

**THE LENA AND DAVID T. WILENTZ
SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2021 AND 2020



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THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
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**THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
AUDITOR DISCLOSURE INFORMATION
YEARS ENDED DECEMBER 31, 2021 AND 2020**

INDEPENDENT AUDITOR

CliftonLarsonAllen LLP

AUDIT PRINCIPAL

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Lena and David T. Wilentz Senior Residence, Inc.
Somerset, New Jersey

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of The Lena and David T. Wilentz Senior Residence, Inc. (the Housing Company), HUD Project No. 031-EH049, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and changes in net deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Housing Company as of December 31, 2021 and 2020, and the results of its operations and changes in its net deficit, 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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Housing Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Company's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

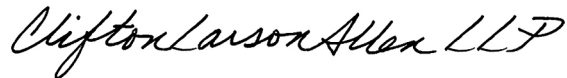
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying HUD-required financial data templates and the schedule of expenditures of federal and state awards on pages 16 through 26 are presented for purposes of additional analysis and are not a required part of the financial statements.

Supplementary Information (Continued)

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 GAAS. In our opinion, the accompanying HUD-required financial data templates and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2022, on our consideration of the Housing Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Housing Company'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 the Housing Company's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
March 3, 2022

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 38,555	\$ 15,136
Due from State of New Jersey	9,589	9,489
Accounts Receivable Affiliates	-	417
Grant Receivable	22,788	20,000
Prepaid Expenses	15,075	14,452
Total Current Assets	86,007	59,494
RESTRICTED DEPOSITS AND OTHER RESTRICTED ASSETS		
Tenant Deposits Held in Trust	26,654	26,427
Replacement Reserve	119,328	148,868
Total Deposits	145,982	175,295
PROPERTY AND EQUIPMENT		
Land and Land Improvements	321,468	321,468
Buildings	6,272,297	6,269,593
Building Equipment	1,295,126	1,270,656
Furniture and Fixtures	1,073,904	1,053,563
Motor Vehicles	5,220	5,220
Total Property and Equipment	8,968,015	8,920,500
Less: Accumulated Depreciation	7,160,088	6,917,644
Property and Equipment, Net	1,807,927	2,002,856
Total Assets	\$ 2,039,916	\$ 2,237,645
LIABILITIES AND NET DEFICIT		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 349,071	\$ 335,352
Accounts Payable and Accrued Expenses	27,426	46,225
Accounts Payable Affiliates	20,140	27,522
Accrued Expenses Affiliates	243,000	216,000
Total Current Liabilities	639,637	625,099
TENANT SECURITY DEPOSITS	26,654	26,427
LONG-TERM DEBT - NET OF CURRENT PORTION	2,661,103	3,002,380
Total Liabilities	3,327,394	3,653,906
NET DEFICIT WITHOUT DONOR RESTRICTIONS	(1,287,478)	(1,416,261)
Total Liabilities and Net Deficit	\$ 2,039,916	\$ 2,237,645

See accompanying Notes to Financial Statements.

**THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
STATEMENTS OF OPERATIONS AND CHANGES IN NET DEFICIT
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
SUPPORT AND REVENUE		
Tenant Assistance Payment	\$ 1,440,548	\$ 1,379,461
Congregate Service Income	106,233	109,641
Rental Income	252,190	235,255
Interest Income	55	255
Other Revenue	52,049	26,807
Total Support and Revenue	<u>1,851,075</u>	<u>1,751,419</u>
EXPENSES		
Administrative	413,493	463,586
Utilities	116,245	112,137
Operating and Maintenance	485,440	419,341
Taxes and Insurance	177,968	160,445
Interest Expense	137,924	151,318
Congregate Service Expense	148,778	148,116
Depreciation	242,444	263,944
Total Expenses	<u>1,722,292</u>	<u>1,718,887</u>
CHANGE IN NET DEFICIT	128,783	32,532
Net Deficit - Beginning of Year	<u>(1,416,261)</u>	<u>(1,448,793)</u>
NET DEFICIT - END OF YEAR	<u>\$ (1,287,478)</u>	<u>\$ (1,416,261)</u>

See accompanying Notes to Financial Statements.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Rent Income Received from Tenants	\$ 253,364	\$ 236,813
Subsidy Rent Income Received	1,440,548	1,379,461
Congregate Services Income	106,133	118,174
Other Income	52,104	27,062
Payments to Employees and Suppliers	(1,364,807)	(1,345,730)
Interest Paid	(130,652)	(144,276)
Net Cash Provided by Operating Activities	356,690	271,504
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(47,515)	(37,484)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(335,331)	(321,708)
Change in Accounts Receivable - Affiliates	417	(145)
Change in Accounts Payable and Accrued Expenses - Affiliates	19,618	47,195
Net Cash Used by Financing Activities	(315,296)	(274,658)
DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(6,121)	(40,638)
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	164,004	204,642
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 157,883	\$ 164,004
RECONCILIATION OF CHANGE IN NET DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Deficit	\$ 128,783	\$ 32,532
Adjustments to Reconcile Change in Net Deficit to Net Cash Provided by Operating Activities:		
Depreciation	242,444	263,944
Amortization of Deferred Financing Fees	7,773	7,773
(Increase) Decrease in Assets:		
Due from the State of New Jersey	(100)	8,533
Grant Receivable	(2,788)	(20,000)
Prepaid Expenses	(623)	3,526
Decrease in Liabilities:		
Accounts Payable and Accrued Expenses	(18,799)	(24,804)
Net Cash Provided by Operating Activities	\$ 356,690	\$ 271,504
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Change in Tenant Security Deposits	\$ (227)	\$ 474

See accompanying Notes to Financial Statements.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Lena and David T. Wilentz Senior Residence, Inc. (the Housing Company) is organized under the *Not-for-Profit Corporation Laws* of the state of New Jersey.

