

SEACLIFF APARTMENTS
FINANCIAL STATEMENTS
December 31, 2015 and 2014

SEACLIFF APARTMENTS
PROJECT NO. ME36-H017-408
FINANCIAL STATEMENTS
December 31, 2015 and 2014

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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, 2015 and 2014, 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, 2015 and 2014, 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 23, 2016
South Portland, Maine

SEACLIFF APARTMENTS
STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
1120 Cash - Operations	\$ 12,283	\$ 205,231
1130 Tenant Accounts Receivable	1,450	1,231
1135 Accounts Receivable - HUD	-	1,872
1200 Prepaid Expenses (Note 6)	<u>4,878</u>	<u>1,981</u>
1100T Total Current Assets	<u>18,611</u>	<u>210,315</u>
DEPOSITS HELD IN TRUST		
1191 Tenant Security Deposits	<u>14,075</u>	<u>12,535</u>
RESTRICTED DEPOSITS		
1310 Tax and Insurance Escrow	10,213	10,565
1320 Replacement Reserve (Note 4)	164,291	127,717
1340 Residual Receipts Reserve (Note 4)	<u>12,522</u>	<u>12,533</u>
1300T Total Restricted Deposits	<u>187,026</u>	<u>150,815</u>
FIXED ASSETS (Note 2)		
1410 Land and Improvements	1,280,947	1,146,300
1420 Buildings and Improvements	1,965,046	1,927,020
1460 Furnishings and Equipment	103,429	52,201
1490 Construction in Progress	-	26,422
1400T Total Fixed Assets	<u>3,349,422</u>	<u>3,151,943</u>
1495 Less Accumulated Depreciation	<u>169,883</u>	<u>108,639</u>
1400N Net Fixed Assets	<u>3,179,539</u>	<u>3,043,304</u>
OTHER ASSETS		
1520 Deferred Financing Costs (Net of Accumulated Amortization of \$7,830 and \$5,291 in 2015 and 2014, respectively)	<u>42,959</u>	<u>45,498</u>
1500T Total Other Assets	<u>42,959</u>	<u>45,498</u>
1000T TOTAL ASSETS	<u>\$ 3,442,210</u>	<u>\$ 3,462,467</u>

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS
STATEMENTS OF FINANCIAL POSITION
(Continued)

December 31, 2015 and 2014

LIABILITIES AND NET ASSETS

LIABILITIES

	2015	2014
CURRENT LIABILITIES		
2110 Accounts Payable - Operations (Note 5)	\$ 17,309	\$ 47,725
2120 Accrued Wages Payable	6,519	9,135
2131 Accrued Interest Payable	634	657
2170 Current Portion of Mortgage Notes Payable	86,540	82,241
2210 Prepaid Rent	1,256	328
2122T Total Current Liabilities	112,258	140,086
DEPOSIT LIABILITIES		
2191 Tenant Security Deposits (Contra)	12,073	12,535
LONG-TERM LIABILITIES		
2320 Mortgage Notes Payable (Note 2)	2,169,645	2,256,236
2300T Total Long-term Liabilities	2,169,645	2,256,236
2000T TOTAL LIABILITIES	2,293,976	2,408,857
NET ASSETS		
3130/3131 Unrestricted Net Assets	1,148,234	1,053,610
2033T TOTAL LIABILITIES AND NET ASSETS	\$ 3,442,210	\$ 3,462,467

