



2013 Annual Awards Entry Form
(Complete one for each entry.)

Fill out the entry name *exactly* as you want it listed in the awards program.

Entry Name Automated Audit Process

HFA Michigan State Housing Development Authority (MSHDA)

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013**.

Use this header on the upper right corner of each page.

HFA MSHDA

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input checked="" type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

Entry Name Automated Audit Process

Introduction

MSHDA requires annual certified audit submissions on all bond financed properties and uses those audits not only to monitor the assets' financial strength but to insure distributions are properly limited; taxes, insurance and other reserves are appropriately funded and that certain other areas of required compliance are met. The certified audit also establishes the amount of repayment due MSHDA on certain soft "cash flow" loans. The size and complexity of MSHDA's multifamily portfolio became increasingly difficult for asset managers, who are not necessarily professional accountants, to monitor. For example, in 2011 over \$4.4 million was due from properties to either fund reserves or repay soft debt. Prior to implementing MSHDA's Automated Audit Process, staff manually reviewed each audited financial statement to determine if the requirements of the regulatory agreement and mortgage notes were being met.

Recognizing the need to insure proper repayment of soft debt, having appropriate funding of reserves and to improve customer service, MSHDA centralized the review of the financial audits and created an Automated Audit Process. These changes have resulted in cost savings to MSHDA, increased accuracy and a more focused review of all the audited financial statements along with improved customer service.

Innovation

Previously, the asset managers would be heavily burdened with the number of audit reviews that needed to be completed at the beginning of each year. The process included a manual review of the financial statements and the capture of specified data from the financial statements, monthly income and expense reports, and regulatory information to determine the accuracy of reporting and if compliance issues needed clarification. After the audit was approved, upon the request of the owners of the development, the asset manager completed a review and approval of limited distribution (LD) payment paperwork.

Transforming the review process consisted of the creation of an Excel auditor template and an Excel audit review template. MSHDA's staff auditors created an Excel template for the CPA firms to enter and submit audited financial data to MSHDA with a PDF of the certified annual audit. The staff auditors created a customized template for each auditing firm, which is embedded with information for each of the developments the firm will be engaged to audit. The template allows the CPA firm to:

- Select each development from a list that queues development-specific data and designates one of 16 schedule 1 worksheets which calculate each development's specific regulatory requirements and repayment obligations.
- Compare development-specific data and regulatory requirements with the audited financial records prior to submission.
- Submit individual templates for each audit engagement in a standardized format of audited financial data to MSHDA with the correct regulatory calculations for the specific development.

- Clearly identify the variances that require explanation in the certified annual audit based on the monthly financial data provided by management agents.

Upon receipt of the auditor template, MSHDA staff auditors link the data to the internal audit review template. The Excel audit review template:

- Compares data submitted by the CPA firm with various MSHDA records, including the reported year-end financial balances and flags variances for review by MSHDA's staff auditors.
- Tracks the progress of staff auditors' review of each variance.
- Tracks the asset manager reviews of the related party transactions, which are noted in the PDF of the audit report.
- Tracks the final approval of the audit by both the asset manager and final approval by the staff auditor.
- Locks the LD payment authorization form until final MSHDA audit approval and receipt of all repayment obligations from the development.

Excel Auditor Template - The Excel auditor template includes:

- Two entry tabs ('Input' and 'Compliance') for the CPA to enter portions of the financial statements, non-compliance issues and other information. All cells which the CPA can enter into are shaded in yellow.
- Two schedule tabs, which are linked to the data entered by the CPA to automatically select and the correct 'Schedule 1' (calculation of allowable distributions and repayment obligations), and 'Schedule 2' (calculation of prior year allowable distributions).
- A 'Variances' tab linked to the development's financial information and the data entered by the CPA to calculate any variances which require reconciliation in the audit report.

Excel Audit Review Template - The Excel audit review template includes:

- A 'Review' tab which compares the data submitted on the Excel auditor template with various MSHDA records, including the year-end financial balances reported by the developments, and flags the variances. MSHDA staff auditors review the variances and correspond with the CPAs and management agents to clarify any flagged variances and non-compliance issues.
- An 'AM Review' tab that identifies related party notes and compliance report issues noted in the Excel auditor template for asset manager review. All asset manager entry fields are shaded in yellow and final approvals are recorded on this tab.
- An 'LD Auth' tab that allows authorization of an LD payment distribution only if audit approval is complete and all repayment obligations have been met.

These automations to the audit review process have helped make the process more accurate and transparent for all the partners involved (e.g. owners, management agents, CPA firms, and MSHDA asset managers and staff auditors). See attachments for copies of the audit templates.

Measurable Benefits

The streamlined process created the following benefits:

- Soft Funding – MSHDA's flexibility in structuring deals has created the need to monitor a variety of soft funding requirements that fluctuate with each deal (development) and the automation of the audit review allows for the tracking of these regulatory requirements.

- Saved Staff Time - Two staff auditors can review all the MSHDA and American Reinvestment and Recovery Act (ARRA) financed developments for material audit concerns and to question audit firms on collective audit issues before the Asset Manager completes his/her review of flagged compliance issues and related party concerns that require owner input.
- Improved Customer Service and Communication - Both MSHDA and the audit firms can communicate in auditing terms that each side fully understands as staff auditor versus financial analyst communicate only about material variance concerns.
- Improved Accuracy - Financial data is pulled rather than hand keyed and financial variances are identified directly to CPA firms prior to the completion of the certified annual audit report.
- Improved Data Collection and Tracking of Regulatory Payment Obligations - The template monitors the reporting and repayment obligations of each development through linking the appropriate schedule 1 based on its regulatory requirements. This content was not previously reviewed by MSHDA staff, which accepted the CPA firm's calculation and selection of a schedule 1.
- Improved Tracking of Limited Dividend Payments – A complete schedule tracks historical payments from year to year and the template does not allow authorization of an LD without a proper calculation of surplus cash and the repayment of outstanding payment obligation.
- Improved Tracking of Audits in Process - The template provides a standardized tool to organize all developments audit data and requirements, which assists in tracking audits through each step of the audit review process with controls to monitor critical areas for follow-up. The template also helps with annual continuity of submission data and LD payment requests.

