

**GRANBY HOMES FOR SENIOR
CITIZENS, INC.
d/b/a STONY HILL VILLAGE**

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023**

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT,
FEDERAL SINGLE AUDIT REPORTS,
AND
SUPPLEMENTARY INFORMATION**

GRANBY HOMES FOR SENIOR CITIZENS INC.
d/b/a STONY HILL VILLAGE
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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village
Granby, Connecticut

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. 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 Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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 Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village's ability to continue as a going concern within one year after the date that 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 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*, 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 Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village'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 Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village'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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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*, and the supplemental information required by USDA included on pages 24 through 34 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or 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 awards and the supplementary information required by USDA are fairly stated, in all material respects, in relation to the financial statements as whole.

Report on Summarized Comparative Information

We have previously audited Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 10, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2024 on our consideration of Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village'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 Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village'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 Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village's internal control over financial reporting and compliance.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut

July 10, 2024

FINANCIAL STATEMENTS

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(With Summarized Financial Information for 2022)

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	\$ 49,250	\$ 16,585
Accounts receivable, net	7,912	18,484
Prepaid expenses	5,988	831
Total current assets	63,150	35,900
 PROPERTY AND EQUIPMENT		
Land	175,357	175,357
Building and improvements	2,345,360	2,335,260
Equipment	66,836	64,842
	2,587,553	2,575,459
Less accumulated depreciation	1,338,807	1,309,623
Total property and equipment	1,248,746	1,265,836
 RESTRICTED CASH		
Reserves for taxes and insurance	5,039	5,044
Reserves for replacement	40,823	14,549
Tenant security deposits	21,627	19,517
Total restricted deposits and funded reserves	67,489	39,110
Total assets	\$ 1,379,385	\$ 1,340,846

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of mortgage payable	\$ 23,756	\$ 37,502
Accounts payable and accrued expenses	46,320	81,099
Tenant security deposits	22,967	21,560
Prepaid tenant rent	2,866	3,248
Total current liabilities	95,909	143,409
 LONG-TERM DEBT, net	791,846	815,611
Total liabilities	887,755	959,020
 NET ASSETS		
Without donor restrictions		
Undesignated	466,630	381,826
Board designated	25,000	-
Total net assets	491,630	381,826
Total liabilities and net assets	\$ 1,379,385	\$ 1,340,846

The accompanying notes are an integral part of these financial statements.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	Without Donor Restrictions	
	2023	2022
SUPPORT AND REVENUE		
Net rental income	\$ 475,679	\$ 433,152
Debt service subsidy	72,012	81,137
Laundry and other income	25,724	1,620
Interest income	76	11
Total support and revenue	573,491	515,920
EXPENSES		
Program services:		
USDA-RD-assisted housing project	393,474	472,523
Supporting services:		
General and administrative	70,213	61,526
Total expenses	463,687	534,049
Change in net assets	109,804	(18,129)
NET ASSETS, beginning of year	381,826	399,955
NET ASSETS, end of year	\$ 491,630	\$ 381,826

The accompanying notes are an integral part of these financial statements.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Summarized Financial Information for the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 109,804	\$ (18,129)
Adjustments to reconcile the change in net assets to net cash provided by operating activities:		
Depreciation	29,184	29,136
Subsidized principal payments	(8,847)	(16,009)
Changes in operating assets and liabilities:		
Accounts receivable	10,572	(8,231)
Prepaid expenses	(5,157)	3,865
Accounts payable and accrued expenses	(34,779)	45,856
Tenant security deposits	1,407	(57)
Prepaid tenant rent	(382)	1,516
Net cash provided by operating activities	<u>101,802</u>	<u>37,947</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(12,094)</u>	<u>(30,608)</u>
Net cash used in investing activities	<u>(12,094)</u>	<u>(30,608)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term debt principal payments	<u>(28,664)</u>	<u>(33,757)</u>
Net cash used in financing activities	<u>(28,664)</u>	<u>(33,757)</u>
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	61,044	(26,418)
CASH AND RESTRICTED CASH (NOTE 6) , beginning of year	<u>55,695</u>	<u>82,113</u>
CASH AND RESTRICTED CASH (NOTE 6) , end of year	<u>\$ 116,739</u>	<u>\$ 55,695</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 5,313</u>	<u>\$ 7,235</u>
NON-CASH TRANSACTIONS		
Debt service subsidy	\$ 72,012	\$ 81,137
Subsidized interest expense	(63,165)	(65,128)
Subsidized principal payments	(8,847)	(16,009)
	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village (the “Project”) is a non-profit organization whose primary purpose is to acquire, construct, and operate rental housing for elderly, low, or moderate-income residents. The Project’s sole asset, Stony Hill Village, located in Granby, Connecticut, is a 49-unit Rural-Development project, No. 01-1. The Project’s support comes primarily from rents received from the residents and rental assistance payments from Rural Development, a United States governmental agency, which regulates the rent charges and operating methods of the Project. Stony Hill Village began operations in October 1972.

The Project receives federal financial assistance from the USDA-RD through subsidized interest on two mortgages held by the USDA-RD and through rental assistance payments made on behalf of qualified low income tenants. Under the program, assisted tenants pay the landlord a calculated portion of the rent and USDA-RD contracts to pay the difference. Assisted tenants pay no more than thirty percent (30%) of their adjusted gross income as rental payments. Approximately thirty-eight percent (38%) of the Project’s net rental income was obtained through housing assistance payments from USDA-RD for the year ended December 31, 2023.

