

**MONTCLAIR SENIOR HOUSING CORPORATION  
HUD PROJECT NO. 031-EH173**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2024 AND 2023  
WITH INDEPENDENT AUDITOR'S REPORT**

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**FINANCIAL REPORT**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Montclair Senior Housing Corporation  
Montclair, New Jersey

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the accompanying financial statements of Montclair Senior Housing Corporation (a nonprofit organization), HUD Project No. 031-EH173, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Montclair Senior Housing Corporation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

I conducted my audits 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Montclair Senior Housing Corporation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

#### **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 Montclair Senior Housing Corporation'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**

My 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 my 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 generally accepted auditing standards 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 generally accepted auditing standards and Government Auditing Standards, I:

- a). Exercise professional judgment and maintain professional skepticism throughout the audit.
- b). 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.
- c). 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 Montclair Senior Housing Corporation's internal control. Accordingly, no such opinion is expressed.
- d). 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.
- e). Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montclair Senior Housing Corporation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audits.

### **Supplementary Information**

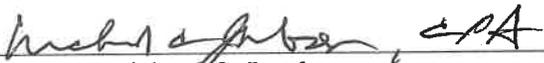
My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 15 through 20 is presented for purposes of additional analysis as required by the Uniform Financial Reporting Standards issued by the U.S. Department of Housing and Urban Development, Office of Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, is presented for 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 audits 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 my opinion, the accompanying supplementary information 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, I have also issued my report dated February 24, 2025 on my consideration of Montclair Senior Housing Corporation's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 Montclair Senior Housing Corporation'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 Montclair Senior Housing Corporation's internal control over financial reporting and compliance.

Totowa, New Jersey  
February 24, 2025

  
Richard C. Jacobsen  
Certified Public Accountant

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**STATEMENTS OF FINANCIAL POSITION**

As of December 31,

**ASSETS**

	<b>2024</b>	<b>2023</b>
Cash	\$ 84,168	\$ 77,394
Accounts Receivable	12,694	15,732
Prepaid Expenses	36,160	43,370
Operating Reserves	288,989	316,900
	422,011	453,396
 <b>PROPERTY AND EQUIPMENT:</b>		
Land Improvements	578,063	578,063
Building and Improvements	7,773,264	7,742,575
Equipment	771,098	718,668
Subtotal	9,122,425	9,039,306
Less: Accumulated Depreciation	(7,545,921)	(7,345,745)
Subtotal	1,576,504	1,693,561
Land	306,213	306,213
	1,882,717	1,999,774
 <b>RESTRICTED DEPOSITS:</b>		
Escrow Deposits	92,678	85,785
Replacement Reserve	2,182,953	1,543,810
Residual Receipts Reserve	346,534	346,500
Tenant Security Deposits	37,704	38,768
	2,659,869	2,014,863
 <b>OTHER ASSETS:</b>		
Refundable Deposit	27,537	27,537
Work in Progress	14,360	15,345
	41,897	42,882
 <b>TOTAL ASSETS</b>	 <b>\$ 5,006,494</b>	 <b>\$4,510,915</b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES:</b>		
Mortgage Payable	\$ 3,735,549	\$3,930,985
Accounts Payable	89,460	71,360
<b>Accrued Liabilities:</b>		
Property Taxes	76,900	43,995
Interest	19,710	20,752
Tenant Security Deposits	37,704	38,768
Due to HUD - Residual Receipts Available for Recapture	321,534	321,500
<b>TOTAL LIABILITIES</b>	<b>4,280,857</b>	<b>4,427,360</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>725,637</b>	<b>83,555</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,006,494</b>	<b>\$4,510,915</b>

See Accompanying Notes to Financial Statements

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**STATEMENTS OF ACTIVITIES**

**For The Years Ended December 31,**

	<b>2024</b>	<b>2023</b>
<b>REVENUES:</b>		
Rent	\$ 2,795,555	\$ 2,181,228
Financial	4,629	6,322
Other	9,246	11,842
Total Revenue	2,809,430	2,199,392
 <b>EXPENSES:</b>		
Administrative	368,101	340,583
Utilities	105,249	105,980
Operating and Maintenance	779,784	526,420
Taxes and Insurance	367,807	301,749
Financial	248,072	295,535
Assisted Living Care	98,159	96,426
Depreciation	200,176	174,539
Total Expenses	2,167,348	1,841,232
 <b>CHANGE IN NET ASSETS</b>	 642,082	 358,160
<b>NET ASSETS (DEFICIT) WITHOUT DONOR RESTRICTIONS,</b>		
beginning of year	83,555	(274,605)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS,</b>		
end of year	\$ 725,637	\$ 83,555