Benefits versus the Costs

Previously, the audit review process was fully performed by 20 Asset Managers, who completed a thorough review of every development in their portfolios by comparing the submitted certified audits and 12 months of income and expense reports submitted for the year. The paperwork used for the audit review process required the audited numbers hand-written from the submitted reports and required an annual review of each development's regulatory parameters. This process took about 3 months of time for the all the developments to be reviewed requiring approximately 3,200 hours to complete and costing approximately \$167,000. Now the review process for the certified annual audits use primarily two auditors that cost approximately \$65,400, saving \$101,600 to review over 500 MSHDA and ARRA-financed developments.

Conclusion

With the streamlined process, MSHDA has standardized the submission of audited financial data, improved the accuracy of data collection and improved the ability of audit reviews to focus on trouble issues arising with specific developments based on the materiality of the issues. Communication with the partners has improved and MSHDA has been better able to maintain specific reviews of regulatory requirements around soft costs annually as staff changes and development assignments change. This is due to MSHDA refining the process and more clearly defining expectations for certified annual audits and the submissions.

SCHEDULE I - INPUT

NAME: MICHIGAN FAMILY ESTATES
 NO: 3109
 PARTNERSHIP NAME: Michigan Family Estates LDHA LP
 YE: December 31, 2012
 Schedule 1: 1

CONTACT INFORMATION

ACCOUNTING FIRM
 Firm Name: Michigan Family of CPAs, PC
 Contact Name: Jill Bradley, CPA
 Phone Number: 517-779-4673
 Email Address: bradly@michiganfamily.com
 MANAGEMENT AGENT
 Name: Allday Management Company
 Contact Name: Jennifer Allday
 Phone Number: 517-770-3457
 Email Address: allday@allday.com
 OWNER
 Name: Michigan Estates Family, LLC
 Contact Name: John Snyder
 Phone Number: 248-666-0220
 Email Address: john.snyder@gmail.com

NO
 3
 2

Are all account variances reconciled and Schedule 2 variances reconciled? All variances are required to be reconciled before they can be transmitted
 Number of account variances from 'Variances' tab (cell J90 of 'Variances' tab)
 Number of reconciliations on 'Compliance' tab

0

Number of Schedule 2 variances from 'Variances' tab (cell I109 of 'Variances' tab)

Unqualified
 Accrual Basis
 NO

Audit Opinion
 Basis of Accounting
 Was a management letter issued?
Compliance Report

YES

Were any material weaknesses noted in internal control?
[InternalControlWeakness](#): If yes, click cell to left to provide explanation that is noted in report.

YES

If material weaknesses were noted, was explanation provided?

YES

Were noncompliance issues noted?

Account Bal Variance(s)
 AcctBalVariances
 OtherNonCompliance

If yes, what type of issues?
 Select cell to left to enter Account Balance Variances
 Select cell to left to enter Account Balance Variances

YES

If noncompliance issues were noted, was explanation provided?

Line # From Sch 1and/or 2	BALANCE SHEET	Amount
	Assets	
	Cash	
1	General Operating Cash	137,070
	Security Deposit Cash	31,473
2	MSHDA-Held Operating Reserve Cash	182
3	Other Non-Restricted Cash Reserve Accounts	
	Partnership Cash	
	Escrows	
	MSHDA-Held Replacement Reserve	83,062
	MSHDA-Held Tax Escrow	10,075
	MSHDA-Held Insurance Escrow	39
	DCE Principal	
10	Development Cost Escrow Interest	
	Operating Assurance Reserve (OAR)	132,411
	Sinking Fund	
	Operating Reserve	
	Subordinate Debt Payment Reserve	
	Operating Deficit Reserve (ODR)	
	Transition and Stabilization Reserve	
	Other Escrows	
	Accounts Receivable	
5	Resident Rent Receivable	20,648
6	Other Resident Charges	
12	Escrow Draws Receivable	
7	Non-Resident Receivable	
9	HUD Subsidy Receivable	
9	MSHDA Subsidy Receivable - Tenant Based	
9	MSHDA Subsidy Receivable - Development Based	
9	Other Subsidy Receivable	
7	Related Party Receivable	
	Partnership	
	Other Receivables	
	Other Current Asset	
	Prepaid Expenses - Partnership	
	Prepaid Expenses - Operating	9,105
	Investment in Rental Property	
	Land	284,347
	Building	3,224,694
	Building Improvements	
	Land Improvements	881,335
	Furniture & Fixtures	737,404
	Equipment & Vehicles	
	Accumulated Depreciation	(1,370,450)

**** If you have a line item that is not included on the balance sheet, but you need to enter it to have the schedule 1 calculate correctly, select an "X" in column E next to the applicable line item. If you have the "X" selected, the total will not be included in the total assets or liabilities.

PAYMENT SUMMARY	
0	Tax & Insurance Escrow Deficit
0	Amenity Improvement/Deferred Maintenance Loan
0	Workout Repayment Obligations
27,330	HOME Loan
0	HOME Preservation Initiative Loan or Preservation Loan
0	Repayable Subsidy Payable
0	Small Size/Security Loan
0	Operating Reserve Cash
0	Replacement Reserve Needs/Replacement Reserve
0	MSHDA Subsidy Repayment Obligation
0	Deferred Mortgage Interest
0	Deferred Mortgage Principal
0	Second or Third Mortgage
0	Operating Assurance Reserve (OAR)
0	Subordinate Debt Payment Reserve - OR - TCAP Int/Prin
0	Operating Deficit Reserve (ODR)
0	Service Fund or NSP Loan Payment
0	Community Development Fund
	Source of Payment (only applicable to Schedule 1-D & 1-G)
0	Operating Cash
0	Operating Reserve Cash
0	DCE Interest

INSTRUCTIONS:
 All yellow shaded cells are entry fields.
 All blue shaded cells are accounts that are used in the Schedule 1.
 The numbers in Column A are the corresponding line numbers from the Schedule 1.
 All bolded accounts are to be separated and not grouped with others.
 Select the developments in the pull down list in cell "C2". When you have the development name selected, the corresponding MSHDA Number and Schedule 1 will be automatically filled in cells "C3" and "C6".
 Enter the applicable year end in cell "C5".
 Enter the applicable contact information, and accounting basis and internal control and compliance information in the yellow cells.
 The Schedules will automatically calculate on the Schedule 1, Schedule 2, and Schedule 3 tabs.
 The prior year Schedule 2 information will automatically fill if you enter the prior year detail in the bottom section of the Input tab.
 After you have completed the worksheet verify there are no "Not Acceptable" errors in the following section.
NOTE: This is not all of the items that will be checked by the asset manager.