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
5120 Rent Revenue - Gross Potential	\$ 176,487	\$ 178,919
5121 Tenant Assistance Payments (Note 3)	411,919	490,120
5190 Miscellaneous Rent Revenue (Note 4)	<u>146,239</u>	<u>61,398</u>
5100T Total Rent Revenue	734,645	730,437
5220/5200T Total Vacancies	<u>2,968</u>	<u>3,534</u>
5152N Net Rental Revenue	<u>731,677</u>	<u>726,903</u>
5410 Financial Revenue - Project Operations	216	286
5430 Revenue from Investments - Residual Receipts	51	39
5440 Revenue from Investments - Replacement Reserve	<u>256</u>	<u>-</u>
5400T Total Financial Revenue	<u>523</u>	<u>325</u>
5910 Laundry and Vending	3,214	-
5920 Tenant Charges	1,714	1,854
5990 Miscellaneous Revenue	<u>3,085</u>	<u>969</u>
5900T Total Other Revenue	<u>8,013</u>	<u>2,823</u>
5000T Total Revenue	<u>740,213</u>	<u>730,051</u>
EXPENSES		
6204 Management Consultants	2,602	-
6210 Advertising and Marketing	38	-
6311 Office Expenses	2,938	148
6320 Management Fee	32,926	32,298
6330 Manager Salaries	13,915	15,547
6340 Legal Expense	2,684	1,824
6350 Audit Expense	5,300	6,500
6351 Bookkeeping Fees/Accounting Services	2,143	2,354
6370 Bad Debts	676	438
6390 Miscellaneous Administrative Expenses	<u>6,115</u>	<u>13,970</u>
6263T Total Administrative Expenses	<u>69,337</u>	<u>73,079</u>
6420 Fuel	3,929	4,628
6450 Electricity	40,921	44,100
6451 Water	8,310	8,556
6453 Sewer	<u>14,119</u>	<u>14,645</u>
6400T Total Utilities Expense	<u>67,279</u>	<u>71,929</u>
6510 Payroll	58,424	54,886
6515 Supplies	25,409	19,759
6520 Contracts	16,251	33,871
6525 Garbage and Trash Removal	1,476	1,231
6570 Vehicle Maintenance and Repairs	<u>3,735</u>	<u>7,080</u>
6500T Total Operating and Maintenance Expenses	<u>105,295</u>	<u>116,827</u>

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS

STATEMENTS OF ACTIVITIES
(Continued)

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
6710 Real Estate Taxes	35,000	35,000
6720 Property and Liability Insurance	12,347	12,150
6721 Fidelity Bond Insurance	533	-
6722 Workmen's Compensation	2,575	2,097
6723 Health Insurance and Other Employee Benefits	<u>18,270</u>	<u>13,083</u>
6700T Total Taxes and Insurance	<u>68,725</u>	<u>62,330</u>
6820 Interest on Mortgages Payable	117,792	122,035
6890 Miscellaneous Financial Expenses (Note 4)	<u>146,239</u>	<u>61,398</u>
6800T Total Financial Expenses	<u>264,031</u>	<u>183,433</u>
6990 Payroll	6,269	5,899
6990 Miscellaneous Resident Services Expenses	<u>870</u>	<u>868</u>
6900T Total Resident Services Expenses	<u>7,139</u>	<u>6,767</u>
6000T Total Cost of Operations Before Depreciation	<u>581,806</u>	<u>514,365</u>
5060T Income Before Depreciation and Amortization	158,407	215,686
6600 Depreciation Expense	61,244	52,726
6610 Amortization Expense	<u>2,539</u>	<u>2,540</u>
5060N/3247/3250 Change in Net Assets	94,624	160,420
S1100-050/060 UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR	<u>1,053,610</u>	<u>893,190</u>
3130/3131 UNRESTRICTED NET ASSETS AT END OF YEAR	<u>\$ 1,148,234</u>	<u>\$ 1,053,610</u>

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS
STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities:		
S1200-010 Rental Receipts	\$ 588,019	\$ 664,964
S1200-020 Interest Receipts	523	325
S1200-030 Other Operating Receipts	8,013	2,823
S1200-040 Total Receipts	596,555	668,112
S1200-050 Administrative	(39,061)	(61,730)
S1200-070 Management Fee	(38,988)	26,631
S1200-090 Utilities	(64,175)	(71,765)
S1200-110 Operating and Maintenance	(123,618)	(78,873)
S1200-120 Real Estate Taxes	(35,000)	(35,000)
S1200-140 Property Insurance	(12,356)	(14,257)
S1200-150 Miscellaneous Taxes and Insurance	(27,207)	(16,377)
S1200-160 Tenant Security Deposits	(2,002)	5,030
S1200-170 Other Operating Expenses	(9,775)	(4,019)
S1200-180 Interest on Mortgages	(117,815)	(121,822)
S1200-230 Total Disbursements	(469,997)	(372,182)
S1200-240 Net Cash Provided by Operating Activities	126,558	295,930
Cash Flows from Investing Activities:		
S1200-250 Net Deposits to the Reserve for Replacement Account	(36,574)	(35,000)
S1200-255 Net Withdrawals from (Deposits to) the Tax and Insurance Escrow	352	(2,896)
S1200-260 Net Withdrawals from (Deposits to) the Residual Receipts Reserve	11	(373)
S1200-330 Net Purchases of Fixed Assets	(201,003)	(41,386)
S1200-350 Net Cash Used by Investing Activities	(237,214)	(79,655)
Cash Flows from Financing Activities:		
S1200-360 Payment of Mortgage Principal	(82,292)	(78,196)
S1200-460 Net Cash Used by Financing Activities	(82,292)	(78,196)
S1200-470 Increase (Decrease) in Cash	(192,948)	138,079
S1200-480 Cash at Beginning of Year	205,231	67,152
S1200T Cash at End of Year	\$ 12,283	\$ 205,231

