BEULAH LAND DEVELOPMENT CORP.

INDEPENDENT AUDITOR’S REPORT
FINANCIAL STATEMENTS

FISCAL YEAR ENDED
JUNE 30, 2015

J. OAKS, CPA, MBA, LLC
Certified Public Accountant
39 Tall Pines Lane
Rocky Hill, Connecticut  06067
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Independent Auditor's Report

To the Board of Directors
Beulah Land Development Corp.
774 Orchard St
New Haven, Connecticut 06511

Report on the Financial Statements
I have audited the accompanying financial statements of Beulah Land Development Corp. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor’s Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 the entity’s internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Beulah Land Development Corp. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Other Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is 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 auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated February 5, 2016, on my consideration of Beulah Land Development Corp.’s internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Beulah Land Development Corp.’s internal control over financial reporting and compliance.

J. Oaks, CPA, MBA, LLC
J. Oaks, CPA, MBA, LLC
Rocky Hill, Connecticut
February 5, 2016
# Statement of Financial Position

**as of June 30, 2015**

## Assets:
- **Cash in banks** $1,360.46
- **Grants receivable** 39,119.90

### Development assets:
- **Property held for development** 188,925.01
- **Capitalized project development costs** 516,567.10
  - **Gross development assets** 705,492.11
  - **Less: Reserve for write-down to estimated net realizable value (Note 6)** (193,659.24)
  - **Net development assets** 511,832.87

- **Office equipment** 984.97
- **Accumulated depreciation** (787.96)
  - **Office equipment-net** 197.01

**Total Assets** 552,510.24

## Liabilities and Net assets:

### Liabilities:
- **Accounts payable and accrued liabilities** 14,755.50
- **Accrued liabilities-related parties** 42,800.00
- **Notes payable (Note 2)** 316,952.48
- **Loans payable-related parties** 5,000.00
- **Penalties on notes payable (Note 3)** 38,474.92
  - **Total Liabilities** 417,982.90

### Net assets:
- **Unrestricted** 134,527.34
  - **Total Net assets** 134,527.34

**Total Liabilities and Net assets** $552,510.24

See accompanying notes and independent auditor's report
BEULAH LAND DEVELOPMENT CORP.
Statement of Activities
Year Ended June 30, 2015

Changes in unrestricted net assets:
Revenues:
  Grants and subsidies $ 10,000.00
  Forgiveness of project loans 53,053.00
  Donations, contributions, community events 30,254.83
  Net assets released from restrictions 229,963.94
Total revenues 323,271.77

Expenses:
  Salaries, benefits, and taxes 78,723.32
  Telephone and internet 3,443.92
  Office and administrative 8,558.46
  Training and meetings 2,654.15
  Community outreach and events 12,116.30
  Depreciation 196.99
  Office equipment rental 3,516.74
  Legal and professional fees 8,945.00
  Rent 14,400.00
  Utilities 1,422.56
  Insurance 2,260.00
  Property taxes 578.90
  Project planning and other 4,781.87
  Repairs and maintenance 1,323.33
  Loss on sale of project homes 149,520.08
  Provision for write-down of development assets 193,659.24
  Penalties on notes payable (Note 3) 2,687.89
Total expenses 488,788.75

Change in unrestricted net assets (165,516.98)

Changes in temporarily restricted net assets:
  Temporarily restricted grant revenues 229,963.94
  Net assets released from restrictions (229,963.94)
Change in temporarily restricted net assets -

Total change in net assets for the period (165,516.98)

Net assets - beginning of year 300,044.32
Net assets - end of year $ 134,527.34

See accompanying notes and independent auditor's report
BEULAH LAND DEVELOPMENT CORP.
Statement of Cash Flows
Year Ended June 30, 2015

Cash flows from operating activities:

Change in net assets for year $ (165,516.98)
Add back/(subtract) non-cash items:
  Depreciation expense 196.99
  Non-cash penalties on notes payable 2,687.89
  Loss on sale of project homes 149,520.08
  Provision for write-down of development assets 193,659.24
Adjustment for changes in working capital:
  Increase in grants receivable (25,242.58)
  Decrease in other receivables 783.00
  Increase in accounts payable 4,763.30
  Decrease in deposits on sales contracts (1,000.00)
  Increase in accrued liabilities-related parties 13,200.00
Net cash provided (used) by operating activities 173,050.94

Cash flows from investing activities:

  Proceeds from sale of project homes 140,651.73
  Increase in capitalized project development costs (468,081.02)
Net cash provided (used) by investing activities (327,429.29)

Cash flows from financing activities:

  Increase in principal of notes payable 148,508.54
Net cash provided (used) by financing activities 148,508.54

Net change in cash for year (5,869.81)

  Cash balance - beginning of year 7,230.27
  Cash balance - end of year $ 1,360.46

Supplemental cash flow data:

  Interest paid and capitalized $ 13,300.22

See accompanying notes and independent auditor's report
Note 1  Summary of Significant Accounting Policies

Nature of Activities
Beulah Land Development Corp. (a non-profit organization) is a developer of low income housing units. The organization currently has several lots under development. The organization plans to acquire other lots for development in the Greater New Haven area.

Basis of Accounting
The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). In accordance with U.S. GAAP, the organization classifies its net assets and activities according to the following classifications: unrestricted, temporarily restricted, and permanently restricted. The organization had no permanently restricted net assets during this period. Revenues received for which there are no restrictions are classified as “unrestricted” and may be used for any general or specific purpose of the organization. Revenues received for which donors or grantors have placed specific time or usage restrictions are initially classified as “temporarily restricted”. When the funds are expended for the purposes intended or the time restrictions have expired, the revenues are reclassified from temporarily restricted to unrestricted, and the net assets and expenses are also then shown as unrestricted.

Property Held for Development
This development asset shown on the statement of financial position represents the capitalized cost of real property acquired and held for existing or future development projects.

Capitalized Project Development Costs
This asset represents architectural, construction, and other expenditures related to real estate development projects under construction. Such costs remain as assets until property development completion and sale.

Management’s 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
**Income Taxes**
The organization is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3) and Connecticut General Statute Section 12-214. In addition, the organization has been determined by the Internal Revenue Service to be a publicly supported organization within the meaning of Section 509 (a) of the Code. The organization is required to file IRS form 990 in accordance with applicable tax regulations in effect during the period being reported. The organization has evaluated the tax positions taken or expected to be taken, if any, on its exempt organization status, and the likelihood that upon examination those positions would be sustained. Based on the results of this evaluation the organization has determined that there are no tax positions that necessitate disclosures and/or adjustments.

**Note 2 Notes Payable**
Details of notes payable as of June 30, 2015 are as follows:

a) City of New Haven - Office of Housing and Neighborhood Development; pre-development loan modified in 2013, 2014 and 2015 (before issuance of the financial statements), to reflect original principal amount of $40,000, payable in installments through May, 2020, at zero percent interest. Penalties of 4% on the outstanding balance are reflected as an expense on the statement of activities and as a liability on the statement of financial position, but will be waived provided all payments are made as agreed (also see Note 3 below).  

$ 23,972.98

b) City of New Haven - HUD Project pre-development Home-CHDO loan on development of project properties, modified in 2013, 2014 and 2015 (before issuance of the financial statements), to reflect original principal amount of $50,000, payable in installments through May, 2020, at zero percent interest. Penalties of 5% on the outstanding balance are reflected as an expense on the statement of activities and as a liability on the statement of financial position, but will be waived provided all payments are made as agreed (also see  