Other Assets

Deferred Mortgage Costs, net of amortization	51,526
Organizational Costs, net of amortization	17,803
Syndication Costs, net of amortization	
Monitoring Fees, net of amortization	
Deposits	

TOTAL ASSETS 4,250,724

Liabilities & Owner's Equity

Accounts Payable & Accrued Expenses

15 General Trade Payables	402
Construction Payables	
Partnership Payables	
15 Payroll Payable	2,348
15 Management Fees Payable	1,912
15 Utilities Payable	5,223
15 Auditing Fees Payable	
15 Short-term Notes Payable - operating	
Short-term Notes Payable - partnership	
15 Owner Advances - operating	
Owner Advances - operating - Non-repayable	
Owner Advances - partnership	
15 Surcharges Payable	
15 Related Party Payable	
16 HUD Subsidy Payable	
0 Repayable Subsidy	
16 MSHDA Resident-Based Subsidy Payable	
16 Other Subsidy Payable	
22 Unearned Rental Income - operating	5,101
Unearned Rental Income - congregate care	
Current Mortgage Interest - MSHDA	10,987
Current Mortgage Interest - HOME	
Current Mortgage Interest - Other	
24 Delinquent Mortgage Interest Payments	
23 Delinquent Mortgage Principal Payments	
24 Deferred Mortgage Interest Payments Due to Mortgage Workout (or if Sch 1-J, deferred HOME interest)	
23 Deferred Mortgage Principal Payments Due to Mortgage Workout (or if Sch 1-J, deferred HOME principal)	
Real Estate Taxes	33,596
Security Deposit Liability	31,473
Current Portion of Mortgages	
Developer Fees Payable	
Other Accrued Liabilities - operating (not included on Schedule 1)	
15 Other Accrued Liabilities - operating	
Other Accrued Liabilities - partnership	

Long-term Liabilities

Long-term Portion of First Mortgage	2,633,909
Deferred Interest on Second and/or Third Mortgage	
Accrued Principal on Second and/or Third Mortgage	
43 MSHDA HOME Loan	1,065,638
0 HOME Preservation Initiative Loan	
32 Amenity Improvement/Deferred Maintenance Loan	
0 Small Size Loan	
0 Security Loan	
0 Preservation Fund Loan	
TCAP Loan	
Deferred Interest on TCAP Loan	
1602 Loan	
0 NSP Loan	
Other Long-term Liabilities (L8 from MIE Balance Sheet tab)	
Other Long-term Liabilities (L9 from MIE Balance Sheet tab)	

Owners' Equity 460,135

TOTAL LIABILITIES & OWNERS' EQUITY 4,250,724

Following are checks that the worksheet is entered correctly. If an item shows "Not Acceptable", view comment on cell for an explanation of the error.

Acceptable	Partnership Name, Year End & Contact Information
Acceptable	Internal Control and Compliance Letter Detail
Acceptable	Assets = Liabilities & Owner's Equity
Acceptable	Rent Potential
Acceptable	Repayable Subsidy
Acceptable	Small Size Loan
Acceptable	Security Loan
Acceptable	HOME Preservation Loan
Acceptable	Schedule 1-B Information (Cash Flow Question)
Acceptable	Schedule 1-B & 1-D Surplus Cash Allocation
Acceptable	Schedule 2 Cut-off Date
Acceptable	Schedule 2 Owner's Equity
Acceptable	Schedule 2 Cumulative LD
Acceptable	Schedule 2 Non-Cumulative LD
Acceptable	Current Year Cumulative Carryforward

*** Only include HOME loans that were processed through MSHDA.

MICHIGAN FAMILY ESTATES MSHDA NO. 3109

SCHEDULE I
FUNDS AVAILABLE FOR DISTRIBUTION
December 31, 2012

SECTION 1

1	Operating Cash	\$ 137,070
2	MSHDA-Held Operating Reserve Account	182
3	Other Non-Restricted Cash Reserve Accounts	-0-
4	TOTAL AVAILABLE CASH (PER AUDIT) (ADD Lines 1 through Line 3)	<u>\$ 137,252</u>

SECTION 2**ADD:**

5	Resident Rent Receivable	\$ 20,648
6	Other Resident Charges	-0-
7	Non-Resident Receivable	-0-
8	Unadjusted Items-Accounts Receivable	-0-
9	Subsidy Receivable	-0-
10	Development Cost Escrow Interest	-0-
11	Tax/Insurance Escrow Surplus (Deficit)	-0-
12	Escrow Draws Receivable	-0-
13	TOTAL ADDITIONS (ADD Lines 5 through Line 12)	<u>\$ 20,648</u>
14	TOTAL CASH AND ADDITIONS (Line 4 PLUS Line 13)	<u>157,900</u>

SECTION 3**DEDUCT:**

15	Trade Accounts And Surcharges Payable, Accrued Expenses Liabilities And Other Short-term Operating Liabilities	\$ 9,885
16	Subsidy Payable	-0-
17	Unadjusted Items-Liabilities	-0-
18	Unused Authorized Section 236 Excess Income	-0-
19	Unapproved Section 236 Excess Income Payable to HUD	-0-
20	Authorized Section 236 Excess Income Payable to HUD	-0-
21	Approved Undisbursed Limited Dividend (L.D.) Payments	-0-
22	Prepaid Rent/Unearned Rental Income	5,101
23	Delinquent Mortgage Principal Payments or Deferred Mortgage Principle Payment as a Result of Mortgage Workout	-0-
24	Delinquent Interest Payment or Deferred Mortgage Interest Payment as a Result of Mortgage Workout	-0-
25	R/R Deferrals, Delinquent MSHDA Loans/ Grants	-0-
26	Security Deposit Not Funded (Over Funded)	-0-
27	One Month's Gross Rent Potential	33,595
28	TOTAL DEDUCTIONS (ADD Lines 15 through 27)	<u>\$ 48,581</u>
29	SURPLUS FUNDS (Line 14 MINUS Line 28). Insert the actual amount even if it is negative.	<u>\$ 109,319</u>

AUDITOR TEMPLATE "SCHEDULE 1" TAB

SECTION 4

30	Replacement Reserve Needs	\$ -0-
31	Subtotal (Line 29 MINUS Line 30)	<u>109,319</u>
32	Amenity Improvement/Deferred Maintenance Loan	-0-
33	Subtotal (Line 31 MINUS Line 32)	<u>109,319</u>
34	Amount of Workout Repayment Obligations	-0-
35	Subtotal (Line 33 MINUS Line 34)	<u>109,319</u>
36	Amount of MSHDA Subsidy Repayment Obligations	-0-
37	Subtotal (Line 35 MINUS Line 36)	<u>109,319</u>

NOTE: Complete Line 38 for Duvernay Park #1039; Line 39 for The Depot #971; Line 40 for Maplewood Manor #3180; all others go to Line 42.