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 and disclosures in the financial statements. Actual results could differ from those estimates.

PRIOR YEAR SUMMARIZED FINANCIAL INFORMATION

The financial statements include certain prior year summarized financial information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Project’s audited financial statements as of and for the year ended December 31, 2022, from which the summarized information was derived. Certain reclassifications have been made to the 2022 amounts in order to conform to the 2023 presentation.

NET ASSET CATEGORIES

To ensure observance of limitations and restrictions placed on the use of resources available to the Project, the accounts of the Project are maintained in the following net asset categories:

Without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor restricted contributions. Included in net assets without donor restrictions are grants and contracts which may be earmarked for specific purposes. The Project’s Board of Directors has designated \$25,000 of the net assets with donor restrictions for property renovations.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE AND REVENUE RECOGNITION

Revenue

Revenue is recognized monthly as rental services are provided. Rental increases must be USDA-RD approved.

Contributions

Contributions are defined as voluntary, nonreciprocal transfers.

The Project records contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of such assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Project's policy is to present restricted net assets received during the current year whose restrictions are also met during the current year with net assets without donor restrictions. Contributions received that are contingent on the occurrence of a future event are presented as deferred support until such conditions are substantially met, at which time they are recognized as support.

Contributed Nonfinancial Assets

Contributed nonfinancial assets, including the usage of assets such as rent, are recognized as support at their estimated fair market value.

The Project reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions until the long-lived asset is acquired or placed in service.

Donated Services

The Project recognizes donated services if they create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. General volunteer services do not meet the criteria for recognition in the financial statements.

No donated services have been recognized in the accompanying financial statements for the year ended December 31, 2023.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program and supporting services have been reported on a functional basis which has been allocated to program and supporting services by management in the statement of activities. Expenses have been classified by management based on their specific identification of function.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash equivalents are defined as highly liquid instruments with an original maturity of three months or less, exclusive of restricted cash which is not available for operations. The Project had no cash equivalents as of December 31, 2023.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost, if purchased or at its estimated fair market value if donated. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the related assets. Depreciation expense for the year ended December 31, 2023 was \$29,184.

Maintenance, repairs and minor renewals are charged to operations as incurred. Expenditures which substantially increase the useful lives of the related assets are capitalized. The Project uses the direct expense method for planned major maintenance activities. Funds for these future expenditures are accumulated in a reserve for replacement account.

ALLOWANCE FOR CREDIT LOSS

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changes how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Project that are subject to the guidance in FASB ASC 326 consist of trade accounts receivable. The Project adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosure only.

Allowances have been made on the financial statements for any accounts deemed to be uncollectible.

RESTRICTED CASH

The Project has deposited certain amounts into escrow accounts under terms of its mortgage financing arrangement (*see Note 4*). Such funds are restricted for allowable purposes as approved by the United States Department of Agriculture Rural Development (USDA-RD).

INCOME TAXES

The Project is a non-stock, non-profit corporation, which is exempt from federal and state income taxes on exempt function income as a public charity under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES (Continued)

The Project did not recognize any liability for uncertain tax positions as defined by accounting principles generally accepted in the United States of America.

The Federal tax return of the Project for the year ended December 31, 2023 is subject to examination by the IRS, generally for three years after it has been filed.

SUBSEQUENT EVENTS

The Project has performed an evaluation of subsequent events through July 10, 2024, which is the date the financial statements were available to be issued. There were no subsequent events identified that require disclosure.

NOTE 2 - CONCENTRATIONS

CREDIT RISK

Financial instruments that are exposed to concentrations of credit risk consist primarily of cash, accounts receivable, and restricted cash.

- Cash - The Project places its cash deposits with a high credit quality institution and such deposits are covered by federal depository insurance. The Project has not experienced any losses in this area and management believes its cash deposits are not subject to significant credit risk. At December 31, 2023, there were no cash deposits that were in excess of federal depository insurance coverage limits.
- Accounts receivable – Amounts due from tenants for delinquent rent have been offset by an allowance for doubtful accounts to the extent that these accounts are deemed to be uncollectable. The allowance for credit loss was \$3,731 as of December 31, 2023.
- Restricted cash - Restricted cash is placed with a high credit quality institution and such deposits are covered by federal depository insurance. The Project has not experienced any losses in this area and management believes its restricted cash is not subject to significant credit risk. At December 31, 2023, there was no restricted cash in excess of federal depository insurance limits.

SUPPORT AND REVENUE CONCENTRATION

Financial assistance from USDA comprises a substantial portion of the Project's support and revenue for the year ended December 31, 2023. As with all government grants and contracts, this funding is subject to reduction or termination in future years. Any significant reduction in this funding would have an adverse impact on the Project's operations.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - CONTRACT BALANCES

Accounts receivable and prepaid tenant rent balances were as follows as of December 31, 2023 and 2022.

