

**BOSTON ROAD MOBILE HOME PARK TENANTS ASSOCIATION, INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2023 AND 2022**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors and Members of  
Boston Road Mobile Home Park Tenants Association, Inc.  
1350 Main Street  
Springfield, MA 01103

We have reviewed the accompanying financial statements of Boston Road Mobile Home Park Tenants Association, Inc., which comprise the balance sheets as of March 31, 2023 and 2022, and the related statements of revenues, expenses and changes in fund balances (deficits) and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

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

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Boston Road Mobile Home Park Tenants Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Boston Road Mobile Home Park Tenants Association, Inc.

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### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.



Aaron Smith, P.C.  
East Longmeadow, Massachusetts

October 25, 2023

## Boston Road Mobile Home Park Tenants Association, Inc.

## Balance Sheets

March 31, 2023 and 2022

	2023			2022		
	ASSETS					
	Operating Fund	Replace-ment Fund	Total	Operating Fund	Replace-ment Fund	Total
<b>Current Assets</b>						
Cash and Equivalents	\$ 16,849	\$ -	\$ 16,849	\$ 13,451	\$ -	\$ 13,451
Cash - Security Deposit	1,042	-	1,042	1,042	-	1,042
Replacement Reserve Escrow	-	22,756	22,756	-	5,099	5,099
Insurance and Tax Escrow	33,487	-	33,487	762	-	762
Common Charges Receivable, Net	28,044	-	28,044	156,876	-	156,876
Prepaid Expenses	7,809	-	7,809	1,621	-	1,621
Total Current Assets	87,231	22,756	109,987	173,752	5,099	178,851
<b>Property and Equipment</b>						
Land and Land Improvements	4,365,213	-	4,365,213	4,365,213	-	4,365,213
Buildings	300,000	-	300,000	300,000	-	300,000
Improvements	128,533	-	128,533	128,533	-	128,533
Motor Vehicle	86,997	-	86,997	86,997	-	86,997
Equipment	72,242	-	72,242	72,242	-	72,242
Total	4,952,985	-	4,952,985	4,952,985	-	4,952,985
Accumulated Depreciation	4,080,249	-	4,080,249	4,039,277	-	4,039,277
Total Property and Equipment	872,736	-	872,736	913,708	-	913,708
<b>Other Assets</b>						
Operating and Debt Service Reserve	116	-	116	3,876	-	3,876
Total Assets	\$ 960,083	\$ 22,756	\$ 982,839	\$ 1,091,336	\$ 5,099	\$ 1,096,435

See Independent Accountant's Review Report  
and Accompanying Notes to Financial Statements

## Boston Road Mobile Home Park Tenants Association, Inc.

## Balance Sheets

March 31, 2023 and 2022

	2023			2022		
	Operating Fund	Replacement Fund	Total	Operating Fund	Replacement Fund	Total
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 117,928	\$ -	\$ 117,928	\$ 175,567	\$ -	\$ 175,567
Prepaid Common Charges	43,907	-	43,907	35,180	-	35,180
Deferred Revenue	22,360	-	22,360	25,480	-	25,480
Key and Security Deposits	1,762	-	1,762	1,762	-	1,762
Accrued Interest	4,095	-	4,095	5,394	-	5,394
Contract Liabilities -						
Replacement Fund Advance	-	22,756	22,756	-	5,099	5,099
Current Portion Long Term Debt	269,598	-	269,598	137,650	-	137,650
Total Current Liabilities	<u>459,650</u>	<u>22,756</u>	<u>482,406</u>	<u>381,033</u>	<u>5,099</u>	<u>386,132</u>
Long Term Debt	<u>1,154,407</u>	<u>-</u>	<u>1,154,407</u>	<u>1,417,092</u>	<u>-</u>	<u>1,417,092</u>
Total Liabilities	<u>1,614,057</u>	<u>22,756</u>	<u>1,636,813</u>	<u>1,798,125</u>	<u>5,099</u>	<u>1,803,224</u>
Total Fund Balances (Deficits)	<u>(653,974)</u>	<u>-</u>	<u>(653,974)</u>	<u>(706,789)</u>	<u>-</u>	<u>(706,789)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 960,083</u>	<u>\$ 22,756</u>	<u>\$ 982,839</u>	<u>\$ 1,091,336</u>	<u>\$ 5,099</u>	<u>\$ 1,096,435</u>

See Independent Accountant's Review Report  
and Accompanying Notes to Financial Statements