See accompanying notes to the financial statements.

SEACLIFF APARTMENTS
STATEMENTS OF CASH FLOWS
(Continued)

For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities:		
3250 Change in Total Net Assets from Operations	\$ 94,624	\$ 160,420
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
6600 Depreciation	61,244	52,726
6610 Amortization	2,539	2,540
Changes in Operating Assets and Liabilities:		
S1200-490 Tenant Accounts Receivable	(219)	694
S1200-500 Accounts Receivable - Other	1,872	(1,563)
S1200-520 Prepaid Expenses	(2,897)	(10)
S1200-530 Tenant Security Deposits	(1,540)	10,870
S1200-535 Accounts Receivable - Entity	-	33,354
S1200-540 Accounts Payable	(26,892)	38,046
S1200-560 Accrued Wages Payable	(2,616)	4,152
S1200-570 Accrued Interest Payable	(23)	213
S1200-580 Tenant Security Deposits	(462)	(5,840)
S1200-590 Prepaid Rent	928	328
	<u>\$ 126,558</u>	<u>\$ 295,930</u>
S1200-610 Net Cash Provided by Operating Activities	<u>\$ 126,558</u>	<u>\$ 295,930</u>

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.

Deferred Loan Costs - Deferred loan costs are amortized over the life of the related loan using the straight-line method.

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 23, 2016, 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, 2015 and 2014 were \$1,363,359 and \$1,409,436, 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, 2015 and 2014 were \$892,826 and \$929,041, 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:

2016	\$ 86,540
2017	91,014
2018	95,727
2019	100,694
2020	105,927
Thereafter	<u>1,776,283</u>
	<u>\$ 2,256,185</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, 2015, gross contract rents equal \$741,864 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 \$2,990 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 2015 and 2014, the project used \$146,239 and \$61,398, respectively, of residual receipts to offset housing assistance payments. Net housing assistance payments earned during 2015 and 2014 totaled \$411,919 and \$490,120, respectively.

NOTE 5 - TRANSACTIONS WITH RELATED PARTIES

The Project has entered into a management agreement with Bath Housing Authority and is required to pay a management fee equal to 4.5% of collected rents. Management fees of \$32,926 and \$32,298 were incurred during 2015 and 2014, respectively. Additional administrative payroll, resident services payroll, employee benefits and other expense reimbursements of \$25,138 and \$39,369 were incurred during 2015 and 2014, respectively.

Bath Housing Authority provided maintenance services to the project for which Seacliff incurred \$72,374 and \$65,449 in salary and benefit expenses during 2015 and 2014, respectively.

Vehicle and equipment fees of \$7,080 were charged in 2014, by the Bath Housing Authority, for the Project's use of vehicles and equipment. During 2015, Seacliff paid directly allocated invoices.

Amounts payable to Bath Housing Authority and its affiliates as of December 31, 2015 and 2014 were \$8,907 and \$33,708, respectively.

