Manhattan Beach Senior Housing L.P.
HUD Project No.: 012-11473

Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

June 30, 2025

CohnReznick

Manhattan Beach Senior Housing L.P.
HUD Project No.: 012-11473

Index

	Page
Mortgagor's Certification	2
Managing Agent's Certification	3
Independent Auditor's Report	4
Financial Statements	
Balance Sheet	7
Statement of Operations	9
Statement of Partners' Equity (Deficit)	10
Statement of Cash Flows	11
Notes to Financial Statements	13
Supplementary Information	
Balance Sheet Data	20
Statement of Operations Data	22
Statement of Partners' Equity (Deficit) Data	26
Statement of Cash Flows Data	27
Reserve for Replacements	29
Computation of Surplus Cash, Distributions and Residual Receipts	30
Changes in Fixed Asset Accounts	31
Detail of Accounts - Balance Sheet	33
Detail of Accounts - Statement of Operations	34
Other Information	35
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	36
Independent Auditor's Report on Compliance for Each Major HUD Program and Report on Internal Control over Compliance Required by the *Consolidated Audit Guide for Audits of HUD Programs*	38
Schedule of Findings, Questioned Costs and Recommendations	41
Schedule of Status of Prior Audit Findings, Questioned Costs and Recommendations	42

Manhattan Beach Senior Housing L.P.
HUD Project No.: 012-11473

June 30, 2025

Mortgagor's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Manhattan Beach Senior Housing, L.P. and, to the best of my knowledge and belief, the same are complete and accurate.

General Partner

Matthew LoCurto Date
Chief Financial Officer

Telephone Number: (212) 273-5257

Manhattan Beach Senior Housing L.P.
HUD Project No.: 012-11473

June 30, 2025

Managing Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Manhattan Beach Senior Housing, L.P. and, to the best of my knowledge and belief, the same are complete and accurate.

Managing Agent

JASA Housing Management Services
for the Aged, Inc.

Donald Manning Date
Director of Housing

Taymar Both Elon
Property Manager

Managing Agent Taxpayer
Identification Number:
13-3078676

Independent Auditor's Report

To the General Partner
Manhattan Beach Senior Housing L.P.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manhattan Beach Senior Housing L.P., which comprise the balance sheet as of June 30, 2025, and the related statements of operations, partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manhattan Beach Senior Housing, L.P. as of June 30, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Manhattan Beach Senior Housing L.P., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Manhattan Beach Senior Housing L.P.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Manhattan Beach Senior Housing L.P.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Manhattan Beach Senior Housing L.P.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The HUD-required financial data templates are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the HUD-required financial data templates are fairly stated in all material respects in relation to the financial statements as a whole.

Other Matters

The Schedule of Status of Prior Audit Findings, Questioned Costs and Recommendations has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 2025, on our consideration of Manhattan Beach Senior Housing L.P.'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 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 Manhattan Beach Senior Housing L.P.'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 Manhattan Beach Senior Housing L.P.'s internal control over financial reporting and compliance.

CohnReznick LLP

New York, New York
September 25, 2025

Lead Auditor: Michael J. Bisson, CPA

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Balance Sheet
June 30, 2025

Assets

Current assets		
Cash - operations	$	868,691
Cash - entity		25,735
Tenant accounts receivable		42,701
Allowance for doubtful accounts		(8,679)
Accounts receivable - HUD		27,374
Prepaid expenses		258,013
Total current assets		1,213,835
Deposits held in trust - funded		
Tenant deposits		50,138
Restricted deposits and funded reserves		
Escrow deposits		290,722
Reserve for replacements		2,036,217
Other reserves		167,760
Total restricted deposits and funded reserves		2,494,699
Rental property		
Land		688,650
Buildings		8,650,599
Building equipment - portable		251,769
		9,591,018
Less accumulated depreciation		(1,339,221)
Total rental property		8,251,797
Total assets	$	12,010,469

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Balance Sheet
June 30, 2025

Liabilities and Partners' Equity (Deficit)