See Accompanying Notes to Financial Statements

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31,

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Rental Receipts	\$2,798,593	\$2,185,184
Interest Received	4,629	6,322
Other Cash Received	9,246	11,842
Total Receipts	2,812,468	2,203,348
Administrative	95,435	88,365
Management Fees	89,199	95,764
Utilities	104,638	105,783
Salaries and Wages	399,430	358,849
Operating and Maintenance	626,318	418,043
Real Estate Taxes	136,314	128,290
Property Insurance	75,610	77,262
Other Taxes and Insurance	115,768	97,655
Assisted Living Care	18,139	19,141
Interest on Mortgage	243,356	255,448
Total Disbursements	1,904,207	1,644,600
Net Cash Provided by Operating Activities	908,261	558,748
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital Expenditures	(83,119)	(628,841)
Work in Progress and other Assets	985	27,563
Net Cash (Used in) Investing Activities	(82,134)	(601,278)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of Mortgage Principal	(201,194)	(189,101)
Net Cash (Used in) Financing Activities	(201,194)	(189,101)
<b>NET INCREASE (DECREASE) IN CASH</b>	624,933	(231,631)
CASH, CASH EQUIVALENTS, and RESTRICTED CASH, beginning of year	2,370,389	2,602,020
CASH, CASH EQUIVALENTS, and RESTRICTED CASH, end of year	\$2,995,322	\$2,370,389

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 642,082	\$ 358,160
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	200,176	174,539
Amortization of Debt Issuance Costs	5,758	5,758
Residual Receipts Available for Recapture	34	35,308
Increase or Decrease in:		
Receivables - Tenants	3,038	3,956
Prepaid Expenses	7,210	(14,930)
Accounts Payable	600	(5,357)
Accrued Liabilities	49,363	1,314
Net Cash Provided by Operating Activities	\$ 908,261	\$ 558,748

See Accompanying Notes to Financial Statements

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Operations

Montclair Senior Housing Corporation (“the Project”) is a 100-unit apartment facility for the elderly and disabled located in Montclair, New Jersey. It is regulated by the U.S. Department of Housing and Urban Development (“HUD”) with respect to rental charges and operating methods, and is subject to Section 8 Housing Assistance Payment Agreements with HUD. The Project’s major program is the housing assistance which represents a significant portion of annual income.

Method of Accounting

The accrual method of accounting is used for financial statement purposes.

Income Taxes

The Project is a not-for-profit corporation and is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Service code.

Accounts Receivable

The Project records accounts receivable at face value, and periodically conducts a review for potential uncollectible amounts. Amounts determined to be uncollectible are written off as an expense.

Distributions

The Project’s regulatory agreement with HUD stipulates, among other things, that the Project will not make distributions of assets or income to any of its officers or directors.

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 could affect certain reported amounts and disclosures.

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

For purpose of the cash flow statement, cash includes all unrestricted investment instruments with original maturities of three months or less.

Property and Equipment

Property and equipment purchased with useful lives in excess of one year are stated at cost and are depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight- line method with useful lives as follows:

<u>Asset</u>	<u>Years</u>
Building	30
Building Improvements	20 - 26
Building Equipment	5 - 10
Equipment	5 - 10
Furniture/Furnishings	10

Maintenance expenditures that extend useful life beyond one year are capitalized at cost and depreciated.

Amortization

Amortization of debt issuance costs is computed on a straight- line basis over the 30 - year life of the loan.

Revenue Recognition

Rent revenues are recognized when rent is due for renting apartment space to residents.

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net assets, revenue and support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – net assets not subject to or are no longer subject to donor-imposed restrictions.

Net assets with donor restrictions – net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets. The Project has no net assets with donor restrictions as of or for the years ended December 31, 2024 and 2023.