38	DUVERNAY PARK - Surplus cash to be distributed to replacement reserve. (Line 37 if positive, if negative enter -0-)	<u>-0-</u>
39	THE DEPOT - Surplus cash to be distributed to deferred interest (25% of Line 37, if negative enter -0-)	<u>-0-</u>
40	MAPLEWOOD MANOR - 25% of Outstanding Balance of Preservation Fund Loan	<u>-0-</u>
41	MAPLEWOOD MANOR - Surplus cash to be distributed to Preservation Fund Loan (Less of Line 37 or Line 40, if Line 37 negative enter -0-)	<u>-0-</u>
42	SURPLUS FUNDS (LINE 37 MINUS LINES 38, 39 AND 41)	<u>\$ 109,319</u>

NOTE: Complete Lines 43 through 44 only for developments with MSHDA HOME Loans; all others go to Line 45. Excluding Gardenvue Estates I #3181, Orianna Ridge #1074, Research Park #300, Rosewood Park #1022, The Depot #971, and Rouge Woods \$3223, which have no HOME loans due from surplus cash. Oak Meadows #44 is required to submit 100% of surplus cash to repay the HOME loan.

SECTION 5

43	Outstanding Balance of MSHDA HOME Loan	<u>1,065,638</u>
44	Amount to be Repaid on HOME Loan Enter 25% of Line 42, or if Line 42 is negative enter -0-	<u>27,330</u>
45	SURPLUS FUNDS AVAILABLE FOR DISTRIBUTION (LINE 42 MINUS LINE 44)	<u>\$ 81,989</u>
46	Current Years Maximum Potential L.D. Payment	<u>227,560</u>
47	Subtotal (Line 45 MINUS Line 46)	<u>(145,571)</u>
48	Sum of Lines 2 and 10	<u>\$ 182</u>
49	OPERATING RESERVE CASH TO BE SUBMITTED TO MSHDA: DEDUCT LINE 48 FROM LINE 47. If LINE 47 is negative, insert "0".	<u>\$ -0-</u>

AUDITOR TEMPLATE "SCHEDULE 1" TAB

SECTION 6

SUMMARY OF CHECKS AND/OR MSHDA-HELD RESERVE TRANSFERS DUE:

A SEPARATE CHECK AND/OR MSHDA-HELD RESERVE TRANSFER REQUEST MUST BE SUBMITTED FOR EACH AMOUNT REPORTED ON LINES 50 THROUGH 59 WITHIN 120 DAYS AFTER THE DEVELOPMENT'S YEAR-END. PLEASE INDICATE THE PURPOSE ON EACH CHECK OR MSHDA-HELD RESERVE TRANSFER REQUEST. FAILURE TO COMPLY WITH THIS REQUEST WILL AFFECT THE MANAGEMENT AGENT'S ELIGIBILITY FOR PREMIUM MANAGEMENT FEES.

50	The amount from Line 11, if a deficit (Tax/Insurance Escrow)	\$ -0-
51	The lesser of Line 31 or Line 32-Amenity Improvement/Deferred Maintenance Loan (If Line 31 is negative, insert "0")	\$ -0-
52	The lesser of Line 33 or Line 34-Workout Repayment Obligations (If Line 33 is negative, insert "0")	\$ -0-
53	The lesser of Line 35 or Line 36-MSHDA Subsidy Repayment Obligations (If Line 35 is negative, insert "0")	\$ -0-
54	The amount from Line 44 (MSHDA HOME Loan)	\$ 27,330
55	The amount from Line 49 (Operating Reserve Cash)	\$ -0-
56	The lesser of Line 29 or Line 30-Replacement Reserve Needs (If Line 29 is negative, insert "0").	\$ -0-
57	The amount from Line 38 (Replacement Reserve)	\$ -0-
58	The amount from Line 39 (Deferred Interest)	\$ -0-
59	The amount from Line 41 (Preservation Fund Loan)	\$ -0-

MICHIGAN FAMILY ESTATES MSHDA NO.3109

SCHEDULE II

FUNDS AVAILABLE FOR DISTRIBUTION

December 31, 2012

1.	OWNER INITIAL EQUITY		\$ 1,517,066
1a.	SECTION 8/236 PRESERVATION		<u>\$ -0-</u>
2.	MAXIMUM L.D. PAYMENT:		<u>\$ 227,560</u>
3.	CUMULATIVE %	15%	<u>\$ 227,560</u>
4.	NON-CUMULATIVE %	0%	<u>\$ -0-</u>
	CUT-OFF DATE:	January 20, 2009	
5.	SALE/PRESERVATION TRANSACTION		
	CLOSING DATE:		

I.	II.	III.	IV.	V.
YEAR OF OPERATION	AVAILABLE FOR DISTRIBUTION	POTENTIAL L.D.	L.D. PAID	CARRY FORWARD
2009	55,426	172,073	0	172,073
2010	(5,459)	197,219	55,426	313,866
2011	(552)	212,389	0	526,255
2012	81,989	227,560	0	753,815