$ 30,127.50
Note 2  Notes Payable
Details of notes payable as of June 30, 2015 (continued):

c) Greater New Haven Community Loan Fund - Maximum loan amount of $300,000 available to cover construction and related soft costs for the rehabilitation of three single-family houses located at 693 Orchard Street, 718 Orchard Street, and 535 Dixwell Avenue (collectively Orchard Street Redevelopment Project 2). The note requires 18 months of interest-only payments equal to 7% of the outstanding principal balance. The outstanding principal balance is payable at the sale of the properties or on May 31, 2016, 126,361.00

d) Greater New Haven Community Loan Fund - Maximum loan amount of $86,000 to assist in the gut renovation of a single-family house located at 33 Henry Street (Orchard Street Redevelopment Project 3). The note requires 18 months of interest-only payments equal to 6.5% of the outstanding principal balance. The outstanding principal balance is payable at the sale of the property or on January 31, 2017, 30,386.00

e) CT Department of Community and Economic Development (CT-DECD) pass-through conditional grant from Greater New Haven Community Loan Fund. No-interest loan to finance the acquisition, rehabilitation and construction of the three single-family houses located at 693 Orchard Street, 718 Orchard Street, and 535 Dixwell Avenue (collectively Orchard Street Redevelopment Project 2). The outstanding principal balance will be forgiven evenly at the sale of each house to an income eligible homebuyer. As of June 30, 2015, one of three houses has been sold. 159,158.00

A provision for such forgiveness is reflected in the balance of notes payable on the statement of financial position. 53,053.00

| Net amount | 106,105.00 |
| Total notes payable | $ 316,952.48 |
Long-term debt principal maturities on the above notes payable for the next five fiscal years ended June 30, are shown below, except for the $106,105 outstanding principal on the CT-DECD loan which will be forgiven as each house included in the Orchard Street Redevelopment Project 2 is sold:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$138,302.20</td>
</tr>
<tr>
<td>2017</td>
<td>$42,327.20</td>
</tr>
<tr>
<td>2018</td>
<td>$11,941.20</td>
</tr>
<tr>
<td>2019</td>
<td>$11,941.20</td>
</tr>
<tr>
<td>2020</td>
<td>$6,335.68</td>
</tr>
<tr>
<td></td>
<td>Indeterminable</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

**Note 3  Penalties on Notes Payable**

As discussed in Note 2, items a) and b), the terms of certain notes payable have been modified. In accordance with the new terms and conditions of the loan agreements, a 4% and 5% penalty is imposed, but will be waived provided all payments are made as agreed. In the current year, a provision for such penalties in the amount of $2,687.89 is reflected in the statement of activities, and the related cumulative liability for such penalties of $38,474.92 is reflected on the statement of financial position.

**Note 4  Principal Funding Sources**

The financial statements reflect the following revenues for the year ended June 30, 2015:

<table>
<thead>
<tr>
<th>Source of funds</th>
<th>Cash receipts</th>
<th>Accruals net of reversals</th>
<th>Total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>$10,000.00</td>
<td>$ -</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>CT DECD forgiveness of project loans</td>
<td>$53,053.00</td>
<td>-</td>
<td>$53,053.00</td>
</tr>
<tr>
<td>Donations, contributions, community events</td>
<td>$30,254.83</td>
<td>-</td>
<td>$30,254.83</td>
</tr>
<tr>
<td>Total unrestricted revenues</td>
<td>$93,307.83</td>
<td>-</td>
<td>$93,307.83</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connecticut Statewide Local Initiatives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Corporation grant (LISC)</td>
<td>$32,955.22</td>
<td>-</td>
<td>$32,955.22</td>
</tr>
<tr>
<td>City of New Haven pass through funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community development block grant</td>
<td>$13,877.32</td>
<td>$25,242.58</td>
<td>$39,119.90</td>
</tr>
<tr>
<td>City home grant</td>
<td>$157,888.82</td>
<td>-</td>
<td>$157,888.82</td>
</tr>
<tr>
<td>Total temporarily restricted revenues</td>
<td>$204,721.36</td>
<td>$25,242.58</td>
<td>$229,963.94</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$298,029.19</td>
<td>$25,242.58</td>
<td>$323,271.77</td>
</tr>
</tbody>
</table>
Note 5  Affiliations and Related Party Transactions
The organization is affiliated with Beulah Heights Church (the Church), its founding and sponsoring organization. The Pastor of Beulah Heights Church is the Chief executive officer of Beulah Land Development Corp. The Pastor and other members of the Church hold several directorship positions on the board of directors of the organization. The organization utilizes facilities owned by Beulah Heights Church and has committed to paying rent to the Church for such facilities. As of June 30, 2015, the organization owed $42,800 in unpaid rent to the Church, which is reflected as an accrued liability to a related party on the statement of financial position. Also on June 30, 2015, Beulah Land Development Corp. had an outstanding $5,000 loan from Beulah Heights Church with no certain interest rate or repayment terms, which is reflected on the statement of financial position as a loan payable to a related party.

Beulah Land Development Corp. is also affiliated with Walter S. Brooks Elderly Housing at Ormont Court, Inc. (Ormont Court), a non-profit organization. Several members of the Board of Directors of Beulah Land Development Corp. are on the Board of Directors of Ormont Court. Beulah Land Development Corp. retains a management interest in the operations of Ormont Court.

Note 6  Subsequent Events
The organization has evaluated its June 30, 2015 financial statements for subsequent events through February 5, 2016, the date the financial statements were available to be issued. Other than the following matter, the organization is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

As of February 5, 2016, the organization’s repayments of the $40,000 and $50,000 notes payable to the City of New Haven referenced in Note 2 above were delayed. However, the organization does not expect immediate collection actions to be taken in light of the City’s past willingness to modify the repayment terms such that they are more favorable for the organization. The terms of both loan agreements with the City state that any penalties imposed on the outstanding principal balances will be waived once all payments are made as agreed to.

Note 7  Gross Development Assets; Reserve and Provision for Write-down of Development Assets to Estimated Net Realizable Value
A reserve and the related provision for write-down of the cost of development assets and related capitalized costs to estimated net realizable value, which is estimated to be lower than cost, was made in the current fiscal year. Estimated net realizable value was based on the estimated sales value of the residential units under construction less selling expenses. When the development assets and related capitalized costs are sold, such reserve and provisions are reversed to offset the related losses.
### Note 7 (continued)  Gross Development Assets; Reserve and Provision for Write-down of Development Assets to Estimated Net Realizable Value

<table>
<thead>
<tr>
<th></th>
<th>Gross Development assets</th>
<th>Reserve for write-down</th>
<th>Net Development assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening Balances - 7/1/2014:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orchard St project</td>
<td>$527,582.90</td>
<td>-</td>
<td>$527,582.90</td>
</tr>
<tr>
<td><strong>Changes during year:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hamden-purchase of land</td>
<td>5,000.00</td>
<td></td>
<td>5,000.00</td>
</tr>
<tr>
<td>Hamden-improvements</td>
<td>2,332.87</td>
<td></td>
<td>2,332.87</td>
</tr>
<tr>
<td>Orchard St-improvements</td>
<td>460,748.15</td>
<td></td>
<td>460,748.15</td>
</tr>
<tr>
<td>Orchard St-Property sales</td>
<td>(290,171.81)</td>
<td></td>
<td>(290,171.81)</td>
</tr>
<tr>
<td>Orchard St-write-down</td>
<td>-</td>
<td>(193,659.24)</td>
<td>(193,659.24)</td>
</tr>
<tr>
<td><strong>Total changes for year</strong></td>
<td>177,909.21</td>
<td>(193,659.24)</td>
<td>(15,750.03)</td>
</tr>
<tr>
<td><strong>Ending Balances - 6/30/2015:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orchard St project</td>
<td>698,159.24</td>
<td>(193,659.24)</td>
<td>504,500.00</td>
</tr>
<tr>
<td>Hamden project</td>
<td>7,332.87</td>
<td>-</td>
<td>7,332.87</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$705,492.11</td>
<td>$(193,659.24)</td>
<td>$511,832.87</td>
</tr>
</tbody>
</table>
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 Board of Directors
Beulah Land Development Corp.
774 Orchard St
New Haven, Connecticut 06511

I 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 Beulah Land Development Corp. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated February 5, 2016.