The Housing Company operates, under Section 202 of the National Housing Act, a 100-unit residential apartment building complex for the elderly located in Somerset, New Jersey. Such projects are regulated by the United States Department of Housing and Urban Development (HUD) with respect to rent charges and operating methods. Its primary sources of funding are resident rents and tenant assistance payments paid by HUD and the state of New Jersey Department of Health.

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

The Housing Company considers all unrestricted and highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in bank may exceed FDIC insurable limits.

Cash and cash equivalents in the Replacement Reserve account are used for the replacement of property and equipment. These funds are considered restricted in nature.

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 of the same such amounts shown in the statements of cash flows at December 31:

	2021	2020
Cash	\$ 38,555	\$ 15,136
Replacement Reserve	119,328	148,868
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statement of Cash Flows	\$ 157,883	\$ 164,004

Tenant Security Deposits

The Housing Company holds in trust security deposit amounts advanced by the tenants of the Housing Company upon move-in. The Housing Company records these deposits plus interest as a liability.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash and Cash Reserves

Under the regulatory agreement, the Housing Company is required to make deposits into restricted escrow accounts. The Housing Company makes regular monthly deposits into the Replacement Reserve account for the replacement of property and equipment. These funds are held in separate accounts at December 31, 2021 and 2020. Surplus cash, if any, from the operations of the property is deposited into a Residual Receipts account. All disbursements require the approval of HUD.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Additions and improvements of property and equipment with a cost of over \$1,000 are capitalized; repairs and improvements to real property and leasehold improvements with a cost of over \$5,000 are capitalized; maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to operations as incurred.

When an asset is sold, retired, or otherwise disposed of, the cost of the property and related accumulated depreciation are removed from the respective accounts, and any resulting gains or losses are reflected in income.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the years ended December 31, 2021 and 2020 was \$242,444 and \$263,944, respectively.

Finance Fee

Costs associated with the issuance of the Somerset County Improvement Authority revenue bonds are being amortized using the straight-line method, a method which approximates the effective interest rate method, over the 15-year life of the bonds and the underlying related mortgage and are recorded as a component of interest expense. During 2014, the bonds were refinanced, and the Company paid \$116,588 in issuance costs on the refinancing. Amortization was \$7,773 for each of the years ended December 31, 2021 and 2020. Accumulated amortization was \$56,354 and \$48,581 as of December 31, 2021 and 2020, respectively.

Net Assets With Donor Restrictions

Net assets with donor restrictions are used to differentiate resources, the use of which is restricted by donors, from unrestricted resources on which donors place no restriction or that arise as a result of the operations of the Housing Company for its stated purpose. Funds restricted for specific operating purposes are reflected in net assets released from restriction used for operations and/or capital to the extent used within the period. The Housing Company does not have any net assets with donor restrictions at December 31, 2021 and 2020.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

The carrying amounts of financial instruments including receivables and payables approximate their fair values due to the relatively short maturity of these instruments.

Tenants Accounts Receivable

Rent income is earned pursuant to leases that generally do not exceed more than one year. If necessary, the Housing Company establishes an allowance for the estimated losses that result from the inability of tenants to make their required payments. This allowance is based on the aging of rent receivables, assessments of historical collection trends, and an evaluation of the impact of current economic conditions as well as the financial status of the individual tenants. No allowances were recorded for the years ended December 31, 2021 and 2020.

Revenue Recognition

The Housing Company's primary revenue stream is rent charges for residential units under leases with durations of less than one year. The Housing Company records revenue for such leases at gross potential rent as prescribed by HUD. The rental value of vacancies and other concessions are stated separately to present net rental income on the accrual basis. Subsidy revenue for low-income eligible tenants is provided under a Section 8 housing assistance payment contract. This contract requires tenants to contribute a portion of the contract rent based on formulas prescribed by HUD. The difference from the calculated subsidy and the contract rent is paid by the HUD. The current contract expires on October 31, 2030.

Subsidy income is considered part of the lease and is not considered a contribution under ASC 958. This standard indicates that government payments to specifically identified participants are to be considered exchange transactions and potentially subject to ASC 606. The Housing Company believes that both such rental and subsidy income streams are exempted from compliance with ASC 606 due to their inclusion under current and future lease standards.