Current liabilities		
Accounts payable - operations	$	128,586
Accrued wages payable		4,993
Accrued payroll taxes payable		1,937
Accrued management fee payable		34,981
Accrued interest payable - first mortgage		41,243
Accrued property taxes payable		72,277
Mortgage payable - first mortgage, current maturities		456,931
Prepaid revenue		19,040
Total current liabilities		759,988
Deposits liability		
Tenant deposits held in trust (contra)		50,138
Long-term liabilities		
Mortgage payable - first mortgage, net of current and unamortized debt issuance costs		20,409,492
Total long-term liabilities		20,409,492
Total liabilities		21,219,618
Contingency		-
Partners' equity (deficit)		(9,209,149)
Total liabilities and partners' equity (deficit)	$	12,010,469

See Notes to Financial Statements.

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Statement of Operations
Year Ended June 30, 2025

Revenue		
Rental	$	3,399,692
Vacancies		(97,485)
Net rental revenue		3,302,207
Financial		1,169
Other		150,237
Total revenue		3,453,613
Expenses		
Administrative		649,532
Utilities		246,155
Operating and maintenance		434,425
Taxes and insurance		813,414
Financial (including interest of $541,387)		603,515
Nursing home/assisted living/board and care/other elderly care expenses		79,103
Total cost of operations before depreciation		2,826,144
Income (loss) before depreciation		627,469
Depreciation		451,523
Net income	$	175,946

See Notes to Financial Statements.

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Statement of Partners' Equity (Deficit)
Year Ended June 30, 2025

	General partner	Limited partner	Total
Partners' equity (deficit) June 30, 2024	$ (8,379,334)	$ (57)	$ (8,379,391)
Distributions	(1,185,704)	-	(1,185,704)
Contributions	180,000	-	180,000
Net income (loss)	175,928	18	175,946
Partners' equity (deficit) June 30, 2025	$ (9,209,110)	$ (39)	$ (9,209,149)
Partners' percentage of income (losses)	99.99%	0.01%	100.00%

See Notes to Financial Statements.

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities	
Rental receipts	$ 3,255,776
Interest receipts	1,169
Other operating receipts	150,237
Total receipts	3,407,182
Administrative expenses paid	(96,975)
Management fees paid	(172,090)
Utilities paid	(234,542)
Salaries and wages paid	(544,234)
Operating and maintenance paid	(252,039)
Real estate taxes paid	(385,255)
Property insurance paid	(294,163)
Miscellaneous taxes and insurance paid	(1,675)
Net tenant security deposits received (paid)	8,173
Other operating expenses paid	(173,662)
Interest paid on first mortgage	(535,271)
Mortgage insurance premium paid	(52,659)
Miscellaneous financial expenses paid	(8,911)
Total disbursements	(2,743,303)
Net cash provided by operating activities	663,879
Cash flows from investing activities	
Net deposits to mortgage escrows	(137,086)
Net withdrawals from reserve for replacements	178,438
Net purchases of fixed assets	(172,117)
Net cash used in investing activities	(130,765)
Cash flows from financing activities	
Mortgage principal payments - first mortgage	(445,616)
Distributions to partners	(1,185,704)
Contributions by partners	180,000
Net cash used in financing activities	(1,451,320)
Net decrease in cash and restricted cash	(918,206)
Cash and restricted cash, beginning	1,862,770
Cash and restricted cash, end	$ 944,564

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Statement of Cash Flows
Year Ended June 30, 2025

Reconciliation of net income (loss) to net cash provided by operating activities		
Net income (loss)	$	175,946
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation		451,523
Amortization of debt issuance costs		9,981
Bad debts		13,547
Changes in asset and liability accounts		
(Increase) decrease in assets		
Tenant accounts receivable		(27,723)
Accounts receivable - other		8,043
Prepaid expenses		26,815
Increase (decrease) in liabilities		
Accounts payable		(41,755)
Accrued liabilities		47,973
Accrued interest payable		(3,865)
Tenant security deposits held in trust		8,173
Prepaid revenue		(4,779)
Total adjustments		487,933
Net cash provided by operating activities	$	663,879

See Notes to Financial Statements.

