

Cle Elum Associates
A Washington State Limited Partnership
DBA Pine Terrace Apartments

Financial Statements and Additional Information

For the year ended December 31, 2016

Cle Elum Associates
A Washington State Limited Partnership
DBA Pine Terrace Apartments

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NORDBERG HAMMACK KOLP & CASH, PS

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Independent Accountants' Compilation Report

To the Partners,
Cle Elum Associates
Bellevue, WA

We have compiled the accompanying balance sheet of Cle Elum Associates (a Washington State Limited Partnership) as of December 31, 2016 for the year then ended included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements included in the form prescribed in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements prescribed by the U.S. Department of Agricultural, Rural Development, and are not intended to be a presentation in accounting principles generally accepted in the United States of America. The accompanying additional information on pages 2 to 12 as of December 31, 2016 and for the year then ended is presented only for analysis purposes and has been compiled by us without audit or review, from information that is the representation of management, and we do not express an opinion or any other form of assurance on such information

This Report is intended solely for the information and use of the management of Cle Elum Associates and the U.S. Department of Agricultural, Rural Development, and is not intended to be and should not be used by anyone other than these specified parties.

Nordberg Hammack Kolp & Cash, PS

February 28, 2017

PROJECT NAME Pine Terrace Apartments 802 2nd Street Cle Elum, WA 98922	BORROWER NAME Cle Elum Associates 3748 140th Ave. NE Bellevue, WA 98005	BORROWER ID AND PROJECT NO. Case #56 019 747925189 01 0 Project #
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BEGINNING DATES> ENDING DATES> ASSETS CURRENT ASSETS	CURRENT YEAR (1/1/2016) (12/31/2016)	PRIOR YEAR (1/1/2015) (12/31/2015)	COMMENTS
1. GENERAL OPERATING ACCOUNT	39,077	32,325	
2. R.E. TAX & INSURANCE ACCOUNT	14,251	9,312	
3. RESERVE ACCOUNT	38,617	32,407	
4. SECURITY DEPOSIT ACCOUNT	9,690	9,931	
5. OTHER CASH (<i>identify</i>)			
6. OTHER (<i>identify</i>)			
7. TOTAL ACCOUNTS RECEIVABLE (<i>attach list</i>)	5,410	5,141	
ACCTS RCVBL 0-30 DAYS \$4,895			
ACCTS RCVBL 30-60 DAYS \$121			
ACCTS RCVBL 60-90 DAYS \$0			
ACCTS RCVBL OVER 90 DAYS \$394			
8. LESS: ALLOWANCE FOR DOUBTFUL ACCOUNTS			
9. INVENTORIES (<i>supplies</i>)			
10. PREPAYMENTS			
11. <i>Other Assets</i>			
12. TOTAL CURRENT ASSETS (<i>Add 1 thru 11</i>)	107,045	89,116	
FIXED ASSETS			
13. LAND	40,000	40,000	
14. BUILDINGS	636,264	636,264	
15. LESS: ACCUMULATED DEPRECIATION	(635,986)	(635,767)	
16. FURNITURE & EQUIPMENT	141,000	141,000	
17. LESS: ACCUMULATED DEPRECIATION	(138,996)	(136,953)	
18. _____			
19. TOTAL FIXED ASSETS (<i>Add 13 thru 18</i>)	42,282	44,544	
OTHER ASSETS			
20. <i>Intangibles and other assets</i>	3,077	3,263	
21. TOTAL ASSETS (<i>Add 12, 19 and 20</i>)	152,404	136,923	
LIABILITIES AND OWNERS EQUITY			
CURRENT LIABILITIES			
22. TOTAL ACCOUNTS PAYABLE (<i>attach list</i>)	2,408	411	see comments
ACCTS PAYABLE 0-30 DAYS \$2,408			
ACCTS PAYABLE 30-60 DAYS \$0			
ACCTS PAYABLE 60-90 DAYS \$0			
ACCTS PAYABLE OVER 90 DAYS \$0			
23. NOTES PAYABLE (<i>attach list</i>)	13,507	13,373	current portion of long-term debt
24. SECURITY DEPOSITS (<i>identify</i>)	9,690	9,931	
25. TOTAL CURRENT LIABILITIES (<i>Add 22 thru 24</i>)	25,605	23,715	
LONG-TERM LIABILITIES			
26. NOTES PAYABLE RURAL DEVELOPMENT	227,227	240,745	
27. Other (<i>identify</i>)			see comments
28. TOTAL LONG-TERM LIABILITIES (<i>Add 26 and 27</i>)	227,227	240,745	
29. TOTAL LIABILITIES (<i>Add 25 and 28</i>)	252,832	264,460	
30. OWNER'S EQUITY (Net Worth) (<i>21 minus 29</i>)	(100,428)	(127,537)	
31. TOTAL LIABILITIES AND OWNER'S EQUITY (<i>Add 29 and 30</i>).....	152,404	136,923	