NOTE B – OPERATING RESERVES

These funds were derived from mortgage financing transactions, as well as other savings accumulated over a number of years. The funds are expended under the direction of the Board of Directors for items such as capital improvements, major repairs and other expenses.

NOTE C - RESTRICTED DEPOSITS

Replacement reserve - under the terms of the regulatory agreement with HUD, the Project is required to set aside amounts in a separate account for the replacement of property and other project expenditures. These deposits are generally not available for operating purposes.

Residual receipts – under the terms of the regulatory agreement with HUD, all surplus cash is required to be deposited in the residual receipts account. Use of these deposits is contingent on HUD's prior written approval.

Tenant security – the Project is required to set aside amounts for the return of resident paid deposits. These deposits are held in a separate account and generally are not available for operating use.

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

NOTE C - RESTRICTED DEPOSITS (continued)

Escrow – associated with the Project’s mortgage and are disbursed for the purpose of property taxes and insurance, and generally are not available for operating use.

NOTE D – RESIDUAL RECEIPTS AVAILABLE FOR RECAPTURE

The Project was notified by HUD that a balance in the residual receipts account of \$25,000 would be the maximum allowable, and that HUD intended to offset any excess balance against future Section 8 subsidies. Based on this notification, an accrued liability is reflected in the accompanying financial statements as an estimate of expected recapture and offsets.

NOTE E – CASH, CASH EQUIVALENTS AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total within the statements of cash flows as of December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ 84,168	\$ 77,394
Operating reserves	288,989	316,900
Escrow deposits	92,678	85,785
Replacement reserve	2,182,953	1,543,810
Residual receipts reserve	<u>346,534</u>	<u>346,500</u>
Cash, cash equivalents and restricted cash shown in statement of cash flows	<u>\$ 2,995,322</u>	<u>\$2,370,389</u>

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

**NOTE F - MORTGAGE PAYABLE**

In February 2007, the Project obtained mortgage refinancing and borrowed \$6,039,000 to be repaid over 30 years in monthly installments of \$37,046 including interest calculated at the rate of 6.215% per annum. The proceeds of the loan were used to pay off the outstanding mortgage payable to HUD, and to provide funds for capital improvements. The mortgage is secured by substantially all assets, as well as assignment of rental income.

Amortization of debt issuance costs of \$5,758 for 2024 and 2023 is recorded in the accompanying financial statements, and is classified as interest expense.

Mortgage payable as of December 31, 2024 and 2023 was as follows:

	2024	2023
Total mortgage payable	\$3,805,604	\$4,006,798
Less unamortized debt issuance costs	(70,055)	(75,813)
Mortgage payable, net	3,735,549	3,930,985
Less current portion	(214,061)	(201,194)
Long term portion	\$3,521,488	\$3,729,791

Scheduled maturities of mortgage payable as of December 31, 2024 approximately are as follows:

Year	Amount
2025	\$ 214,061
2026	227,750
2027	242,315
2028	257,811
2029	274,299
Thereafter	2,589,368
	\$3,805,604

Mortgage interest expense for 2024 and 2023 was \$242,314 and \$254,469, respectively.

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

NOTE G - EMPLOYEE RETIREMENT PLAN

Effective January 1, 1991, a defined contribution retirement plan was established and amended effective January 1, 2004. Eligible employees may contribute a portion of compensation, which is subject to employer contributions within parameters described in the plan agreement. Expense of \$4,291 and \$736 for the years ended December 31, 2024 and 2023, respectively, is recorded in the accompanying financial statements.

NOTE H - MANAGEMENT FEES

The accompanying financial statements reflect fees paid for management oversight of financial matters, plant and facilities, and related reporting to HUD. These payments are contractual based on a flat annual fee included in the annual budget submitted to HUD. This fee amounted to approximately \$893 on a per unit basis in 2024 and 2023, respectively.

NOTE I - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Project's primary asset is a 100-unit apartment building. The Project's operations are concentrated in the multifamily real estate market. In addition, the Project operates in a heavily regulated environment. The operations of the Project are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such 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.

The Project is dependent upon the continuation of housing assistance payments which were \$2,345,460 and \$1,754,358 in 2024 and 2023, respectively.

As of December 31, 2024, the Project maintained cash accounts in a financial institution which exceeded insurance provided by the Federal Deposit Insurance Corporation. Management believes that the Project is not exposed to any significant risk.