## Boston Road Mobile Home Park Tenants Association, Inc.

## Statements of Revenues, Expenses, and Changes in Fund Balances (Deficits)

For the Years Ended March 31, 2023 and 2022

	2023			2022		
	Operating Fund	Replace-ment Fund	Total	Operating Fund	Replace-ment Fund	Total
<b>Revenues</b>						
Association Fees	\$ 1,019,609	\$ 44,773	\$ 1,064,382	\$ 1,025,355	\$ 53,712	\$ 1,079,067
Rent	12,480	-	12,480	12,420	-	12,420
Fines and Late Charges	315	-	315	25	-	25
Interest Income	216	230	446	2	3	5
Laundry Income	4,582	-	4,582	4,900	-	4,900
Legal Fee Reimbursements	395	-	395	-	-	-
Other Income	1,893	-	1,893	3,439	-	3,439
Total Revenues	1,039,490	45,003	1,084,493	1,046,141	53,715	1,099,856
<b>Expenses</b>						
Depreciation	40,972	-	40,972	43,559	-	43,559
Snow Removal	574	-	574	1,046	-	1,046
Landscaping and Tree Removal	922	-	922	4,331	-	4,331
Insurance	29,838	-	29,838	27,200	-	27,200
Insurance Loss Expense	15,971	-	15,971	3,487	-	3,487
Interest Expense	67,955	-	67,955	79,965	-	79,965
Mobile Home Inspection Fees	22,474	-	22,474	22,474	-	22,474
Management Fee	54,299	-	54,299	54,057	-	54,057
Maintenance Payroll and Benefits	74,248	-	74,248	89,243	-	89,243
Administrative Payroll and Benefits	74,538	-	74,538	69,879	-	69,879
Office Expense	9,954	-	9,954	9,893	-	9,893
Professional Fees	25,560	-	25,560	29,762	-	29,762
Repairs and Maintenance	82,535	-	82,535	68,683	-	68,683
Repairs and Maintenance - Vehicle	5,019	-	5,019	5,536	-	5,536
Electricity	18,504	-	18,504	14,356	-	14,356

See Independent Accountant's Review Report  
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## Boston Road Mobile Home Park Tenants Association, Inc.

## Statements of Revenues, Expenses, and Changes in Fund Balances (Deficits)

For the Years Ended March 31, 2023 and 2022

	2023			2022		
	Operating Fund	Replace-ment Fund	Total	Operating Fund	Replace-ment Fund	Total
<b>Expenses - Continued</b>						
Gas and Heating Fuel	9,441	-	9,441	6,934	-	6,934
Water and Sewer	340,179	-	340,179	265,160	-	265,160
Telephone	5,689	-	5,689	5,433	-	5,433
Bad Debts (Recoveries)	49,683	-	49,683	(49,380)	-	(49,380)
Payroll Taxes	7,416	-	7,416	7,928	-	7,928
Real Estate Taxes	85,012	-	85,012	81,564	-	81,564
Other Taxes	200	-	200	172	-	172
Miscellaneous Expense	-	-	-	5,780	-	5,780
Income Tax Expense	10,695	-	10,695	18,399	-	18,399
Total Expenses	1,031,678	-	1,031,678	865,461	-	865,461
Excess of Revenues over Expenses	7,812	45,003	52,815	180,680	53,715	234,395
Reserve Fund Transfers	45,003	(45,003)	-	54,982	(54,982)	-
Fund Balances (Deficits) - Beginning of Year	(706,789)	-	(706,789)	(942,451)	1,267	(941,184)
Fund Balances (Deficits) - End of Year	\$ (653,974)	\$ -	\$ (653,974)	\$ (706,789)	\$ -	\$ (706,789)

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## Boston Road Mobile Home Park Tenants Association, Inc.

