



*Report of Independent Auditors and
Financial Statements with Supplementary Information*

Lytton IV Housing Corporation
(a California Nonprofit Public Benefit Corporation)
HUD Project No: 121-EE 012-NP-WAH

March 31, 2019 and 2018



Table of Contents

REPORT OF INDEPENDENT AUDITORS	1
---	----------

FINANCIAL STATEMENTS

Statements of Financial Position.....	5
Statements of Activities and Changes in Net Assets.....	7
Statements of Cash Flows	8
Notes to Financial Statements	9

SUPPLEMENTARY INFORMATION REQUIRED BY HUD

Balance Sheet Data	17
Profit and Loss Data.....	19
Statement of Cash Flows Data	22
Schedule of Surplus Cash.....	23
Schedule of Changes in Fixed Asset Accounts	24
Schedule of Replacement Reserve	25
Assisted Living Data.....	26

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards.....	28
---	----

REPORT OF INDEPENDENT AUDITORS 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 STANDARDS29

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE31

Schedule of Findings and Questioned Costs33

Summary Schedule of Prior Audit Findings34

Mortgagor's Certification35

Management Agent's Certification36

Transmittal Letter of Auditor37

Report of Independent Auditors

The Board of Directors
Lytton IV Housing Corporation
(a California Nonprofit Public Benefit Corporation)

Report on the Financial Statements

We have audited the accompanying financial statements of Lytton IV Housing Corporation (a California nonprofit public benefit corporation) (the “Project”), HUD Project No. 121-EE 012-NP-WAH, which comprise the statements of financial position as of March 31, 2019 and 2018, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Project, as of March 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, as of and for the year ended March 31, 2019, the Project adopted Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, methods used to allocate costs to programmatic and other support information, and direction for consistency about information provided on investment return. The adoption of the standard resulted in additional footnote disclosures and significant changes to the classification of net assets and the disclosures related to net assets. The ASU has been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information Required by HUD and Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 17 to 26 is presented for purposes of additional analysis as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards as shown on page 28 required by *Title 2 U.S. Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) is presented for purposes of additional analysis and is not a required part of the financial statement. 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 to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2019, on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Mess Adams LLP". The signature is written in a cursive, flowing style.

San Francisco, California
June 28, 2019

Financial Statements

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Statements of Financial Position
March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 70,097	\$ 9,926
Accounts receivable	4,073	4,296
Prepaid expenses	<u>19,816</u>	<u>18,451</u>
Total current assets	<u>93,986</u>	<u>32,673</u>
TENANT SECURITY DEPOSITS	<u>14,973</u>	<u>14,877</u>
RESTRICTED DEPOSITS AND FUNDED RESERVES		
Replacement reserves	<u>161,649</u>	<u>128,283</u>
PROPERTY AND EQUIPMENT		
Land and land improvements	1,653,440	1,653,440
Building and building improvements	6,170,365	6,145,514
Furniture and fixtures for project/tenant use	64,770	64,770
Office equipment	<u>10,044</u>	<u>10,044</u>
	7,898,619	7,873,768
Accumulated depreciation	<u>(3,660,990)</u>	<u>(3,453,342)</u>
Total property and equipment, net	<u>4,237,629</u>	<u>4,420,426</u>
TOTAL ASSETS	<u>\$ 4,508,237</u>	<u>\$ 4,596,259</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Statements of Financial Position (Continued)
March 31, 2019 and 2018

	2019	2018
CURRENT LIABILITIES		
Accounts payable	\$ 41,875	\$ 4,306
Accounts payable - affiliated organizations	-	24,116
Accrued wages payable	12,320	10,024
	54,195	38,446
TENANT SECURITY DEPOSITS	14,973	14,877
LONG-TERM LIABILITIES		
Mortgage payable - City of Palo Alto	504,826	504,826
HUD capital advance	5,738,600	5,738,600
	6,243,426	6,243,426
Total long-term liabilities	6,243,426	6,243,426
Total liabilities	6,312,594	6,296,749
NET ASSETS		
Net assets without donor restrictions		
Designated by the Board:		
Restricted deposits and funded reserves	161,649	128,283
Undesignated	(1,966,006)	(1,828,773)
	(1,804,357)	(1,700,490)
Total net assets (deficit)	(1,804,357)	(1,700,490)
TOTAL LIABILITIES AND NET ASSETS	\$ 4,508,237	\$ 4,596,259

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Statements of Activities and Changes in Net Assets
Years Ended March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and support:		
Rental income, net of vacancy loss of \$900 in 2019 and \$4,986 in 2018	\$ 137,093	\$ 133,793
HUD assistance income	239,948	232,408
Interest income	366	191
Laundry and other	968	1,890
Miscellaneous income	40,950	36,000
Contribution income	-	23,726
	<u>419,325</u>	<u>428,008</u>
Expenses:		
Administrative	145,489	135,763
Utilities	48,648	40,457
Operating and maintenance	85,070	83,544
Taxes and insurance	33,591	34,501
Resident services	2,746	3,723
Depreciation	207,648	208,307
	<u>523,192</u>	<u>506,295</u>
CHANGE IN NET DEFICIT WITHOUT DONOR RESTRICTION	(103,867)	(78,287)
NET DEFICIT, beginning of year	<u>(1,700,490)</u>	<u>(1,622,203)</u>
NET DEFICIT, end of year	<u>\$ (1,804,357)</u>	<u>\$ (1,700,490)</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Statements of Cash Flows
Years Ended March 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Rental receipts	\$ 377,264	\$ 373,377
Interest receipts	366	191
Gifts	-	23,726
Other operating receipts	41,918	37,890
Total receipts	419,548	435,184
Administrative	(30,773)	(56,848)
Management fee	(42,540)	(42,534)
Utilities	(48,648)	(40,457)
Salaries and wages	(74,955)	(60,162)
Operating and maintenance	(67,694)	(69,559)
Real estate taxes	(2,184)	(2,239)
Property insurance	(18,531)	(19,493)
Miscellaneous taxes and insurance	(13,089)	(12,817)
Other operating expenses	(2,746)	(3,723)
Total disbursements	(301,160)	(307,832)
Cash provided by operating activities	118,388	127,352
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(24,851)	(93,271)
Funding of replacement reserves	(33,366)	(33,191)
Cash used in investing activities	(58,217)	(126,462)
INCREASE IN CASH AND CASH EQUIVALENTS	60,171	890
CASH AND CASH EQUIVALENTS, beginning of year	9,926	9,036
CASH AND CASH EQUIVALENTS, end of year	\$ 70,097	\$ 9,926

Lytton IV Housing Corporation

HUD Project No. 121-EE 012-NP-WAH

Notes to Financial Statements

NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations – Lytton IV Housing Corporation (the “Project”), is a California nonprofit public benefit corporation organized in 1992 to develop, construct, and operate a 51-unit independent living apartment complex for seniors in Palo Alto, California. The Project is operated under Section 202 of the National Housing Act, as amended and regulated by the U.S. Department of Housing and Urban Development (“HUD”) as to rent charges, operating methods, and other matters. The Project consists of 50 partially subsidized apartments and one resident manager’s unit. The Project generates its revenue primarily from rental income. Rental fee increases are subject to HUD approval.

Affiliated organizations – The Project, through its sole member, Covia Affordable Communities (“Affordable Communities”), a management and fundraising support organization, is affiliated with: Community Housing, Inc., which operates Lytton Gardens I and II; Oak Center Towers; Presidio Gate Apartments; Jennings Senior Housing, Inc.; Shires Memorial Center; and Bethany Center Senior Housing, Inc. (“BCSH”), all of which are affordable senior housing communities. Through BCSH, the Project is affiliated with Bethany Center Foundation of San Francisco. Through Affordable Communities’ sole member, Covia Group (“Group”), a California nonprofit public benefit corporation, the Project is also affiliated with Covia Communities (“Communities”), which operates six life plan communities, Covia Foundation (“Foundation”), a fundraising and supporting organization to Communities, (collectively, the “Affiliates”). All of the Affiliates are California nonprofit public benefit corporations. Some of the Affiliates share common officers, directors, and management and, at times, provide various support services to one another. The Affiliates’ financial statements are not included in the accompanying financial statements of the Project.

Basis of presentation – The financial statements have been prepared on the accrual basis of accounting which recognizes income in the period earned and expenses when incurred, consistent with accounting principles generally accepted in the United States of America.

Cash and cash equivalents – Cash and cash equivalents includes cash on hand and cash held in demand deposit, sweep, savings accounts, and certain investments in highly liquid instruments with original maturities of three months or less. Not included in cash and cash equivalents are funds restricted as to their use, regardless of their liquidity, such as security deposits and operating and replacements reserves.

Concentration of risk – Financial instruments potentially subjecting the Project to concentrations of credit risk consist primarily of bank demand deposits in excess of Federal Deposit Insurance Corporation limits.

Accounts receivables – The Project receives payment from residents and HUD for services provided. The Project uses the specific write-off method to provide for doubtful accounts since past experience and management’s estimation indicates an adequate allowance for such accounts is immaterial.

Restricted deposits and funded reserves – Assets whose use is limited are funded reserves for replacement of the Project. Such assets consist of cash and cash equivalents carried at fair value based on quoted market prices (Note 2).

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Notes to Financial Statements (Continued)

Property and equipment – Property and equipment are stated at cost. Acquisitions of \$5,000 or more and with a useful life of more than one year are capitalized. Depreciation is based upon the straight-line method at rates based on the estimated useful lives of the various classes of property which range from 3 to 40 years. The Project periodically evaluates the carrying value of its long-lived assets for impairment. Based on this evaluation, no impairment was recorded for the years ended March 31, 2019 and 2018.

Tenant security deposits – In accordance with government regulations for the Project, the Project must maintain deposit funds equal to the related liability for tenant security deposits. Security deposits are held in a separate interest-bearing account in the name of Lytton IV Housing Corporation.

Net assets – On April 1, 2018, the Project adopted Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (“ASU 2016-14”), applying the full retrospective method. ASU 2016-14 changes the current net asset classification requirements and the information presented in financial statements and notes about an entity’s liquidity, financial performance, and cash flows. The update replaces the requirement to present three classes of net assets with two classes: net assets with donor restrictions, and net assets without donor restrictions. The update also removes the requirement to present or disclose the indirect method (reconciliation) if using the direct method for the statement of cash flows, and adds several additional enhanced disclosures to the notes. The project has adjusted the presentation of these financial statements accordingly, including changes to the presentation of net asset classification, inclusion of information about liquidity and availability of resources, and inclusion of information provided about expenses. In accordance with ASU 2016-14, net assets as of March 31, 2018, have been reclassified as follows:

	Without Donor Restrictions	With Donor Restrictions
Unrestricted net assets		
Designated by the Board:		
Restricted deposits and funded reserves	\$ 128,283	\$ -
Undesignated	(1,828,773)	-
Total net assets (deficit)	\$ (1,700,490)	\$ -

The Project classifies net assets as follows:

Net assets without donor restrictions represent unrestricted resources available to support the Project’s operations and temporarily restricted resources which have become available for use by the Project in accordance with the intention of the donor.

Net assets with donor restrictions represent contributions that are limited in use by the Project in accordance with temporary donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of the Project according to the intention of the donor. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and recognized as unrestricted net assets. Net assets with donor restrictions are available primarily for assistance and capital projects as designated by the donors. At March 31, 2019 and 2018, the Project had no temporarily restricted net assets.

Lytton IV Housing Corporation

HUD Project No. 121-EE 012-NP-WAH

Notes to Financial Statements (Continued)

Net assets with donor restrictions also represent net assets subject to donor-imposed stipulations that they be maintained by the Project in perpetuity. At March 31, 2019 and 2018, the Project had no net assets with donor restrictions maintained by the organization in perpetuity.

Revenue recognition – Rental income is shown at its maximum gross potential. Rental income is derived from rental rates subject to HUD approval. Vacancy loss is shown as a reduction in rental income. Rental units occupied by employees are included in rental income as an expense of operations. Other income includes fees for late payments, cleaning, damages, laundry facilities, and other charges, and is recorded when earned.

Tax-exempt status – The Project is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and has been granted tax-exempt status by the Internal Revenue Service and the California Franchise Tax Board.

The Project applies the provisions of Accounting Standards Codification (“ASC”) Topic 740-10, *Income Taxes*, relating to accounting for uncertain tax positions. The Project recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Project recognizes interest and penalties related to income tax matters in operating expenses. At March 31, 2019 and 2018, the Project had no unsettled tax matters.

Property taxes – The Project has filed and received an exemption from certain property taxes in accordance with Section 214 of the California Code.

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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Economic concentrations – The future operations of the Project could be affected by changes in the economic or other conditions in the geographic area of Palo Alto, California or by changes in federal low-income housing subsidies or the demand for such housing.

New accounting pronouncements – In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance moves revenue recognition towards one principles-based revenue standard to be applied across all industries. The guidance is effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. On April 1, 2018, the Project adopted Topic 606. Adoption of this standard did not have a significant impact on the Project.

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Notes to Financial Statements (Continued)

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”). This guidance among other things eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. The guidance is effective for annual reporting periods beginning after December 15, 2018. Management is currently evaluating the impact ASU 2016-01 will have on the Project’s future financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The adoption of ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2019. Management is currently evaluating the impact ASU 2016-02 will have on the Project’s future financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (“ASU 2016-18”). This guidance enhances the statement of cash flow by streamlining the activities between cash and restricted cash as operating, investing, or financing, or as a combination of those activities. The guidance also highlights explanations of the change of cash, cash equivalents, restricted cash or restricted cash equivalents during the period. The guidance is effective for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact ASU 2016-18 will have on the Project’s future financial statements.

NOTE 2 – RESTRICTED DEPOSITS AND FUNDED RESERVES

Replacement reserves – In accordance with the HUD regulatory agreement, the Project is required to maintain a reserve for replacement and repair of property and equipment. The reserve is required to be funded in the amount of \$2,750 per month. The funds are held in an interest-bearing account. All withdrawals require prior written approval by HUD. The replacement reserve’s account activity for the fiscal years ended March 31 is as follows:

	2019	2018
Beginning balance at April 1,	\$ 128,283	\$ 95,092
Monthly deposits	33,000	33,000
Bank interest, net of bank fees	366	191
Ending balance at March 31,	\$ 161,649	\$ 128,283

Residual receipts – The Project is required to deposit residual receipts within 60 days after year end in a separate, interest-bearing account. The funds can be used for the operating needs of the property, including debt service on the City of Palo Alto note, with the prior written approval of HUD (Note 4). There was no required deposit to residual receipts reserve for either of the years ended March 31, 2019 and 2018.

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Notes to Financial Statements (Continued)

NOTE 3 – MORTGAGES PAYABLE

The Project's mortgages payable consisted of the following at March 31:

	<u>2019</u>	<u>2018</u>
U.S. Department of Housing and Urban Development Section 202 Capital Advance, dated November 26, 1993, secured by first deed of trust on real property, bearing no interest. The advance is essentially a forgivable loan and shall only be repayable if the Project fails to remain available to very low-income households as approved by HUD through June 1, 2035.	\$ 5,738,600	\$ 5,738,600
City of Palo Alto note, dated November 30, 1993, bearing 5% simple interest per annum beginning on December 1, 1995. Payments may only be made from residual receipts with the approval of HUD. The balance of principal and interest is due at the maturity on June 1, 2035. The term is designed to coincide with the closing of the HUD Capital Advance period. At this time, the City of Palo Alto has an option to acquire the Project in exchange for cancellation of the principal and accrued interest outstanding at that	<u>504,826</u>	<u>504,826</u>
Total mortgages payable	<u><u>\$ 6,243,426</u></u>	<u><u>\$ 6,243,426</u></u>

NOTE 4 – PROJECT RENTAL ASSISTANCE CONTRACT

The Project entered into a Project Rental Assistance Contract with HUD for 50 units effective May 1, 1995. The 20-year subsidy contract provides for an initial annual maximum commitment of \$215,640, as of the effective date of the agreement. This amount is modified upon rent increases or decreases and the availability of funds, as approved by HUD. Rents cannot be increased without prior written approval from HUD. At the end of the initial contract period, the Project entered into a one-year agreement with HUD. Effective May 1, 2017, a 0.00% rent increase was granted which provides for a maximum commitment of \$376,380 (for the period from May 1, 2017, to April 30, 2018). Effective May 1, 2018, a 2.92% rent increase was granted which provides for a maximum commitment of \$379,800 (for the period from May 1, 2018, to April 30, 2019).

NOTE 5 – RELATED-PARTY TRANSACTIONS

The Project, together with its affiliated organizations (Note 1), entered into a Memo of Understanding with Communities on April 1, 2008, whereas Communities assigned Affordable Communities to provide certain administrative, accounting, fundraising, and other general management services and the employment of personnel on a shared basis. The Project incurred \$175,897 and \$201,455 of shared costs during the years ended March 31, 2019 and 2018, respectively. Of this amount, zero and \$24,116 are included in accounts payable–affiliated organizations at March 31, 2019 and 2018, respectively.

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Notes to Financial Statements (Continued)

NOTE 6 – COMMITMENTS AND CONTINGENCIES

HUD regulations – In connection with the HUD agreements, there are certain restrictions on occupancy of the units which include maximum income limitations and maximum rents chargeable. These agreements also require the maintenance of security deposits and replacement reserves which are to be held by the mortgagee (Notes 1 and 2).

Employee benefit plan – The Project has implemented a 403(b) tax deferred annuity plan (the “Plan”) through Affordable Communities. Eligible employees who have satisfied the age and service requirements are allowed to make salary reduction contributions with a maximum contribution of up to the statutory limit. The Project makes matching contributions on behalf of the participants up to 3% of each participant’s wages. Affordable Communities pays for all the administrative expenses to operate the Plan. Effective August 1, 2018, the Affordable Communities amended the Plan, terminating the employer match and adopting a 10% employer 403(b) contribution to the employee’s individual plan accounts in accordance with HUD Notice H 5-08 across all Affordable Communities projects. Employees are not required to contribute and certain age and service requirements apply. The Project’s contribution for the years ended March 31, 2019 and 2018, totaled \$3,554 and \$267, respectively.

City of Palo Alto acquisition rights – Upon expiration of the 40-year term of HUD regulatory agreement, the City of Palo Alto (the “City”) may, at its sole option, require the Project to transfer ownership of the Project (all improvements and land) to the City. The City must exercise said option within six months of the termination of HUD regulatory agreement. In consideration of the exercise of said option, the City shall cancel any remaining balance then owing by the Project on the note with the City.

NOTE 7 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of March 31, 2019, comprise the following:

Cash and cash equivalents	\$ 70,097
Accounts receivable, net	<u>4,073</u>
	<u>\$ 74,170</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Project has a goal to maintain a current ratio greater than 1:1 in order to meet general expenditures, liabilities, and other obligations as they come due.

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Notes to Financial Statements (Continued)

NOTE 8 – FUNCTIONAL EXPENSES

The costs of providing residential services and supporting activities are summarized on a functional basis as follows:

	Year Ended March 31, 2019		
	Residential Services	General and Administrative	Total
Salaries and benefits	\$ 19,997	\$ 69,753	\$ 89,750
Supplies	1,832	1,539	3,371
Other purchased services	4,729	22,277	27,006
Repairs and maintenance	35,893	3,988	39,881
Utilities	75,399	8,378	83,777
Depreciation and amortization	186,885	20,763	207,648
Other	22,222	49,537	71,759
	<u>\$ 346,957</u>	<u>\$ 176,235</u>	<u>\$ 523,192</u>

Salaries and benefits are allocated based on time and effort. All other expenses are allocated based on direct costs.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Project recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Project's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements were available to be issued.

The Project has evaluated subsequent events through June 28, 2019, which is the date the financial statements were available to be issued.

Supplementary Information Required by HUD

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Balance Sheet Data
March 31, 2019

<u>Account</u>	<u>Description</u>	<u>Value</u>
1120	Cash - operations	\$ 70,097
1130	Tenant/member accounts receivable (co-ops)	<u>4,073</u>
1130N	Net tenant account receivable	4,073
1200	Prepaid expenses	<u>19,816</u>
1100T	Total current assets	<u>93,986</u>
1191	Tenant/patient deposits held in trust	<u>14,973</u>
1320	Replacement reserve	<u>161,649</u>
1300T	Total deposits	<u>161,649</u>
1410	Land	1,653,440
1420	Buildings	6,170,365
1450	Furniture for project/tenant use	64,770
1465	Office furniture and equipment	<u>10,044</u>
1400T	Total fixed assets	<u>7,898,619</u>
1495	Accumulated depreciation	<u>(3,660,990)</u>
1400N	Net fixed assets	<u>4,237,629</u>
1000T	Total assets	<u>\$ 4,508,237</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Balance Sheet Data (Continued)
March 31, 2019

Account	Description	Value
2110	Accounts payable - operations	\$ 41,875
2120	Accrued wages payable	12,320
2122T	Total current liabilities	<u>54,195</u>
2191	Tenant/patient deposits held in trust (contra)	<u>14,973</u>
2320	Mortgage (or bonds) payable - First mortgage (or bonds)	5,738,600
2322	Other mortgages payable (long-term)	<u>504,826</u>
	Details - Other mortgages payable (long-term)	
	2322-010 - Type of mortgage - second mortgage	
	2322-020 - Amount of mortgage(s) payable	\$ 504,826
2300T	Total long-term liabilities	<u>6,243,426</u>
2000T	Total liabilities	<u>6,312,594</u>
3131	Net assets without donor restrictions	<u>(1,804,357)</u>
3130	Total net assets	<u>(1,804,357)</u>
2033T	Total liabilities and equity/net assets	<u>\$ 4,508,237</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Profit and Loss Data
Year Ended March 31, 2019

Account	Description	Value
REVENUES		
5120	Rent revenue - gross potential	\$ 137,993
5121	Tenant assistance payments	239,948
5100T	Total rent revenue	<u>377,941</u>
5220	Apartments	<u>900</u>
5200T	Total vacancies	<u>900</u>
5152N	Net rental revenue (rent revenue less vacancies)	<u>377,041</u>
5440	Revenue from investments - replacement reserve	<u>366</u>
5400T	Total financial revenue	<u>366</u>
5910	Laundry and vending revenue	968
5990	Miscellaneous revenue	<u>40,950</u>
	Details - Miscellaneous revenue	
	5990-010 - Description - Commerical lease revenue	
	5990-020 - Amount	\$ 40,950
5900T	Total other revenue	<u>41,918</u>
5000T	Total revenue	<u>419,325</u>
EXPENSES		
6203	Conventions and meetings	\$ 39
6250	Other renting expenses	2,460
6310	Office salaries	59,875
6311	Office expenses	22,727
6320	Management fee	42,540
6350	Audit expense	<u>17,848</u>
6263T	Total administrative expenses	<u>145,489</u>
6450	Electricity	17,131
6451	Water	14,713
6452	Gas	15,213
6453	Sewer	<u>1,591</u>
6400T	Total utilities expense	<u>48,648</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Profit and Loss Data (Continued)
Year Ended March 31, 2019

Account	Description	Value
6510	Payroll	\$ 17,376
6515	Supplies	16,295
6520	Contracts	28,321
6525	Garbage and trash removal	<u>23,078</u>
6500T	Total operating and maintenance expenses	<u>85,070</u>
6710	Real estate taxes	1,633
6711	Payroll taxes (Project's share)	5,665
6720	Property and liability insurance (hazard)	19,422
6723	Health insurance and other employee benefits	<u>6,871</u>
6700T	Total taxes and insurance	<u>33,591</u>
6900	Nursing homes/assisted living/board & care/other elderly care expenses	<u>2,746</u>
6000T	Total cost of operations before depreciation	<u>315,544</u>
5060T	Profit (loss) before depreciation	103,781
6600	Depreciation expenses	<u>207,648</u>
5060N	Operating loss	<u>\$ (103,867)</u>
3247	Change in net assets without donor restrictions	<u>\$ (103,867)</u>
3250	Change in total net assets from operations	<u>\$ (103,867)</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Profit and Loss Data (Continued)
Year Ended March 31, 2019

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1000-020	The total of all monthly reserve for replacement deposits (usually 12 months) required during the audit period even if deposits have been temporarily waived or suspended.	<u>\$ 33,000</u>

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1100-060	Previous year net assets without donor restrictions	\$ (1,700,490)
3247	Change in net assets without donor restrictions	<u>(103,867)</u>
3131	Net assets without donor restrictions	<u>\$ (1,804,357)</u>
S1100-050	Previous year total net assets	\$ (1,700,490)
3250	Change in total net assets from operations	<u>(103,867)</u>
3130	Total net assets	<u>\$ (1,804,357)</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Statement of Cash Flows Data
Year Ended March 31, 2019

Account	Description	Value
CASH FLOWS FROM OPERATING ACTIVITIES		
S1200-010	Rental receipts	\$ 377,264
S1200-020	Interest receipts	366
S1200-030	Other operating receipts	<u>41,918</u>
S1200-040	Total receipts	<u>419,548</u>
S1200-050	Administrative	(30,773)
S1200-070	Management fee	(42,540)
S1200-090	Utilities	(48,648)
S1200-100	Salaries and wages	(74,955)
S1200-110	Operating and maintenance	(67,694)
S1200-120	Real estate taxes	(2,184)
S1200-140	Property insurance	(18,531)
S1200-150	Miscellaneous taxes and insurance	(13,089)
S1200-170	Other operating expenses	<u>(2,746)</u>
S1200-230	Total disbursements	<u>(301,160)</u>
S1200-240	Net cash provided by operating activities	<u>118,388</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
S1200-250	Net deposits to the reserve for replacement account	(33,366)
S1200-330	Net purchase of fixed assets	<u>(24,851)</u>
S1200-350	Net cash used in investing activities	<u>(58,217)</u>
S1200-470	Net increase in cash and cash equivalents	60,171
S1200-480	Beginning of period cash	<u>9,926</u>
S1200T	End of period cash	<u>\$ 70,097</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Schedule of Surplus Cash
As of March 31, 2019

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1300-010	Cash	\$ 85,070
S1300-040	Total cash	<u>85,070</u>
S1300-075	Accounts payable - 30 days	41,875
S1300-100	Accrued expenses (not escrowed)	12,320
2191	Tenant security deposit held in trust (contra)	<u>14,973</u>
S1300-140	Total current obligations	<u>69,168</u>
S1300-150	Surplus cash	<u>\$ 15,902</u>
S1300-210	Deposit due residual receipts	<u>\$ 15,902</u>

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Schedule of Changes in Fixed Asset Accounts
Year Ended March 31, 2019

Account	Description	Value
1410P	Beginning balance for 1410	\$ 1,653,440
1410	Land	1,653,440
1420P	Beginning balance for 1420	6,145,514
1420AT	Additions for 1420	24,851
	Details - Additions for 1420	
	1420A-010 - Building improvements	
	1420A-030 - Total amount	\$ 24,851
1420	Buildings	6,170,365
1450P	Beginning balance for 1450	64,770
1450	Furniture for project/tenant use	64,770
1465P	Beginning balance for 1465	10,044
1465	Office furniture and equipment	10,044
1400PT	Total beginning balance for fixed assets	7,873,768
1400AT	Total asset additions	24,851
1400T	Total fixed assets	7,898,619
1495P	Beginning balance for 1495	3,453,342
6600	Total provisions	207,648
1495	Ending balance for accumulated depreciation	3,660,990
1400N	Total net book value	\$ 4,237,629

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Schedule of Replacement Reserve
Year Ended March 31, 2019

Account	Description	Value
1320P	Balance at beginning of year	\$ 128,283
1320DT	Total monthly deposits	33,000
1320INT	Interest on replacement reserve accounts	<u>366</u>
1320	Balance at end of year, confirmed by mortgagee	<u><u>\$ 161,649</u></u>
1320R	Deposits suspended or waived indicator	N

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Assisted Living Data
Year Ended March 31, 2019

<u>Account</u>	<u>Description</u>	<u>Value</u>
6990	Other service expenses	<u>\$ 2,746</u>
6900	Nursing homes/assisted living/board & care/other elderly care expenses	<u>\$ 2,746</u>

Supplementary Information

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Schedule of Expenditures of Federal Awards
Year Ended March 31, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development ("HUD") Section 202 Supportive Housing for the Elderly Project No. 121-EE 012-NP-WAH Outstanding mortgage balance with continuing compliance requirements, beginning balance	14.157	\$ 5,738,600
Project Rental Assistance Contract ("PRAC")	14.157	<u>239,948</u>
Total direct expenditures of federal awards		<u>\$ 5,978,548</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of presentation – The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant and loan activity of the Project under programs of the federal government for the year ended March 31, 2019. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Project, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Project.

Summary of significant accounting policies – Expenditures in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, and the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Subrecipients – The Project did not provide any federal awards to subrecipients during the year ended March 31, 2019.

Indirect costs – The Project has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Loan balance – The federal loan program is administered directly by the Project, and balances and transactions relating to this program is included in the Project's basic financial statements. Loans outstanding at the beginning of the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding at March 31, 2019, was \$5,738,600.

Report of Independent Auditors 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*

The Board of Directors
Lytton IV Housing Corporation
(a California Nonprofit Public Benefit Corporation)

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 Lytton IV Housing Corporation (a California nonprofit public benefit corporation) (the “Project”), HUD Project No. 121-EE 012-NP-WAH, which comprise the statement of financial position as of March 31, 2019, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2019.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free of 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 determination of financial statement amounts. 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.

A handwritten signature in blue ink that reads "Mess Adams LLP". The signature is written in a cursive, flowing style.

San Francisco, California
June 28, 2019

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Lytton IV Housing Corporation
(a California Nonprofit Public Benefit Corporation)

Report on Compliance for the Major Federal Program

We have audited Lytton IV Housing Corporation (a California nonprofit public benefit corporation) (the “Project”), HUD Project No. 121-EE 012-NP-WAH, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Project’s major federal program for the year ended March 31, 2019. The Project’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for the Project’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Project’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Project’s compliance.

Opinion on the Major Federal Program

In our opinion, the Lytton IV Housing Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2019.

Report on Internal Control Over Compliance

Management of the Project is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Project's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Project's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



San Francisco, California
June 28, 2019

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Schedule of Findings and Questioned Costs
Year Ended March 31, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statement audited were prepared in accordance with GAAP: *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 federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Major Federal Programs and Type of Auditor's Report Issued on Compliance for Major Federal Programs:

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
14.157	Section 202 Supportive Housing for the Elderly	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Summary Schedule of Prior Audit Findings
Year Ended March 31, 2019

There are no prior audit findings to report on.

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Mortgagor's Certification
Year Ended March 31, 2019

Account	Description	Value
		We hereby certify that we have examined the accompanying financial statements and supplemental data and to the best of our knowledge and belief, the same is complete and accurate.
S2900-010	Narrative	
S2900-020	Name of Signatory #1	Ronald Schaefer
S2900-025	Title of Certifying Official #1	Chief Operating Officer
S2900-030	Name of Signatory #2	Jonathan Casey
S2900-035	Title of Certifying Official #2	Vice President of Finance for Affordable Housing
S2900-040	Auditee Telephone Number	(925) 956-7400
S2900-050	Date of Certification	June 28, 2019
S2900-080	Auditee Name	Lytton IV Housing Corporation
S2900-090	Auditee Street Address Line 1	2185 N. California Blvd., #215
S2900-110	Auditee City	Walnut Creek
S2900-120	Auditee State	CA
S2900-130	Auditee Zip Code	94596
S2900-150	Auditee Contact Name	Jonathan Casey
S2900-160	Auditee Contact Title	Vice President of Finance for Affordable Housing
S2900-170	Auditee Contact Fax Number	(925) 407-0060
S2900-180	Auditee Contact E-mail	jc Casey@covia.org

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Management Agent's Certification
Year Ended March 31, 2019

Account	Description	Value
S3000-010	Narrative	We hereby certify that we have examined the accompanying financial statements and supplemental data and to the best of our knowledge and belief, the same is complete and accurate.
S3000-020	Name of Managing Agent	
S3000-030	Name of Signatory	
S3000-040	Name of Agent TIN	
S3000-050	Name of Individual (i.e., Property Manager)	
		Covia Affordable Communities Ronald Schaefer 94-2264235 Doris Lee

Lytton IV Housing Corporation
HUD Project No. 121-EE 012-NP-WAH
Transmittal Letter of Auditor
Year Ended March 31, 2019

Account	Description	Value
S3200-005	Audit Firm ID (UII)	10980
S3200-010	Audit Firm	Moss Adams LLP - San Francisco
S3200-020	Lead Auditor First Name	Amy
S3200-030	Lead Auditor Middle Name	R
S3200-040	Lead Auditor Last Name	Runge
S3200-045	Auditor Contact Title	Partner
S3200-050	Auditor Street Address Line 1	101 Second Street
S3200-060	Auditor Street Address Line 2	Suite 900
S3200-070	Auditor City	San Francisco
S3200-080	Auditor State	CA
S3200-090	Auditor Zip Code	94105
S3200-100	Auditor Zip Code Extension	1605
S3200-110	Telephone Number	(415) 956-1500
S3200-120	Auditor Finn TIN	91-0189318
S3200-130	Date of Independent Auditor's Report	June 28, 2019
S3200-140	Auditor Contact Fax Number	(415) 956-4149
S3200-150	Auditor Contact E-mail	amy.runge@mossadams.com