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

**NOTE J - FUNCTIONAL ALLOCATION OF EXPENSES**

All expenditures were incurred in connection with Project operations. There were no expenditures made for corporate (mortgage entity) purposes. The financial statements report expenses incurred to provide and maintain housing for eligible residents, as well as administrative services necessary to achieving that purpose. Management has allocated expenses to administrative services that are not directly attributed to this housing program using reasonable estimates of square footage as well as estimated time and effort expended by employees. A summation of operating expenses by function is as follows:

Description	2024			2023		
	Program	Administrative	Total	Program	Administrative	Total
Administrative	\$ 331,291	\$ 36,810	\$ 368,101	\$ 306,525	\$ 34,058	\$ 340,583
Utilities	99,987	5,262	105,249	100,681	5,299	105,980
Operating and maintenance	779,784	-	779,784	526,420	-	526,420
Taxes and insurance	331,026	36,781	367,807	271,574	30,175	301,749
Financial	235,668	12,404	248,072	280,758	14,777	295,535
Assisted living care	98,159	-	98,159	96,426	-	96,426
Depreciation	190,167	10,009	200,176	165,812	8,727	174,539
Totals	<u>\$2,066,082</u>	<u>\$ 101,266</u>	<u>\$2,167,348</u>	<u>\$1,748,196</u>	<u>\$ 93,036</u>	<u>\$1,841,232</u>

**NOTE K – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Project's financial assets as of December 31, 2024 reduced by amounts not available for general use because of regulatory restrictions:

Cash	\$ 84,168
Accounts Receivable	12,694
Operating Reserves	288,989
Restricted Deposits	<u>2,622,165</u>
Total Financial Assets	3,008,016
Less those unavailable for general expenditures within one year due to regulatory restrictions	(2,622,165)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 385,851</u>

**MONTCLAIR SENIOR HOUSING CORPORATION  
HUD PROJECT NO. 031-EH173  
NOTES TO FINANCIAL STATEMENTS**

**December 31, 2024 and 2023**

NOTE L – EVALUATION OF SUBSEQUENT EVENTS

The project has evaluated subsequent events through February 24, 2025 the date which the financial statements were available to be issued, and there were none to be reported.

**MONTCLAIR SENIOR HOUSING CORPORATION  
HUD PROJECT NO. 031-EH173  
STATEMENT OF FINANCIAL POSITION DATA**

As of December 31, 2024

**ASSETS**

<u>Account Number</u>			
	<b>CURRENT ASSETS:</b>		
1120	Cash in Banks	\$ 84,168	
1130	Accounts Receivable - Tenants	12,694	
1190	Miscellaneous Current Assets - Operating Reserves	288,989	
1200	Prepaid Expenses	<u>36,160</u>	
1100T	Total Current Assets		\$ 422,011
1191	TENANT SECURITY DEPOSITS		37,704
	<b>RESTRICTED DEPOSITS:</b>		
1310	Escrow Deposits	92,678	
1320	Replacement Reserve	2,182,953	
1340	Residual Receipts Reserve	<u>346,534</u>	
1300T	Total Restricted Deposits		2,622,165
	<b>PROPERTY AND EQUIPMENT:</b>		
1410	Land and Improvements	884,276	
1420	Building and Improvements	7,773,264	
1440	Equipment - Portable	85,493	
1450	Furniture for Project Use	138,004	
1460	Furnishings	469,969	
1465	Office Furniture and Equipment	67,517	
1470	Maintenance Equipment	<u>10,115</u>	
1400T	Total Property and Equipment	9,428,638	
1495	Accumulated Depreciation	<u>(7,545,921)</u>	
1400N	Net Property and Equipment		1,882,717
	<b>OTHER ASSETS:</b>		
1590	Refundable Deposit	27,537	
1590	Work in Progress	<u>14,360</u>	
	Total Other Assets		<u>41,897</u>
1000T	<b>TOTAL ASSETS</b>		<u><u>\$ 5,006,494</u></u>

**LIABILITIES AND NET ASSETS**

	<b>CURRENT LIABILITIES:</b>		
2110	Accounts Payable - Operations	\$ 89,460	
2131	Accrued Interest Payable - Mortgage	19,710	
2150	Accrued Property Taxes	76,900	
2170	Current Portion of Mortgage Payable	214,061	
2190	Due to HUD - Residual Receipts Available for Recapture	<u>321,534</u>	
2122T	Total Current Liabilities		\$ 721,665
2191	TENANT SECURITY DEPOSITS		37,704
2320	MORTGAGE PAYABLE, less current portion		<u>3,521,488</u>
2000T	<b>TOTAL LIABILITIES</b>		4,280,857
3131	<b>NET ASSETS</b>		<u>725,637</u>
2033T	<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><u>\$ 5,006,494</u></u>

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**STATEMENT OF ACTIVITIES DATA**

**For The Year Ended December 31, 2024**

<u>Account Number</u>			
	REVENUES:		
5120	Rent Revenue - Gross Potential	\$ 453,900	
5121	Tenant Assistance Payments	<u>2,345,460</u>	
5100T	Total Rent Revenue		\$2,799,360
5220	Vacancies and Adjustments - Apartments		<u>3,805</u>
5152N	Net Rental Revenue		2,795,555
5410	Revenue from Investments - Project Operations	4,109	
5430	Revenue from investments - Residual Receipts	34	
5440	Revenue from Investments - Replacement Reserve	<u>486</u>	
5400T	Total Financial Revenue		4,629
5910	Laundry and Vending Revenue	9,176	
5990	Miscellaneous Revenue	<u>70</u>	
			<u>9,246</u>
5000T	Total Revenue		<u>2,809,430</u>
	EXPENSES:		
6203	Conventions and meetings	1,953	
6204	Management Consultants	6,000	
6310	Office Salaries	112,536	
6311	Office Expenses	21,091	
6320	Management Fee	89,199	
6330	Manager or Superintendent Salaries	70,600	
6350	Audit Expense	16,500	
6351	Bookkeeping Fees/Accounting Fees	12,000	
6390	Miscellaneous Administrative Expenses	<u>38,222</u>	
6263T	Total Administrative Expenses		368,101
6450	Electricity	36,642	
6451	Water	16,955	
6452	Gas	26,708	
6453	Sewer	<u>24,944</u>	
6400T	Total Utility Expenses		105,249
6510	Payroll	94,256	
6515	Supplies and Maintenance	72,445	
6520	Contracts	358,316	
6525	Garbage and Trash Removal	28,970	
6530	Security Payroll/Contract	213,544	
6548	Snow Removal	<u>12,253</u>	
6500T	Total Operating and Maintenance Expenses		779,784

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**STATEMENT OF ACTIVITIES DATA (Continued)**

**For The Year Ended December 31, 2024**

<u>Account Number</u>			
6710	Real Estate Taxes	\$169,219	
6711	Payroll Taxes	42,626	
6720	Property and Liability Insurance	82,820	
6722	Workers' Compensation Insurance	14,611	
6723	Health Insurance and Other Employment Benefits	<u>58,531</u>	
6700T	Total Taxes and Insurance		\$ 367,807
6820	Interest on Mortgage Payable	<u>242,314</u>	
	Total Financial Expenses		242,314
6900	Assisted Living Care		<u>98,159</u>
6000T	Total Cost of Operations Before Depreciation		<u>1,961,414</u>
5060T	Change in Net Assets Before Depreciation		848,016
6600	Depreciation Expense		200,176
6610	Amortization Expense		<u>5,758</u>
5060N	Operating Income		642,082
7100T	Net Entity Expenses		-
3250	Change in Net Assets		<u>\$ 642,082</u>
S1000-010	Total Mortgage Principal Payments Required During the Year		\$ 201,194
S1000-020	Total of 12 Monthly Deposits During the Year Into the Replacement Reserve Account, as Required by the Regulatory Agreement		\$ 94,824
S1000-030	Replacement Reserve or Residual Receipts Releases Which are Included as Expense Items on this Profit and Loss Statement		\$ -
S1000-040	Project Improvement Reserve Releases Under the Flexible Subsidy Program that are Included as Expense Items on this Profit and Loss Statement		\$ -

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**  
**STATEMENT OF CASH FLOWS DATA**