## Statements of Cash Flows

For the Years Ended March 31, 2023 and 2022

	2023			2022		
	Operating Fund	Replacement Fund	Total	Operating Fund	Replacement Fund	Total
Cash Flows Provided by (Used in)						
Operating Activities:						
Excess (Deficiency) of Revenues Over Expenses	\$ 7,812	\$ 45,003	\$ 52,815	\$ 180,680	\$ 53,715	\$ 234,395
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by (Used in)						
Operating Activities:						
Depreciation and Amortization	40,972	-	40,972	43,559	-	43,559
Accounts Receivable Write Off	49,683	-	49,683	(49,380)	-	(49,380)
Changes in Assets and Liabilities:						
Insurance and Tax Escrow	(32,725)	-	(32,725)	5,942	-	5,942
Replacement Reserve Escrow	-	(17,657)	(17,657)	-	(3,832)	(3,832)
Common Charges Receivable	79,149	-	79,149	(33,655)	-	(33,655)
Operating and Debt Service Reserve	3,760	-	3,760	14,998	-	14,998
Prepaid Expenses	(6,188)	-	(6,188)	1,572	-	1,572
Prepaid Common Charges	8,727	-	8,727	6,185	-	6,185
Deferred Revenue	(3,120)	-	(3,120)	(3,120)	-	(3,120)
Accounts Payable	(57,639)	-	(57,639)	18,597	-	18,597
Contract Liabilities -						
Replacement Fund Advance	-	17,657	17,657	-	3,832	3,832
Accrued Interest	(1,299)	-	(1,299)	(1,229)	-	(1,229)
Net Cash Provided by Operating Activities	89,132	45,003	134,135	184,149	53,715	237,864
Cash Flows Provided by (Used in)						
Operating Activities:						
Transfers	45,003	(45,003)	-	54,982	(54,982)	-
Net Cash Provided by (Used in) Investing Activities	45,003	(45,003)	-	54,982	(54,982)	-

See Independent Accountant's Review Report  
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## Boston Road Mobile Home Park Tenants Association, Inc.

## Statements of Cash Flows

For the Years Ended March 31, 2023 and 2022

	2023			2022		
	Operating Fund	Replace-ment Fund	Total	Operating Fund	Replace-ment Fund	Total
Cash Flows Provided by (Used in)						
Operating Activities:						
Repayment of Long-Term Debt	(130,737)	-	(130,737)	(234,131)	-	(234,131)
Net Cash Used in Investing Activities	(130,737)	-	(130,737)	(234,131)	-	(234,131)
Net Increase (Decrease) in Cash and	3,398	-	3,398	5,000	(1,267)	3,733
Cash and Cash Equivalents - Beginning	14,493	-	14,493	9,493	1,267	10,760
Cash and Cash Equivalents - Ending	\$ 17,891	\$ -	\$ 17,891	\$ 14,493	\$ -	\$ 14,493
Supplemental Disclosure of Cash Flow Information:						
Cash Paid For:						
Interest	\$ 69,254			\$ 81,194		
Taxes	\$ 19,297			\$ 7,000		

See Independent Accountant's Review Report  
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**Boston Road Mobile Home Park Tenants Association, Inc.****Notes to Financial Statements****For the Years Ended March 31, 2023 and 2022**

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**Note 1. Nature of Organization**

Boston Road Mobile Home Park Tenants Association, Inc. ("Association") is a tenants association that was formed as a trust in the Commonwealth of Massachusetts in October 1994 under the provisions of Massachusetts General Law Chapter 180. The Association, which is organized to accommodate for low income housing, is composed of 312 mobile home lots and one single family house on approximately 33 acres of land located in Springfield, Massachusetts.

**Note 2. Summary of Significant Accounting Policies****Accounting Method**

These financial statements are prepared on the accrual basis using accounting principles generally accepted in the United States of America for common interest realty associations. The Association reports its transactions in separate funds depending on the identification of the activity to which the transaction relates.

Operating Fund - This fund is used to account for the general operating revenue and expenses of the Association.

Replacement Fund - This fund is used to accumulate financial resources for major repairs and replacement costs which will be incurred at some future time. With the adoption, ASC 606 this fund became a Contract Liability on April 1, 2020. See Note 4.

**Contract Liabilities (Assessments Received in Advance—Replacement Fund)**

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) are recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The Association assessed and received \$44,773 and \$53,712 for the years ended March 31, 2023 and 2022, respectively, in the replacement fund. The balances of contract liabilities (assessments received in advance—replacement fund) as of March 31, 2023 and 2022 were \$22,756 and \$5,099, respectively.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

**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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

See Independent Accountant's Review Report

**Boston Road Mobile Home Park Tenants Association, Inc.**

**Notes to Financial Statements**

**For the Years Ended March 31, 2023 and 2022**

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**Note 2. Summary of Significant Accounting Policies – Continued**

**Leases**

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-02, *Leases*. As part of this new standard, there are significant changes that call for the treatment of current operating leases as capital leases, resulting in recognition by the lessee of a lease liability and a corresponding right-to-use asset. The lessor will recognize an asset representing its right to receive payments. The Association is required to apply the new standard beginning April 1, 2022. There is no change to the financial statements as a result of this new standard.

**Recent Accounting Standards**

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 is effective for annual reporting periods, and interim periods within those years beginning after December 15, 2022, with early adoption permitted. In preparation of this standard, management will be reviewing and evaluating the impact of the adoption of this standard.

**Date of Management’s Review**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 25, 2023, the date that the financial statements were available to be issued.

**Depreciation**

Property, plant and equipment are recorded at cost. Depreciation of property, plant and equipment is provided over the estimated useful lives of the respective assets on both the straight-line and accelerated methods.

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<u>Classification</u>	<u>Life</u>
Furniture and Fixtures	5-7 years
Equipment	7 years
Land Improvements	15 years
Motor Vehicles	5 years
Buildings	39 years

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See Independent Accountant’s Review Report

**Boston Road Mobile Home Park Tenants Association, Inc.****Notes to Financial Statements****For the Years Ended March 31, 2023 and 2022**

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**Note 3. Member Assessments/Revenue Recognition**

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, *Real Estate – Common Interest Realty Associations (CIRA), Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

Unit owners are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions and major repairs and replacements. The assessments are set by the Springfield Mobile Home Park Rent Control Board. The monthly assessment for the years ended March 31, 2023 and 2022 was \$291.83. Assessment revenue is recognized as the related performance obligations are satisfied at the transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time. Common charges receivable at the balance sheet date represent fees due from unit owners. An allowance for uncollectible accounts has been established in the amount of \$39,198 and \$820 for March 31, 2023 and March 31, 2022, respectively. As of March 31, 2023 the Association believes that all outstanding receivables are collectible net of the amount reserved for.

Receivables are considered past due based upon contractual terms. The Association's policy is to retain legal counsel to assist when assessments are deemed to be delinquent by the board. Any excess cash flow generated from operations of the project shall be placed into an operating and debt service reserve account, which shall be maintained by, and disbursed at, the discretion of the lender.

**Note 4. Property and Equipment**

The Association capitalizes all property and equipment to which it has title or evidence of ownership. At March 31, 2023, property capitalized consists of real estate, buildings, and equipment. Capitalized common property is depreciated over its estimated useful life using straight-line and accelerated methods. Depreciation expense charged to operations was \$40,972 and \$43,559 for the years ended March 31, 2023 and 2022, respectively.

**Note 5. Operating and Debt Service Reserve**

The Association is required by their loan agreement to fund an operating and debt service reserve account. All net cash flows generated from the operation of the Association must be deposited into the reserve account within 180 days of the Association's year end. Funds may only be utilized for operations and debt service expenditures and with written permission from the lender, Massachusetts Housing Partnership Fund, Inc. If the balance exceeds \$80,682, the lender, at its discretion, may apply the excess to prepay the loan. There are no scheduled repayment terms for these releases. The balance was \$116 and \$3,876 at March 31, 2023 and 2022.

See Independent Accountant's Review Report

**Boston Road Mobile Home Park Tenants Association, Inc.**

**Notes to Financial Statements**

**For the Years Ended March 31, 2023 and 2022**

**Note 6. Long-Term Debt**

At March 31, 2023 and 2022, long-term debt consists of the following:

	<b>2023</b>	<b>2022</b>
Note payable to the Mass. Housing Partnership Fund, Inc. secured by a mortgage on certain real estate originally with monthly installments of \$26,894, including interest at 8.19% per annum through September 2025. The agreement specifies certain covenants including debt coverage ratios and financial reporting. The note was amended effective January 1, 2006 for monthly payments of \$24,826 including interest at 6.55% per annum.	\$ 869,986	\$ 988,184
Note payable to the City of Springfield, secured by a mortgage on certain real estate. The loan is non-interest bearing and is not due for repayment until the sale or transfer of the property on which the park is located.	175,000	175,000
Note payable to the Home Loan Bank. This loan is a direct subsidy from the Affordable Housing Program. The loan is non-interest bearing and is not scheduled for repayment provided that the Association complies with the terms of the agreement for forty years.	350,000	350,000
Note payable to Ally Bank. Payable in 72 monthly installments of \$902; including interest at 8.99%; secured by a motor vehicle.	25,648	34,445
Note payable to Ally Bank. Payable in 48 monthly installments of \$548; including interest at 12.94%; secured by a motor vehicle.	4,234	10,316
Total	1,424,868	1,557,945
Less - Current Maturities	(269,598)	(137,650)
Less Loan Costs	(863)	(3,203)
Total Long-Term Debt	<b>\$ 1,154,407</b>	<b>\$ 1,417,092</b>

See Independent Accountant's Review Report

**Boston Road Mobile Home Park Tenants Association, Inc.**

**Notes to Financial Statements**

**For the Years Ended March 31, 2023 and 2022**

**Note 6. Long-Term Debt - Continued**

Maturities of long-term debt are as follows:

Year Ending March 31,	Amount
2024	\$ 269,598
2025	283,512
2026	346,758
Thereafter	525,000
Total	1,424,868
Less Current Portion	(269,598)
Less Loan Costs	(863)
Total	\$ 1,154,407

The note payable with the Mass. Housing Partnership Fund, Inc. is subject to certain covenants, which have been waived by the lender for the years ended March 31, 2023 and 2022.

**Note 7. Insurance**

The Association has the following insurance coverage in force:

Building and Business Personal Property (Aggregate)	\$ 560,100	
General Liability (Aggregate)	2,000,000	
Umbrella	5,000,000	
Premises Medical	5,000	Per person
Commercial Auto - Uninsured/Underinsured	20,000/40,000	
Automobile Liability	1,000,000	
Personal & Adv. Injury	1,000,000	
Damage to Rented Premises (Each Occurrence)	100,000	
Director & Officers	1,000,000	

See Independent Accountant's Review Report

**Boston Road Mobile Home Park Tenants Association, Inc.****Notes to Financial Statements****For the Years Ended March 31, 2023 and 2022**

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**Note 8. Income Taxes**

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the years ended March 31, 2023 and 2022, the Association has elected to be treated as a tax-exempt homeowners' association. In accordance with this election, exempt function income is not subject to federal income taxation. However, non-exempt function income, less allowable deductions, is taxable at a flat 30% federal rate. For Massachusetts, the income is subject to a flat 8% state rate.

**Note 9. Future Major Repairs and Replacements**

The Association's governing documents require funds to be accumulated over time for future repairs and replacements. Accumulated funds, which aggregate \$22,756 and \$5,099 at March 31, 2023 and 2022, respectively, are held in separate accounts and are generally not available for operating purposes.

The Association is funding such major repairs and replacements based on available cash flow and requirements as specified in the loan agreement. The agreement specifies that commencing on August 1, 1998, monthly Replacement Reserve Deposits will be made in the amount of \$1,968.75, which will increase annually by four (4%) percent during the term of the loan. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval and approval from the Springfield Mobile Home Park Rent Control Board, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available. For the fiscal year ending March 31, 2024, the Association has established a capital expenditure budget in the amount of \$2,000,000.

**Note 10. Leased Property**

The Association has a month to month lease to rent a single family home owned by the Association for \$1,040 per month (In 2021 rent was also at \$1,040 per month).

**Note 11. Concentration of Risk**

The Association has cash on deposit through the replacement reserve escrow, the operating and debt service reserve and the property insurance and tax escrow in the amount of \$56,359 as of March 31, 2023. The funds are controlled by the Massachusetts Housing Partnership Fund, Inc. (MHPF) and invested in accounts not insured by FDIC. The Association has not experienced any losses in such accounts. Management believes the Association is not exposed to any significant credit risk related to cash or short term investments controlled by MHPF.

See Independent Accountant's Review Report

**Boston Road Mobile Home Park Tenants Association, Inc.****Notes to Financial Statements****For the Years Ended March 31, 2023 and 2022**

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**Note 12. Insurance Loss**

Insurance losses consists primarily of environmental cleanup costs for oil contamination net of insurance reimbursement. Environmental cleanup costs net of insurance reimbursements of \$15,971 and \$3,487 were recorded in 2023 and 2022, respectively.

**Note 13. Uncertain Tax Positions**

The Association has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. In addition, the Association has not recognized any interest or penalties associated with uncertain tax positions.

The Association files tax returns in various jurisdictions. The statute of limitations is generally three years. Tax returns beginning with the 2020 year remain subject to examination by the federal and state jurisdictions.

**Note 14. Forbearance Agreement with Lender**

In May of 2022, the Association entered into a forbearance agreement with their lender, Mass. Housing Partnership Fund. This agreement allows the Association to direct their monthly mortgage principal payments of \$19,000 per month to a separate operational reserve account for use in paying down other debts. This agreement is for six months beginning May 1, 2022 and ending on October 31, 2022. The monthly payment to Mass. Housing Partnership Fund will remain the same.

**Note 15. Settlement/Contingency/Subsequent Events**

In June of 2022, the Association entered into a settlement agreement with Riggott Enterprises, LLC for an oil spill that occurred in 2018. The Association has collected approximately \$75,000 from this settlement subsequent to March 31, 2023. A receivable was not reflected in these financial statements as the costs to mitigate the oil spill are expected to equal or exceed \$75,000. The total cost of the mitigation will not be known until the project is underway.

See Independent Accountant's Review Report