Note 1 - Organizations

Manhattan Beach Senior Housing L.P. (the "Partnership") was formed as a limited partnership under the laws of the State of New York on August 8, 2019 for the purpose of acquiring, rehabilitating, developing, owning, maintaining, and operating a rental housing project under Section 223(f) of the National Housing Act as regulated by the U.S. Department of Housing and Urban Development ("HUD"). The project consists of 149 units located in Brooklyn, New York, and is currently operating under the name Scheuer House of Manhattan Beach (the "Project"). On November 18, 2021, the Partnership acquired the Project from an affiliate.

The Partnership has entered into a regulatory agreement with HUD governing the operations of the Project.

The Partnership consists of two partners, Manhattan Beach Senior Residence GP LLC, a New York limited liability company (the "General Partner"), and Manhattan Beach Senior Residence LLC, a New York limited liability company (the "Limited Partner"), (collectively, the "Partners"). The General Partner and Limited Partner own 99.99% and 0.01%, respectively. Collectively, the Partners are wholly controlled by the JASA Corporation. JASA Corporation also wholly controls the Jewish Association Serving the Aging ("JASA"), and JASA Housing Management Services for the Aged, Inc. ("JHM").

The Partnership will continue to operate for an infinite time period, unless dissolved by law or in accordance with the provisions of the Amended and Restated Partnership Agreement.

Cash distributions are limited by agreements between the Partnership and HUD to the extent of surplus cash as defined by HUD.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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.

Accounts receivable and allowance for doubtful accounts

Tenant receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2025, the balance of the allowance for doubtful accounts was $8,679.

Rental property
Rental property is carried at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives by use of the straight-line method for financial reporting purposes. For income tax purposes, accelerated lives and methods are used. Depreciation of rental property is computed primarily using the following useful lives:

Property classification	Estimated useful lives (years)
Buildings	20 - 40 years
Building equipment - portable	5 - 10 years
Office furniture and equipment	5 years
Land improvements	20 years

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Impairment of long-lived assets
The Partnership reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized for the year ended June 30, 2025.

Rental income
Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and the tenants of the property are operating leases.

Grant income
The Partnership was awarded a cost reimbursed grant from HUD (see Note 8). Revenue is recognized as costs are incurred.

Income taxes
The Partnership has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the Internal Revenue Service (the "IRS") and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. Income tax returns filed by the Partnership are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2022 remain open.

Note 3 - Restricted deposits and funded reserves

Mortgage escrows

The mortgage lender requires the Partnership to establish and maintain escrows for real estate taxes, property insurance and mortgage insurance premium. As of June 30, 2025, the balance of the escrows was $290,722 and is included in escrow deposits.

Replacement reserve

The mortgage lender requires the Partnership to establish and maintain a replacement reserve fund. Commencing December 1, 2021, the Partnership is required to make monthly deposits in the amount of $3,125. During the year ended June 30, 2025, the Partnership made all required deposits. As of June 30, 2025, the balance of the replacement reserve was $2,036,217.

Operating deficit reserve

Pursuant to the loan agreement and agreements with HUD, the Partnership established an operating deficit reserve in the amount of $167,760. As of June 30, 2025, the balance of the operating deficit reserve was $167,760.

Note 4 - Mortgage payable

First mortgage payable

On November 18, 2021, the Partnership executed a mortgage agreement with Berkadia Commercial Mortgage LLC. The mortgage, in the original amount of $22,595,200, is insured by HUD under section 207, pursuant to section 223(f) of the National Housing Act. The mortgage note is collateralized by a deed of trust on the rental property. The note bears interest at a rate of 2.51% per annum. During the year ended June 2025, interest expense of $541,387, inclusive of $9,981 of amortization of debt issuance costs, was incurred and charged to operations. Additionally, the note bears a mortgage insurance premium of 0.25% per annum. Principal and interest are payable by the Partnership in monthly installments of $81,741 through December 1, 2041. Thereafter, monthly installments of $79,148 will be due through maturity on December 1, 2056. As of June 30, 2025, the outstanding principal balance and accrued interest were $21,083,222 and $41,243, respectively.