NOTE 6 – PREPAID EXPENSES

Prepaid expenses at December 31, 2015 and 2014 were comprised as follows:

	2015	2014
Insurance	\$ 1,990	\$ 1,981
Alarm Monitoring	2,888	-
	\$ 4,878	\$ 1,981

SEACLIFF APARTMENTS

SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2015

SEACLIFF APARTMENTS
SUPPORTING DATA REQUIRED BY HUD

For the Year Ended December 31, 2015

Reserve for Replacements:

1320 Balance, December 31, 2014	\$ 127,717
1320DT Total Monthly Deposits	36,318
1340INT Interest Income	<u>256</u>
1320 Balance, December 31, 2015	<u><u>\$ 164,291</u></u>

Residual Receipts Reserve:

1340 Balance, December 31, 2014	\$ 12,533
1340OT Other Deposits	146,176
1340INT Interest Income	51
1340WT Approved Withdrawals	<u>(146,238)</u>
1340 Balance, December 31, 2015	<u><u>\$ 12,522</u></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 Seacliff Apartments	Fiscal Period Ended December 31, 2015	Project Number ME36-H017-408
PART A - COMPUTE SURPLUS CASH			
S1300-010	1. Cash (Accounts 1110, 1120, 1191, 1192)	\$	26,358
1135	2. Tenant subsidy vouchers due for period covered by financial statement.	\$	-
S1300-030	3. Other (describe) Overfunding of Reserve for Replacements	\$	3,142
S1300-040	(a) Total Cash (Add Lines 1, 2, and 3)	\$	29,500
S1300-050	4. Accrued mortgage interest payable	\$	634
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)	\$	17,309
S1300-080	8. Loans and notes payable -- (due within 30 days)	\$	-
S1300-090	9. Deficient Tax Insurance or MIP Escrow Deposits	\$	5,569
S1300-100	10. Accrued expenses (not escrowed)	\$	6,519
2210	11. Prepaid Rents (Account 2210)	\$	1,256
2191	12. Tenant security deposits liability (Account 2191)	\$	12,073
S1300-110	13. Other (describe)	\$	-
S1300-140	(b) Less Total Current Obligations (Add Lines 4 through 13)	\$	43,360
S1300-150	(c) Surplus Cash (Deficiency)(Line (a) minus Line (b))	\$	(13,860)
PART B - COMPUTE DISTRIBUTIONS TO OWNERS AND REQUIRED DEPOSIT TO RESIDUAL RECEIPTS			
S1300-160	1. Surplus Cash	\$	-
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)	\$	-
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, 2015

Schedule of Changes in Fixed Asset Accounts:

	14XXP Balances 12/31/14	14XXAT Additions	14XXDT Deductions	14XX Balances 12/31/15
1410 Land and Improvements	\$ 1,146,300	\$ 134,647	\$ -	\$ 1,280,947
1420 Buildings and Improvements	1,927,020	38,026	-	1,965,046
1460 Furnishings	52,201	51,228	-	103,429
1490 Construction in Progress	26,422	-	26,422	-
1400PT Totals	<u>\$ 3,151,943</u>	<u>\$ 223,901</u>	<u>\$ 26,422</u>	<u>\$ 3,349,422</u>
	1495P	6600	1400ADT	1495
Accumulated Depreciation	<u>\$ 108,639</u>	<u>\$ 61,244</u>	<u>\$ -</u>	<u>\$ 169,883</u>
1400N Total Net Book Value				<u>\$ 3,179,539</u>

Schedule of Additions to Land and Improvements Account

1410A-010 Description	1410A-030 Amount
Parking Lot Improvements	<u>\$ 134,647</u>

Schedule of Additions to Buildings and Improvements Account

1420A-010 Description	1420A-030 Amount
Doors	\$ 6,983
Lighting Upgrades	31,043
	<u>\$ 38,026</u>

Schedule of Additions to Furnishings Account

1460A-010 Description	1460A-030 Amount
Blinds	\$ 5,789
Security Cameras	19,290
Heat Pump	6,474
Awning	2,300
Furniture	17,375
	<u>\$ 51,228</u>

Schedule of Deductions from Construction in Progress Account

1490D-010 Description	1490D-030 Amount
Transfers for Assets Placed in Service in 2015	<u>\$ 26,422</u>

