



**SPECIAL MEETING OF THE
Board of Directors of the
El Segundo Senior Citizens Housing Corporation
AGENDA
Virtual Meeting via Zoom Teleconferencing**

MEETING DATE: Wednesday, November 18, 2020
MEETING TIME: 3:30 p.m.

DUE TO THE COVID-19 EMERGENCY, THIS MEETING WILL BE CONDUCTED
PURSUANT TO THE GOVERNOR'S EXECUTIVE ORDER N-29-20.

TELECONFERENCE VIA ZOOM MEETING
MEETING ID: [970 3013 7445](https://zoom.us/j/97030137445)

How Can Members of the Public Observe and Provide Public Comments?

Join via Zoom from a PC, Mac, iPad, iPhone, or Android device, or by phone.

Please use this URL

<https://zoom.us/j/97030137445?pwd=U3U5a3BUalhMMTR6RFhoUVZyciJSQT09>

If you do not wish for your name to appear on the screen, then use the drop down menu and click on "rename" to rename yourself to be anonymous.

OR

Join by phone: [1-669-900-9128 US](tel:1-669-900-9128)

Enter Meeting ID: [970 3013 7445](https://zoom.us/j/97030137445)

Your phone number is captured by the zoom software and is subject to the Public Records Act unless you first dial "*67" before dialing the number as shown above to remain anonymous.

The time limit for comments is five (5) minutes per person. Before speaking to the Board, please state: your name and residence or the organization you represent. Please respect the time limits.

Members of the public may also provide comments electronically by sending an email to the following address prior to the start of the meeting: vwesson@elsegundo.org. ***Please include the meeting date and item number in the subject line.*** If you would like to request that your emailed comment be read into the record, please include the request at the top of your email, limit your comments to 150 words or less, and email your comments at least 30 minutes prior to the start of the meeting. Depending on the volume of communications, the emails will be read to the Board at the appropriate time.

NOTE: Emails and documents submitted will be considered public documents and are subject to disclosure under the Public Records Act and possibly posted to the City's website.

NOTE: Public Meetings can be recorded and are subject to disclosure under the Public Records Act and possibly posted to the City's website.

Additional Information:

The Board of the Senior Citizen Housing Corporation, with certain statutory exceptions, can only take action upon properly posted and listed agenda items. Unless otherwise noted in the agenda, the public can only comment on City-related business that is within the subject matter jurisdiction of the Board.

PLEASE NOTE: Public Meetings are recorded.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Venus Wesson, 310-524-2344. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

CALL TO

ORDER: 3:30 pm

ROLL CALL

A. PUBLIC COMMUNICATION

At this time, members of the public may speak to any item on the agenda only. Before speaking, you are requested, but not required, to state your name and address for the record. If you represent an organization or a third party, please so state.

B. APPROVAL OF MEETING MINUTES

1. Regular Meeting Wednesday, October 28, 2020

Recommendation: Approval

C. NEW BUSINESS

1. President's Report

- a. Reports regarding correspondence, meetings, and business related to Park Vista.

Recommendation: Receive and File

2. Financial Statements and LAIF (Local Agency Investment Fund)

- a. Discussion, review and status report including, but not limited to, statements, invoices, finances,
- b. LAIF investment fund and transfers between accounts.

Recommendation: Receive and File

3. Annual Rental Rate Survey

- a. Discussion of rental rate survey results.

4. Rental Rate Increase for Current Tenants

- a. Board will consider whether to increase rental rates for current tenants and, if so, by what amount.

Recommendation: Discussion and Possible Action.

5. Rental Rate Increase for New, Incoming Tenants

- a. Board will consider whether to increase rental rates for new, incoming tenants. At present, rental rates for new, incoming tenants are set at 50% of market rates for comparable units in the area as based on an annual rental rate survey conducted by management and approved by the Board.

Recommendation: Discussion and Possible Action.

6. Earthquake insurance

- a. Discussion of two earthquake insurance options.

Recommendation: Discussion and Possible Action.

7. Financial Audit

- a. Authorize Cadman Group to begin the 2020 Financial Audit for Park Vista with Hoffman, Short, Rubin, DeWinter, Sanderson, an Accountancy Corporation. Authorize execution of 2019 financial audit engagement letter.