Debt issuance costs, net of accumulated amortization, totaled $216,799, as of June 30, 2025 and are related to mortgage. Debt issuance costs on the above note are being amortized using an imputed interest rate of 2.58%.

Future maturities as of June 30, 2025 are as follows:

June 30, 2026	$	456,931
2027		468,533
2028		480,429
2029		492,628
2030		505,136
Thereafter		18,679,565
Total balance due		21,083,222
Current maturities		(456,931)
Unamortized debt issuance costs		(216,799)
Net long-term balance	$	20,409,492

Note 5 - Related party transactions

JASA

The Partnership is a participant in a general insurance plan with JASA, which also includes health insurance and workers' compensation. Property and liability insurance expense for the year ended June 30, 2025, was $294,163. Insurance is allocated to the various properties based on the unit counts. Workers' compensation and health insurance and other employee benefits for the year ended June 30, 2025 was $47,936, of which $35,051 remains payable to JASA and is included in accounts payable - operations on the accompanying balance sheet.

JASA is a participant in a multiemployer, defined benefit retirement plan sponsored by the UJA-Federation. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer who participates in the plan. During the year ended June 30, 2025, the Partnership did not make any direct contributions into the plan on behalf of its employees; contributions to the plan were made by JASA. For the year ended June 30, 2025, the Partnership reimbursed JASA $26,188 for pension costs.

The Partnership pays JASA, through a HUD grant, for the Service Coordinator Program, which provides social services for the tenants. The program expenses for the year ended June 30, 2025 was $79,103 (see Note 8).

JHM

The property is managed by an affiliate of the Partnership, JHM, pursuant to a management agreement approved by HUD. The current management agreement provides for a fee of 6.09% of residential income collected monthly. Management fees incurred for the year ended June 30, 2025, were $192,934, of which $34,981 remains payable as of June 30, 2025.

The property pays a HUD-approved monthly fee to JHM for accounting and bookkeeping services. Fees incurred for the year ended June 30, 2025 were $38,352 and are included in administrative expenses on the statement of operations.

Note 6 - Statement of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the balance sheet that sum to the total of the same such amounts in the statement of cash flows:

Cash	$	894,426
Tenant deposits		50,138
Total cash and restricted cash shown in the statement of cash flows	$	944,564

The amount included in restricted cash consists of security deposits held in trust for the future benefit of tenants upon moving out of the property as required by the regulatory authority.

Note 7 - Real estate tax exemption

The property has been granted a partial exemption from real estate taxes under section 577 of the Private Housing Finance Law by resolution of the City Council of New York. The exemption shall continue for as long as the housing assistance payment contract remains in effect. Under the terms of the exemption, the property is subject to annual shelter rent payments, which are assessed based on a percentage of contract rents.

Note 8 - Grant revenue

The Partnership was awarded a service coordinator grant from HUD to use toward payment of the service coordinator's salary, benefits, and other administrative costs. The Partnership reimburses JASA with the grant. The Partnership received and recognized grant revenue of $79,103 for the year ended June 30, 2025. Grant expense for the year ended June 30, 2025, was $79,103 (see Note 5).

Note 9 - Housing assistance payment contract agreements

HUD has contracted with the Partnership pursuant to Section 8 of the Housing Act of 1937 to make housing assistance payments to the Partnership on behalf of qualified tenants. The agreement expires November 30, 2041.

The Partnership also participates in housing choice voucher programs, through which individual tenant vouchers are accepted.

Total revenue earned from these programs and agreements for the year ended June 30, 2025 was $2,714,369.

Note 10 - Concentration of credit risk

The Partnership maintains its cash balances in several accounts in one bank. At times, these balances may exceed the federal insurance limits; however, the Partnership has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these balances as of June 30, 2025.