Internal Control Over Financial Reporting
In planning and performing my audit of the financial statements, I considered Beulah Land Development Corp.’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beulah Land Development Corp.’s internal control. Accordingly, I do not express an opinion on the effectiveness of Beulah Land Development Corp.’s internal control.

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.
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Beulah Land Development Corp.’s financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

To the Board of Directors
Beulah Land Development Corp.
774 Orchard St
New Haven, Connecticut 06511

Report on Compliance for Each Major Federal Program
I have audited Beulah Land Development Corp.’s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Beulah Land Development Corp.’s major federal programs for the year ended June 30, 2015. Beulah Land Development Corp.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility
My responsibility is to express an opinion on compliance for each of Beulah Land Development Corp.’s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Beulah Land Development Corp.’s compliance
with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Beulah Land Development Corp.’s compliance.

**Opinion on Each Major Federal Program**
In my opinion, Beulah Land Development Corp. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

**Other Matters**
The results of my auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and therefore no such instances are described in the accompanying schedule of findings and questioned costs.

**Report on Internal Control over Compliance**
Management of Beulah Land Development Corp. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Beulah Land Development Corp.’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Beulah Land Development Corp.’s 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 type of compliance requirement of a federal 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 type of compliance requirement of a federal 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 type of compliance requirement of a federal 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.
My consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

I have audited the financial statements of Beulah Land Development Corp. as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued my report thereon dated February 5, 2016, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

J. Oaks, CPA, MBA, LLC  
Rocky Hill, CT 06067  
February 5, 2016
### Schedule of Expenditures of Federal Awards

for the year ended June 30, 2015

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-through Grantor/Program or Cluster Title</th>
<th>Federal CFDA Number</th>
<th>Pass-through Entity Identifying Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of Housing and Urban Development: Pass-through programs from:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of New Haven:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Development Block Grants</td>
<td>14.218</td>
<td>n/a</td>
<td>$ 39,119.90</td>
</tr>
<tr>
<td>Home Investment Partnerships Program (&quot;HOME&quot;)</td>
<td>14.239</td>
<td>n/a</td>
<td>157,888.82</td>
</tr>
<tr>
<td>Subtotal Department of Housing and Urban Development pass-through programs</td>
<td></td>
<td></td>
<td>197,008.72</td>
</tr>
<tr>
<td>Total expenditures of federal awards</td>
<td></td>
<td></td>
<td>$ 197,008.72</td>
</tr>
</tbody>
</table>

See accompanying notes to schedule of expenditures of federal awards.

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NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Beulah Land Development Corp. under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because this schedule presents only a selected portion of the operations of Beulah Land Development Corp., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Beulah Land Development Corp.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – schedule of expenditures of federal awards
Expenditures reported on this Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Basis of accounting – financial statements
The financial statements contained in Beulah Land Development Corp.’s annual audit report are prepared on the accrual basis of accounting.

The following is a summary of such basis:
Revenues are recognized when earned.
Expenses are recognized when incurred.

Pass-through entity identifying numbers
Pass-through entity identifying numbers for Beulah Land Development Corp.’s major federal funding agreements are presented where available.
I Summary of Auditor’s Results

Financial Statements

Type of auditor’s opinion issued: Unmodified

Internal control over financial reporting:
• Material weakness(es) identified? No
• Significant deficiency(ies) identified? None reported
Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
• Material weakness(es) identified? No
• Significant deficiency(ies) identified? None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No

The following schedule reflects the major programs included in the audit:

<table>
<thead>
<tr>
<th>Federal Grantor and Program</th>
<th>CFDA Number</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Housing and Urban Development:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Development Block Grant</td>
<td>14.218</td>
<td>$39,119.90</td>
</tr>
<tr>
<td>Home Investment Partnership Program</td>
<td>14.239</td>
<td>$157,888.82</td>
</tr>
</tbody>
</table>

• Dollar threshold to distinguish between type A and type B programs N/A

II Financial Statement Findings

None.