Recommendation: Discussion and Possible Action

D. UNFINISHED BUSINESS

E. MANAGEMENT REPORT

Report from the Cadman Group regarding Park Vista operations and management. Unless otherwise listed on the agenda, the Board may not discuss or take action on matters raised in the management report, but may vote to place an item on a future agenda for discussion and possible action.

F. CITY STAFF REPORT

G. BOARD MEMBERS REPORT

A general report from the Board members.

NEXT REGULAR MEETINGS:

Wednesday, December 23, 2020 (canceled)

Wednesday, January 27, 2021

Wednesday, February 24, 2021

ADJOURNMENT

MINUTES OF THE SPECIAL MEETING
El Segundo Senior Citizen Housing Board Corporation
Wednesday, October 28, 2020
Park Vista Senior Housing
350 Main St., El Segundo, CA 90245

CALL TO ORDER:

The special meeting was called to order at 3:35 p.m. by member Paul Lanyi presiding.

ROLL CALL

Members Present: Paul Lanyi
Paula Rotolo
Jim Latta
Martin Stone

Member Absent: Patricia Gerber

Others: Neil Cadman, Cadman Group
Arecia Hester, Recreation Superintendent
Monse Palacios, Administrative Analyst
Ryan Delgado, Recreation Supervisor
Sam Lee, Development Services Director

A. PUBLIC COMMUNICATION

Shelley Tucker- If Mr. Cadman is to do a market study then it should be then it should be to study affordable housing rates of other cities affordable housing program rates not a market study of El Segundo average rental rates. This is hardly the time to raise rents in a depressed economy. Park Vista has a reserve of one million dollars therefore a rental increase is immoral. Park Vista was established for senior citizens on fixed incomes. It is what the citizens voted for when they created a ballot measure setting aside money to purchase the land on which Park Vista stands.

In addition to the above, the residents have not had use of the community room or the gym or any entertainment functions. The carpets on the resident floors are filthy and worn, the building could use paint and other cosmetic improvements to keep it from becoming a slum. the community room looks like walking into a warehouse with furniture turned upside down on the sofas. It is an eyesore for residents and visitors.

Steve Haxon- Expressed his concern regarding rental rate and some tenants not being able to afford a rent increase.

B. APPROVAL OF MEETING MINUTES

Motion: to approve the Wednesday, September 23, 2020 meeting minutes was made by Member Latta and Seconded by Member Rotolo. Motion carried 4-0

C. NEW BUSINESS

1. President's Report

Paul informed the board that board member Patricia Gerber has finished her term with the board and Martin Stone will stay through November. The city has two applicants and will be conducting interviews in the month of January 2021.

The Nov 17th City Council meeting will be through zoom and the presentation can be about 15-20 minutes. The presentation will consist of providing options and ask city council what they would like to do to avoid being in the red in the future. Joe will present the numbers. The following options can be presented and are strictly numeric.

1. Increase rent on all current residents
2. Change new vacancy rate to a new market rate
3. Convert studios to one bedrooms
4. Increase parking fees
5. Charge cable to each unit

Paul would like to add the rental rate discussion to the next meeting agenda.

2. Financial Reports and LAIF (Local Agency Investment Fund)

Jim inquired on the elevator repair and testing. He would like to know if they can be done at the same time in order to save money.

Neil informed him the two cannot be made at the same time as they are two separate departments and the testing is under contract.

3. Annual Rental Rate Survey

Jim stated rental rates might be down.

Neil said the rates have not gone down but the market is slow. He will explain in detail during the next meeting.

Member Stone move to have CADMAN group conduct a rental rate market survey on studios and one bedrooms in El Segundo second by Latta.

Passed 4-0

4. Annual Report

Jim- Is worried about the future of Park Vista hopes City Council listens to the recommendations this time around. Nothing was done two years ago during the board's recommendations.

Paul- Hopes that with the financial information from Joe and all the current information the board has will help City Council take action.

5. Presentation

Finance Director Joe Lillio reported on Park Vista four scenarios in order to look at the financial future of Park Vista.

