance payments. The Project is allowed to maintain \$250 per unit to use for project purposes, subject to agency approval. The excess balance will be used to reduce project based Section 8 housing assistance payments until the excess is used. During 2017 and 2016, the Project used \$103,290 and \$31, respectively, of residual receipts to offset housing assistance payments. Net housing assistance payments earned during 2017 and 2016 totaled \$445,438 and \$543,869, respectively.

#### NOTE 5 - TRANSACTIONS WITH RELATED PARTIES

The Project has entered into a management agreement with Bath Housing Authority. It is required to pay a management fee equal to a percentage of collected rents (12% effective January 1, 2016). Management fees of \$89,325 and \$88,653 were incurred during 2017 and 2016, respectively. Additional administrative payroll, resident services payroll, employee benefits and other expense reimbursements of \$23,019 and \$10,041 were incurred during 2017 and 2016, respectively.

Bath Housing Authority provided maintenance services to the Project for which Seacliff incurred \$57,284 and \$82,686 in salary and benefit expenses during 2017 and 2016, respectively.

Vehicle and equipment fees of \$7,389 were charged in 2016, by the Bath Housing Authority, for the Project's use of vehicles and equipment.

Amounts payable to Bath Housing Authority and its affiliates as of December 31, 2017 and 2016 were \$7,876 and \$28,788, respectively.

#### NOTE 6 – PAYMENT IN LIEU OF TAXES

The Project has an agreement with the City of Bath to pay \$35,000 annually as a payment in lieu of taxes.

SEACLIFF APARTMENTS

SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2017

SEACLIFF APARTMENTS  
SUPPORTING DATA REQUIRED BY HUD

For the Year Ended December 31, 2017

Reserve for Replacements:

1320 Balance, December 31, 2016	\$ 197,324
1320DT Total Monthly Deposits	36,783
1320INT Interest Income	215
	<hr/>
1320 Balance, December 31, 2017	<u>\$ 234,322</u>

Residual Receipts Reserve:

1340 Balance, December 31, 2016	\$ 12,503
1340DT Required Deposits	103,258
1340INT Interest Income	36
1340WT Approved Withdrawals	(103,290)
	<hr/>
1340 Balance, December 31, 2017	<u>\$ 12,507</u>

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
HOUSING-FEDERAL HOUSING COMMISSIONER  
OFFICE OF MULTIFAMILY HOUSING MANAGEMENT AND OCCUPANCY

**COMPUTATION OF SURPLUS CASH, DISTRIBUTIONS AND  
RESIDUAL RECEIPTS**

Electronic Filing #	Project Name <b>Seacliff Apartments</b>	Fiscal Period Ended <b>December 31, 2017</b>	Project Number <b>ME36-H017-408</b>
<b>PART A - COMPUTE SURPLUS CASH</b>			
S1300-010	1. Cash (Accounts 1110, 1120, 1191, 1192)	\$	186,629
1135	2. Tenant subsidy vouchers due for period covered by financial statement.	\$	-
S1300-030	3. Other (describe) Replacement Reserve Overfunding	\$	339
S1300-040	(a) Total Cash (Add Lines 1, 2, and 3)	\$	186,968
S1300-050	4. Accrued mortgage interest payable	\$	3,279
S1300-060	5. Delinquent mortgage principal payments	\$	-
S1300-070	6. Delinquent deposits to reserve for replacements	\$	-
S1300-075	7. Accounts payable (due within 30 days)	\$	17,187
S1300-080	8. Loans and notes payable -- (due within 30 days)	\$	-
S1300-090	9. Deficient Tax Insurance or MIP Escrow Deposits	\$	15,373
S1300-100	10. Accrued expenses (not escrowed)	\$	-
2210	11. Prepaid Rents (Account 2210)	\$	141
2191	12. Tenant security deposits liability (Account 2191)	\$	13,154
S1300-110	13. Other (describe)	\$	-
S1300-140	(b) Less Total Current Obligations (Add Lines 4 through 13)	\$	49,134
S1300-150	(c) Surplus Cash (Deficiency)(Line (a) minus Line (b))	\$	137,834
<b>PART B - COMPUTE DISTRIBUTIONS TO OWNERS AND REQUIRED DEPOSIT TO RESIDUAL RECEIPTS</b>			
S1300-160	1. Surplus Cash	\$	137,834
S1300-170	2a. Annual Distribution Earned During Fiscal Period Covered by the Statement	\$	-
S1300-180	2b. Distribution Accrued and Unpaid as of the End of the Prior Fiscal Period	\$	-
S1300-190	2c. Distributions Paid During Fiscal Period Covered by Statement	\$	-
S1300-200	3. Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (Line 2a plus 2b minus 2c)	\$	-
S1300-210	4. Amount Available for Distribution During Next Fiscal Period	\$	-
S1300-210	5. Deposit Due Residual Receipts (Must be deposited with Mortgagee within 90 days after Fiscal Period ends)	\$	137,834
PREPARED BY		REVIEWED BY	
LOAN TECHNICIAN		LOAN SERVICER	
DATE		DATE	

HUD-93486 (12-80)



SEACLIFF APARTMENTS  
SUPPORTING DATA REQUIRED BY HUD  
For the Year Ended December 31, 2017

Schedule of Changes in Fixed Asset Accounts:

	14XXP Balances 12/31/16	14XXAT Additions	14XXDT Deductions	14XX Balances 12/31/17
1410 Land and Improvements	\$ 1,280,947	\$ -	\$ -	\$ 1,280,947
1420 Buildings and Improvements	1,965,046	-	-	1,965,046
1460 Furnishings	103,429	-	-	103,429
1400PT Totals	<u>\$ 3,349,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,349,422</u>
	1495P	6600	1400ADT	1495
Accumulated Depreciation	<u>\$ 249,662</u>	<u>\$ 79,779</u>	<u>\$ -</u>	<u>\$ 329,441</u>
1400N Total Net Book Value				<u>\$ 3,019,981</u>

SEACLIFF APARTMENTS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS / DEVELOPMENT OPERATING FUND

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
SOURCE OF FUNDS		
Rental Operations		
Receipts		
Tenant Rent	\$ 195,210	\$ 194,508
Housing Assistance Payments	445,438	542,613
	<u>640,648</u>	<u>737,121</u>
Total Rental Receipts		
Other	7,664	4,556
	<u>648,312</u>	<u>741,677</u>
Total Rental Operations Receipts		
DISBURSEMENTS		
Administrative	113,546	93,480
Operating	57,239	64,442
Maintenance	117,310	137,428
Interest	106,535	113,736
General	67,225	75,863
Resident Services	37,044	6,218
	<u>498,899</u>	<u>491,167</u>
Total Rental Operations Disbursements		
Cash Provided by Rental Operations		
Before Amortization of Mortgage	149,413	250,510
Amortization of Mortgages	87,513	86,372
	<u>61,900</u>	<u>164,138</u>
Cash Provided by Rental Operations After Debt Service		
OTHER RECEIPTS		
Transfers from Restricted Cash		
Reserves and Escrows	152,880	44,726
OTHER DISBURSEMENTS OR TRANSFERS		
Transfers from (to) Tenant Security Deposit Account	(2,366)	2,059
Transfers to Restricted Cash		
Reserves and Escrows	(182,466)	(81,988)
Increase (Decrease) in Development Fund Cash	29,948	128,935
Development Fund Cash Balance at Beginning of Year	141,218	12,283
Development Fund Cash Balance at End of Year	<u>\$ 171,166</u>	<u>\$ 141,218</u>

SEACLIFF APARTMENTS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS / DEVELOPMENT OPERATING FUND  
(Continued)

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
COMPOSITION OF DEVELOPMENT FUND CASH BALANCE AT END OF YEAR:		
Development Operations Account	<u>\$ 171,166</u>	<u>\$ 141,218</u>

SEACLIFF APARTMENTS

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS

For the Year Ended December 31, 2017

Description of Fund	Balance Beginning of Year	Deposits		Withdrawals	Balance End of Year
		Transfers from Operations Account	Interest Earned	Transfers to Operations Account	
<u>Restricted Accounts:</u>					
Tax and Insurance Reserve	\$ 14,657	\$ 42,425	\$ -	\$ 49,590	\$ 7,492
Replacement Reserve	197,324	36,783	215	-	234,322
Residual Receipts Reserve	<u>12,503</u>	<u>103,258</u>	<u>36</u>	<u>103,290</u>	<u>12,507</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 224,484</u>	<u>\$ 182,466</u>	<u>\$ 251</u>	<u>\$ 152,880</u>	<u>\$ 254,321</u>

SEACLIFF APARTMENTS  
SCHEDULE OF CASH IN FINANCIAL INSTITUTIONS  
December 31, 2017

Account Name	Account Number	Financial Institution	Account Type	Interest Rate	Maturity Date	Signatory Control	Balances
Development Operations Account	184945	Bath Savings Institution	Statement Savings	0.46%	N/A	Sole	<u>\$ 171,161</u>
	1371738	Bath Savings Institution	Checking	0.00%	N/A	Sole	<u>\$ 5</u>
Tax and Insurance Reserve	1371835	Bath Savings Institution	Checking	0.00%	N/A	Either/Or	<u>\$ 7,492</u>
Replacement Reserve	187288	Bath Savings Institution	Statement Savings	0.10%	N/A	Either/Or	<u>\$ 234,317</u>
	1371649	Bath Savings Institution	Checking	0.00%	N/A	Either/Or	<u>\$ 5</u>
Residual Receipts Reserve	100018443	First Federal Savings	Passbook Savings	0.10%	N/A	MaineHousing	<u>\$ 12,507</u>
Tenant Security Deposit Account	1371851	Bath Savings Institution	Checking	0.00%	N/A	Sole	<u>\$ 15,463</u>

SEACLIFF APARTMENTS

December 31, 2017

CERTIFICATE OF CORPORATE OFFICERS

We certify that we have examined the accompanying financial statements and supplemental data of Seacliff Apartments and, to the best of our knowledge and belief, the same are complete and accurate.

Catherine Powers  
Corporate Officer  
Seacliff Apartments

3/1/2018  
Date

CATHERINE POWERS  
Print Name

[Signature]  
Corporate Officer  
Seacliff Apartments

3/1/18  
Date

Nancy Carleton  
Print Name

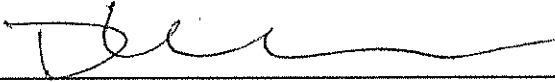
Federal Identification No. 22-2618694

SEACLIFF APARTMENTS

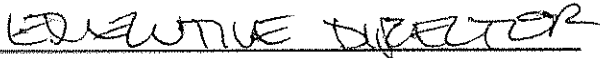
December 31, 2017

CERTIFICATE OF MANAGING AGENT

I certify that I have examined the accompanying financial statements and supplemental data of Seacliff Apartments and, to the best of my knowledge and belief, the same are complete and accurate.



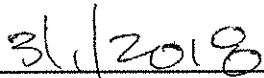
Signature



Title



Management Company



Date

Federal Identification No. 22-2618694