	2023	2022
Tenant accounts receivable	\$ 11,643	\$ 19,766
Allowance for credit losses	(3,731)	(1,282)
Tenant accounts receivable, net	7,912	18,484
 Prepaid tenant rent	 \$ 2,866	 \$ 3,248

NOTE 4 - LONG-TERM DEBT

The Project's long-term debt consists of two (2) mortgage notes payable to the USDA-RD. The terms and balances of the Project's long-term debt are as follows:

	USDA-RD #3	USDA-RD #6	Total
Original amount	\$ 914,441	\$ 131,886	\$ 1,046,327
Stated interest rate	9.50%	6.38%	
Year of maturity	2038	2035	
Monthly payment	\$ 7,308	\$ 735	\$ 8,043
Principal outstanding			
at December 31, 2023:	\$ 696,350	\$ 119,252	\$ 815,602
Less: current maturities	22,501	1,255	23,756
Total long-term debt, net	\$ 673,849	\$ 117,997	\$ 791,846

Principal maturities of the mortgage payables in each of the succeeding years are as follows:

	USDA-RD #3	USDA-RD #6	Total
Year ending December 31,			
2024	\$ 22,501	\$ 1,255	\$ 23,756
2025	24,734	1,337	26,071
2026	27,189	1,425	28,614
2027	29,888	1,518	31,406
2028	32,854	1,618	34,472
Thereafter	559,184	112,099	671,283
	\$ 696,350	\$ 119,252	\$ 815,602

In addition to monthly principal and interest payments, the Project also makes periodic deposits into a reserve for replacement account.

Total interest incurred for the year ended December 31, 2023 was \$68,223.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - LONG-TERM DEBT (Continued)

The Project receives interest reduction payments from the federal government which reduces the effective interest rate to 1% per annum over the life of the mortgage notes payable. This interest subsidy has been recognized on an as received basis. The interest subsidy recognized for the year ended December 31, 2023 was \$63,165.

The project also receives a principal subsidy, which totaled \$8,847 for the year ended December 31, 2023.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Management Agreement

The Project has a management agreement with a limited liability company which requires the payment of a management fee in the amount of \$84 per occupied unit per month and an administrative fee of \$23 per occupied unit per month. The project also makes payments to the management agent for the reimbursement of various administrative expenses. The total amount charged by the management agent for management fees and administrative fees was \$60,663 for the year ended December 31, 2023.

NOTE 6 - STATEMENT OF CASH FLOWS

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows for the year ended December 31, 2023 and 2022:

	2023	2022
Cash	\$ 49,250	\$ 16,585
Restricted cash	67,489	39,110
	\$ 116,739	\$ 55,695

NOTE 7 - LIQUIDITY

As mentioned previously, the Project maintains certain restricted deposits and funded reserves, however, these balances are available only for USDA-RD approved expenditures. Below is a summary analysis showing the availability of the Project's financial assets at December 31, 2023 to meet cash needs for general expenditures within the subsequent year:

Financial assets, at year-end	
Cash	\$ 49,250
Restricted cash	67,489
Accounts receivable, net	7,912
	124,651
Less: those unavailable for general expenditures within one year, due to:	
Subject to USDA-RD approval	(67,489)
Financial assets available to meet cash needs for general expenditures within one year	\$ 57,162

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - DISAGGREGATION OF REVENUE

The following table disaggregates the Project's support and revenue for the year ended December 31, 2023:

Revenue from contracts with customers:	
Satisfied over time:	
Net rental income	\$ 475,679
Interest principal and subsidy	72,012
	547,691
Satisfied at a point in time:	
Laundry and other income	25,724
Total revenue from contracts with customers	573,415
Other support and revenue:	
Interest income	76
Total Revenue and support	\$ 573,491

NOTE 9 – FUNCTIONAL EXPENSES

Functional expenses by category for the year ended December 31, 2023 were the following:

	USDA-RD Assisted Housing Project	General and Administrative
Management fees	\$ -	\$ 47,139
Legal and accounting	15	23,074
Taxes and insurance	37,468	-
Interest expense	68,223	-
Occupancy	159,627	-
Depreciation	29,184	-
Repairs & maintenance	98,957	-
	\$ 393,474	\$ 70,213

FEDERAL SINGLE AUDIT REPORTS

**FEDERAL INTERNAL CONTROL
AND COMPLIANCE REPORTS**

**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**

To the Board of Directors
Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village
Granby, Connecticut

We 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 Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village (the "Project"), which comprise the statement of financial position as of December 31, 2023, 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 our report thereon dated July 10, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Project'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Project'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 or significant deficiencies may exist that have not been identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Project'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.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut

July 10, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village
Granby, Connecticut

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village (the "Project")'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Project's major federal programs for the year ended December 31, 2023. The Project's major federal program is identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs.

In our opinion, Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Project 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 as basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Project'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 Project's federal 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 Project'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 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 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 Project's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Project'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 Project'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 the Project'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 Security Deposits and 2023-002 Reserve Account Funding. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Project's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Project's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 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 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. Accordingly, this report is not suitable for any other purpose.

Hoyt, Filippetti & Malaghan, LLC

Groton, Connecticut

July 10, 2024

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Grantor; Program Title; Description	Contract Number	Assistance Listing Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Direct:			
Rural Rental Housing Loans	06-002-270453233	10.415	\$ 853,113 *
Rural Rental Interest and Principal Subsidy	06-002-270453233	10.415	<u>72,012</u>
Subtotal			<u>925,125</u>
Rural Rental Assistance Payments		10.427	<u>179,301</u>
Total			<u><u>\$ 1,104,426</u></u>

* Denotes loan funds with ongoing compliance requirements at December 31, 2023

The accompanying note is an integral part of this schedule.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

NOTE A - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

The accounting policies of Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of federal awards 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).

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance-based awards, revenues are recognized to the extent of performance achieved during the grant period.

Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village has not elected to use the 10% de Minimis indirect cost rate.

The December 31, 2023 ending balances of the U.S. Department of Agriculture loans included on the accompanying schedule of expenditures of federal awards was \$815,602.

**SCHEDULE OF FEDERAL FINDINGS
AND
QUESTIONED COSTS**

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

○ Material weakness(es) identified? _____ Yes ✓ No

○ Significant deficiency(ies) identified? _____ Yes ✓ None reported

Noncompliance material to financial statements noted? _____ Yes ✓ No

FEDERAL AWARDS

Internal control over major programs:

○ Material weakness(es) identified? _____ Yes ✓ No

○ Significant deficiency(ies) identified? _____ Yes ✓ None reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ✓ Yes _____ No

Identification of major programs:

CFDA Number	Name of Federal Program	
10.415	Rural Rental Housing Loans (including Interest and Principal Subsidy)	<u>\$925,125</u>

Auditee qualified as low-risk auditee? _____ Yes ✓ No

Dollar threshold used to distinguish between Type A and Type B program: \$750,000

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings are reported.

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

OTHER MATTERS

2023-001 SECURITY DEPOSITS

Grantor: U.S. Department of Agriculture
Award Name: Rural Rental Housing Loans
Award Year: 2023
Award Numbers: Various
CFDA Number: 10.415

Criteria: Tenant security deposit accounts must be fully funded and maintained in a separate bank account.

Condition: During our audit testing, we noted that while the Project maintained a separate bank account for tenant security deposits, it was not fully funded.

Cause: Tenant security deposits subledger is not reconciled with tenant security deposits bank account to ensure account is fully funded.

Effect: Tenant security deposits bank account is underfunded.

Questioned Costs: None noted.

Recommendation: The Project should implement controls to ensure that the tenant security deposits bank account is fully funded.

Management’s Views and Corrective Action Plan: Management has subsequently corrected this and transferred tenant funds received for their security deposit from the operating bank account to the tenant security deposits bank account to ensure it is fully funded.

2023-002 RESERVE ACCOUNT FUNDING

Criteria: The Project’s reserve account must be fully funded and maintained in a separate bank account.

Condition: During our audit testing, we noted that while the Project maintained a separate bank account for reserves, it was not fully funded.

Cause: Yearly budgeted transfers were not made to ensure the account is fully funded.

Effect: Reserve bank account is underfunded.

Questioned Costs: None noted.

Recommendation: The Project should implement controls to ensure that the reserve bank account is fully funded.

Management’s Views and Corrective Action Plan: Management will correct this when sufficient funds are able to be transferred into the reserve account.

**GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

PRIOR YEAR AUDIT FINDINGS REPEATED

2021-001 Security Deposits. (Reported as 2023-001)

2022-002 Reserve Account Funding. (Reported as 2023-002)

**SUPPLEMENTAL DATA REQUIRED BY
USDA-RURAL DEVELOPMENT**

Position 3
Multi-Family Housing Borrower
Balance Sheet
PART1-BALANCE SHEET

Project Name: Stony Hill Village	Borrower Name: Granby Homes for Senior Citizens, Inc.	Borrowed ID and Project Number: 06-002-270453233-01-1
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	Beginning Dates> Ending Dates>	Current Year (01-01-23) (12-31-23)	Prior Year (01-01-22) (12-31-22)	Comments
Assets				
Current Assets				
1. GENERAL OPERATING ACCOUNT		49,250	16,585	
2. R.E. TAX & INSURANCE ACCOUNT		5,039	5,044	
3. RESERVE ACCOUNT		40,823	14,549	
4. SECURITY DEPOSIT ACCOUNT		21,627	19,517	
5. OTHER CASH (identify)		-	-	
6. OTHER (identify)		-	-	
7. TOTAL ACCOUNTS RECEIVABLE (Attach list)		11,643	19,766	
ACCTSRCVBL 0-30 DAYS \$ 11,643			-	
ACCTSRCVBL 30-60 DAYS \$			-	
ACCTSRCVBL 60-90 DAYS \$			-	
ACCTSRCVBL OVER 90 DAYS \$			-	
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS.		(3,731)	(1,282)	
9. INVENTORIES (supplies)		-	-	
10. PREPAYMENTS		5,988	831	
11. _____		-	-	
12. TOTAL CURRENT ASSETS (Add 1 thru 11)		130,639	75,010	

Fixed Assets				
13. LAND		175,357	175,357	
14. BUILDINGS		2,345,360	2,335,260	
15. LESS: ACCUMULATED DEPRECIATION		(1,280,428)	(1,253,899)	
16. FURNITURE & EQUIPMENT		66,836	64,842	
17. LESS: ACCUMULATED DEPRECIATION		(58,379)	(55,724)	
18. CONSTRUCTION IN PROGRESS		-	-	
19. TOTAL FIXED ASSETS (Add 13 thru 18)		1,248,746	1,265,836	

OTHER ASSETS				
20. _____		-	-	
21. TOTAL ASSETS (Add 12, 19, and 20)		1,379,385	1,340,846	

LIABILITIES AND OWNERS EQUITY

CURRENT LIABILITIES

22. TOTAL ACCOUNTS PAYABLE (Attach List)		46,320	81,099	
ACCTS PAYABLE 0-30 DAYS \$ 46,320			-	
ACCTS PAYABLE 30-60 DAYS \$			-	
ACCTS PAYABLE 60-90 DAYS \$			-	
ACCTS PAYABLE OVER 90 DAYS \$			-	
23. NOTES PAYABLE (Attach list)		-	-	
24. SECURITY DEPOSITS		22,967	21,560	
25. TOTAL CURRENT LIABILITIES (Add 22 thru 24)		69,287	102,659	

LONG TERM LIABILITIES

- 26. NOTES PAYABLE RURAL DEVELOPMENT
- 27. OTHER (Identify)
- 28. **TOTAL LONG-TERM LIABILITIES** (Add 26 and 27)
- 29. **TOTAL LIABILITIES** (Add 25 and 28)
- 30. OWNER'S EQUITY (Net Worth) (21 minus 29)
- 31. **TOTAL LIABILITIES AND OWNER'S EQUITY**
(Add 29 and 30)

815,602	853,113	
2,866	3,248	
818,468	856,361	
887,755	959,020	
491,630	381,826	
1,379,385	1,340,846	

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both"

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

9/9/24
(Date)

David W. Robert
(Signature of Borrower or Borrower's Representative)

(Title)

PART II- THIRD PARTY VERIFICATION OF REVIEW

We have reviewed the borrower's records. The accompanying balance sheet, and statement of actual budget and income on Form RD 3560-7, is a fair representation of the borrower's records.

We certify that no identity of interest exists between me/us and any individual or organization doing business with the project or borrower.

9/9/24
(Date)

Paul Filippetti
(Signature)

Paul Filippetti, CPA, Partner
(Name and Title)

Hoyt, Filippetti + Malaghan, LLC
(Address)
1041 Poquonnock Rd Groton, CT 06340

In lieu of the above verification and signature, a review completed, dated and signed by a person or firm qualified by license or certification is attached.

See Independent Auditors' Report

PROJECT NAME Stony Hill Village		BORROWER NAME Granby Homes for Senior Citizens		BORROWER ID AND PROJECT NO 06-002-270453233-01-1	
Loan/Transfer Amount		Note Rate Payment		IC Payment \$	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SMR <input type="checkbox"/> Other Servicing	Project Rental Type <input type="checkbox"/> Family <input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home	Profit Type <input type="checkbox"/> Full Profit <input type="checkbox"/> Limited Profit <input checked="" type="checkbox"/> Non-Profit	The following utilities are master metered <input type="checkbox"/> Electricity <input checked="" type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Other _____	<input type="checkbox"/> I hereby request _____ units of RA. Current Member of RA units _____. Borrower Accounting Method Cash <input checked="" type="checkbox"/> Accrual

PART I - CASH FLOW STATEMENT

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS	or (YTD)
Beginning Dates>	1/1/2023	1/1/2023	(/ /)	(- -)	
Ending Dates>	12/31/2023	12/31/2023	(/ /)	(- -)	
OPERATIONAL CASH SOURCES					
1. RENTAL INCOME	490,860	319,323			
2. RHS RENTAL ASSISTANCE RECEIVED		178,781			
3. APPLICATION FEES RECEIVED					
4. LAUNDRY AND VENDING					
5. INTEREST INCOME	36	76			
6. TENANT CHARGES		25,724			
7. OTHER- PROJECT SOURCES					
8. LESS (Vacancy and Contingency Allowance)	(9,112)	(15,701)			
9. LESS (Agency Approved Incentive Allowance)					
10. SUB-TOTAL [(1 thru 7) -(8 &9)]	481,784	508,203			
NON-OPERATIONAL CASH SOURCE					
11. CASH-NON PROJECT					
12. AUTHORIZED LOAN (Non-RHS)					
13. TRANSFER FROM RESERVE	40,120	7,616			
14. SUB-TOTAL (11 THRU 13)	40,120	7,616			
15. TOTAL CASH SOURCES (10+14)	521,904	515,819			
OPERATIONAL CASH USES					
16. TOTAL O&M EXPENSES(From Part II)	404,556	371,816			
17. RHS DEBT PAYMENT	40,992	33,890			
18. RHS PAYMENT (overage)		6,724			
19. RHS PAYMENT (Late Fee)					
20. REDUCTIONS IN PRIOR YEARS PAYABLES					
21. TENANT UTILITY PAYMENTS					
22. TRANSFER TO RESERVE	31,250	33,889			Cash transfers and interest earned
23. RETURN TO OWNER					
24. SUB-TOTAL (16 THRU 23)	476,798	446,319			
NON-OPERATIONAL CASH USES					
25. AUTHORIZED DEBT PAYMENT (Non-RHS)					
26. CAPITAL BUDGET (III 4-6)	40,120	7,616			
27. MISCELLANEOUS					
28. SUB-TOTAL (25 THRU 27)	40,120	7,616			Net Transfers from Reserve
29. TOTAL CASH USES (24+28)	516,918	453,935			
30. NET CASH (DEFICIT) (15-29)	4,986	61,884			
CASH BALANCE					
31. BEGINNING CASH BALANCE	500	21,629			Checking and Tax Escrow
32. ACCRUAL TO CASH ADJUSTMENT (see Part IV)		(29,224)			Statement of Cash Flows
33. ENDING CASH BALANCE (30+31+32)	5,486	54,289			Checking and Tax Escrow

PART II - OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL	15,300	18,174		
2. MAINTENANCE AND REPAIR SUPPLIES	7,000	1,995		
3. MAINTENANCE AND CONTRACT	22,000	13,528		
4. PAINTING AND DECORATING	17,000	583		
5. SNOW REMOVAL	35,700	17,850		
6. ELEVATORS MAINTENANCE/CONTRACT				
7. GROUNDS	34,000	25,100		
8. SERVICE	8,000	4,920		Alarm Service, Fire Extinguishers
9. CPTL BGT (PART V OPERATING)	4,800	15,634		
10. OTHER OPERATING EXPENSE <i>(itemize)</i>				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	143,800	97,784		
12. ELECTRICITY	110,000	132,254		
13. WATER <i>If master metered check box</i>	9,500	4,313		
14. SEWER <i>on front</i>	12,000	13,078		
15. FUEL <i>(oil/coal/gas)</i>				
16. GARBAGE AND TRASH REMOVAL	9,500	9,982		
17. OTHER UTILITIES				
18. SUB-TOTAL UTILITIES (12 thru 17)	141,000	159,627		
19. SITE MANAGEMENT PAYROLL	13,524	13,524		
20. MANAGEMENT FEE	49,382	47,139		
21. PROJECT AUDITING EXPENSE	9,500	9,500		
22. PROJECT BOOKKEEPING/ACCOUNTING		-		
23. LEGAL EXPENSE	8,000	15		
24. ADVERTISING	250	58		
25. TELEPHONE AND ANSWERING SERVICE	1,200	1,362		
26. OFFICE SUPPLIES	2,500	1,632		
27. OFFICE FURNITURE & EQUIPMENT				
28. TRAINING EXPENSE				
29. HEALTH INS. & OTHER EMP. BENEFITS				
30. PAYROLL TAX				
31. WORKMAN'S COMP.				
32. OTHER ADMINISTRATIVE EXPENSE	1,400	3,657		
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	85,756	76,887		
34. REAL ESTATE TAXES				
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES & PERMITS				
37. PROPERTY & LIABILITY INSURANCE	34,000	37,518		
38. FIDELITY COVERAGE INSURANCE				
39. OTHER INSURANCE				
40. SUB-TOTAL TAXES AND INSURANCE (34 thru 39)	34,000	37,518		
41. TOTAL O&M EXPENSES (11+18+33+40)	404,556	371,816		

PART III - ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
Reserve Account				
1. BEGINNING BALANCE	35,000	14,550		
2. TRANSFER TO RESERVE	31,250	33,889		Cash transfers and interest earned
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT		-		
4. CAPITAL BUDGET (Part V reserve)	40,120	7,616		
5. EQUIPMENT REPAIR & REPLACEMENTS				
6. OTHER NON-OPERATING EXPENSES				
7. TOTAL (3 THRU 6)	40,120	7,616		
8. Ending Balance [(1+2)-7]	26,130	40,823		

GENERAL OPERATING ACCOUNT: *

BEGINNING BALANCE	16,585	
ENDING BALANCE	49,250	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE	5,044	
ENDING BALANCE	5,039	

TENANT SECURITY DEPOSIT ACCOUNT: *

BEGINNING BALANCE	19,517	
ENDING BALANCE	21,627	

*Complete upon submission of actual expenses.

NUMBER OF APPLICANTS ON THE WAITING LIST	<u>0</u>	RESERVE ACCT. REQ. BALANCE	<u>0</u>
NUMBER OF APPLICANTS NEEDING RA	<u>0</u>	AMOUNT AHEAD/BEHIND	<u>0</u>

PART IV - RENT SCHEDULE

A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
(1) 1 BR	1-HC	3	845	985	0	30,420	35,460		
(1) 1 BR	1	19	845	985	0	192,660	224,580		
(1) 1 BR	1	10	795	925	0	95,400	111,000		
(1) 1 BR	1	17	845	985	0	172,380	200,940		
CURRENT RENT TOTALS						490,860	571,980	0	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
(1) 1 BR	1-HC	3	0	0	0	0	0	0
(1) 1 BR	1	19	0	0	0	0	0	0
(1) 1 BR	1	10	0	0	0	0	0	
(1) 1 BR	1	17	0	0	0	0	0	
CURRENT RENT TOTALS						0	0	0
						BASIC	NOTE	HUD

C. PROPOSED UTILITY ALLOWANCE

UTILITY ALLOWANCE DETAIL

CURRENT PROPOSED

MONTHLY DOLLAR ALLOWANCES

BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
(1) 1 BR	1-HC								0
(1) 1 BR	1								0
									0
									0

PART V - ANNUAL CAPITAL BUDGET

	PROPOSED/ACTUAL FROM RESERVE		PROPOSED/ACTUAL FROM OPERATING		NUMBER OF UNITS		PROPOSED/ACTUAL TOTAL	
	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual
Appliances:								
Range	600	-	600	-	2	3	1,200	-
Refrigerator	1,400	-	700	-	3	3	2,100	-
Range Hood	-	-	-	-	-	-	-	-
Washers & Dryers	-	-	-	2,699	-	-	-	2,699
Carpet & Vinyl:								
1 Bed Room	4,000	-	2,000	-	2	3	6,000	-
2 Bed Room	-	-	-	-	-	-	-	-
3 Bed Room	-	-	-	-	-	-	-	-
Other	4,220	-	-	-	2	-	4,220	-
Cabinets:								
Kitchens	-	-	-	-	-	1	-	-
Bathroom	-	-	-	-	-	-	-	-
Doors:								
Exterior	-	-	-	-	-	-	-	-
Interior	-	1,067	-	-	-	-	-	1,067
Window Coverings:								
Detail	300	-	-	-	5	-	300	-
Heating & Air Conditioning								
Heating	-	-	-	-	-	-	-	-
Air Conditioning	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Plumbing:								
Water Heater	3,000	-	1,500	1,164	3	7	4,500	1,164
Bath Sinks	300	-	-	-	1	-	300	-
Kitchen Sinks	-	-	-	-	-	-	-	-
Faucets	300	-	-	-	2	-	300	-
Toilets	1,000	-	-	-	2	-	1,000	-
Showers	-	-	-	-	-	1	-	-
Other	-	-	-	11,771	-	-	-	11,771
Major Electrical:								
Systems	-	-	-	-	-	-	-	-
Int. Lighting	-	-	-	-	-	1	-	-
Ext. Lighting	-	-	-	-	-	-	-	-
Structures:								
Windows	-	-	-	-	-	-	-	-
Screens	-	-	-	-	-	-	-	-
Walls	-	-	-	-	-	-	-	-
Roofing	-	-	-	-	-	-	-	-
Siding	-	-	-	-	-	-	-	-
Interior Painting	-	-	-	-	-	-	-	-
Exterior Painting	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	4	-	-
Paving:								
Asphalt	-	-	-	-	-	-	-	-
Concrete	-	-	-	-	-	-	-	-
Seal & Stripe	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Landscape & Grounds:								
Landscaping: Seeding	-	-	-	-	-	-	-	-
Lawn Equipment	-	-	-	-	-	-	-	-
Fencing	-	-	-	-	-	-	-	-
Recreational Area	-	-	-	-	-	-	-	-
Signs	-	-	-	-	-	-	-	-
Other	5,000	4,150	-	-	-	1	5,000	4,150
Accessibility Features:								
Detail	-	-	-	-	-	-	-	-
Other	20,000	-	-	-	-	-	20,000	-
Other								
Other	-	2,399	-	-	-	-	-	2,399
Total Capital Expense:	40,120	7,616	4,800	15,634	22	24	44,920	23,250

**GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
FMHA PROJECT # 06-002-270453233-01-1
FOR THE YEAR ENDED DECEMBER 31, 2023**

DIRECTORS' CERTIFICATION

We hereby certify that we examined the accompanying financial statements and supplemental data of Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village and, to the best of our knowledge and belief, the same is complete and accurate.

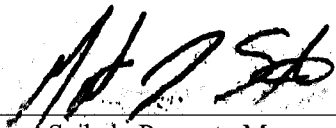
Directors:

David W. Roberts
Hele K. Fyfe

**GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE
FMHA PROJECT # 06-002-270453233-01-1
FOR THE YEAR ENDED DECEMBER 31, 2023**

MANAGEMENT AGENT'S CERTIFICATION

We hereby certify that we have examined the accompanying financial statements and supplemental data of Granby Homes for Senior Citizens Inc. d/b/a Stony Hill Village and, to the best of our knowledge and belief, the same is complete and accurate.



Matthew Scibek, Property Manager
Wildwood Property Management, LLC
2080 Silas Deane Highway, Suite 102B
Rocky Hill, CT 06067
EIN: 06-1448884

AUDIT FIRM INFORMATION

Hoyt, Filippetti & Malaghan, LLC
1041 Poquonnock Road
Groton, CT 06340
(860) 536-9685
EIN: 20-1696994
Connecticut License 5275

ATTACHMENT 4-F

**Performance Standards
Borrower Self-Certification Letter**

Date: July 10, 2024

USDA Rural Development Office
Address 100 Northfield Drive, 4th Floor
Address Windsor, Connecticut 06095-4729

In accordance with the criteria specified in Section 5; Paragraph 4.16 C. of the USDA Rural Development Handbook (HB-2-3560) for the year ended *12/31/23*, the borrower must self-certify that *Granby Homes for Senior Citizens, Inc. d/b/a Stony Hill Village* is in compliance with the nine performance standards. The following is a summary of our compliance with the performance standards.

1. The required accounts are (*are not*) properly maintained and tracked separately. The accounts we maintain are marked below:

Operating Account(s) Security Deposit Account
 Tax & Insurance Account Reserve Account
 Other Accounts: _____

2. The payments from operating account(s) are (*are not*) disclosed and accurately represented.

3. The reserve account(s):

- a. is on (*not on*) schedule with the Agency required minimum funding requirements;
- b. is (*is not*) maintained in a supervised bank account that requires the Agency's countersignature on all withdrawals;
- c. is (*is not*) maintained in a bank account that has a fully executed Depository Agreement dated after October 1, 2018 and has received Agency approval prior to withdrawals;
- d. is on (*not on*) schedule with contributions to the reserve account for the current year with the Agency required minimum funding;
- e. has no (*has*) encumbrances on the reserve funds; and
- f. replacement reserve accounts were (*were not*) used only for authorized purposes in accordance with 7 CFR 3560.306(g).

4. The tenant security deposits accounts are (*are not*) fully funded and are (*are not*) maintained in separate accounts.

5. The payment of owner return was:

paid in the amount of \$ _____ for 20XX fiscal year and was (*was not*) in accordance with the Agency's requirements; OR
 not paid during the reporting year; OR
 not allowable due to our non-profit status; OR
 not allowable due to our non-profit status. However, an asset management fee in the amount of \$ _____ was paid for 20XX fiscal year.

6. The borrower ___ has ___ (*has not*) maintained proper insurance in accordance with the requirements in 7 CFR 3560.105. Coverage maintained for *Granby Homes Stony Hill Village* is as follows:

<input checked="" type="checkbox"/> Liability Insurance	<input type="checkbox"/> Flood Insurance
<input type="checkbox"/> Property Insurance	<input type="checkbox"/> Earthquake Insurance
<input type="checkbox"/> Fidelity Bond	<input type="checkbox"/> Other: _____

7. All financial records ___ are ___ (*are not*) adequate and suitable for examination.

8. There have been no changes in the ownership of *Granby Homes for Senior Citizens, Inc. d/b/a Stony Hill Village*, other than those approved by the Agency and identified in the certification. All current owners are identified in the Status of Ownership table in this Certification. This includes all General Partners, Limited Partners, President, Vice President, Secretary, Treasurer, Member and other Partners as applicable.

For non-profit borrowers: The Board of Directors ___ is ___ (*is not*) active and maintains oversight responsibilities for the project.

9. The real estate taxes (property taxes) are paid in accordance with state and/or local requirements. As of *12/31/23*, there are no delinquent real estate taxes (property taxes).

I certify that the above is true, accurate and is properly supported by documentation kept in our files.

[Signature of Borrower]

David W. Roberts

PRINTED SIGNATURE

DAVID W. ROBERTS

DATE

8/8/24

BORROWER ENTITY NAME

Granby Homes for Senior Citizens Inc.

NOTE TO BORROWER: *If the project is not in compliance with any of the above Performance Standards, you must state that you are not in compliance with the standard and provide the Agency with a statement about the non-compliance and the methods taken to correct the non-compliance.*

GRANBY HOMES FOR SENIOR CITIZENS, INC.
d/b/a STONY HILL VILLAGE

CORRECTIVE ACTION PLAN

July 10, 2024

Federal Audit Clearinghouse
1201 East 10th Street
Jefferson, Indiana 47132

Granby Homes for Senior Citizens, Inc. d/b/a Stony Hill Village (the Project) respectfully submits the following Corrective Action Plan for the year ended December 31, 2023.

Hoyt, Filippetti & Malaghan, LLC
1041 Poquonnock Road
Groton, Connecticut 06340

Audit Period: Year ended December 31, 2023

The findings from the December 31, 2023 Schedule of Federal Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2023-001 SECURITY DEPOSITS

Grantor: U.S. Department of Agriculture
Award Name: Rural Rental Housing Loans
Award Year: 2021
Award Numbers: Various
CFDA Number: 10.415

Criteria: Tenant security deposit accounts must be fully funded and maintained in a separate bank account.

Condition: During our audit testing, we noted that while the Project maintained a separate bank account for tenant security deposits, it was not fully funded.

Cause: Tenant security deposits subledger is not reconciled with tenant security deposits bank account to ensure account is fully funded.

Effect: Tenant security deposits bank account is underfunded.

Questioned Costs: None noted.

Recommendation: The Project should implement controls to ensure that the tenant security deposits bank account is fully funded.

Management's Views and Corrective Action Plan: Management will subsequently correct this and transfer tenant funds received for their security deposit from the operating bank account to the tenant security deposits bank account to ensure it is fully funded.

2023-002 RESERVE ACCOUNT FUNDING

Criteria: The Project's reserve account must be fully funded and maintained in a separate bank account.

Condition: During our audit testing, we noted that while the Project maintained a separate bank account for reserves, it was not fully funded.

Cause: Yearly budgeted transfers were not made to ensure the account is fully funded.

Effect: Reserve bank account is underfunded.

Questioned Costs: None noted.

Recommendation: The Project should implement controls to ensure that the reserve bank account is fully funded.

Management's Views and Corrective Action Plan: Management will correct this when sufficient funds are able to be transferred into the reserve account.

If you have any questions regarding this plan, please contact Matthew Scibek at 860-398-5425, or matt@westfordmgt.com.