Accounts Requiring Reconciliations

<u>MIE Line Item</u>	<u>Audit Line Item from Input Tab</u>	<u>MIE</u>	<u>Audit</u>	<u>Variance #</u>	<u>Variance %</u>	<u>Compliance Adjustment</u>	
	General Operating Cash		137,070				
	Other Non-Restricted Cash Reserve Accounts		0				
Operating Cash (OC,SC,CDC,PC)	Total Operating Cash	32,912	137,070	104,158	76%	YES	Variance required to be reconciled on Compliance tab
Security Deposit Cash (SDC)	Security Deposit Cash	31,473	31,473	0	0%	NO	
Resident Accounts Receivable (A1)	Resident Rent Receivable	2,388	20,648	18,260	88%	YES	Variance required to be reconciled on Compliance tab
	MSHDA Subsidy Receivable - Tenant Based		0				
	MSHDA Resident-Based Subsidy Payable		0				
Subsidy Receivable (tenant-based) (A2)	Total Subsidy Receivable/(Payable) tenant-based	0	0	0	0%	NO	
	HUD Subsidy Receivable		0				
	MSHDA Subsidy Receivable - Development Based		0				
	Other Subsidy Receivable		0				
	HUD Subsidy Payable		0				
	Other Subsidy Payable		0				
Subsidy Accounts Receivable (A3)	Total Subsidy Receivable/(Payable)	0	0	0	0%	NO	
Other Resident Accounts Receivable (A10)	Other Resident Charges	259	0	-259	25900%	NO	
Escrow Draws Receivable (A11)	Escrow Draws Receivable	0	0	0	0%	NO	
Non-Resident Receivables (A12)	Non-Resident Receivable	0	0	0	0%	NO	
Related Party/Affiliate Receivables (A13)	Related Party Receivable	0	0	0	0%	NO	
Other Receivables (A14)	Other Receivables	0	0	0	0%	NO	
Security Deposit Liability (SDL)	Security Deposit Liability	31,473	31,473	0	0%	NO	
<input checked="" type="checkbox"/> Accounts Payable (L1)	<input checked="" type="checkbox"/> General Trade Payable	2,053	402				
<input checked="" type="checkbox"/> Accrued Expenses (L2)	<input checked="" type="checkbox"/> Payroll Payable	7,831	2,348				
	<input checked="" type="checkbox"/> Management Fees Payable		1,912				
	<input checked="" type="checkbox"/> Utilities Payable		5,223				
	<input checked="" type="checkbox"/> Auditing Fees Payable		0				
	<input checked="" type="checkbox"/> Short-term Notes Payable - operating		0				
	<input checked="" type="checkbox"/> Surcharges Payable		0				

COMPLIANCE REPORT/INTERNAL CONTROL

Internal Control Weaknesses

As part of the audit, management requested that we prepare a draft of the financial statements, including the related notes to the financial statements. Management reviewed, approved and accepted responsibility for those financial statements prior to their issuance. The outsourcing of these services is not unusual for an organization of your size and is a result of the management's cost benefit decision to rely on our accounting expertise rather than incurring this internal resource cost.

Compliance Variance Notes

Account Balance Variances

Account 1	Operating Cash (OC,SC,CDC,PC)		
If "Other" selected above, provide name of account			
RECONCILIATION			
	Balance per MIE:	32,912	
	Balance per Balance Sheet or Income Statement:	137,070	
	Variance	(104,158)	
	Variance Percentage	-75.99%	
	Balance per MIE:	32,912	
	Reconciling Items:		
	Amounts		
Unrecorded deposit	4,158		
	Total Adjustments:	4,158	
	Balance Per Balance Sheet or Income Statement:	37,070	
Explanation:		VARIANCES ARE NOT RECONCILED	
The amount identified as not being reported as operating cash on the MIE represents rent that was received per the December bank statement that was inadvertently not recorded in the general ledger, or included in the December MIE.			

CERTIFIED AUDIT REVIEW

YEAR ENDING:	2012	AUDIT SCHEDULE USED:	Sch 1
MSHDA #:	3109	TOTAL NUMBER OF UNITS:	48
DEVELOPMENT NAME:	MICHIGAN FAMILY ESTATES		
MANAGEMENT AGENT:	ALLDAY MANAGEMENT COMPANY		
ASSET MANAGER:	Simons, Carol		
PROGRAM TYPE:	Team		
AUDIT STAGE	Approved - Follow-Up Completed	Changes to Original Submission	
INTERNAL AUDIT STATUS	Internal Auditor		

Internal Control Findings	Compliance Findings	Compliance Findings - Other	Mgmt Letter Issued	Audit Opinion
YES	YES		NO	Unqualified
Submitted	3/4/13	FLAG SUMMARY	0	Contact Info
Certified	3/4/13	Assets/Liab	0	Complete
Approved	3/7/13	Inc/Exp/Misc	0	Yes
		Other	0	
		Schedule 2	0	
		IC or Non-comp	0	

Description	MSHDA	Compliance Adjustment	MSHDA After Compliance Adjustment	MSHDA Auditor Adjustment	MSHDA Auditor Adjusted Balance	Audit	Variance #	Variance %	Variance \$ and/or % Greater Max	Comp. Adjustment Reviewed	Comp. Adjustment Reviewed	Flag Cleared by Auditor	Flag	Flag Status	Follow-up Status
ASSETS															
Checking/Cash	32,912	4,158	37,070	0	37,070	37,070	0	0%	NO				0	No	No Follow-up
Security Deposit Cash	31,473	0	31,473	0	31,473	31,473	0	0%	NO				0	No	No Follow-up
O R C	182	0	182	0	182	182	(0)	0%	NO				0	No	No Follow-up
DCE Interest	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Escrow Draws Rec.	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Resident Rent Receivables	2,388	0	2,388	0	2,388	2,648	260	10%	NO				0	No	No Follow-up
Subsidy Rec. (Tenant Based)	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Other Subsidy Receivable	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Other Resident Charges Rec	259	0	259	0	259	0	(259)	-25900%	NO				0	No	No Follow-up
Non-Resident Receivables	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Other Receivables	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Related Party Receivable	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up

CERTIFIED AUDIT REVIEW

YEAR ENDING:	2012	AUDIT SCHEDULE USED:	Sch 1	Internal Control Findings	Compliance Findings	Compliance	Mgmt Letter	Audit
MSHDA #:	3109	TOTAL NUMBER OF UNITS:	48	YES	Acct Balance Variances	Findings - Other	Issued	Opinion
DEVELOPMENT NAME:	MICHIGAN FAMILY ESTATES			YES	YES		NO	Unqualified

Description	MSHDA	Compliance Adjustment	MSHDA After Compliance Adjustment	MSHDA Auditor Adjustment	MSHDA Auditor Adjusted Balance	Audit	Variance #	Variance %	Variance \$ and/or % Greater Max	Comp. Adjustment Reviewed	Comp. Adjustment Reviewed	Flag Cleared by Auditor or	Flag	Flag Status	Follow-up Status
LIABILITIES															
Accounts Payable	X	2,053	0	2,053	0	2,053	402								
Accrued Expenses	X	7,831	0	7,831	0	7,831									
Payroll Payable	X						2,348								
Management Fees P	X						1,912								
Utilities Payable	X						5,223								
Auditing Fees Payable							0								
Short-term N/P							0								
Related Party Payable							0								
Total Payables		9,884	0	9,884	0	9,884	9,885	1	0%	NO			0	No	No Follow-up
Related Party/Affiliate Contrib		0	0	0	0	0									
Related Party/Affiliate Contrib		0	0	0	0	0									
Owner Adv-Oper							0								
Owner Adv-Oper-Non rep							0								
Related Party Payable							0								
Related Party/Affiliate Adv/Ret		0	0	0	0	0	0	0	0%	NO			0	No	No Follow-up
Other Long-Term Liabilities		0	0	0	0	0	0	0	0%	NO			0	No	No Follow-up
Other Long-Term Liabilities		0	0	0	0	0	0	0	0%	NO			0	No	No Follow-up
Other Liabilities		0	0	0	0	0	0	0	0%	NO			0	No	No Follow-up
Prepaid Rent		943	4,158	5,101	0	5,101	5,101	0	0%	NO			0	No	No Follow-up
Security Deposit Liability		31,473	0	31,473	0	31,473	31,473	0	0%	NO			0	No	No Follow-up
Repayable Subsidy		0	0	0	0	0	0	0	0%	NO			0	No	No Follow-up

