

## **September 30, 2013 Comments Related to the Combined Audit Report**

1. Reserve for Replacements deposits were down due to withdrawals during the year.
2. Overall, cash and short term investments were up compared to the prior year. Most of the other assets and liabilities remained consistent with the prior year amounts.
3. Revenues from the operations of CL I & CL II also remained fairly consistent with the prior year. There was a rent increase at each of the Projects effective July 1, 2013. The increase was based on HUD's OCAF adjustment for Ohio. We are currently working on a rent increase that will be effective July 1, 2014 of approximately 1.9%, subject to the HUD mandated formula.
4. Expenses from the operations of CL I & CL II were down from the previous year due to not having an expense like the intercoms the year before. The cameras and patio doors will show on next year's audit.
5. Fundraising income was down by approximately \$10,000 for the year.
6. We had one person apply to the Independent Living Fund this year. We did make a grant of approximately \$5,900 to a former resident who moved out of Creative Living and needed some adaptations done to his home.
7. Net investment income was less in the current year than the previous year.
8. If you look at Note 5 on page 13, you will see that the funds held at The Columbus Foundation gained increased over \$150,000 in value during the year. This change and the value of those assets are not included in these financial statements.
9. The auditor's reports indicated no findings or questioned costs for CL II. Due to the differences in the audits as mentioned in prior years, the auditors do not report on findings or questioned costs for CL I and they are not allowed to say that they did not find any. However, nothing came up during the audit of Creative Living, Inc. that would cause us to believe that there were any issues.