1. Rent Income revenue projection
2. Operating Expenditures to manage Park Vista

3. Capital Projects
4. Reserves

Neil suggested the board review the rental rate language that includes a rental increase equation.

Paul would like to include this item to the next meeting's agenda.

Sam will work with Greg Kovacevich to verify if the language should stand or if there need to be adjustments. Sam will report at the next meeting.

Earthquake insurance-After speaking to the broker, Joe was informed of the two options the city has to purchase earthquake insurance. Standalone insurance will be \$75,000. If the city waits for July 1, 2021 and includes earthquake insurance under the current policy it will be \$55,000.

Paul would like to include the earthquake insurance options to the next meeting's agenda for discussion and possible action.

6. Park Vista Time Warner/Spectrum Contract

Park Vista is paying about \$4,000 a month for cable for all residents and residents cover about \$900.00 of that. The cable contract has expired and it has been month to month however, Spectrum has been honoring the past contract.

Neil would like to know if the board would like him to negotiate a new contract with Spectrum. Should there be changes made? Should it be a Park Vista cost?

The city will soon be in negotiations with Spectrum and perhaps can include Park Vista into their negotiations.

D. UNFINISHED BUSINESS

None

E. MANAGEMENT REPORT

Neil shared with the board that tenants have been amazing at complying with the rules. Neil asked who his contact will be moving forward. Sam- Venus will work on the agenda and minutes. Eduardo will be Neil's contact. Sam will attend all meetings.

F. CITY STAFF REPORT

Arecia thanked the board and will work with Venus and Eduardo to insure a smooth transition.

Ryan informed the board he will provide his update to Venus and Eduardo moving forward. The Dial-A-Ride will be providing transportation to the voting polls. Truck or Treat will be held on Saturday October 31st.

H. BOARD MEMBER REPORT

None

NEXT MEETING:
Wednesday, November 18, 2020

ADJOURNMENT: 5:15 pm

**EL SEGUNDO SENIOR CITIZENS HOUSING
DEVELOPMENT CORPORATION**

350 MAIN STREET, EL SEGUNDO, CA 90245

November 12, 2020

RE: Interest Income from Deposit with the City, per Agreement for Investment of Funds

Dear President:

The deposit and interest for the quarter/month ending is as follows:	Q4-2020	October-20
		<u>Original</u>
Beginning balance at October 1, 2020		\$ 845,422.83
Accrued: Interest (Posted quarterly)		445.18
Add: Deposits		
Less: Withdrawals		
TOTAL IN LAIF - G/L# 504-101-0000-0004:	<u>As of</u> 10/31/2020	<hr/> \$ 845,868.01

Accrued Interest (posted quarterly by the 15th day following quarter):							
Interest Earned	October	@	0.620%	Actual	LAIF for	31 days	445.18
Interest Earned	November	@		Actual	LAIF for	30 days	-
Interest Earned	December	@		Actual	LAIF for	31 days	-
Accrued Interest	quarter to date						445.18

Interest earned is based on the interest earnings rate the City of El Segundo received from the Local Agency Investment Fund (LAIF), the State administered pool and the number of days the funds were held by the City during the given period. Per the understanding reached at the September 1997 meeting of the Board of Directors, interest will be credited to the account and compounded on a quarterly basis. Interest shown for each month is for your information only.

If you have any questions, please do not hesitate to give me a call.

Sincerely,
Dino R. Marsocci
Dino R. Marsocci
Deputy Treasurer II

- Cc: Joseph Lillio, Director of Finance
Dave Davis, Finance Manager
Eva Gettler, Accounting Supervisor
Sam Lee, Director-Development Services
Neil Cadman, Facility Management for Park Vista
Eduardo Schonborn, Principal Planner
Venus Wesson, Sr. Admin Specialist



HOFFMAN • SHORT
RUBIN • DEWINTER • SANDERSON

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JOANNE HOFFMAN, CPA, CFE, MBA
JIM SHORT, CPA, CITP, CVA
CRAIG R. RUBIN, CPA

ANEELA DEWINTER, CPA
JOANN G. SANDERSON, CPA/PFS
DALE L. MONTGOMERY, CPA/EMERITUS

October 27, 2020

**To the Board of Directors
El Segundo Senior Citizens Housing Corporation
dba Park Vista
c/o The Cadman Group
347 Richmond Street
El Segundo, CA 90245**

We are pleased to confirm our understanding of the services we are to provide for **El Segundo Senior Citizens Housing Corporation dba Park Vista (the Organization)** for the year ended **December 31, 2020**.