SEACLIFF APARTMENTS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS / DEVELOPMENT OPERATING FUND

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
SOURCE OF FUNDS		
Rental Operations		
Receipts		
Tenant Rent	\$ 172,972	\$ 176,407
Housing Assistance Payments	415,047	488,557
Total Rental Receipts	588,019	664,964
Other	8,229	3,109
Total Rental Operations Receipts	<u>596,248</u>	<u>668,073</u>
DISBURSEMENTS		
Administrative	78,049	35,099
Operating	64,175	71,765
Maintenance	123,618	78,873
Interest	117,815	121,822
General	74,563	65,634
Resident Services	9,775	4,019
Total Rental Operations Disbursements	<u>467,995</u>	<u>377,212</u>
Cash Provided by Rental Operations Before Amortization of Mortgage	128,253	290,861
Amortization of Mortgages	82,292	78,196
Cash Provided by Rental Operations After Debt Service	45,961	212,665
OTHER RECEIPTS		
Transfers from Restricted Cash Reserves and Escrows	193,594	105,507
OTHER DISBURSEMENTS OR TRANSFERS		
Transfers from (to) Tenant Security Deposit Account	(2,002)	5,030
Transfers to Restricted Cash Reserves and Escrows	(229,498)	(143,737)
Purchases of Fixed Assets	<u>(201,003)</u>	<u>(41,386)</u>
Increase in Development Fund Cash	(192,948)	138,079
Development Fund Cash Balance at Beginning of Year	<u>205,231</u>	<u>67,152</u>
Development Fund Cash Balance at End of Year	<u>\$ 12,283</u>	<u>\$ 205,231</u>

SEACLIFF APARTMENTS

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

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
COMPOSITION OF DEVELOPMENT FUND CASH BALANCE AT END OF YEAR:		
Development Operations Account	<u>\$ 12,283</u>	<u>\$ 205,231</u>

SEACLIFF APARTMENTS

SCHEDULE OF RESTRICTED CASH RESERVES AND ESCROWS

For the Year Ended December 31, 2015

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	\$ 10,565	\$ 47,004	\$ -	\$ 47,356	\$ 10,213
Replacement Reserve	127,717	36,318	256	-	164,291
Residual Receipts Reserve	<u>12,533</u>	<u>146,176</u>	<u>51</u>	<u>146,238</u>	<u>12,522</u>
TOTAL RESTRICTED CASH RESERVES AND ESCROWS	<u>\$ 150,815</u>	<u>\$ 229,498</u>	<u>\$ 307</u>	<u>\$ 193,594</u>	<u>\$ 187,026</u>

SEACLIFF APARTMENTS
SCHEDULE OF CASH IN FINANCIAL INSTITUTIONS
December 31, 2015

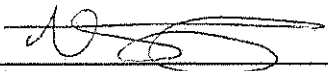
Account Name	Account Number	Financial Institution	Account Type	Interest Rate	Maturity Date	Signatory Control	Balances
Development Operations Account	184945	Bath Savings Institution	Statement Savings	0.15%	N/A	Sole	<u>\$ 12,278</u>
	1371738	Bath Savings Institution	Checking	0.00%	N/A	Sole	<u>\$ 5</u>
Tax and Insurance Reserve	1371835	Bath Savings Institution	Checking	0.00%	N/A	Either/Or	<u>\$ 10,213</u>
Replacement Reserve	187288	Bath Savings Institution	Statement Savings	0.10%	N/A	Either/Or	<u>\$ 164,286</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>\$ 12,522</u>
Tenant Security Deposit Account	1371851	Bath Savings Institution	Checking	0.00%	N/A	Sole	<u>\$ 14,075</u>

SEACLIFF APARTMENTS

December 31, 2015

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.



Corporate Officer
Seacliff Apartments

2-29-16

Date

Nancy Carleton

Print Name Treasurer

Catherine Powers

Corporate Officer
Seacliff Apartments

2-26-2016

Date

CATHERINE POWERS

Print Name VICE-CHAIR


Federal Identification No. 22-2618694

SEACLIFF APARTMENTS

December 31, 2015

CERTIFICATE OF MANAGING AGENT

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



Signature

EXECUTIVE DIRECTOR

Title

BATH HOUSING AUTHORITY

Management Company

2/25/2016

Date

Federal Identification No. 22-2618694