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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

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

(Date) (Signature of Borrower or Borrower's Representative)

(Title)

PART II - THIRD PARTY VERIFICATION OF REVIEW

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

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

(Date) (Signature)

(Name and Title)

(Address)

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

Comments:

	<u>2016</u>	<u>2015</u>
Accounts receivable		
Accounts receivable, tenants	\$ 1,492	\$ 1,098
Accounts receivable, subsidy	<u>3,918</u>	<u>4,043</u>
Total for Line 7.	<u>\$ 5,410</u>	<u>\$ 5,141</u>

	<u>2016</u>	<u>2015</u>
Other assets		
Amortizable loan costs, net	\$ 3,077	\$ 3,263
Total for Line 20.	<u>\$ 3,077</u>	<u>\$ 3,263</u>

	<u>2016</u>	<u>2015</u>
Accounts Payable		
Accounts payable, trade	\$ 1,816	\$ -
Accounts payable, property manager	171	2
Accounts payable, Fed withholding	401	372
Prepaid rent	<u>20</u>	<u>37</u>
Total for Line 22.	<u>\$ 2,408</u>	<u>\$ 411</u>

See independent accountants' compilation report

PROJECT NAME Pine Terrace Apartments 802 2nd Street Cle Elum, WA 98922		BORROWER NAME Cle Elum Associates 3748 140th Ave. NE Bellevue, WA 98005		BORROWER ID AND PROJECT NO. Case # 56 019 747925189 01 0 Project #	
Loan/Transfer Amount \$623,350		Note Rate Payment \$4,174		IC Payment \$15,864	
Reporting Period <input checked="" type="radio"/> Annual <input type="radio"/> Quarterly <input type="radio"/> Monthly	Budget Type <input type="radio"/> Initial <input checked="" type="radio"/> Regular Report <input type="radio"/> Rent Change <input type="radio"/> SNR <input type="radio"/> Other Servicing	Project Rental Type <input checked="" type="radio"/> Family <input type="radio"/> Elderly <input type="radio"/> Congregate <input type="radio"/> Group Home <input type="radio"/> Mixed <input type="radio"/> LH	Profit Type <input type="radio"/> Full Profit <input checked="" type="radio"/> Limited Profit <input type="radio"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input checked="" type="checkbox"/> Water <input type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash <input checked="" type="checkbox"/> Other <u>garbage</u>	
				<input checked="" type="checkbox"/> I hereby request <u>6</u> units of RA. Current number of RA units <u>14</u> .	
				Borrower Accounting Method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	