CERTIFIED AUDIT REVIEW

YEAR ENDING:	2012	AUDIT SCHEDULE USED:	Sch 1	Internal Control Findings	Compliance Findings	Compliance	Mgmt Letter	Audit
MSHDA #:	3109	TOTAL NUMBER OF UNITS:	48	YES	Acct Balance Variances	Findings - Other	Issued	Opinion
DEVELOPMENT NAME:	MICHIGAN FAMILY ESTATES			YES	YES		NO	Unqualified

Description	MSHDA	Compliance Adjustment	MSHDA After Compliance Adjustment	MSHDA Auditor Adjustment	MSHDA Auditor Adjusted Balance	Audit	Variance #	Variance %	Variance \$ and/or % Greater Max	Comp. Adjustment Reviewed	Comp. Adjustment Reviewed	Flag Cleared by Auditor or	Flag	Flag Status	Follow-up Status
Small Size Loan	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Security Loan	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
ADML	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
HOME Loan	1,065,638	0	1,065,638	0	1,065,638	1,065,638	0	0%	NO				0	No	No Follow-up
Delinquent Loans				0	0	0	0	0%	NO				0	No	No Follow-up
Workout Repay Oblig				0	0	0	0	0%	NO				0	No	No Follow-up
Delinquent Interest	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Delinquent Principal	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up
INCOME AND EXPENSES															
Gross Rent Potential	33,595	0	33,595	0	33,595	33,595	0	0%	NO				0	No	No Follow-up
Vacancy Loss	18,792	0	18,792	0	18,792	18,792	0	0%	NO				0	No	No Follow-up
Rent Concessions	1,329	0	1,329	0	1,329	1,329	0	0%	NO				0	No	No Follow-up
Other Income	5,474	0	5,474	0	5,474	5,474	0	0%	NO				0	No	No Follow-up
Audit Fee (\$11,560 for 2012)	6,000	0	6,000	0	6,000	6,000	0	0%	NO				0	No	No Follow-up
COE Expenses		0	0	0	0	0	0	0%	NO				0	No	No Follow-up
Other Admin Expense	1,333	0	1,333	0	1,333	1,323	(10)	1%	NO				0	No	No Follow-up
ARRA Reg. Fees	0	0	0	0	0	0	0	0%	NO				0	No	No Follow-up

CERTIFIED AUDIT REVIEW

YEAR ENDING:	2012	AUDIT SCHEDULE USED:	Sch 1	Internal Control Findings	Compliance Findings	Compliance Findings - Other	Mgmt Letter Issued	Audit Opinion
MSHDA #:	3109	TOTAL NUMBER OF UNITS:	48	YES	YES		NO	Unqualified
DEVELOPMENT NAME:	MICHIGAN FAMILY ESTATES							

Description	MSHDA	Compliance Adjustment	MSHDA After Compliance Adjustment	MSHDA Auditor Adjustment	MSHDA Auditor Adjustment Balance	Audit	# Units	Max Fee	MSHDA Approval	Comp. Adjustment Reviewed	Comp. Adjustment Reviewed	Flag Cleared by Auditor or	Flag	Flag Status	Follow-up Status
Management Fees	22,944	0	22,944	0	22,944	22,944	48	22,944					0	No	No Follow-up
	Audit	Max Fee	Audit Over/Under Max	Is Audit Over Max											
	22,944	22,944	0	NO	If the audit is over the max, audit balance is not acceptable										
	MSHDA Adj Bal	Max Fee	MSHDA Over/Under Max	Is MIE Over Max											
	22,944	22,944	0	NO	If MSHDA is over the max, Additional follow up is required by asset manager.										

Description	MSHDA	Compliance Adjustment	MSHDA After Compliance Adjustment	MSHDA Auditor Adjustment	MSHDA Auditor Adjustment Balance	Audit	# Units	Max Fee	MSHDA Approval	Comp. Adjustment Reviewed	Comp. Adjustment Reviewed	Flag Cleared by Auditor or	Flag	Flag Status	Follow-up Status
Premium Management Fee	3,504	0	3,504	0	3,504	3,504	48	3,504	YES				0	No	No Follow-up
	Audit	Max Fee	Audit Over/Under Max	Is Audit Over Max											
	3,504	3,504	0	NO	If the audit is over the max AND the MSHDA did not approve, audit balance is not acceptable										
	MSHDA Adj Bal	Max Fee	MSHDA Over/Under Max	Is Audit Over Max											
	3,504	3,504	0	NO	If MSHDA is over the max, Additional follow up is required by asset manager.										

Description	MSHDA	Compliance Adjustment	MSHDA After Compliance Adjustment	MSHDA Auditor Adjustment	MSHDA Auditor Adjustment Balance	Audit	Variance #	Variance %	Variance \$ and/or % Greater Max	Comp. Adjustment Reviewed	Comp. Adjustment Reviewed	Flag Cleared by Auditor or	Flag	Flag Status	Follow-up Status
PAYROLL															
Marketing Payroll	0	0	0	0	0	0									
Administrative Payroll	21,856	0	21,856	0	21,856	21,858									
Maintenance Payroll	21,537	0	21,537	0	21,537	21,537									
Janitorial Payroll	0	0	0	0	0	0									
Security Payroll	0	0	0	0	0	0									
Grounds Payroll	0	0	0	0	0	0									
TOTAL PAYROLL	43,393	0	43,393	0	43,393	43,395	2	0%	NO				0	No	No Follow-up