A portion of the Housing Company's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Housing Company has incurred expenditures in compliance with specific contract or grant provisions.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Accounting Standard — ASU 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASU No. 2016-02, a lessee is required to recognize a right-to-use asset and lease liability, initially measured at the present value of the lease payments, in the balance sheet. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the Housing Company's leasing activities. The Housing Company will be required to retrospectively adopt the guidance in ASU No. 2016-02 for years beginning after December 15, 2021. The Housing Company is evaluating the impact of adoption of ASU No. 2016-02 on its financial statements.

Income Taxes

The Housing Company is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on its exempt income under Section 501(a) of the IRC.

The Housing Company accounts for uncertainty in income taxes using a recognition threshold of more likely than not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold in 2021 and 2020.

The Housing Company's income tax returns are subject to review and examination by federal and state authorities. The Housing Company is not aware of any activities that would jeopardize its tax-exempt status. The Housing Company is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Subsequent Events

In preparing these financial statements, the Housing Company has considered events and transactions that have occurred through March 3, 2022, the date the financial statements were available to be issued. The results of this evaluation indicated that there are no subsequent events or transactions that are required to be disclosed in these financial statements.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 LIQUIDITY AND AVAILABILITY

As of December 31, 2021, the Housing Company has a working capital (deficit) of \$(553,630) and average days cash on hand of 10.

Financial assets available for general expenditures, within one year of the balance sheet date, are as follows:

	2021	2020
Financial Assets as of Year-End:		
Cash	\$ 38,555	\$ 15,136
Accounts Receivable from:		
State of New Jersey	9,589	9,489
Affiliates	-	417
Grants	22,788	20,000
Total Financial Assets	\$ 70,932	\$ 45,042

In addition to financial assets available to meet general expenditures over the next 12 months, the Housing Company operates with a balanced budget, which is submitted and approved by HUD, and anticipates collecting sufficient revenue to cover general expenditures. The Housing Company maintains a replacement reserve account, in accordance with the terms of the HUD Regulatory Agreement that may be used for future capital needs and major repairs, subject to HUD approval. If the Housing Company has excess cash, as defined by HUD, the Housing Company is required to deposit those funds into a residual receipts account which may be used only with prior HUD approval. Tenant security deposits are maintained separately from general operating funds and are not considered available for general expenditure.

NOTE 3 LONG-TERM DEBT

Long-term debt consists of a mortgage with a commercial bank providing collateral for revenue bonds issued by the Somerset County Improvement Authority on behalf of the Housing Company. The revenue bonds are wholly owned by the commercial bank. In 2014, the mortgage was refinanced for an amount of \$5,185,620, which included additional funds for construction project and new windows for the facility. The new debt is secured by all of the assets of the Housing Company and is payable in monthly installments of \$38,832 including interest at 3.961% through November 2029.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 LONG-TERM DEBT (CONTINUED)

Long-term debt consists of the following:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Somerset County Improvement Authority Revenue Bonds, Series of 2014	\$ 3,070,408	\$ 3,405,739
Total Long-Term Debt	3,070,408	3,405,739
Less: Unamortized Deferred Financing Cost	60,234	68,007
Total Long-Term Debt, Less Unamortized Deferred Financing Cost	3,010,174	3,337,732
Less: Current Portion	349,071	335,352
Total Long-Term Debt, Less Current Portion	<u>\$ 2,661,103</u>	<u>\$ 3,002,380</u>

The estimated future principal payments on the mortgage note are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 349,071
2023	363,350
2024	377,953
2025	393,674
2026	409,778
Thereafter	1,176,582
Total	<u>\$ 3,070,408</u>

NOTE 4 HOUSING ASSISTANCE PAYMENT CONTRACT AGREEMENT

The Federal Housing Administration (FHA) has contracted with the Housing Company under Section 8 of Title II of the Housing and Community Development Act of 1974, to make housing assistance payments to the Housing Company on behalf of qualified tenants. The agreement expires on October 31, 2030.

COVID-19 Supplemental Payment Program

During the year ended December 31, 2021, the Housing Company applied for and received a grant in the amount of \$40,378 as a COVID-19 Supplemental Payment (CSP) administered by HUD. CSP assistance is offered to properties with project-based rental assistance contracts under Section 8 and Section 202 to offset eligible operating cost increases related to COVID-19. The Housing Company used the awarded funds for COVID-19 costs incurred from payroll as well as cleaning and sanitizing contract services, supplies, and personal protective equipment (PPE). At December 31, 2021, The Housing Company recognized \$40,378 as Other Revenue on the Statements of Operations and Changes in Net Deficit, and Special Claims Revenue on the HUD Profit and Loss Data.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 STATE OF NEW JERSEY CONTRACT

The Housing Company has a fee-for-service contract with the state of New Jersey Department of Health and Senior Services to fund housing support services for the tenants. The revenue and expenses are as follows:

	<u>2021</u>	<u>2020</u>
Congregate Service Income:		
Tenants	\$ 16,101	\$ 15,035
State of New Jersey, Department of Health and Senior Services	<u>90,132</u>	<u>94,606</u>
Total	<u>\$ 106,233</u>	<u>\$ 109,641</u>
 Congregate Service Expense:		
Food Supplies and Services	\$ 77,787	\$ 85,015
Salaries and Related Expenses	<u>70,991</u>	<u>63,101</u>
Total	<u>\$ 148,778</u>	<u>\$ 148,116</u>

NOTE 6 RELATED PARTIES

Administrative support and reimbursement for congregate services provided were paid to The Martin and Edith Stein Assisted Living Residence, a company affiliated through overlapping members of the board of trustees. For the years ended December 31, 2021 and 2020, the amount reimbursed for support and congregate services was \$148,778 and \$148,116, respectively.