PART I -- CASH FLOW STATEMENT

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS OR (YTD)
BEGINNING DATES>	1/1/2016	1/1/2016	1/1/2017	
ENDING DATES>	12/31/2016	12/31/2016	12/31/2017	
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME.....	151,560	87,147	153,960	Excludes mgr unit
2. RHS RENTAL ASSISTANCE RECEIVED.....		70,217		
3. APPLICATION FEES RECEIVED.....				
4. LAUNDRY AND VENDING.....	1,750	2,294	2,000	
5. INTEREST INCOME.....	110	85	110	
6. TENANT CHARGES.....	1,500	1,185	1,500	
7. OTHER - PROJECT SOURCES.....		750		See comments
8. LESS (Vacancy and Contingency Allowance).....	(7,578)	(4,116)	(6,158)	
9. LESS (Agency Approved Incentive Allowance).....				
10. SUB-TOTAL [(1 thru 7)-(8&9)].....	147,342	157,562	151,412	
NON-OPERATIONAL CASH SOURCES				
11. CASH - NON PROJECT.....				
12. AUTHORIZED LOAN (Non-RHS).....				
13. TRANSFER FROM RESERVE.....	12,875	13	15,000	
14. SUB-TOTAL (11 thru 13).....	12,875	13	15,000	
15. TOTAL CASH SOURCES (10 + 14)	160,217	157,575	166,412	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (from Part II).....	120,850	115,069	126,480	
17. RHS DEBT PAYMENT.....	15,864	15,864	15,864	
18. RHS PAYMENT (Overage).....		6,090		
19. RHS PAYMENT (Late Fee).....				
20. REDUCTION IN PRIOR YEAR PAYABLES.....				
21. TENANT UTILITY PAYMENTS.....				
22. TRANSFER TO RESERVE.....	6,240	6,223	6,240	
23. RETURN TO OWNER/NP ASSET MANAGEMENT FEE.....	2,625	2,625	2,625	
24. SUB-TOTAL (16 Thru 23).....	145,579	145,871	151,209	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENTS (Non-RHS).....				
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6).....	12,875	13	15,000	
27. MISCELLANEOUS.....				
28. SUB-TOTAL (25 thru 27).....	12,875	13	15,000	
29. TOTAL CASH USES (24 + 28)	158,454	145,884	166,209	
30. NET CASH (DEFICIT) (15 - 29)	1,763	11,691	203	
CASH BALANCE				
31. BEGINNING CASH BALANCE.....	22,908	41,637	41,759	
32. ACCRUAL TO CASH ADJUSTMENT.....				
33. ENDING CASH BALANCE (30+31+32).....	24,671	53,328	41,962	

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PART II -- OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS OR (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL	10,500	10,278	10,500	
2. MAINTENANCE AND REPAIRS SUPPLY	4,500	3,128	4,500	
3. MAINTENANCE AND REPAIRS CONTRACT	2,500	911	2,500	
4. PAINTING	1,750	281	1,750	
5. SNOW REMOVAL	3,000	2,842	3,500	
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS	9,000	5,336	9,000	
8. SERVICES	3,000	824	2,500	
9. ANNUAL CAPITAL BUDGET (From Part V-Operating)	6,500	18,249	7,000	
10. OTHER OPERATING EXPENSES				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	40,750	41,849	41,250	
12. ELECTRICITY <i>If master metered</i>	4,500	2,881	4,250	
13. WATER <i>check box on</i>	5,750	5,985	5,750	
14. SEWER <i>front.</i>	8,750	8,309	8,500	
15. FUEL (Oil/Coal/Gas)				
16. GARBAGE & TRASH REMOVAL	9,000	7,803	8,750	
17. OTHER UTILITIES				
18. SUB-TOTAL UTILITIES (12 thru 17)	28,000	24,978	27,250	
19. SITE MANAGEMENT PAYROLL	15,750	15,703	16,000	Excludes mgr unit
20. MANAGEMENT FEE	13,440	13,047	13,920	
21. PROJECT AUDITING EXPENSE	4,600	4,900	5,250	CPA compilation
22. PROJECT BOOKKEEPING/ACCOUNTING				
23. LEGAL EXPENSES	500		500	
24. ADVERTISING	1,000	226	1,000	
25. TELEPHONE & ANSWERING SERVICE	2,250	2,163	2,250	
26. OFFICE SUPPLIES	1,000	824	1,000	Manager change
27. OFFICE FURNITURE & EQUIPMENT	200	151	200	Manager change
28. TRAINING EXPENSE	1,100	622	1,100	
29. HEALTH INS. & OTHER EMP. BENEFITS			4,500	
30. PAYROLL TAXES	3,000	2,138	3,000	
31. WORKMAN'S COMPENSATION	1,750	1,184	1,750	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)		409		See comments
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	44,590	41,367	50,470	
34. REAL ESTATE TAXES	4,500	4,096	4,500	
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES & PERMITS	110	120	110	
37. PROPERTY & LIABILITY INSURANCE	2,850	2,659	2,850	
38. FIDELITY COVERAGE INSURANCE	50		50	
39. OTHER INSURANCE				
40. SUB-TOTAL TAXES & INSURANCE (34 thru 39)	7,510	6,875	7,510	
41. TOTAL O&M EXPENSES (11+18+33+40)	120,850	115,069	126,480	

PART III -- ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS OR (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	32,269	32,407	38,522	
2. TRANSFER TO RESERVE	6,240	6,223	6,240	
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT				
4. ANNUAL CAPITAL BUDGET <i>(Part V-Reserve)</i>	(12,750)		(15,000)	
5. BUILDING & EQUIPMENT REPAIR				
6. OTHER NON-OPERATING EXPENSES	(125)	(13)		25% R/R interest
7. TOTAL <i>(3 thru 6)</i>	(12,875)	(13)	(15,000)	
8. ENDING BALANCE [(1+2)-7]	25,634	38,617	29,762	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE	32,325	
ENDING BALANCE	39,077	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE	9,312	
ENDING BALANCE	14,251	

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE	9,931	
ENDING BALANCE	9,690	

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST		RESERVE ACCT. REQ. BALANCE	12,480
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD/(BEHIND)	26,137

PART IV -- RENT SCHEDULE AND UTILITY ALLOWANCE

A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE:

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE (12 months)			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1 BDRM		6	614	748		44,208	53,856		61
2 BDRM		14	639	859		107,352	144,312		85
MGR	not on site		0						
CURRENT RENT TOTALS:						151,560	198,168		
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 1/1/2017

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE (12 months)			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
1 BDRM		6	624	758		44,928	54,576		66
2 BDRM		14	649	869		109,032	145,992		93
MGR	not on site		0						
CURRENT RENT TOTALS:						153,960	200,568		
						BASIC	NOTE	HUD	

PROPOSED UTILITY ALLOWANCE - Effective Date: 1/1/2017

BR SIZE	UNIT TYPE	NUMBER	MONTHLY DOLLAR ALLOWANCES						TOTAL
			ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	
1 BDRM		6	66	-	-	-	-	-	66
2 BDRM		14	93	-	-	-	-	-	93

PART V -- ANNUAL CAPITAL BUDGET

	Current Budget-Number of Units/ Items	Current Budget- from Reserve	Actual from Reserve	Current Budget- from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/ Items
Appliances:							
Range	4	1,000		1,000	928	928	2
Refrigerator	4	1,000		1,000	659	659	1
Other							
Carpet and Vinyl							
2 BR	1	4,000		4,000	7,667	7,667	2
Other							
Cabinets:							
Other							
Doors:							
Other							
Window Coverings:							
List					201	201	
Other							
Heating and Air Conditioning							
Other							
Plumbing:							
Water heater	2	500		500	1,187	1,187	3
Other							
Major Electrical:							
List							
Other							
Structures:							
Other							
Paving							
Concrete					750	750	
Other							
Landscape and grounds:							
Other-new curbing					6,858	6,858	
Accessibility features:							
List							
Other		6,250					
Automation equipment:							
Other							
Annual Capital Budget (to Part III, line 4:)		12,750		6,500	18,249	18,249	

PART VII -- SIGNATURES, DATES AND COMMENTS

Check if Borrower comments attached Check if Rural Development comments attached

CERTIFIED CORRECT (<i>Borrower or Authorized Representative</i>):	DATE:
AGENCY APPROVAL (<i>Rural Development Approval Official</i>):	DATE:

COMMENTS:

Other Revenue		<u>2016</u>		
Collection recoveries	\$		<u>750</u>	
Total for Part I, Line 7.	\$		<u>750</u>	
Other Administrative Expense		<u>2016</u>		
Utility allowance data collection fees	\$		<u>232</u>	
Other administrative expense			<u>177</u>	
Total for Part II, Line 32.	\$		<u>409</u>	

Supplemental Information - RD Projects

Cle Elum Associates
A Washington State Limited Partnership
DBA Pine Terrace Apartments
Supplementary Disclosures Required by RD
From inception to December 31, 2016

1. Management Fee Calculation

The management fee is based on a fee per unit occupied by tenants during the month.

	From 1/1/2016 to 12/31/2016
Qualified units in project	20
Less: rent free unit	-
Units to be used in calculation	20
Number of months	12
Gross potential units	240
Vacant units	(4)
Occupied units	236
Fee per unit	\$ 56.00
Management fee expense, calculated	\$ 13,216

2. Insurance Disclosure

The Partnership maintains insurance coverage as follows:

	Deductible	Coverage Amount
Property Coverage on Buildings	\$ 5,000	\$ 1,801,572
Comprehensive Business Liability	\$	\$ 1,000,000
Fidelity/Employee Dishonesty	\$ 5,000	\$ 550,000

3. Return to Owner

Maximum Return to Owner	
Limited distribution: 8.00% of the initial equity of \$32,810	\$ 2,625
Budgeted Return to Owner	\$ 2,625
Partnership management fee	\$ 900
Capital Distributions, GP	43
Capital Distributions, LP	1,682
Return to Owner Paid:	\$ 2,625

Cle Elum Associates
Year End: December 31, 2016
Adjusted Trial Balance, Account Detail
Prepared by NHKC PS

Prepared by	Reviewed by
KT 2/17/2017	RAC 2/28/2017

FSC-31

Account	Date	Status	No	Ref	Ann.	Prelim	Adj's	Rep	L/S	Rep 12/15	%Chg
1000 Cash, operating account					CA-10	38,926.74	0.00	38,926.74	CA	32,175.45	21
1040 Cash, tax and insurance					CA-10	14,250.70	0.00	14,250.70	CA	9,311.65	53
1060 Cash, replacement reserve					CA-10	38,617.02	0.00	38,617.02	CA	32,406.63	19
1070 Petty cash					PY	150.00	0.00	150.00	CA	150.00	0
1080 Cash, security deposits					CA-10	9,690.00	0.00	9,690.00	CA	9,930.87	(2)
1100 Accounts rec, tenants					AR-1	1,492.07	0.00	1,492.07	AR	1,098.00	36
1120 Accounts rec, Rural Development					AR-2						
adj mortgage	12/31/20	N	5				(1,322.00)				
adj mortgage	12/31/20	N	5				(598.00)				
to record Cle Elum Manor RD ck	12/31/20	N	6			4,021.84	1,816.16 (103.84)	3,918.00	AR	4,043.00	(3)
1600 Land					FA-10	40,000.00	0.00	40,000.00	FA	40,000.00	0
1620 Land Improvements					FA-10	3,296.96	0.00	3,296.96	FA	3,296.96	0
1630 Accum depr land improvements					FA-10						
to record 2016 depreciation and	12/31/20	N	8	FA-10		(2,799.83)	(219.79) (219.79)	(3,019.62)	FA	(2,799.83)	8
1650 Building					FA-10	632,967.00	0.00	632,967.00	FA	632,967.00	0
1660 Accum depreciation, building					FA-10	(632,967.00)	0.00	(632,967.00)	FA	(632,967.00)	0
1700 Furnishings					FA-10	141,000.36	0.00	141,000.36	FA	141,000.36	0
1710 Accum depr, furnishings					FA-10						
to record 2016 depreciation and	12/31/20	N	8	FA-10		(136,953.26)	(2,042.25) (2,042.25)	(138,995.51)	FA	(136,953.26)	1
1800 Loan origination fees					FA-10	9,335.00	0.00	9,335.00	OA	9,335.00	0
1810 Accum amort, loan fees					FA-10						
to record 2016 depreciation and	12/31/20	N	8	FA-10		(6,071.80)	(186.70) (186.70)	(6,258.50)	OA	(6,071.80)	3
2000 Accounts payable											
to record Cle Elum Manor RD ck	12/31/20	N	6			0.00	(1,816.16) (1,816.16)	(1,816.16)	AP	0.00	0
2010 Accounts payable, mgmt agent											
to adjust mgmt fee - AdWest took 7	12/31/20	N	7			(1.50)	(169.00) (169.00)	(170.50)	AP	(1.50)	11267

Cle Elum Associates
Year End: December 31, 2016
Adjusted Trial Balance, Account Detail
Prepared by NHKC PS

Prepared by	Reviewed by
KT 2/17/2017	RAC 2/28/2017

FSC-31-1

Account	Date	Status	No	Ref	Ann.	Prelim	Adj's	Rep	L/S	Rep 12/15	%Chg
2100 AP, Fed inc tax						(403.00)	0.00	(403.00)	AP	(376.00)	7
2400 Security deposits held					AP-2	(9,690.00)	0.00	(9,690.00)	AP	(9,930.60)	(2)
2450 Prepaid rent					AR-1	(20.00)	0.00	(20.00)	AP	(36.73)	(46)
2500 Mortgage payable, RD adj mortgage	12/31/20	N	5		NP-1	(255,687.82)	14,953.89	(240,733.93)	NP	(254,117.82)	(5)
3000 Owners equity to close PY RTO to capital	12/31/20	N	1	CAP-1	CAP-1		1,740.02				
reclass to balance capital	12/31/20	N	3	CAP-1		125,543.60	256.00	127,539.62	CP	154,642.18	(18)
3100 Return to owner to close PY RTO to capital	12/31/20	N	1	CAP-1	CAP-1		(1,725.00)				
reclass CY Distribution	12/31/20	N	2	CAP-1		4,350.00	(900.00)	1,725.00	CP	1,725.00	0
3111 RTO- RR Interest Earned to close PY RTO to capital	12/31/20	N	1	CAP-1		28.18	(15.02)	13.16	CP	15.02	(12)
4000 Rent income, tenants					RE-1	(76,147.00)	0.00	(76,147.00)	RE	(81,110.00)	(6)
4001 Rent income, RA subsidy					RE-2	(70,092.00)	0.00	(70,092.00)	RE	(68,050.00)	3
4002 Subsidy-Utility Allowance						0.00	0.00	0.00	RE	(173.00)	(100)
4004 Rent income-section 8						(5,321.00)	0.00	(5,321.00)	RE	0.00	0
4010 Overage collected					NP-1	(6,090.00)	0.00	(6,090.00)	RE	(3,889.00)	57
4020 Misc. charges						0.00	0.00	0.00	RE	(203.00)	(100)
4050 NSF and late charges						(155.00)	0.00	(155.00)	RE	(45.00)	244
4060 Tenant move-out charges						0.00	0.00	0.00	RE	(10.00)	(100)
4100 Security deposit forfeiture						(1,029.50)	0.00	(1,029.50)	RE	(865.00)	19
4200 Laundry						(2,294.12)	0.00	(2,294.12)	RE	(1,336.90)	72
4300 Interest income						(27.38)	0.00	(27.38)	RE	(20.05)	37
4310 Interest, replacement reserve						(57.42)	0.00	(57.42)	RE	(51.71)	11

Cle Elum Associates
Year End: December 31, 2016
Adjusted Trial Balance, Account Detail
Prepared by NHKC PS

Prepared by	Reviewed by
KT 2/17/2017	RAC 2/28/2017

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Account	Date	Status	No	Ref	Ann.	Prelim	Adj's	Rep	L/S	Rep 12/15	%Chg
4400 Collection recoveries						(750.00)	0.00	(750.00)	RE	0.00	0
4540 Transfer from OP to RR						(6,240.00)	0.00	(6,240.00)	MI	(6,240.00)	0
4541 RR interest deposits						(19.70)	0.00	(19.70)	MI	(51.71)	(62)
5000 Vacancy loss to adj overage to monthly adj mortgage	12/31/20 12/31/20	R N	4 5	RE-20	RE-1	3,658.00	(350.00) 350.00 0.00	3,658.00	RE	7,197.00	(49)
5050 Bad debt charged off						0.00	0.00	0.00	RE	924.00	(100)
5060 Other credits					RE-1	458.00	0.00	458.00	RE	1,069.00	(57)
5100 Advertising						226.00	0.00	226.00	AD	503.48	(55)
5200 Office expense						823.86	0.00	823.86	AD	529.59	56
5205 Office Furniture/Eqpt						151.20	0.00	151.20	AD	1,317.84	(89)
5210 Management fees to adjust mgmt fee - AdWest took 7	12/31/20	N	7			13,047.00	169.00 169.00	13,216.00	AD	12,595.00	5
5220 Manager salary						15,703.45	0.00	15,703.45	AD	15,319.00	3
5240 Auditing expense						4,900.00	0.00	4,900.00	AD	4,800.00	2
5250 Telephone						1,882.98	0.00	1,882.98	AD	1,377.10	37
5251 Internet						280.00	0.00	280.00	AD	760.00	(63)
5270 Misc. administrative						408.67	0.00	408.67	AD	347.53	18
5280 Training expense						622.35	0.00	622.35	AD	579.13	7
5290 Electricity, office & common area						2,458.90	0.00	2,458.90	UT	1,986.58	24
5300 Electricity, vacant units						422.29	0.00	422.29	UT	438.83	(4)
5320 Water						5,984.94	0.00	5,984.94	UT	5,799.84	3
5330 Sewer											

Cle Elum Associates
Year End: December 31, 2016
Adjusted Trial Balance, Account Detail
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Account	Date	Status	No	Ref	Ann.	Prelim	Adj's	Rep	L/S	Rep 12/15	%Chg
						8,308.94	0.00	8,308.94	UT	8,049.25	3
5340 Trash						7,802.95	0.00	7,802.95	UT	8,558.11	(9)
5370 Utility tax						0.00	0.00	0.00	UT	76.95	(100)
5400 Security & fire systems						97.74	0.00	97.74	OM	95.93	2
5410 Grounds payroll						3,600.00	0.00	3,600.00	OM	3,300.00	9
5420 Grounds supply						259.54	0.00	259.54	OM	644.76	(60)
5430 Grounds contract						8,334.00	0.00	8,334.00	OM	8,074.62	3
5440 Cleaning payroll						1,362.50	0.00	1,362.50	OM	1,540.50	(12)
5450 Cleaning supply						234.47	0.00	234.47	OM	206.61	13
5461 Carpet cleaning						479.00	0.00	479.00	OM	382.00	25
5470 Repairs payroll						8,915.23	0.00	8,915.23	OM	8,616.57	3
5480 Repairs supply						3,647.62	0.00	3,647.62	OM	1,085.09	236
5486 Repairs-Appliance Parts						1,062.68	0.00	1,062.68	OM	153.24	593
5487 Repairs, doors						0.00	0.00	0.00	OM	533.42	(100)
5491 Repairs, appliances						0.00	0.00	0.00	OM	102.60	(100)
5493 Repairs, electric						96.12	0.00	96.12	OM	0.00	0
5499 Repairs, other						0.00	0.00	0.00	OM	256.85	(100)
5520 Decorating, supplies						281.01	0.00	281.01	OM	199.72	41
5560 Flooring						0.00	0.00	0.00	OM	4,817.05	(100)
5561 Carpet						4,497.12	0.00	4,497.12	OM	0.00	0
5562 Vinyl						3,169.80	0.00	3,169.80	OM	0.00	0

Cle Elum Associates
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Adjusted Trial Balance, Account Detail
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Account	Date	Status	No	Ref	Ann.	Prelim	Adj's	Rep	L/S	Rep 12/15	%Chg
5570 Drapes & blinds						201.33	0.00	201.33	OM	222.91	(10)
5580 Snow removal						2,841.80	0.00	2,841.80	OM	560.46	407
5590 Exterminating						726.75	0.00	726.75	OM	697.02	4
5610 Assessability improvements						750.00	0.00	750.00	OM	0.00	0
5620 Equipment expense						245.00	0.00	245.00	OM	0.00	0
5630 Hot Water Heater						1,187.08	0.00	1,187.08	OM	323.99	266
5640 Appliance expense						554.26	0.00	554.26	OM	0.00	0
5641 Refrigerator						658.80	0.00	658.80	OM	648.00	2
5642 Range						463.86	0.00	463.86	OM	0.00	0
5647 Air conditioner						0.00	0.00	0.00	OM	945.96	(100)
5700 FICA						1,928.22	0.00	1,928.22	AD	1,822.24	6
5710 FUTA						84.60	0.00	84.60	AD	71.35	19
5720 SUTA						151.88	0.00	151.88	AD	80.17	89
5730 Workers compensation						1,183.59	0.00	1,183.59	AD	1,193.90	(1)
5740 Property tax					PP-1	4,095.94	0.00	4,095.94	TI	3,969.51	3
5800 Property insurance					PP-1	2,658.69	0.00	2,658.69	TI	2,529.01	5
5850 Licenses & fees						120.00	0.00	120.00	TI	110.00	9
5880 Incentive management fee reclass CY Distribution	12/31/20	N	2		CAP-1	0.00	900.00	900.00	MI	900.00	0
5900 Mortgage interest, RD adj mortgage	12/31/20	N	5		NP-1	15,864.00	(13,383.89)	(13,383.89)	MI	2,598.74	(5)
5920 Overage expense reclass to balance capital	12/31/20	N	3		RE-20		(256.00)				
to adj overage to monthly	12/31/20	R	4		RE-20		350.00				