CERTIFIED AUDIT REVIEW

YEAR ENDING: **2012** AUDIT SCHEDULE USED: **Sch 1**
 MSHDA #: **3109** TOTAL NUMBER OF UNITS: **48**
 DEVELOPMENT NAME: **MICHIGAN FAMILY ESTATES**

Internal Control Findings	Compliance Findings Acct Balance Variances	Compliance Findings - Other	Mgmt Letter Issued	Audit Opinion
YES	YES		NO	Unqualified

Description	MSHDA	Compliance Adjustment	MSHDA After Compliance Adjustment	MSHDA Auditor Adjustment	MSHDA Auditor Adjusted Balance	Audit	Variance #	Variance %	Variance \$ and/or % Greater Max	Comp. Adjustment Reviewed	Comp. Adjustment Reviewed	Flag Cleared by Auditor or	Flag	Flag Status	Follow-up Status
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MISCELLANEOUS

Undisbursed LD				0	0	0	0	0%	NO				0	No	No Follow-up
RR Needs	0		0	0	0	0	0	0%	NO				0	No	No Follow-up

Description	Security Deposit Cash	Security Deposit Liability	Security Deposit Over/Under Funded	Was Security Deposit Under Funded								Flag Cleared by Auditor or	Flag	Flag Status	Follow-up Status
Security Deposit Funding	31,473	31,473	0	NO									0	No	No Follow-up

EXCESS INCOME

Did the development retain excess income?	Excess Inc	0	Excess Pd	0	NO
Did the owner receive HUD approval to retain Excess Income?					N/A
If the owner did not receive HUD approval, is it reported in the Compliance report?					N/A
Was retained excess income not used for authorized purposes reported in Compliance report?					N/A
If excess income was not approved by HUD or was not used for the authorized purpose, is the amount recorded on the applicable Schedule 1?					N/A

Amounts from Schedule 1.	
Unused Authorized Excess Income	0
Unapproved Excess Income Payable to HUD	0
Authorized Excess Income Payable to HUD	0

Flag Clr	Flag	Flag Status	Follow up Status
	0	No	No Follow-up

TAX AND INSURANCE ESCROWS

December Tax/Insurance analysis net surplus or deficit		Deficit
If a surplus was indicated, was it transferred to ORC?		N/A
If a deficit was indicated, was it funded prior to January 30?		YES
Surplus (deficit) per analysis after payments and transfers	0	
Surplus (deficit) per Schedule 1	0	
Variance	0	

Flag Clr	Flag	Flag Status	Follow up Status
	0	No	No Follow-up

CERTIFIED AUDIT REVIEW

YEAR ENDING:	2012	AUDIT SCHEDULE USED:	Sch 1
MSHDA #:	3109	TOTAL NUMBER OF UNITS:	48
DEVELOPMENT NAME:	MICHIGAN FAMILY ESTATES		

Internal Control Findings	Compliance Findings Acct Balance Variances	Compliance Findings - Other	Mgmt Letter Issued	Audit Opinion
YES	YES		NO	Unqualified

RELATED PARTY TRANSACTIONS

Description	MSHDA	Compliance Adjustment	MSHDA After Compliance Adjustment	MSHDA Auditor Adjustment	MSHDA Auditor Adjusted Balance	Audit	Variance #	Variance %	Variance \$ and/or % Greater Max	Comp. Adjustment Reviewed	Comp. Adjustment Reviewed	Flag Cleared by Auditor	Flag	Flag Status	Follow-up Status
Owner Receivable						0									
Related Party Receivable	0	0	0	0	0	0	0	0%	NO	0		0	0	No	No Follow-up
Related Party/Affiliate Cor	0	0													
Related Party/Affiliate Cor	0	0													
Owner Adv-Oper	0					0									
Owner Adv-Oper-Non rep	0					0									
Related Party Payable	0					0									
Related Party/Affiliate Adv/Re	0	0	0	0	0	0	0	0%	NO	0		0	0	No	No Follow-up

Are there any issues with related party transactions that should be noted or followed up on?	NO	Flag Clr	Flag	Flag Status	Follow up Status
			0	No	No Follow-up

ODR FOR 1-K AND 1-L

Does this development use the 1-K or 1-L?	NO
Does the ODR restriction apply to this development?	YES

	MSHDA	AUDIT	Variance
Current Year "Ending Balance-Appropriate Level" for ODR	0	0	0
Current Year total ODR draws	0	0	0

Flag Clr	Flag	Flag Status	Follow up Status
	0	No	No Follow-up

CERTIFIED AUDIT REVIEW

YEAR ENDING:	2012	AUDIT SCHEDULE USED:	Sch 1	Internal Control Findings	Compliance Findings Acct Balance Variances	Compliance Findings - Other	Mgmt Letter Issued	Audit Opinion
MSHDA #:	3109	TOTAL NUMBER OF UNITS:	48	YES	YES		NO	Unqualified
DEVELOPMENT NAME:	MICHIGAN FAMILY ESTATES							

Payment Summary

	Due	Received
Tax & Insurance Escrow Deficit	0	0
Amenity Imprvmt/Dfrd Maint Ln	0	0
Workout Repayment Obligations	0	0
HOME Loan	0	0
Repayable Subsidy Payable	0	0
Small Size/Security Loan	0	0
Operating Reserve Cash	0	0
Replacement Reserve Needs	0	0
Deferred Mortgage Interest	0	0
Deferred Mortgage Principal	0	0
Second or Third Mortgage	0	0
Operating Assurance Reserve	0	0
Subordinate Debt Pmt Res or TCAP Int/Prin OR Service Fund	0	0
Operating Deficit Reserve	0	0
NSP Loan or Service Fund	0	0
Community Development Fund	0	0
TOTAL	0	0

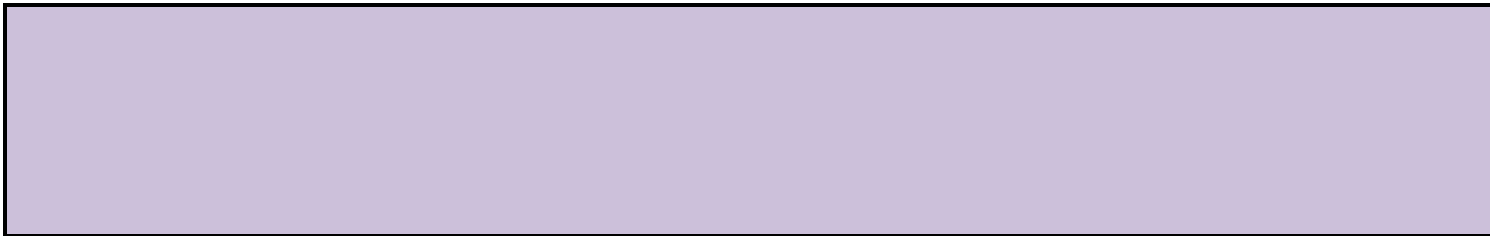
CERTIFIED AUDIT REVIEW

YEAR ENDING:	2012	AUDIT SCHEDULE USED:	Sch 1
MSHDA #:	3109	TOTAL NUMBER OF UNITS:	48
DEVELOPMENT NAME:	MICHIGAN FAMILY ESTATES		

