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## **Town of Chilmark MIDDLE LINE ROAD RENTAL DUPLEXES**

### *Financial Statements*

*October 27, 2011 (period of inception) to June 30, 2012*

**Draft for Management Discussion**

**Town of Chilmark**  
**MIDDLE LINE ROAD RENTAL DUPLEXES**

*Financial Statements*

*October 27, 2011 (period of inception) to June 30, 2012*

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**Draft for Management Discussion**



# MIDDLE LINE ROAD RENTAL DUPLEXES

## *Statement of Financial Position*

*As of June 30, 2012*

### *Assets*

Cash	\$	41,399
Security deposits		<u>6,525</u>
<i>Total assets</i>	\$	<u><u>47,924</u></u>

### *Liabilities and Net Assets*

#### *Liabilities:*

Accrued expenses		4,228
Security deposits		<u>6,525</u>
<i>Total liabilities</i>		<u>10,753</u>

#### *Net assets:*

Unrestricted		<u>37,171</u>
<i>Total net assets</i>		<u>37,171</u>

<i>Total liabilities and net assets</i>	\$	<u><u>47,924</u></u>
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# MIDDLE LINE ROAD RENTAL DUPLEXES

## *Statement of Activities*

*October 27, 2011 (period of inception) to June 30, 2012*

*Revenues:*

Rental income \$ 52,250

*Total income* 52,250

*Expenses:*

Administrative fees 4,283

Property management fees 2,930

Property insurance 358

Repairs and maintenance 9,013

Utilities 1,539

Professional services 2,000

*Total expenses* 20,123

*Change in net assets* 32,127

*Net assets, beginning of the year* -

*Net assets, end of year* **Draft for Management Discussion** \$ 32,127

# MIDDLE LINE ROAD RENTAL DUPLEXES

## *Statement of Cash Flows*

*October 27, 2011 (period of inception) to June 30, 2012*

*Cash flows from operating activities:*

Change in net assets	\$ 37,171
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Change in:	
Accrued expenses	<u>4,228</u>
<i>Net cash provided by operating activities</i>	<u>41,399</u>
<i>Net change in cash and cash equivalents</i>	41,399
<i>Cash and cash equivalents, beginning</i>	<u>-</u>
<i>Cash and cash equivalents, ending</i>	<u><u>\$ 41,399</u></u>

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**Town of Chilmark  
MIDDLE LINE ROAD RENTAL DUPLEXES**

*Notes to Financial Statements*

*October 27, 2011 (period of inception) to June 30, 2012*

***Note 1 - The Organization***

The Middle Line Road Rental Duplexes, (“the Property”) is a property located in Chilmark, Massachusetts. The property is managed pursuant to an agreement as defined below by the Dukes County Regional Housing Authority, (“DCRHA”)(the “Authority”).

***Note 2 - Significant Accounting Policies***

***Basis of Accounting***

***Summary of Significant Accounting Policies***

The Authority has prepared the accompanying special-purpose financial statements to present the assets, liabilities, revenues, expenses, and cash flows of the activity of the Project under the management agreement discussed in Note 3, for October 27, 2011 (period of inception) to June 30, 2012.

***Cash and Cash Equivalents***

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

***Note 3 – Management Agreement***

***Terms***

The term of the agreement shall commence on October 27, 2011 and shall remain in full force and effect for a period of (5) years and shall continue thereafter on mutually agreeable terms from year to year unless sooner terminated. The Manager shall use all reasonable efforts to achieve and maintain the property at 100% occupancy. The Manager shall lease said units to qualified households with incomes ranging from 65% of the area median income for one bedroom and two bedroom apartment and 70% of the area median income for all other apartments up to a maximum of 150% of the area median income as defined by HUD. As per DCRHA procedures in other town sponsored rentals, otherwise qualified households who additionally either reside, work or volunteer in Town will receive initial preference for any vacant unit. No tenant lease term may exceed 12 consecutive months.

**Town of Chilmark**  
**MIDDLE LINE ROAD RENTAL DUPLEXES**

*Notes to Financial Statements*

*October 27, 2011 (period of inception) to June 30, 2012*

*Compensation*

*Management Fee*

The Town agrees to pay the Manager for management of the Property during the first year hereof and in each succeeding year a fee of eight percent (8%) of the gross residential rental revenue of the Property attributable to such year under generally accepted accounting principles consistently applied. "Gross rental income," means all basic rent.

*Administrative Fee*

The Town agrees to pay the Manager for administrative services of the Property during the first year hereof and in each succeeding year a fee of seven percent (7%) of the gross residential rental revenue of the Property attributable to such year under generally accepted accounting principles consistently applied. "Gross rental income," means all basic rent.

*Note 3 - Subsequent Events*

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Subsequent events have been evaluated through October 3, 2012 which is the date the financial statements were available to be issued.