**For The Year Ended December 31, 2024**

<u>Account Number</u>			
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
S1200-010	Rental Receipts	\$2,798,593	
S1200-020	Interest Received	4,629	
S1200-030	Other Cash Received	9,246	
S1200-040	Total Receipts	<u>2,812,468</u>	
S1200-050	Administrative	95,435	
S1200-070	Management Fees	89,199	
S1200-090	Utilities	104,638	
S1200-100	Salaries and Wages	399,430	
S1200-110	Operating and Maintenance	626,318	
S1200-120	Real Estate Taxes	136,314	
S1200-140	Property Insurance	75,610	
S1200-150	Other Taxes and Insurance	115,768	
S1200-170	Other Operating Expenses - Assisted Care	18,139	
S1200-180	Interest on Mortgage	243,356	
S1200-230	Total Disbursements	<u>1,904,207</u>	
S1200-240	Net Cash Provided by Operating Activities		\$ 908,261
	<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
S1200-245	Net (Deposits) to Escrow Accounts	(6,893)	
S1200-250	Net (Deposits) to Replacement Reserves	(639,143)	
S1200-255	Net Withdrawals from Other Reserves	27,911	
S1200-260	Net (Deposits) to Residual Receipts	(34)	
S1200-330	Capital Expenditures	(83,119)	
S1200-340	Other Investing Activities	985	
S1200-350	Net Cash (Used in) Investing Activities		(700,293)
	<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
S1200-360	Payment of Mortgage Principal	(201,194)	
S1200-460	Net Cash (Used in) Financing Activities		<u>(201,194)</u>
S1200-470	NET INCREASE IN CASH		6,774
S1200-480	CASH, beginning of year		<u>77,394</u>
S1200T	CASH, end of year		<u>\$ 84,168</u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
3250	Change in Net Assets		\$ 642,082
	Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
6600	Depreciation		200,176
S1200-486	Amortization of Debt Issuance Costs		5,758
S1200-600	Other Adjustment - Residual Receipts Available for Recapture		34
	Increase or Decrease in:		
S1200-490	Receivables - Tenants		3,038
S1200-520	Prepaid Expenses		7,210
S1200-540	Accounts Payable		600
S1200-560	Accrued Liabilities		49,363
S1200-610	Net Cash Provided by Operating Activities		<u>\$ 908,261</u>

**MONTCLAIR SENIOR HOUSING CORPORATION**  
**HUD PROJECT NO. 031-EH173**

**For The Year Ended December 31, 2024**

**COMPUTATION OF SURPLUS CASH**

Cash	\$ 84,168	
Tenant Security Deposits	37,704	
Subtotal		\$ 121,872
 <b>CURRENT OBLIGATIONS:</b>		
Accrued Mortgage Interest Payable	19,710	
Accounts Payable Due Within 30 Days	44,185	
Accrued Expenses (not escrowed)	45,275	
Tenant Security Deposits	37,704	
Total Current Obligations		146,874
<b>SURPLUS CASH (DEFICIT)</b>		<b>\$ (25,002)</b>

**SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS**

	Opening Balance	Additions	Reclassify	Ending Balance
Land and Improvements	\$ 884,276	\$ -	\$ -	\$ 884,276
Building and Improvements	7,742,575	30,689	-	7,773,264
Equipment	718,668	52,430	-	771,098
Totals	\$ 9,345,519	\$ 83,119	\$ -	\$ 9,428,638
 Accumulated Depreciation	\$ 7,345,745	\$ 200,176		7,545,921
Net Book Value				\$ 1,882,717

**PROPERTY AND EQUIPMENT ADDITIONS:**

Gutters and Leaders	\$ 30,689
Carpets and Flooring	39,077
Window Treatments	5,350
Appliances	4,007
Fire Proof File Cabinet	3,996
	\$ 83,119

**MONTCLAIR SENIOR HOUSING CORPORATION  
HUD PROJECT NO. 031-EH173**

**For The Year Ended December 31, 2024**

**SCHEDULE OF RESERVE FOR REPLACEMENTS AND RESIDUAL  
RECEIPTS ACCOUNTS:**

	<u>Reserve for Replacements</u>	<u>Residual Receipts</u>
Balance at Beginning of Year	\$ 1,543,810	\$ 346,500
Total Monthly Deposits	638,657	-
Other Deposits:		
Interest Income	486	34
Withdrawals	-	-
Bank Charges	-	-
Balance at End of Year	<u>\$ 2,182,953</u>	<u>\$ 346,534</u>