Note 11 - Current vulnerability due to certain concentrations

The Partnership's principal asset is a 149-unit apartment project. The Partnership's operations are concentrated in the multifamily real estate market. In addition, the Partnership operates in a heavily regulated environment. The operations of the Partnership are subject to the administrative directives, rules and regulations of federal agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Note 12 - Subsequent events

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the Partnership through September 25, 2025 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Supporting Data Required by HUD

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Balance Sheet Data
June 30, 2025

Assets

Account No.			
Current assets			
1120	Cash - operations		$ 868,691
1125	Cash - entity		25,735
1130	Tenant accounts receivable	$ 42,701	
1131	Allowance for doubtful accounts	(8,679)	
1130N	Net tenants accounts receivable		34,022
1135	Accounts receivable - HUD		27,374
1200	Prepaid expenses		258,013
1100T	Total current assets		1,213,835
Deposits held in trust - funded			
1191	Tenant deposits		50,138
Restricted deposits and funded reserves			
1310	Escrow deposits	290,722	
1320	Reserve for replacements	2,036,217	
1330	Other reserves	167,760	
1300T	Total deposits		2,494,699
Rental property			
1410	Land	688,650	
1420	Buildings	8,650,599	
1440	Building equipment - portable	251,769	
1400T	Total fixed assets	9,591,018	
1495	Less accumulated depreciation	(1,339,221)	
1400N	Net fixed assets		8,251,797
1000T	Total assets		$ 12,010,469

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Balance Sheet Data
June 30, 2025

Liabilities and Partners' Equity (Deficit)

Account No.			
Current liabilities			
2110	Accounts payable - operations		$ 128,586
2120	Accrued wages payable		4,993
2121	Accrued payroll taxes payable		1,937
2123	Accrued management fee payable		34,981
2131	Accrued interest payable - first mortgage		41,243
2150	Accrued property taxes payable		72,277
2170	Mortgage payable - first mortgage (short-term)		456,931
2210	Prepaid revenue		19,040
2122T	Total current liabilities		759,988
Deposits liability			
2191	Tenant deposits held in trust (contra)		50,138
Long-term liabilities			
2320	Mortgage payable - first mortgage	$ 20,409,492	
2300T	Total long-term liabilities		20,409,492
2000T	Total liabilities		21,219,618
3130	Partners' equity (deficit)		(9,209,149)
2033T	Total liabilities and partners' equity (deficit)		$ 12,010,469

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Statement of Operations Data
Year Ended June 30, 2025

Account No.			
Rental revenue			
5120	Rent revenue - gross potential	$ 685,323	
5121	Tenant assistance payments	2,714,369	
5100T	Total rental revenue		$ 3,399,692
Vacancies			
5220	Apartments	(97,485)	
5200T	Total vacancies		(97,485)
5152N	Net rental revenue		3,302,207
Financial revenue			
5440	Revenue from investments - replacement reserve	1,169	
5400T	Total financial revenue		1,169
Other revenue			
5910	Laundry and vending	7,061	
5920	Tenant charges	64,073	
5990	Miscellaneous revenue	79,103	
5900T	Total other revenue		150,237
5000T	Total revenue		3,453,613

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Statement of Operations Data
Year Ended June 30, 2025

Account No.			
Administrative expenses			
6310	Office salaries	146,019	
6311	Office expenses	31,949	
6320	Management fee	192,934	
6330	Manager or superintendent salaries	181,082	
6331	Administrative rent free unit	21,972	
6340	Legal expense - project	2,262	
6350	Auditing expense	12,350	
6351	Bookkeeping fees/accounting services	47,417	
6370	Bad debts	13,547	
6263T	Total administrative expenses		649,532
Utilities expense			
6420	Fuel oil/coal	7,936	
6450	Electricity	74,660	
6451	Water	36,230	
6452	Gas	69,724	
6453	Sewer	57,605	
6400T	Total utilities expense		246,155
Operating and maintenance expenses			
6510	Payroll	216,590	
6515	Supplies	26,403	
6520	Contracts	143,827	
6546	Heating/cooling repairs and maintenance	33,530	
6590	Miscellaneous operating and maintenance expenses	14,075	
6500T	Total operating and maintenance expenses		434,425

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Statement of Operations Data
Year Ended June 30, 2025

Account No.			
Taxes and insurance			
6710	Real estate taxes	412,675	
6711	Payroll taxes	28,857	
6720	Property and liability insurance	294,163	
6722	Workmen's compensation	5,078	
6723	Health insurance and other employee benefits	70,966	
6790	Miscellaneous taxes, licenses, permits and insurance	1,675	
6700T	Total taxes and insurance		813,414
Financial expenses			
6820	Interest on first mortgage payable	541,387	
6850	Mortgage insurance premium/service charge	53,217	
6890	Miscellaneous financial expenses	8,911	
6800T	Total financial expenses		603,515
6900	Nursing home/Assisted living/Board and care/Other elderly care expenses		79,103
6000T	Total cost of operations before depreciation		2,826,144
5060T	Income (loss) before depreciation		627,469
Depreciation			
6600	Depreciation expense	451,523	
	Total depreciation		451,523
5060N	Operating income (loss)		175,946
	Total expenses		3,277,667
3250	Net income (loss)		$ 175,946

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Statement of Operations Data
Year Ended June 30, 2025

Account No.		
S1000-010	Total first mortgage (or bond) principal payments required during the audit year (12 monthly payments). Applies to all direct loans and HUD-held and fully-insured first mortgages.	$ 445,616
S1000-020	Total of 12 monthly deposits in the audit year made to the replacement reserve account, as required by the regulatory agreement, even if payments may be temporarily suspended or reduced.	$ 37,500
S1000-030	Replacement reserve, or residual receipts and releases which are included as expense items on the statement of operations.	$ -
S1000-040	Project improvement reserve releases under the flexible subsidy program which are included as expense items on the statement of operations.	$ -
S3100-120	Mortgage payable note detail (Section 236 only) Interest reduction payments from subsidy.	$ -

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Statement of Partners' Equity (Deficit) Data
Year Ended June 30, 2025

Account No.		General partner	Limited partner	Total
S1100-010	Partners' equity (deficit) June 30, 2024	$ (8,379,334)	$ (57)	$ (8,379,391)
S1200-420	Distributions	(1,185,704)	-	(1,185,704)
S1200-430	Contributions	180,000	-	180,000
3250	Net income (loss)	175,928	18	175,946
3130	Partners' equity (deficit) June 30, 2025	$ (9,209,110)	$ (39)	$ (9,209,149)
	Partners' percentage of income (losses)	99.99%	0.01%	100.00%

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Statement of Cash Flows Data
Year Ended June 30, 2025

Account No.		
	Cash flows from operating activities	
S1200-010	Rental receipts	$ 3,255,776
S1200-020	Interest receipts	1,169
S1200-030	Other operating receipts	150,237
S1200-040	Total receipts	3,407,182
S1200-050	Administrative expenses paid	(96,975)
S1200-070	Management fees paid	(172,090)
S1200-090	Utilities paid	(234,542)
S1200-100	Salaries and wages paid	(544,234)
S1200-110	Operating and maintenance paid	(252,039)
S1200-120	Real estate taxes paid	(385,255)
S1200-140	Property insurance paid	(294,163)
S1200-150	Miscellaneous taxes and insurance paid	(1,675)
S1200-160	Net tenant security deposits received (paid)	9,662
S1200-170	Other operating expenses paid	(173,662)
S1200-180	Interest paid on first mortgage	(535,271)
S1200-210	Mortgage insurance premium paid	(52,659)
S1200-220	Miscellaneous financial expenses paid	(8,911)
S1200-230	Total disbursements	(2,741,814)
S1200-240	Net cash provided by operating activities	665,368
	Cash flows from investing activities	
S1200-245	Net deposits to mortgage escrows	(137,086)
S1200-250	Net withdrawals from reserve for replacements	178,438
S1200-330	Net purchases of fixed assets	(172,117)
S1200-350	Net cash used in investing activities	(130,765)
	Cash flows from financing activities	
S1200-360	Mortgage principal payments - first mortgage	(445,616)
S1200-420	Distributions to partners	(1,185,704)
S1200-430	Contributions by partners	180,000
S1200-460	Net cash used in financing activities	(1,451,320)
S1200-470	Net decrease in cash	(916,717)
S1200-480	Cash, beginning	1,811,143
S1200T	Cash, end	$ 894,426

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information

Statement of Cash Flows Data
Year Ended June 30, 2025

Account No.			
	Reconciliation of net income (loss) to net cash provided by operating activities		
3250	Net income (loss)		$ 175,946
	Adjustments to reconcile net income (loss) to net cash provided by operating activities		
6600	Depreciation		451,523
S1200-486	Amortization of debt issuance costs		9,981
	Changes in asset and liability accounts		
	(Increase) decrease in assets		
S1200-490	Tenant accounts receivable		(27,723)
S1200-500	Accounts receivable - other		8,043
S1200-520	Prepaid expenses		26,815
S1200-530	Tenant security deposits funded		1,489
	Increase (decrease) in liabilities		
S1200-540	Accounts payable		(41,755)
S1200-560	Accrued liabilities		47,973
S1200-570	Accrued interest payable		(3,865)
S1200-580	Tenant security deposits held in trust		8,173
S1200-590	Prepaid revenue		(4,779)
S1200-600	Other adjustments (include detail)		
S1200-601	Bad debts	$ 13,547	
			13,547
	Total adjustments		489,422
S1200-610	Net cash provided by operating activities		$ 665,368

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information
Year Ended June 30, 2025

Reserve for Replacements

Account No.		
1320P	Balance at June 30, 2024	$ 2,214,655
1320DT	Total monthly deposits	37,500
1320INT	Interest income	1,169
1320WT	Approved withdrawals	(217,107)
1320	Balance at June 30, 2025	$ 2,036,217

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information
Year Ended June 30, 2025

Computation of Surplus Cash, Distributions and Residual Receipts

Account No.	Part A - Compute Surplus Cash			
S1300-010	Cash (Accounts 1120, 1170 and 1191)			$ 918,829
1135	Accounts receivable - HUD			27,374
S1300-040	Total cash			946,203
S1300-050	Accrued mortgage interest payable			41,243
S1300-060	Delinquent mortgage principal payments			-
S1300-070	Delinquent deposits to reserve for replacements			-
S1300-075	Accounts payable (due within 30 days)			128,586
S1300-080	Loans and notes payable (due within 30 days)			-
S1300-090	Deficient tax, insurance or MIP escrow deposits			-
S1300-100	Accrued expenses (not escrowed)			94,926
2210	Prepaid revenue (Account 2210)			19,040
2191	Tenant security deposits liability (Account 2191)			50,138
S1300-110	Other current obligations (describe in detail)			
S1300-120	Mortgage principal	$ 37,642		
S1300-120	Replacement reserve deposit	3,125		
S1300-120	Tax and insurance escrow deposit	50,289		
S1300-120	MIP escrow deposit	4,481		
				95,537
S1300-140	Less total current obligations			429,470
S1300-150	Surplus cash (deficiency)			$ 516,733
S1300-200	Amount available for distribution during next fiscal period			$ 516,733

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information
Year Ended June 30, 2025

Changes in Fixed Asset Accounts

	Assets			
	Balance 6/30/24	Additions	Deductions	Balance 6/30/25
Land	$ 490,000	$ 198,650	$ -	$ 688,650
Buildings	8,745,020	104,229	198,650	8,650,599
Building equipment - portable	183,881	67,888	-	251,769
	$ 9,418,901	$ 370,767	$ 198,650	$ 9,591,018
Accumulated depreciation	$ 887,698	$ 451,523	$ -	$ 1,339,221
Total net book value				$ 8,251,797

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information
Year Ended June 30, 2025

Fixed Asset Detail

Additions to Land Account

Item and quantity	Amount
Reclassification of land improvements	$ 198,650

Additions to Buildings Account

Item and quantity	Amount
Unit renovations	$ 104,229

Deductions from Buildings Account

Item and quantity	Amount
Reclassification of land improvements	$ 198,650

Additions to Building Equipment - Portable Account

Item and quantity	Amount
Air conditioner units	$ 22,588
Tables	45,300
	$ 67,888

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information
Year Ended June 30, 2025

Detail of Accounts - Balance Sheet

Other Reserves (Account No. 1330)

Operating deficit reserve	$ 167,760

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information
Year Ended June 30, 2025

Detail of Accounts - Statement of Operations

Miscellaneous Other Revenue (Account No. 5990)

HUD service coordinator revenue	$ 79,103

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Supplementary Information
Year Ended June 30, 2025

Other Information

Related party transactions detail:

Account No.	Entity name	Amount paid
S3100-210	JHM - management fee	$ 172,090
S3100-210	JASA - service coordinator	79,103
S3100-210	JHM - bookkeeping fees	38,352
		$ 289,545

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the General Partner
Manhattan Beach Senior Housing, L.P.