Internal Control Findings	Compliance Findings Acct Balance Variances	Compliance Findings - Other	Mgmt Letter Issued	Audit Opinion
YES	YES		NO	Unqualified

Schedule 2													
Prior Year Carryforward	Potential LD	LD Paid	Current Year Carryforward		MSHDA	MSHDA Auditor Adjustment	MSHDA Auditor Adjusted	Audit	Variance	Flag Cleared by	Flag	Flag Status	Follow-up Status
526,255	227,560	0	753,815	Owner's Equity	1,517,066	0	1,517,066	1,517,066	0		0	No	No Follow-up
				Cut-off Date	01/20/09		01/20/09	01/20/09	0		0	No	No Follow-up
	Maximum	Potential		Cumulative LD %	% applied	15%	0%	15%	15%	0%	0	No	No Follow-up
	227,560	227,560		Cumulative LD fix per reg.		0	0	0	0	0	0	No	No Follow-up
	0	0		NonCum LD %		0%	0%	0%	0%	0%	0	No	No Follow-up
	227,560	227,560		NonCum LD		0	0	0	0	0	0	No	No Follow-up
	NO	# Days											
		N/A		Prior Year Cum Carryforward	526,255	0	526,255	526,255	0		0	No	No Follow-up
			MSHDA After	Surplus Funds	(8,681)	0	(8,681)	(8,681)	0		0	No	No Follow-up
	MSHDA	Comp Adj	Comp Adj	Potential LD	227,560	0	227,560	227,560	0		0	No	No Follow-up
LD Paid	0	0	0	LD Paid	0	0	0	0	0		0	No	No Follow-up
				LD Approved	0	0	0	0	0		0	No	No Follow-up
				Current Year Cum Carryforward	753,815	0	753,815	753,815	0		0	No	No Follow-up

Notes:



ASSET MANAGER REVIEW

MSHDA #	3109	Program Type	Team	Audit Year	2012
Development	MICHIGAN FAMILY ESTATES			Schedule 1	Sch 1
Asset Manager	Simons, Carol				
Audit Stage	Approved - Follow-Up Completed				
Internal Audit Status	Internal Auditor				

AUDIT APPROVAL

Date Submitted	3/4/2013
Date Owner Certified	3/4/2013
Date Audit Approved	3/7/2013
Asset Manager Follow Up Due Date	3/21/2013
Asset Manager Follow Up Date Completed	4/10/2013
Internal Auditor Review Date Completed	4/11/2013

FOLLOW-UP PROCESSES

Required	Completed		Date Sent to IA	Date IA Approved
YES	YES	Related Party Notes	4/10/13	4/11/13
NO	N/A	Internal Control Weaknesses		
NO	N/A	Other Non-Compliance		
NO	N/A	Management Fee Expense		
NO	N/A	Premium Management Fee Expense		
NO	N/A	Audit Fees Overpayment		
NO	N/A	Other		
YES	YES	FOLLOW-UP COMPLETED	4/10/13	4/11/13

RELATED PARTY NOTES

Related Party Transactions								
Balances from audit template	Related Party Rec	Owner Rec	Owner Adv Oper	Owner Adv Non-Repay	Related Party Pay	MIE (A13) Related Party Rec	MIE (F4) Rel Party/Affil Pay	MIE (F5) Rel Party/Affil Pay
	0	0	0	0	0	0	0	0
Internal Auditor Notes:								

YES Are there related party transactions notes in the financial statements? (If there are related party transactions they are required to have notes detailing the transactions.)

YES Did you verify that the related parties reported in the audit were also reported on the most recent Identity of Interest Disclosure?

Summary

4/10/2013 Date provided to Angie

Angie Comments

4/11/2013 Date Angie completed review and follow-up resolved.

COMPLIANCE REPORT

Internal Control Weaknesses

Internal Control Weaknesses (auto-fill from audit template)

As part of the audit, management requested that we prepare a draft of the financial statements, including the related notes to the financial statements. Management reviewed, approved and accepted responsibility for those financial statements prior to their issuance. The outsourcing of these services is not unusual for an organization of your size and is a result of the management's cost

0

Internal Auditor Notes:

NO The above weakness(es) require followup procedures to be performed by you. Description of follow-up detailed below. (Contact Angie if you have questions on description below.)
Date

YES Have all issues been resolved as a result of your follow-up?

Date provided to Angie

Angie Comments

Date Angie completed review and follow-up resolved

LD PAYMENT AUTHORIZATION WORKSHEET

Development Name: MICHIGAN FAMILY ESTATES
 MSHDA #: 3109
 For Year Ending: 2012

1 Surplus Funds Available for Distribution (Should equal Column II from Schedule II)	<u>(8,681)</u>	
2 Cumulative L.D. Carryforward (Column V from Schedule II)	<u>526,255</u>	
Maximum L.D. Payment Allowable	<u>(8,681)</u>	
3 Amount of LD Payment Requested (Cannot exceed Line 2)	<u>0</u>	
4 Total Approved LD Payment (Cannot exceed the Lesser of Line 1 or 2)		<u>0</u>

5 Analysis of Funding Sources for LD Payment from Annual Certified Audit:

	Audit Bal	Current Bal
Surplus Funds Available for Distribution from Audit:	<u>0</u>	<u>(8,681)</u>
Minus ORC:	<u>0</u>	<u>0</u>
Minus DCE Interest:	<u>0</u>	<u>0</u>
Amount of Operating Cash Available for LD Payment:	<u>0</u>	<u>0</u>

5a Funding Sources for Approved LD Payment in Order of Priority:

a. ORC Account	<u>0</u>
b. DCE Interest	<u>0</u>
c. Operating Cash	<u>0</u>

 Asset Manager
Date

 Supervisor
Date

Comments: