



Board of Managers
Lincoln Apartments, LLC
Hingham, Massachusetts

We have audited the financial statements of Lincoln Apartments, LLC as of and for the year ended December 31, 2024, and have issued our report thereon dated March 25, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the *Consolidated Audit Guide for Audits of HUD Programs*, as well as certain information related to the planned scope and timing of our audit in our statement of work dated January 31, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lincoln Apartments, LLC are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2024.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The attached schedule summarizes all GAAP financial statement adjustments recorded as a result of audit procedures that were approved by management.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated March 25, 2025.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate communication to you dated March 25, 2025, communicating internal control related matters identified during the audit.

Supplementary information in relation to the financial statements as a whole

With respect to the supplementary financial information required by HUD's *Uniform Financial Reporting Standards for HUD Housing Programs* (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America and the requirements of HUD's *Uniform Financial Reporting Standards for HUD Housing Programs*, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated March 25, 2025.

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This communication is intended solely for the information and use of the Board of Managers and management of Lincoln Apartments, LLC and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Andover, Massachusetts
March 25, 2025

Client: **A257050 - Lincoln Apartments, LLC**
Engagement: **AUD 2024 - Lincoln Apartments, LLC**
Period Ending: **12/31/2024**
Trial Balance: **0900 - TB**
Workpaper: **0920.00 - Combined Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
LSA TO BOOK - To agree the LSA's balances of building improvements, depreciation expense, and accumulated depreciation to the capital asset rollforward.			
1442-000	Building Improvements	6,400.00	
6620-000	Depreciation	69,405.00	
1317-000	ACCUMULATED DEPRECIATION		69,405.00
6543-006	Replacements - Other		6,400.00
Total		75,805.00	75,805.00
Adjusting Journal Entries JE # 2			
LSA TO BOOK - To adjust for ASC 842 lease activity.			
1836-000	Ground Lease Asset	20,342.00	
2701-001	Long Term Lease Liability	371,860.00	
6709-000	Ground Lease	371,860.00	
1836-001	Ground Lease Asset Amortization		371,860.00
6709-000	Ground Lease		392,202.00
Total		764,062.00	764,062.00
Adjusting Journal Entries JE # 5			
LSA TO BOOK - To update the 'Due to Town of Hingham' balance to agree to recalculation in accordance with ground lease expense payment schedule.			
2112-000	A/P - Other	7,928.00	
6709-000	Ground Lease		7,928.00
Total		7,928.00	7,928.00
Total Adjusting Journal Entries		847,795.00	847,795.00
Reclassifying Journal Entries			
Reclassifying Journal Entries JE # 3			
To reclass tenant subsidy income from gross potential rent.			
5119-000	Gross Potential Rent	1,476,945.00	
5119-005	Tenant Subsidies		1,476,945.00
Total		1,476,945.00	1,476,945.00
Reclassifying Journal Entries JE # 4			
To reclass credit accounts receivable balance to a liability account for presentation purposes.			
1130-000	Tenant A/R	7,897.00	
1140-000	HUD Tenant Repayment	6,650.00	
2110-CLA1	AR credit reclass		7,897.00
2240-000	50059 - HUD Repayment (ONLY)		6,650.00
Total		14,547.00	14,547.00
Total Reclassifying Journal Entries		1,491,492.00	1,491,492.00
Total All Journal Entries		2,339,287.00	2,339,287.00

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Lincoln Apartments, LLC
Year Ended December 31, 2024

Description	Assets	Liabilities	Equity	Net Income
Unrecorded Accounts Payables.		\$ (13,380)	\$ 13,380	\$ 13,380
Net current year misstatements (Iron Curtain Method)	-	(13,380)	13,380	13,380
Effect of prior year uncorrected misstatements on the current year net income				(5,591)
Combined current and prior year misstatements (Rollover Method)	\$ -	\$ (13,380)	\$ 13,380	\$ 7,789
Financial statement totals	<u>10,828,649</u>	<u>(5,318,139)</u>	<u>(5,510,510)</u>	<u>663,055</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)		0%	0%	2%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)		0%	0%	1%

OMISSION OF A DISCLOSURE, INCLUDING INADEQUATE OR INCOMPLETE DISCLOSURES, OR UNCORRECTED MISSTATEMENTS OF DISCLOSURES

[Guidance](#)

Description	Amount (If Applicable)
None Noted.	