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 Manhattan Beach Senior Housing, L.P., which comprise the balance sheet as of June 30, 2025, and the related statements of operations, partners' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Manhattan Beach Senior Housing, L.P.'s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Manhattan Beach Senior Housing, L.P.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Manhattan Beach Senior Housing, L.P.'s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Manhattan Beach Senior Housing, L.P.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

New York, New York
September 25, 2025

Independent Auditor's Report on Compliance for Each Major HUD Program and
Report on Internal Control over Compliance Required by the
Consolidated Audit Guide for Audits of HUD Programs

To the General Partner
Manhattan Beach Senior Housing, L.P.

Report on Compliance for Each Major HUD Program

Opinion on Each Major HUD Program

We have audited Manhattan Beach Senior Housing, L.P.'s compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the "Guide") that could have a direct and material effect on each of Manhattan Beach Senior Housing, L.P.'s major U.S. Department of Housing and Urban Development ("HUD") programs for the year ended June 30, 2025. Manhattan Beach Senior Housing, L.P.'s major HUD programs and the related direct and material compliance requirements are as follows:

Name of Major HUD Program	Direct and Material Compliance Requirements
Section 8 Housing Assistance Payment Contract	Fair Housing and Nondiscrimination; Reserve for Replacements; Distributions to Owners; Equity Skimming; Cash Receipts; Cash Disbursements; Tenant Leasing and Eligibility; Extremely Low-Income Families; Security Deposits; Management Functions; Unauthorized Ownership Changes; Unauthorized Project Loans.
Section 223(f) Refinancing with Substantial Rehabilitation	Fair Housing and Nondiscrimination, Mortgage Loan Status, Reserve for Replacements, Distributions to Owners, Equity Skimming, Cash Receipts, Cash Disbursements, Tenant Application, Eligibility, and Recertification, Tenant Security Deposits, Management Functions, Unauthorized Changes of Ownership/Acquisition of Liabilities and Unauthorized Loans of Project Funds.

In our opinion, Manhattan Beach Senior Housing, L.P. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major HUD programs for the year ended June 30, 2025.

Basis for Opinion on Each Major HUD Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Manhattan Beach Senior Housing, L.P. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that our audit provides a reasonable basis for our opinion on compliance for each major HUD program. Our audit does not provide a legal determination of Manhattan Beach Senior Housing, L.P.'s compliance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules, and provisions of contracts or grant agreements applicable to Manhattan Beach Senior Housing, L.P.'s HUD programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on Manhattan Beach Senior Housing, L.P.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Manhattan Beach Senior Housing, L.P.'s compliance with the requirements of each major HUD program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Manhattan Beach Senior Housing, L.P.'s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of Manhattan Beach Senior Housing, L.P.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of Manhattan Beach Senior Housing, L.P.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of a HUD 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 compliance requirement of a HUD 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 compliance requirement of a HUD program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

New York, New York
September 25, 2025

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Schedule of Findings, Questioned Costs and Recommendations
June 30, 2025

Our audit disclosed no findings that are required to be reported herein under the HUD Consolidated Audit Guide.

Manhattan Beach Senior Housing, L.P.
HUD Project No.: 012-11473

Schedule of Status of Prior Audit Findings,
Questioned Costs and Recommendations
June 30, 2025

1. Audit Report, dated September 25, 2024, for the year ended June 30, 2024, issued by CohnReznick LLP. There are no open findings from the prior audit report.

2. There were no reports issued by HUD OIG or other Federal agencies or contract administrators during the period covered by this audit.

3. NSPIRE report was issued on February 19, 2025 with a Final Inspection Score of 96.

CohnReznick

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