



Issue Date April 19, 2007

Audit Report Number 2007-PH-1006

TO: Encarnacion Loukatos, Director, Philadelphia Multifamily Hub, 3AHMLA

FROM:  John P. Buck, Regional Inspector General for Audit, Philadelphia Regional Office, 3AGA

SUBJECT: Elders Place II, Incorporated, Philadelphia, Pennsylvania, Did Not Properly Administer HUD Funds in Accordance with HUD Requirements

HIGHLIGHTS

What We Audited and Why

We audited Elders Place II, Incorporated (Elders Place II, Inc.), at your request, based upon your concern that the Greater Germantown Housing Development Corporation (the project's sponsor), a nonprofit community development corporation, may have misappropriated U.S. Department of Housing and Urban Development (HUD) Section 202 funding provided for Elders Place II (project). Our objective was to determine whether Elders Place II, Inc., administered HUD funds in accordance with HUD requirements.

What We Found

Elders Place II, Inc., did not administer HUD funds in accordance with HUD requirements. It did not maintain complete and accurate books and records to support the receipt and disbursement of HUD funds, deposit all HUD funds

intended for the construction of the project into the project's construction account, maintain adequate control over the disbursement of project funds, establish an escrow account to cover additional construction costs, and submit an acceptable cost certification to bring the project to final closing. This noncompliance occurred because Elders Place II, Inc., lacked standard operating procedures and sufficient oversight from a functioning board of directors. As a result, it made ineligible disbursements of \$87,866, unsupported disbursements totaling \$605,166, and drastically delayed the process of bringing the project to final closing.

What We Recommend

We recommend that HUD direct Elders Place II, Inc., to repay the project \$87,866 from nonfederal funds for the ineligible costs identified by the audit. Additionally, we recommend that HUD direct Elders Place II, Inc., to provide documentation to support the \$605,166 in questioned costs or reimburse the project for any unsupported costs from nonfederal funds. We further recommend that HUD direct Elders Place II, Inc., to deposit \$95,382 into an escrow account to cover the additional construction costs and to develop and implement written procedures to ensure that disbursements of HUD funds are eligible and consistent with applicable HUD and federal regulations, thereby preventing \$45,843 from being disbursed improperly over the next year.

For each recommendation without a management decision, please respond and provide status reports in accordance with HUD Handbook 2000.06, REV-3. Please furnish us copies of any correspondence or directives issued because of the audit.

Auditee's Response

We discussed the report with Elders Place II, Inc., during the audit and at an exit conference on April 10, 2007. Elders Place II, Inc., provided written comments to our draft report on April 13, 2007. Elders Place II, Inc., agreed with the audit report. The complete text of the auditee's response, along with our evaluation of that response, can be found in appendix B of this report.

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BACKGROUND AND OBJECTIVES

The Section 202 Supportive Housing for the Elderly program serves very low-income senior citizens that have few housing options. These projects provide very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc.

Under the provisions of Section 202 of the Housing Act of 1959, the U.S. Department of Housing and Urban Development (HUD) makes and disburses a capital advance pursuant to a mortgage to construct an elderly housing project. The mortgage is used as security for the capital advance and would be payable in full in the event of default by the owner/mortgagor.¹ The capital advance shall bear no interest and is not required to be repaid so long as the housing remains available to eligible very low-income households for a period of 40 years and in accordance with the Section 202 program. The capital advance is subject to compliance with a regulatory agreement, a use agreement, and a firm commitment for capital advance financing agreement. The regulatory agreement and owner certificate are executed by an owner at the time a mortgage is executed between the owner and HUD. The owner also executes a capital advance agreement at the time the mortgage is executed. This agreement contains provisions that funds in the construction account shall be expended only for the purposes for which capital advance funds were requested and approved. The same requirements are applicable to any escrow deposit agreements required by HUD.

After construction of the project is completed, HUD inspects the project and makes a determination that the project is substantially completed and ready for tenant occupancy. HUD will also advise the owner that within 90 days of substantial completion, the owner is responsible for submitting an audited cost certification report to support the actual cost of the project and provide information concerning the project funding sources. After receipt of the audited cost certification, HUD determines the maximum mortgage amount and establishes a mutually agreeable final closing date. HUD will also provide rental assistance to the project by executing a rental assistance contract. The rental assistance is provided to eligible families of the project.

Elders Place II (project) is a 40-unit housing project funded under the Section 202 program and is located at 76-88 Collom Street, Philadelphia, Pennsylvania. Project financing came from several sources.² The owner of the project is Elders Place II, Incorporated (Elders Place II, Inc.), a nonprofit corporation formed by the sponsoring organization, Greater Germantown Housing Development Corporation (Corporation). Germantown Settlement is the parent organization of the Corporation. Emanuel V. Freeman is the president of the Corporation and Germantown Settlement. Mr. Freeman was also identified as the chairman of the board of directors of Elders Place II, Inc. The Corporation was the management agent for the project until July 2006 when Multifamily Management of Philadelphia, LLC, became the management agent for the project.

¹ Elders Place II, Inc., is the owner/mortgagor that executed a mortgage with HUD. The mortgage is between Elders Place II, Inc., and HUD. No banking institution is involved with this mortgage. HUD provides the capital advance after it executes a mortgage instrument securing the advance, which acts more like a security deed than a mortgage since HUD is giving the owner/mortgagor funds.

² See appendix C for details.

Construction of the project was completed in June 2004. As of March 2007, Elders Place II, Inc., had not submitted an acceptable audited cost certification to HUD.

Our objective was to determine whether Elders Place II, Inc., administered HUD funds in accordance with HUD requirements.

RESULTS OF AUDIT

Finding: Elders Place II, Inc., Did Not Properly Administer HUD Funds in Accordance with HUD Requirements

Elders Place II, Inc., did not maintain complete and accurate books and records to support the receipt and disbursement of HUD funds, deposit all HUD funds intended for the construction of the project into the project's construction account, maintain adequate control over the disbursement of project funds, establish an escrow account to cover additional construction costs, and submit an acceptable cost certification to bring the project to final closing. This noncompliance occurred because Elders Place II, Inc., lacked standard operating procedures and sufficient oversight from a functioning board of directors. As a result, it made ineligible disbursements totaling \$87,866 and unsupported disbursements totaling \$605,166,³ and it lacked the records needed to prepare an acceptable cost certification to account for the project's funding; drastically delaying the process of bringing the project to final closing.

Elders Place II, Inc., Could Not Support \$97,639 in Disbursements of Construction Funds

Elders Place II, Inc., could not provide adequate support for some disbursements of construction funds provided by HUD under the capital advance. It did not maintain a cash receipts or cash disbursements ledger; therefore, we used bank statements and canceled checks for our review. The capital advance agreement⁴ states that funds in the construction account shall be expended only for the purposes for which capital advance funds were requested and approved. The capital advance program agreement and certification⁵ requires Elders Place II, Inc., to maintain and keep adequate records of all disbursements of construction funds for the project. We reviewed more than \$3.3 million in disbursements that Elders Place II, Inc., made using capital advance funds provided by HUD and determined that \$97,639 of those disbursements was unsupported. For example, the unsupported costs included \$78,413 paid to the Corporation for development fees (\$62,287), marketing (\$4,028), and furniture (\$12,098). Elders Place II, Inc., provided no documentation to support these disbursements. It made other unsupported disbursements, such as \$7,500 to the local water company, \$3,750 to an

³ \$605,166 = \$97,639 (unsupported disbursements of capital advance funds) + \$405,955 (unsupported disbursements of funds provided by the Philadelphia Redevelopment Authority) + \$101,572 (unsupported disbursements of operating funds).

⁴ Capital Advance Agreement (form HUD-90167-CA), section 4(d).

⁵ Capital Advance Program Agreement & Certification (form HUD-93566-CA), sections (1) and (5).

accountant, and another \$7,976 to various entities, without maintaining adequate documentation to support the disbursements.

Elders Place II, Inc., Could Not Support Disbursements of \$405,955 in Other HUD Funds Dedicated to the Project

Elders Place II, Inc., could not provide adequate support for \$405,955 in disbursements of HUD funds provided for the project by the Redevelopment Authority of the City of Philadelphia (Redevelopment Authority). The Redevelopment Authority provided Elders Place II, Inc., \$600,000 for construction and permanent financing. The source of the funds provided by the Redevelopment Authority was HOME Investment Partnerships (HOME) funds provided to the City of Philadelphia acting through its Office of Housing and Community Development. As mentioned above, Elders Place II, Inc., did not maintain a cash receipts or cash disbursements ledger; therefore, we used bank statements and canceled checks for our review. As of December 2006, the Redevelopment Authority had disbursed \$542,345 of the \$600,000 to Elders Place II, Inc. However, Elders Place II, Inc., did not deposit \$500,305 of the \$542,345 it received from the Redevelopment Authority into the project construction account as required. Instead, the funds were deposited into a bank account owned by the Corporation. The capital advance agreement states that funds required for the completion of the project over and above the amount of the capital advance shall be deposited into the construction account and, where subordinate financing was provided, the funds shall be expended only for the purposes for which such financing was provided.⁶ The improper deposit of the funds notwithstanding, we requested documentation to support the expenditures of these funds. However, Elders Place II, Inc., provided no documentation, including copies of the cancelled checks, to support the \$405,955 in disbursements questioned.

Elders Place II, Inc., Made \$189,438 in Ineligible and Unsupported Disbursements of Project Operating Funds

Elders Place II, Inc., did not adequately monitor disbursements made from its project operating account to ensure that expenditures of HUD funds were consistent with the requirements of the regulatory agreement and HUD requirements.⁷ We reviewed \$204,084 of \$287,021 (71 percent) that Elders Place II, Inc., disbursed from its operating account during the period September 2004 to

⁶ Capital Advance Agreement (form HUD-90167-CA), sections 4(c) and (d).

⁷ Capital Advance Program Regulatory Agreement (HUD-92466-CA), section 11(d) and (e); HUD Handbook 4370.2, REV 1, CHG-1, Financial Operations and Accounting Procedures for Insured, paragraph 2-6 E.

July 2006 and questioned \$189,438 of those costs. Elders Place II, Inc., made ineligible disbursements of \$87,866 and \$101,572 in unsupported disbursements. The ineligible disbursements included \$85,500 paid or transferred to the Corporation or Germantown Settlement.⁸ The disbursements and transfers related to the \$85,500 were recorded on the project's books as increases to its accounts receivable balance, indicating that the funds were owed to Elders Place II, Inc., by the Corporation and Germantown Settlement. Elders Place II, Inc., also disbursed \$1,616 to pay for telephone service and maintenance supplies that were purchased by and shipped to other projects related to the Corporation and \$750 for a cost certification that should have been paid from the project's construction funds.

In addition, Elders Place II, Inc., made unsupported disbursements totaling \$101,572. Among the unsupported costs were \$49,712 in payments made to the Corporation and Germantown Settlement without supporting documentation of any kind and payments of \$32,437 to the local gas and water utility companies that were not adequately supported. Some of the utility expenses may have been related to the construction of the project and should have been paid by the general contractor. Elders Place II, Inc., also disbursed \$12,815 for insurance and \$6,608 for miscellaneous items, such as audit services, heating and plumbing services, and telephone service, without adequate supporting documentation to demonstrate that these costs were related to the project.

Elders Place II, Inc., Did Not Establish a Required Escrow Account

Contrary to HUD requirements,⁹ Elders Place II, Inc., did not establish an escrow account to cover additional construction costs caused by project change orders. During project construction, HUD approved change orders and required the owner to establish and fund an escrow account to cover costs for the approved change orders. We found no evidence that Elders Place II, Inc., established the escrow account as required. The capital advance agreement required Elders Place II, Inc., to deposit into the construction account any additional funds necessary to complete the construction of the project. By signing the owner's certificate, Elders Place II, Inc., agreed that there would not be outstanding any unpaid obligations contracted in connection with the construction of the project.

Elders Place II, Inc., needs to provide at least \$95,382¹⁰ to pay off the general contractor and bring the project to final closing. The general contractor for the project indicated that it is owed \$185,133 for construction costs, and in September

⁸ Germantown Settlement is the parent organization of the Corporation.

⁹ Owner's Certificate (form HUD-92433-CA), section 3; Capital Advance Agreement (form HUD-90167-CA), sections 4(c) and (d).

¹⁰ \$185,133 (owed to the contractor) - \$32,096 (remaining HUD funds) - \$57,655 (remaining Redevelopment Authority funds) = \$95,382.

2006, the general contractor filed a civil complaint against Elders Place II, Inc., for nonpayment of the \$185,133. Elders Place II, Inc., disputed the general contractor's contention. It stated that it requested that the general contractor perform some work tasks related to warranties and the general contractor would not come out to do the repairs. According to HUD's records, \$32,096 of the initial construction loan remains to be disbursed, and the Redevelopment Authority had \$57,655 remaining to be disbursed to the project. Therefore, Elders Place II, Inc., needs to establish an escrow account as required and deposit at least \$95,382 to pay off the general contractor and bring the project to final closing.

Elders Place II, Inc., Did Not Submit an Acceptable Cost Certification as Required

Contrary to HUD requirements¹¹, Elders Place II, Inc., did not submit an acceptable cost certification to HUD as required, although the construction of the project was completed in June 2004. Elders Place II, Inc.'s, noncompliance has drastically delayed the process of bringing the project to final closing. In February 2005, HUD highlighted the Corporation and Elders Place II, Inc., for their failure to provide the cost certification. Highlighting the entities in HUD's management system adversely affects the entities' future participation in HUD programs. Though overdue, Elders Place II, Inc., submitted a cost certification to HUD in March 2005, but HUD deemed the cost certification unacceptable. HUD determined that several sections of the cost certification were not completed and the form was not signed and dated. HUD informed Elders Place II, Inc., of its findings later that month and followed-up through numerous telephone conversations, face-to-face meetings, and in written correspondence. Despite HUD's efforts, it has not submitted an acceptable cost certification as of March 2007. HUD regulations require Elders Place II, Inc., to submit an acceptable cost certification to support the actual cost of the project and provide information concerning the project funding sources and bring the project to final closing within 90 calendar days of substantial completion of the project. Elders Place II, Inc., needs to submit an acceptable cost certification to HUD without delay to account for the project's funding and bring the project to final closing.

Elders Place II, Inc., Did Not Have Adequate Controls in Place

These conditions occurred because Elders Place II, Inc., did not establish and implement adequate controls to ensure that it administered HUD funds in accordance with applicable HUD requirements. During the audit, we requested copies of any written policies and procedures related to the construction and

¹¹ HUD Handbook 4571.4, section 4-15D.

operation of Elders Place II, Inc., but found that there were none. The articles of incorporation for Elders Place II, Inc., require that a board of directors consisting of at least 7 but no more than 15 individuals be selected to govern the project. However, there was no evidence that Elders Place II, Inc., had a functioning board of directors actively overseeing the construction and operation of the project. By implementing our recommendations, Elders Place II, Inc., can avoid potential adverse actions such as takeover of the property or foreclosure on the mortgage by HUD. Further, by improving controls over the project, such as ensuring that disbursements are made for costs that are eligible and supported, maintaining appropriate books and records, and providing adequate oversight of the project's operations, Elders Place II, Inc., can put \$45,843¹² to better use over a one-year period.

Recommendations

We recommend that the director, Philadelphia Multifamily Hub direct Elders Place II, Inc., to

- 1A. Repay the project \$87,866 from nonfederal funds for the ineligible costs identified by the audit.
- 1B. Provide documentation to support the \$605,166 in questioned costs identified by the audit and, if the costs cannot be supported, reimburse the project for any unsupported costs from nonfederal funds.
- 1C. Develop and implement written procedures to ensure that disbursements of HUD funds are eligible and consistent with applicable HUD and federal regulations, and, thereby, put \$45,843 to better use over a one-year period.
- 1D. Establish an escrow account, and deposit \$95,382, or the amount determined to be due to the contractor, from non-project funds into the account.
- 1E. Take appropriate action to resolve the amount due to the general contractor.
- 1F. Submit an acceptable cost certification to account for the project's funding.
- 1G. Bring the project to final closing.
- 1H. Establish a functioning board of directors to provide adequate oversight of project operations and controls to ensure that the board fulfills its responsibilities and documents its actions.
- 1I. Maintain appropriate books and records as required by applicable agreements and HUD regulations.

¹² \$87,866 divided by 23 months (period audited) multiplied by 12 (to annualize) = \$45,843 for one year.

We recommend that the director, Philadelphia Multifamily Hub

- 1J. If Elders Place II, Inc., does not bring the project to final closing, then pursue all applicable sanctions available under the regulatory agreement including issuing a notice of default, declaring a default, and pursuing such actions as taking possession of the project, foreclosing on the mortgage, or requiring a transfer of the physical assets to a HUD-approved private nonprofit corporation.

SCOPE AND METHODOLOGY

We performed the audit at Elders Place II, Inc., in Philadelphia, Pennsylvania, from August through December 2006. The audit was performed in accordance with generally accepted government auditing standards and included tests of internal controls that we considered necessary. During the audit, we assessed the reliability of computer-processed data relevant to our audit by comparing it to hard-copy information. We found the computer-processed data were sufficiently reliable to meet our audit objectives.

The audit covered transactions representative of operations current at the time of the audit and included the period September 2001 through July 2006. We expanded the scope of the audit as necessary. We discussed operations with staff from Elders Place II, Inc., and the Corporation and key officials from HUD's Philadelphia Multifamily Housing Hub.

To determine whether Elders Place II, Inc., administered HUD funds in accordance with HUD requirements, we reviewed

- Applicable HUD regulations.
- The internal control structure for Elders Place II, Inc.
- The 2004 and 2005 audit reports from the independent auditors for Elders Place II, Inc., and cost certification reports Elders Place II, Inc., submitted to HUD. This included reviewing the independent auditor's workpapers.
- The project rental assistance contract and mortgagor requisitions for Section 202 funds.
- All documentation provided by Elders Place II, Inc., and the Corporation related to our audit objective, including the capital advance agreement, capital advance program agreements and certification, mortgage, regulatory agreement, construction contract, project change orders, related correspondence, bank statements, cancelled checks, and documentation supporting disbursements.
- \$204,084 of the \$287,021 (71 percent) Elders Place II, Inc., disbursed from its operating account from September 2004 to July 2006. We nonstatistically selected disbursements for review based upon payee names and the type of cost being incurred. Based on our work, we estimate that Elders Place II, Inc., will put \$45,843 to better use over the next year by implementing our recommendations and ceasing to make ineligible disbursements from its operating account. The calculation for the \$45,843 is as follows: \$87,866 (the ineligible costs identified by the audit) divided by 23 months (the period audited) multiplied by 12 (to annualize) = \$45,843 for one year.
- Correspondence related to the cost certification and the results of monitoring reviews conducted by the HUD Philadelphia Multifamily Hub.

- Documentation provided by the general contractor concerning funds received.

INTERNAL CONTROLS

Internal control is an integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved:

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Internal controls relate to management's plans, methods, and procedures used to meet its mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations. They include the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined the following internal controls were relevant to our audit objectives:

- Policies, procedures, and other management controls implemented to ensure that Elders Place II, Inc., administered HUD funds in accordance with the terms of its agreements with HUD and HUD regulations.

We assessed the relevant controls identified above.

A significant weakness exists if management controls do not provide reasonable assurance that the process for planning, organizing, directing, and controlling program operations will meet the organization's objectives.

Significant Weaknesses

Based on our review, we believe the following items are significant weaknesses:

Elders Place II, Inc., did not

- Establish policies and procedures to ensure that it made disbursements of project funds that were eligible, supported, and consistent with applicable HUD requirements.

- Establish controls to ensure that the board of directors fulfills its responsibilities by providing adequate oversight of the project and its operations and documents its actions.
- Establish policies and procedures to address contingencies and ensure that it brought the project to final closing within the required time frame.
- Establish policies and procedures to ensure that it maintained its books and records as required.

APPENDIXES

Appendix A

SCHEDULE OF QUESTIONED COSTS AND FUNDS TO BE PUT TO BETTER USE

Recommendation number	Ineligible 1/	Unsupported 2/	Funds to be put to better use 3/
1A	\$87,866		
1B		\$605,166	
1C			\$45,843
1D	\$95,382		
Total	\$183,248	\$605,166	\$45,843

- 1/ Ineligible costs are costs charged to a HUD-financed or HUD-insured program or activity that the auditor believes are not allowable by law; contract; or federal, state, or local policies or regulations.
- 2/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.
- 3/ Recommendations that funds be put to better use are estimates of amounts that could be used more efficiently if an Office of Inspector General (OIG) recommendation is implemented. This includes reductions in outlays, deobligation of funds, withdrawal of interest subsidy costs not incurred by implementing recommended improvements, avoidance of unnecessary expenditures noted in preaward reviews, and any other savings which are specifically identified. If the auditee implements our recommendations, it will cease making ineligible disbursements from its operating account. Once the auditee improves its controls, this will be a recurring benefit. Our estimate reflects only the initial year of this benefit.

Appendix B

AUDITEE COMMENTS AND OIG'S EVALUATION

Ref to OIG Evaluation

Auditee Comments



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April 13, 2007

Mr. John P. Buck
Regional Inspector General for Audit
Wanamaker Building
100 Penn Square East, Suite 1005
Philadelphia, Pennsylvania 19107-3380

**RE: ELDER'S PLACE II AUDIT
PHILADELPHIA, PENNSYLVANIA**

Dear Mr. Buck:

Pursuant to our meeting with you, your associates and representative of the Philadelphia HUD Multifamily, below please find our responses to the ten (10) recommendations presented in the draft audit that was forwarded to us for review and comments:

Comment 1

1A. Elders Place II has requested from Mr. Forell Grant of your office a detailed breakdown of his assessment of the ineligible cost that makes up the \$87,866 noted in the audit. Elders Place II reserves the right to challenge this amount after review and Elders Place II acknowledges that it will repay any amount that we can not confirm as an eligible cost for this project.

Comment 1

1B. Elders Place II has requested from Mr. Forell Grant of your office a detailed breakdown of his assessment of the \$605,166 in question cost identified in the audit. This amount represents several amounts that Elders Place II could not provide as back up documentation during the time of the audit. Elders Place II has formally requested copies of all cancelled checks from Citizens Bank during the construction period. Elders Place II has also requested from the RDA, documentation of all the proceeds issued by them to Elders Place during this construction period. It is our goal to provide the necessary back up needed to reconcile the outstanding unsupported costs of this project.

1C. Elder Place II and Multifamily Properties will establish an escrow account, and deposit the recommended funding that will ensure that disbursements of HUD funds are eligible.

Mr. John P. Buck
Regional Inspector General for Audit
RE: ELDER'S PLACE II AUDIT
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- ID., IE., IF., IG. Elders Place II is taking appropriate action to satisfy the contractor (Allied Construction) with regard to final payment. Elders Place will establish an escrow account placing the amount due to Allied Construction. Elders Place II has submitted a draft of the cost certification to HUD and will work towards closing out this project very soon.
- IH. Elders Place II will establish a Board of Directors to provide adequate oversight of the projects operation and controls that are necessary to fulfill it responsibilities.
- II. Elders place II had engaged Multifamily Properties to manage the day to day operations. This includes maintaining appropriate book and records as required by HUD.
- IJ. Elders place II clearly understands the actions that will be taken if it fails to bring this project to final closing.

Should have any questions concerning this matter please feel free to contact our office at 215-849-3104, Extension 174.

Your cooperation in this matter has been greatly appreciated.

Sincerely,



Ernest J. Covington, III
Executive Director

CC: E. Freeman, President
E. Loukatos HUD

OIG Evaluation of Auditee Comments

Comment 1 We provided the details of the ineligible and unsupported costs that we identified to the auditee during the audit. At the exit conference, we agreed to provide the details to the auditee again.

Appendix C

SCHEDULE OF PROJECT FUNDING SOURCES

Fund source	Fund type	Amount of funds provided to the project	Stated purpose for the funding contribution
HUD capital advance	HUD Section 202 program	\$3,427,200	Project construction
Redevelopment Authority of the City of Philadelphia	HUD HOME Program	\$600,000	Project construction and permanent financing
Pennsylvania Housing Finance Agency	Non-HUD	\$200,000	Project construction and permanent financing
Philadelphia Health Management Corporation	Non-HUD	\$125,000	Real estate purchase
W.W. Smith Charitable Trust	Non-HUD	\$60,000	Project construction
Elders Place II, Incorporated	Non-HUD	\$10,000	Required minimum capital investment
Total		\$4,422,200	