The Jewish Home and Healthcare Center, Inc. (JHHC), a company affiliated through overlapping members of the board of trustees, provided management services to The Lena and David T. Wilentz Senior Residence, Inc. The management fee in each of the years 2021 and 2020 is a fixed amount and totaled \$54,000. As of December 31, 2021 and 2020, due to these affiliates on a noninterest-bearing, unsecured basis totaled \$263,140 and \$243,522, respectively, of which \$243,000 and \$216,000 was due to JHHC for management fees for the years ended as of December 31, 2021 and 2020, respectively. The liabilities are generally paid during the following year. As of December 31, 2021 and 2020, \$-0- and \$417, respectively, was due from affiliates.

NOTE 7 PENSION PLAN

The Housing Company participates in The Wilf Campus for Senior Living Retirement Plan which is a 401(k) plan covering eligible employees. The Housing Company may contribute 25% of employee contributions up to 4% of compensation. There were no contributions to the 401(k) plan for the years ended December 31, 2021 and 2020.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 RESERVE FOR REPLACEMENT

The Housing Company is required to make monthly deposits into a replacement reserve in the amount of \$3,469 until November 1, 2021 when it was increased to \$3,545. These funds cannot be utilized without the permission of HUD.

NOTE 9 FUNCTIONAL EXPENSES

The Housing Company provides rental housing for low-income, elderly, and disabled persons. All categories of expenses that are not directly related to the organization's program are allocated to one or more management and supporting functions based on the estimates of time and effort involved. Expenses related to providing these functions are as follows:

	<u>Residential Services</u>	<u>Administrative and General</u>	<u>Total</u>
<u>December 31, 2021</u>			
Salaries and Wages	\$ 437,991	\$ 41,523	\$ 479,514
Administrative and General	3,549	183,417	186,966
Utilities	104,621	11,625	116,246
Operating and Maintenance	267,064	29,674	296,738
Taxes and Insurance	160,170	17,797	177,967
Interest Expense	124,132	13,792	137,924
Congregate Service Expense	84,493	-	84,493
Depreciation	218,200	24,244	242,444
Totals	<u>\$ 1,400,220</u>	<u>\$ 322,072</u>	<u>\$ 1,722,292</u>
<u>December 31, 2020</u>			
Salaries and Wages	\$ 511,185	\$ 50,475	\$ 561,660
Administrative and General	4,905	195,013	199,918
Utilities	100,923	11,214	112,137
Operating and Maintenance	160,432	17,826	178,258
Taxes and Insurance	144,401	16,045	160,445
Interest Expense	136,186	15,132	151,318
Congregate Service Expense	91,207	-	91,207
Depreciation	237,550	26,394	263,944
Totals	<u>\$ 1,386,788</u>	<u>\$ 332,099</u>	<u>\$ 1,718,887</u>

NOTE 10 COMMITMENTS

Minimum future rents due from tenants under noncancellable operating leases as of December 31, 2021 and 2020 are approximately \$241,512 and \$241,752, respectively.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
DECEMBER 31, 2021 AND 2020

HUD BALANCE SHEETS DATA

<u>Account Number</u>		<u>2021</u>	<u>2020</u>
	ASSETS		
	CURRENT ASSETS		
1120	Cash - Operations	\$ 38,555	\$ 15,136
1140	Accounts Receivable	32,377	29,489
1145	Accounts Receivable - Intercompany	-	417
1200	Miscellaneous Prepaid Expenses	15,075	14,452
1100T	Total Current Assets	<u>86,007</u>	<u>59,494</u>
1191	Tenant/Patient Deposits Held in Trust	26,654	26,427
1320	Replacement Reserve	119,328	148,868
	PROPERTY AND EQUIPMENT		
1410	Land and Land Improvements	321,468	321,468
1420	Buildings	6,272,297	6,269,593
1440	Building Equipment	1,295,126	1,270,656
1450	Furniture and Fixtures	1,073,904	1,053,563
1480	Motor Vehicles	5,220	5,220
1400T	Total Fixed Assets	<u>8,968,015</u>	<u>8,920,500</u>
1495	Less: Accumulated Depreciation	7,160,088	6,917,644
1400N	Net Fixed Assets	<u>1,807,927</u>	<u>2,002,856</u>
1000T	Total Assets	<u>\$ 2,039,916</u>	<u>\$ 2,237,645</u>
	LIABILITIES AND NET DEFICIT		
	CURRENT LIABILITIES		
2110	Accounts Payable - Operations	\$ 4,352	\$ 12,496
2113	Accounts Payable - Affiliates	263,140	243,522
2120	Accrued Wages Payable	12,602	22,113
2131	Accrued Interest Payable	10,472	11,616
2170	Mortgage Payable - Current Portion	349,071	335,352
2122T	Total Current Liabilities	<u>639,637</u>	<u>625,099</u>
2191	Tenant Security Deposits	26,654	26,427
2320	Mortgage Payable - Net of Current Portion	<u>2,661,103</u>	<u>3,002,380</u>
2000T	Total Liabilities	3,327,394	3,653,906
3131	Net Deficit Without Donor Restrictions	<u>(1,287,478)</u>	<u>(1,416,261)</u>
2033T	Total Liabilities and Net Deficit	<u>\$ 2,039,916</u>	<u>\$ 2,237,645</u>

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
YEARS ENDED DECEMBER 31, 2021 AND 2020

HUD PROFIT AND LOSS DATA

Account Number		<u>2021</u>	<u>2020</u>
	RENT REVENUE		
5120	Rent Revenue - Tenants	\$ 252,190	\$ 235,255
5121	Tenant Assistance Payments	1,400,170	1,379,461
5193	Special Claims Revenue	<u>40,378</u>	<u>-</u>
5100T	Total Rent Revenue	1,692,738	1,614,716
5152N	Net Rental Revenue	1,692,738	1,614,716
	CONGREGATE SERVICES REVENUE		
5300	Congregate Services	106,233	109,641
	FINANCIAL REVENUE		
5410	Financial Revenue - Project Operations	55	255
	OTHER REVENUE		
5910	Laundry and Vending	2,944	4,393
5990	Miscellaneous Revenue	<u>49,105</u>	<u>22,414</u>
5900T	Total Other Revenue	<u>52,049</u>	<u>26,807</u>
5000T	Total Revenue	1,851,075	1,751,419
	ADMINISTRATIVE EXPENSES		
6203	Conventions and Meetings	2,755	240
6210	Advertising and Marketing	7,051	6,380
6310	Office Salaries	185,679	228,148
6311	Office Expenses	34,487	43,019
6320	Management Fee	54,000	54,000
6330	Manager Salary	40,848	35,520
6350	Audit Expense	20,987	20,473
6351	Bookkeeping Fees	30,775	26,760
6370	Bad Debts	1,421	-
6390	Miscellaneous Administrative Expenses	<u>35,490</u>	<u>49,046</u>
6263T	Total Administrative Expenses	413,493	463,586
	UTILITIES EXPENSES		
6450	Electricity	62,227	60,427
6451	Water	17,976	19,289
6453	Sewer	<u>36,042</u>	<u>32,421</u>
6400T	Total Utilities Expense	116,245	112,137

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
YEARS ENDED DECEMBER 31, 2021 AND 2020

HUD PROFIT AND LOSS DATA (CONTINUED)

Account Number		2021	2020
	OPERATING AND MAINTENANCE EXPENSES		
6510	Payroll	\$ 188,702	\$ 241,083
6515	Supplies	37,228	17,265
6520	Contracts	58,816	43,833
6525	Garbage and Trash Removal	49,514	42,270
6546	Heating/Cooling Repairs and Maintenance	-	1,768
6548	Snow Removal	3,250	1,437
6570	Vehicle Maintenance	6,529	538
6590	Miscellaneous Operating and Maintenance Expenses	141,401	71,147
6500T	Total Operating and Maintenance Expenses	485,440	419,341
	TAXES AND INSURANCE		
6711	Payroll Taxes	31,417	37,377
6720	Property and Liability Insurance (Hazard)	48,547	43,253
6722	Workers' Compensation	6,531	6,414
6723	Health Insurance and Other Employee Benefits	91,473	73,401
6700T	Total Taxes and Insurance	177,968	160,445
	FINANCIAL EXPENSES		
6820	Long-Term Debt Interest	137,924	151,318
6900	Other Elderly Care Expenses	148,778	148,116
	OPERATING RESULTS		
6000T	Total Cost of Operations before Depreciation	1,479,848	1,454,943
5060T	PROFIT BEFORE DEPRECIATION	371,227	296,476
6600	DEPRECIATION	242,444	263,944
5060N	OPERATING INCOME (LOSS)	\$ 128,783	\$ 32,532
	Change in Net Assets from Operations		
3247	Change in Net Assets Without Donor Restrictions	\$ 128,783	\$ 32,532
	PART II		
S1000-010	Total Mortgage Principal Payments During the Year	\$ 335,331	\$ 321,708
S1000-020	Total of 12 Monthly Deposits into the Replacement Reserve in Accordance with the Regulatory Agreement	\$ 41,780	\$ 41,348
S1000-030	Replacement Reserve or Residual Receipts Amounts Released included as Expense Items on the Statement of Activities	\$ -	\$ -
S1000-040	Project Improvement Reserve Amounts Released included as Expense Items on the Statement of Activities	\$ -	\$ -

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
YEARS ENDED DECEMBER 31, 2021 AND 2020