**SCHEDULE OF MISCELLANEOUS ADMINISTRATIVE EXPENSES:**

Donation	\$ 20,000
Payroll Processing Fees	8,473
Telephone	6,354
Various	3,395
	<u>\$ 38,222</u>

**SCHEDULE OF ASSISTED LIVING CARE EXPENSES:**

Social Service Salary	\$ 80,020
Social Service Supplies and Expenses	18,139
	<u>\$ 98,159</u>

**MONTCLAIR SENIOR HOUSING CORPORATION  
 HUD PROJECT NO. 031-EH173  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For The Year Ended December 31, 2024**

<b>Federal Grantor/Pass - Through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Total Federal Expenditures</b>
U.S. Department of Housing and Urban Development:		
Section 8 Housing Assistance Payments	14.195	\$ 2,345,460
		<u>\$ 2,345,460</u>

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Montclair Senior Housing Corporation, HUD Project NO. 031- EH173, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Montclair Senior Housing Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Montclair Senior Housing Corporation.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures on this schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Montclair Senior Housing Corporation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

# RICHARD C. JACOBSEN

CERTIFIED PUBLIC ACCOUNTANT

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## **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 Board of Directors  
Montclair Senior Housing Corporation  
Montclair, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Montclair Senior Housing Corporation, (a nonprofit organization), HUD Project No. 031-EH173, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated February 24, 2025.

### **Report on Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Montclair Senior Housing Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Montclair Senior Housing Corporation's internal control. Accordingly, I do not express an opinion on the effectiveness of Montclair Senior Housing Corporation'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 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

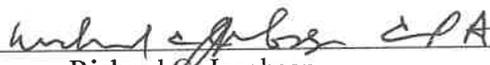
**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Montclair Senior Housing Corporation's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Totowa, New Jersey  
February 24, 2025

  
Richard G. Jacobsen  
Certified Public Accountant

**RICHARD C. JACOBSEN**

CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Board of Directors  
Montclair Senior Housing Corporation  
Montclair, New Jersey

**Report on Compliance on Each Major Federal Program**

**Opinion on Each Major Federal Program**

I have audited Montclair Senior Housing Corporation's compliance with the types of compliance requirements identified as subject to an audit in the OMB Compliance Supplement that could have a direct and material effect on each of Montclair Senior Housing Corporation's major federal programs for the year ended December 31, 2024. Montclair Senior Housing Corporation's major HUD program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the Montclair Senior Housing Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major program for the year ended December 31, 2024.

**Basis for Opinion on Each Major Federal Program**

I conducted my 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 requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of Montclair Senior Housing Corporation and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the Montclair Senior Housing Corporation'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 the Montclair Senior Housing Corporation's federal program.

### **Auditor's Responsibilities for the Audit of Compliance**

My 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 to express an opinion on Montclair Senior Housing Corporation's compliance based on my 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 generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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, they would influence the judgment made by a reasonable user of the report on compliance about Montclair Senior Housing Corporation's compliance with the requirements of each major program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, I:

- a). Exercise professional judgment and maintain professional skepticism throughout the audit.
- b). 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 Montclair Senior Housing Corporation's compliance with the compliance requirements referred to above and performing such other procedures as I consider necessary in the circumstances
- c). Obtain an understanding of Montclair Senior Housing Corporation'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Montclair Senior Housing Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I 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 a compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal 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 federal 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.

My 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 that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

My 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 my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Totowa, New Jersey  
February 24, 2025

  
Richard C. Jacobsen  
Certified Public Accountant

**MONTCLAIR SENIOR HOUSING CORPORATION  
HUD PROJECT NO. 031-EH173  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**For The Year Ended December 31, 2024**

The audit for the year ended December 31, 2023 disclosed no findings that are required to be reported herein under the Consolidated Audit Guide for Audits of HUD Programs.

**MONTCLAIR SENIOR HOUSING CORPORATION  
HUD PROJECT NO. 031-EH173  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For The Year Ended December 31, 2024**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Montclair Senior Housing Corporation were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Montclair Senior Housing Corporation were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award program for Montclair Senior Housing Corporation expresses an unmodified opinion.
6. No audit findings were noted that the auditor is required to report.
7. The program tested as a major program was:

<u>Name</u>	<u>Federal Assistance Listing Number</u>
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Section 8 Housing Assistance Payments	14.195
---------------------------------------	--------

8. The threshold for distinguishing Types A and B Programs was \$750,000.
9. Montclair Senior Housing Corporation qualified as a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT:

NONE

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT:

NONE

**MONTCLAIR SENIOR HOUSING CORPORATION  
HUD PROJECT NO. 031-EH173  
CERTIFICATION OF PROJECT OWNER**

**December 31, 2024**

We hereby certify that we have examined the foregoing financial statements and supplemental data of Montclair Senior Housing Corporation, HUD Project No. 031-EH173, and, to the best of our knowledge and belief, the same are accurate and complete.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

E.I. Number 22-2357795

Telephone Number (973) 746-1537

**MONTCLAIR SENIOR HOUSING CORPORATION  
HUD PROJECT NO. 031-EH173  
MANAGEMENT AGENT'S CERTIFICATION**

**December 31, 2024**

We hereby certify that we have examined the foregoing financial statements and supplemental data of Montclair Senior Housing Corporation, HUD Project No. 031-EH173, and, to the best of our knowledge and belief, the same are accurate and complete.

Hillcrest Management LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

E.I. Number 46-1817168

# RICHARD C. JACOBSEN

CERTIFIED PUBLIC ACCOUNTANT

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
Montclair Senior Housing Corporation  
Montclair, New Jersey

I have performed the procedures described in the second paragraph of this report on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Montclair Senior Housing Corporation is responsible for the accuracy and completeness of the electronic submission.

Montclair Senior Housing Corporation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to determine whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Additionally, the U.S. Department of Housing and Urban Development Real Estate Assessment Center ("REAC") has agreed to and acknowledged that the procedures are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

I compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The associated findings from the performance of my agreed-upon procedures indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

I was engaged by Montclair Senior Housing Corporation to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Montclair Senior Housing Corporation and to meet my ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

I was engaged to perform an audit in accordance with the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (OMB Uniform Guidance) by Montclair Senior Housing Corporation as of and for the year ended December 31, 2024, and have issued my reports thereon dated February 24, 2025. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, my opinion on the fair presentation of the supplementary information dated February 24, 2025, was expressed in relation to the basic financial statements of Montclair Senior Housing Corporation taken as a whole.

A copy of the reporting package required by the OMB Uniform Guidance, which includes the auditors' reports, is available in its entirety from Montclair Senior Housing Corporation. I have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, I take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

The purpose of this report on applying agreed-upon procedures is solely to describe the procedures performed on the electronic submission of the items listed in the "UFRS Rule Information" column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose

Totowa, New Jersey  
February 24, 2025



Richard C. Jacobsen  
Certified Public Accountant

**MONTCLAIR SENIOR HOUSING CORPORATION  
 HUD PROJECT NO. 031-EH173  
 ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON  
 APPLYING AGREED-UPON PROCEDURES**

**December 31, 2024**

<u>UFRS RULE INFORMATION</u>	<u>HARD COPY DOCUMENT(S)</u>	<u>FINDINGS</u>
Balance Sheet, Revenue and Expense and Cash Flow Data (Account Numbers 1120 to 7100T and the S1200 Series)	Financial Data Templates (i.e. Supplemental Schedules)	Agrees
Surplus Cash (S1300 Series of Accounts)	Financial Data Templates (i.e. Computation of Surplus Cash, Distributions and Residual Receipts (Annual))	Agrees
Footnotes (S3100 Series of Accounts)	Footnotes to Audited Basic Financial Statements	Agrees
Type of Opinion on the Financial Statements and Auditor Reports (S3400, S3500 and S3600 Series of Accounts)	Auditors' Reports on the Financial Statements, Compliance and Internal Control	Agrees
Type of Opinion on Supplemental Data (Account S3400-100)	Auditor's Supplemental Report on Financial Data Templates	Agrees
Audit Findings Narrative (S3800 Series of Accounts)	Schedule of Findings and Questioned Costs	Agrees
General Information (S3300, S3700 and S3800 Series of Accounts)	Schedule of Findings and Questioned Costs and Federal Awards Data	Agrees

*(Remaining details of the hard copy document of electronically submitted information omitted).*