Cle Elum Associates
 Year End: December 31, 2016
 Adjusted Trial Balance, Account Detail
 Prepared by NHKC PS

Prepared by	Reviewed by
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Account	Date	Status	No	Ref	Ann.	Prelim	Adj's	Rep	L/S	Rep 12/15	%Chg
						5,996.00	94.00	6,090.00	MI	3,889.00	57
5921 Tenant Utility Payments						0.00	0.00	0.00	MI	173.00	(100)
5940 Transfer to replacement reserve						6,240.00	0.00	6,240.00	MI	6,240.00	0
5941 RR interest deposits						19.70	0.00	19.70	MI	51.71	(62)
5980 Depreciation expense to record 2016 depreciation and	12/31/20	N	8	FA-10	FA-10	0.00	2,262.04 2,262.04	2,262.04	MI	3,751.93	(40)
5990 Amortization to record 2016 depreciation and	12/31/20	N	8	FA-10	FA-10	0.00	186.70 186.70	186.70	MI	186.70	0
						0.00	0.00	0.00		0.00	0
Net Income (Loss)						19,075.26		28,847.41		28,842.58	

Prepared by	Reviewed by
KT 2/17/2017	RAC 2/28/2017

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	12/31/2016	Owners equity	3000		CAP-10	1,740.02			
1	12/31/2016	Return to owner	3100		CAP-10		1,725.00		
1	12/31/2016	RTO- RR Interest Earned	3111		CAP-10		15.02		
to close PY RTO to capital									
2	12/31/2016	Return to owner	3100		CAP-10		900.00		
2	12/31/2016	Incentive management fee	5880		CAP-10	900.00			
reclass CY Distribution									
3	12/31/2016	Owners equity	3000		CAP-10	256.00			
3	12/31/2016	Overage expense	5920		CAP-10		256.00		
reclass to balance capital									
5	12/31/2016	Accounts rec, Rural Development	1120				1,322.00		
5	12/31/2016	Accounts rec, Rural Development	1120				598.00		
5	12/31/2016	Mortgage payable, RD	2500			14,953.89			
5	12/31/2016	Vacancy loss	5000			350.00			
5	12/31/2016	Mortgage interest, RD	5900				13,383.89		
adj mortgage									
6	12/31/2016	Accounts rec, Rural Development	1120			1,816.16			
6	12/31/2016	Accounts payable	2000				1,816.16		
to record Cle Elum Manor RD ck that was deposited into Pine Terrace in June.									
7	12/31/2016	Accounts payable, mgmt agent	2010				169.00		
7	12/31/2016	Management fees	5210			169.00			
to adjust mgmt fee - AdWest took 7 full month vacancies but there were only 4. Also took \$1 too little in January (Note: \$1.50 owed to AdWest from 2015 so total is \$170.50)									
8	12/31/2016	Accum depr land improvements	1630		FA-10		219.79		
8	12/31/2016	Accum depr, furnishings	1710		FA-10		2,042.25		
8	12/31/2016	Accum amort, loan fees	1810		FA-10		186.70		
8	12/31/2016	Depreciation expense	5980		FA-10	2,262.04			
8	12/31/2016	Amortization	5990		FA-10	186.70			
to record 2016 depreciation and amortization									
						22,633.81	22,633.81		
Net Income (Loss)			28,847.41						

Cle Elum Associates

Year End: December 31, 2016

Reclassifying journal entries

Prepared by NHKC PS

Date: 1/1/2016 To 12/31/2016

Prepared by	Reviewed by
KT 2/17/2017	RAC 2/28/2017

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Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
4	12/31/2016	Vacancy loss	5000	RE-20			350.00		
4	12/31/2016	Overage expense	5920	RE-20		350.00			
		to adj overage to monthly worksheets							
						350.00	350.00		
Net Income (Loss)			28,847.41						