<u>Account Number</u>		<u>2021</u>	<u>2020</u>
	NET ASSETS WITHOUT DONOR RESTRICTIONS		
S1100-60	Previous Year Net Assets Without Donor Restrictions	\$ (1,416,261)	\$ (1,448,793)
3247	Change in Net Assets Without Donor Restrictions	<u>128,783</u>	<u>32,532</u>
3131	Unrestricted Net Assets	(1,287,478)	(1,416,261)
	TOTAL NET ASSETS		
S1100-50	Previous Year Total Net Assets	(1,416,261)	(1,448,793)
3250	Change in Total Net Assets from Operations	<u>128,783</u>	<u>32,532</u>
3130	Total Net Assets	<u><u>\$ (1,287,478)</u></u>	<u><u>\$ (1,416,261)</u></u>

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
YEARS ENDED DECEMBER 31, 2021 AND 2020

HUD STATEMENTS OF CASH FLOWS DATA

Account Number		<u>2021</u>	<u>2020</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
	Revenues:		
S1200-010	Rental Receipts	\$ 1,693,912	\$ 1,616,274
S1200-020	Interest Receipts	55	255
S1200-030	Other Operating Receipts	<u>158,182</u>	<u>144,981</u>
S1200-040	Total Receipts	1,852,149	1,761,510
	Expenses:		
S1200-050	Administrative	(436,376)	(505,691)
S1200-090	Utilities	(116,245)	(112,137)
S1200-110	Operating and Maintenance	(485,440)	(419,341)
S1200-140	Property Insurance	(48,547)	(43,253)
S1200-150	Miscellaneous Taxes and Insurance	(129,421)	(117,192)
S1200-170	Other Operating Expenses	(148,778)	(148,116)
S1200-180	Interest	<u>(130,652)</u>	<u>(144,276)</u>
S1200-230	Total Expenses	<u>(1,495,459)</u>	<u>(1,490,006)</u>
S1200-240	Net Cash Provided by Operating Activities	356,690	271,504
	CASH FLOWS FROM INVESTING ACTIVITIES		
S1200-250	Net Deposits to the Reserve Replacement Account	29,540	753
S1200-330	Net Purchases of Fixed Assets	<u>(47,515)</u>	<u>(37,484)</u>
S1200-350	Net Cash Used by Investing Activities	(17,975)	(36,731)
	CASH FLOWS FROM FINANCING ACTIVITIES		
S1200-360	Repayment of Long-Term Debt	(335,331)	(321,708)
S1200-450	Other Financing Activities	<u>20,035</u>	<u>47,050</u>
S1200-460	Net Cash Used by Financing Activities	<u>(315,296)</u>	<u>(274,658)</u>
S1200-470	DECREASE IN CASH AND CASH EQUIVALENTS	23,419	(39,885)
S1200-480	Cash and Cash Equivalents - Beginning of Year	<u>15,136</u>	<u>55,021</u>
S1200T	CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 38,555</u>	<u>\$ 15,136</u>
S1200-460	RECONCILIATION OF CHANGE IN NET DEFICIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
3250	Change in Net Deficit	\$ 128,783	\$ 32,532
	Adjustments to Reconcile Change in Net Deficit to Net Cash Provided by Operating Activities:		
6600	Depreciation	242,444	263,944
6610	Amortization of Deferred Financing Fees	7,773	7,773
	(Increase) Decrease in Assets:		
S1200-500	Due from the State of New Jersey	(100)	8,533
S1200-510	Accrued Receivable	(2,788)	(20,000)
S1200-520	Prepaid Insurance	(623)	3,526
	Decrease in Liabilities:		
S1200-540	Accounts Payable and Accrued Expenses	<u>(18,799)</u>	<u>(24,804)</u>
S1200-610	Net Cash Provided by Operating Activities	<u>\$ 356,690</u>	<u>\$ 271,504</u>
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Noncash Investing and Financing Activities:		
	Change in Tenant Security Deposits	<u>\$ (227)</u>	<u>\$ 474</u>

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
YEAR ENDED DECEMBER 31, 2021

SUPPLEMENTARY SCHEDULES TO HUD FORM 92410

Account #5990 - Miscellaneous Revenue

CDBG Grant	\$ 46,888
Sip and Save	2,217
Total	\$ 49,105

Account #6390 - Miscellaneous Administrative Expenses

Professional Fees	\$ 16,181
Rabbi Expense Allocation	7,591
Telephone Expense	2,564
Travel and Entertainment	3,155
Licenses and Fees	1,036
Dues and Subscriptions	4,963
Total	\$ 35,490

Account #6590 - Miscellaneous Operating and Maintenance Expenses

Bus/Trip Expenses	\$ 18,000
Cable Expense	9,869
Equipment Insurance	1,878
Kitchen Repairs	48,032
Repairs Contracts	13,236
Other Repairs and Maintenance	41,333
Fire Alarm and Sprinkler Maintenance	9,053
Total	\$ 141,401

RESERVE ACCOUNTS DATA

Changes in the reserve for replacements account, deposited into a separate bank account to be used for the replacement of property and equipment and various other uses for which disbursements from these accounts require HUD written approval for the year ended December 31, 2021, were as follows:

Account Number		
	Replacement Reserve	
1320P	Balance - January 1, 2021	\$ 148,868
1320DT	Required Deposits	41,780
1320WT	Disbursements - HUD Approved Withdrawals	(71,358)
1320INT	Interest Earned	38
		\$ 119,328
1320	Balance - December 31, 2021	\$ 119,328

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS

Account Number		Assets			Accumulated Depreciation [1495]			[1400N]		
		Balance	Additions	Deductions	Balance	Current Expense	Disposals	Balance December 31, 2021	Net Book Value December 31, 2021	
		December 31, 2020			December 31, 2021					December 31, 2020
1410	Land and Land Improvements	\$ 321,468	\$ -	\$ -	\$ 321,468	\$ 93,658	\$ 810	\$ -	\$ 94,468	\$ 227,000
1420	Building	6,269,593	2,704	-	6,272,297	5,072,189	156,835	-	5,229,024	1,043,273
1440	Building Equipment	1,270,656	24,470	-	1,295,126	828,795	52,016	-	880,811	414,315
1450	Furniture and Fixtures	1,053,563	20,341	-	1,073,904	917,782	32,783	-	950,565	123,339
1480	Motor Vehicles	5,220	-	-	5,220	5,220	-	-	5,220	-
1400T	Total Fixed Assets	<u>\$ 8,920,500</u>	<u>\$ 47,515</u>	<u>\$ -</u>	<u>\$ 8,968,015</u>	<u>\$ 6,917,644</u>	<u>\$ 242,444</u>	<u>\$ -</u>	<u>\$ 7,160,088</u>	<u>\$ 1,807,927</u>

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
YEAR ENDED DECEMBER 31, 2021

FIXED ASSETS ADDITIONS

Schedule of Additions for [1420] Building

Carpeting	<u>\$ 2,704</u>
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Schedule of Additions for [1440] Building Equipment

Hot Water Heater	<u>\$ 24,470</u>
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Schedule of Additions for [1450] Furniture and Fixtures

Piano - Resident Dining Room	\$ 5,800
Nurse Call System - Phase 2	4,635
Bathtub Replacement	4,500
Sofa - Resident Common Area	4,375
Nurse Call System - Phase 3	1,031
Total	<u>\$ 20,341</u>

**THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SUPPLEMENTARY DATA REQUIRED BY HUD
DECEMBER 31, 2021**

IDENTITY OF INTEREST COMPANIES

During the year ended December 31, 2021, identity of interest companies charged for services provided to the Housing Company are as follows:

<u>Name</u>	<u>Service Provided</u>	<u>Amount Paid</u>
The Martin and Edith Stein Assisted Living Residence	Support and Congregate Care	<u>\$ 148,778</u>
The Jewish Home and Healthcare Center, Inc.	Management Fee	<u>\$ 54,000</u>

**THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
 HUD PROJECT NO. 031-EH049
 SUPPLEMENTARY DATA REQUIRED BY HUD
 YEAR ENDED DECEMBER 31, 2021**

SURPLUS CASH DATA

<u>Account Number</u>		
	CASH	
S1300-010	Cash	\$ 65,209
S1300-040	Total Cash	<u>65,209</u>
	CURRENT OBLIGATIONS	
S1300-050	Accrued Mortgage Interest Payable	10,472
S1300-075	Accounts Payable - 30 Days	4,347
S1300-100	Accrued Expenses (Not Escrowed)	7,174
2191	Tenant/Patient Deposits Held in Trust (Contra)	26,654
S1300-110	Other Current Obligations	<u>263,140</u>
S1300-140	Total Current Obligations	<u>311,787</u>
S1300-150	SURPLUS CASH (DEFICIENCY)	<u><u>\$ (246,578)</u></u>

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal or State Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Grant Period	Current Year Federal/State Expenditures
Federal Awards				
U.S. Department of Housing and Urban Development Section 8 Housing Assistance Payments Program - Special Awards	14.195	NJ39T791022	1/1/21-12/31/21	\$ 1,400,170
U.S. Department of Housing and Urban Development Supportive Housing for the Elderly - COVID-19 Supplemental Payment Program	14.157	NJ39T791022	1/1/21-12/31/21	40,378
U.S. Department of Housing and Urban Development Passed through Franklin Township Community Development Block Grant	14.218	B-21-MC-34-0127	9/1/21-8/31/22	22,874
Community Development Block Grant	14.218	B-20-MC-34-0127	9/1/20-8/31/21	<u>24,014</u>
Total Expenditures of Federal Awards				<u>\$ 1,487,436</u>
State Awards				
New Jersey Department of Human Services Division of Aging Services Congregate Housing Services Program	N/A	DOAS22CHSP010	7/1/21-6/30/22	\$ 45,447
Congregate Housing Services Program	N/A	DOAS21CHSP015	7/1/20-6/30/21	<u>44,685</u>
Total Expenditures of State Awards				<u>\$ 90,132</u>
Total Expenditures of Federal and State Awards				<u>\$ 1,577,568</u>

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
DECEMBER 31, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant award activity of The Lena and David T. Wilentz Senior Residence, Inc., HUD Project No. 031-EH049, under programs of the federal and state government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and the state of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. Because the Schedule presents only a selected portion of the operations of The Lena and David T. Wilentz Senior Residence, Inc., HUD Project No. 031-EH049, it is not intended to and does not present the financial position, changes in net deficit, or cash flows of The Lena and David T. Wilentz Senior Residence, Inc., HUD Project No. 031-EH049.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and NJOMB 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

The Lena and David T. Wilentz Senior Residence, Inc., HUD Project No. 031-EH049 has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance and NJOMB 15-08.



**INDEPENDENT AUDITORS' 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***

Board of Trustees
The Lena and David T. Wilentz Senior Residence, Inc.
Somerset, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Lena and David T. Wilentz Senior Residence, Inc. (the Housing Company), HUD Project No. 031-EH049, which comprise the balance sheet as of December 31, 2021, and the related statements of operations and changes in net deficit, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 3, 2022.

Report on Internal Control Over Financial Reporting

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

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

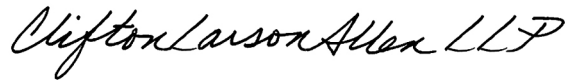
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
March 3, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM, REPORT ON INTERNAL CONTROL
OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE
AND STATE OF NEW JERSEY OMB CIRCULAR 15-08**

Board of Trustees
The Lena and David T. Wilentz Senior Residence, Inc.
Somerset, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal Program

We have audited The Lena and David T. Wilentz Senior Residence, Inc. (the Housing Company), HUD Project No. 031-EH049's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of New Jersey OMB Circular 15-08 (NJOMB 15-08)*, *State Grant Compliance Supplement* that could have a direct and material effect on the Housing Company's major federal and state programs for the year ended December 31, 2021. The Housing Company's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Housing Company complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit 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); and the state of New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance and NJOMB 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Housing Company'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, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Housing Company's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Company's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and NJOMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Housing Company's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and NJOMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Company's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Housing Company'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 or NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Housing Company's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and NJOMB 15-08

We have audited the financial statements of the Housing Company as of and for the year ended December 31, 2021, and have issued our report thereon dated March 3, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and NJOMB 15-08 and is not a required part of 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 schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
March 3, 2022

**THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
 HUD PROJECT NO. 031-EH049
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | |
|--|------------|--------------------------------|
| 1. Type of auditors’ report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| • Material weakness(es) identified? | _____ yes | ___ <u>x</u> ___ no |
| • Significant deficiency(ies) identified? | _____ yes | ___ <u>x</u> ___ none reported |
| 3. Noncompliance material to financial statements noted? | _____ yes | ___ <u>x</u> ___ no |

Federal and State Awards

- | | | |
|--|------------------------|--|
| 1. Internal control over major federal program: | | |
| • Material weakness(es) identified? | _____ yes | ___ <u>x</u> ___ no |
| • Significant deficiency(ies) identified? | _____ yes | ___ <u>x</u> ___ none reported |
| Internal control over major state program: | | |
| • Material weakness(es) identified? | _____ yes | ___ <u>x</u> ___ no |
| • Significant deficiency(ies) identified? | _____ yes | ___ <u>x</u> ___ none reported |
| 2. Type of auditors’ report issued on compliance for major programs: | Unmodified | |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Uniform Guidance or with NJ OMB 15-08? | _____ yes
_____ yes | ___ <u>x</u> ___ no
___ <u>x</u> ___ no |

Identification of Major Programs

Assistance Listing Number(s)

Name of Program or Cluster

Federal:

14.195

Section 8 Housing Assistance Payments Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

___x___ yes _____ no

THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Financial and State Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Summary of Prior Year Audit Findings

There were no findings in the prior year that were required to be reported.

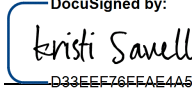
**THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
MORTGAGORS' CERTIFICATION
DECEMBER 31, 2021**

We hereby certify that we have examined the accompanying financial statements and supplementary data of The Lena and David T. Wilentz Senior Residence, Inc., Project No. 031-EH049, and to the best of our knowledge and belief, the same are complete and accurate.

Signature  _____
3D9F39010E5A4FA...

Printed Name Bob Barry

Title Pres / CEO

Signature  _____
D33EEF76FFAE4A5...

Printed Name kristi savell

Title controller

E.I.N. 22-2289444

**THE LENA AND DAVID T. WILENTZ SENIOR RESIDENCE, INC.
HUD PROJECT NO. 031-EH049
MANAGEMENT AGENT'S CERTIFICATION
YEAR ENDED DECEMBER 31, 2021**

We hereby certify that we have examined the accompanying financial statements and supplementary data of The Lena and David T. Wilentz Senior Residence, Inc., Project No. 031-EH049, and to the best of our knowledge and belief, the same are complete and accurate.

Signature	<div style="border: 1px solid black; border-radius: 5px; padding: 2px;"><small>DocuSigned by:</small> <i>Bob Barry</i> <small>3D9F39040E5A4FA...</small></div> <hr/>
Printed Name	Bob Barry <hr/>
Title	Pres / CEO <hr/>

The Jewish Home and Healthcare Center, Inc.
E.I.N. 22-6083380

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