Audit Scope and Objectives

We will audit the financial statements of **El Segundo Senior Citizens Housing Corporation dba Park Vista**, which comprise the statement of financial position as of **December 31, 2020**, the related statements of activities and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our 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 (GAAS), and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor’s report on the financial statements:

1) **Schedule of Administrative, Utilities, Maintenance, Taxes, and Insurance Expenses**

The objective of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAS. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditors’ Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimate made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the

underlying transaction and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violation of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on the behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect material misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, if applicable, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for selection and application of accounting principles; and for the preparation and fair presentation in the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). You are also responsible for making drafts of financial statement, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations. You are responsible for the preparation of the supplementary information in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

Aneela DeWinter, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately **May 17, 2021**.

We estimate that our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. A finance charge of 1% per month will be imposed on all open balances as of the last day of the month. **Based on our preliminary estimates, the fee should approximate \$5,500 for the audit.** This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Reporting

We will issue a written report upon completion of our audit of **El Segundo Senior Citizens Housing Corporation dba Park Vista's** financial statements. Our report will be addressed to the board of directors of **El Segundo Senior Citizens Housing Corporation dba Park Vista**. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Hoffman, Short, Rubin, DeWinter, Sanderson

**HOFFMAN, SHORT, RUBIN, DEWINTER, SANDERSON
AN ACCOUNTANCY CORPORATION**

RESPONSE:

This letter correctly sets forth the understanding of El Segundo Senior Citizens Housing Corporation dba Park Vista.

Signature: _____

Title: _____

Date: _____



HOFFMAN • SHORT
RUBIN • DEWINTER • SANDERSON

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JOANNE HOFFMAN, CPA, CFE, MBA
JIM SHORT, CPA, CITP, CVA
CRAIG R. RUBIN, CPA

ANEELA DEWINTER, CPA
JOANN G. SANDERSON, CPA/PFS
DALE L. MONTGOMERY, CPA/EMERITUS

December 17, 2019

**To the Board of Directors
El Segundo Senior Citizens Housing Corporation
dba Park Vista
c/o The Cadman Group
347 Richmond Street
El Segundo, CA 90245**

We are pleased to confirm our understanding of the services we are to provide for **El Segundo Senior Citizens Housing Corporation dba Park Vista (the Organization)** for the year ended **December 31, 2019**.

We will audit the financial statements of **El Segundo Senior Citizens Housing Corporation dba Park Vista**, which comprise the statement of financial position as of **December 31, 2019**, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements (the financial statements). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our 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, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Administrative, Utilities, Maintenance, Taxes, and Insurance Expenses

Audit Objective

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from the Organization's attorneys as part of the

engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

Other Services

We will assist in preparing the financial statements of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you.

Management Responsibilities

You are responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management,

(2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Organization complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume all management responsibilities for the tax services, financial statement preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Engagement Administration, Fees, and Other

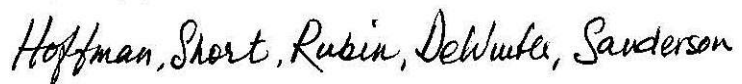
We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Aneela DeWinter, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately **May 11, 2020** and to complete your information returns and issue our report no later than **June 30, 2020**.

Based on our preliminary estimates, the fee should approximate \$5,500 for the audit. You will also be billed for travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



**HOFFMAN, SHORT, RUBIN, DEWINTER, SANDERSON
AN ACCOUNTANCY CORPORATION**

RESPONSE:

This letter correctly sets forth the understanding of El Segundo Senior Citizens Housing Corporation dba Park Vista.

Signature: _____

Title: _____

Date: _____