

TRAVAUX INC.
LLC 2024 AUDIT RECAP
PNC PROPERTIES
June 26, 2025

Westlawn Renaissance LLC –

Financial:

1. PILOT for 2023 not paid in 2024.
2. Replacement Reserve underfunded by \$40,268. (Will make up payments in 2025)
3. Excess FDIC limits exceeded. (Will discuss with PNC – We maintain the funds in their banks)

Internal Controls:

1. Tenants moved in before Housing Choice Voucher (Section 8) certification leading to lost subsidy. Due to contractual obligations, HACM inherited the rental obligation.
2. Inaccurate reconciliations of tenant accounts receivable lead to delayed audit issuance.
3. HACM withheld Housing Choice Voucher payments.

Westlawn Renaissance III LLC –

Financial:

1. Replacement Reserve underfunded by \$33,378. (Will make up payments in 2025)
2. Excess FDIC limits exceeded. (Will discuss with PNC – We maintain the funds in their banks)

Internal Controls:

1. Tenants moved in before Housing Choice Voucher (Section 8) certification leading to lost subsidy. Due to contractual obligations, HACM inherited the rental obligation.
2. Inaccurate reconciliations of tenant accounts receivable lead to delayed audit issuance.
3. HACM withheld Housing Choice Voucher payments.

Westlawn Renaissance IV LLC –

Financial:

1. Unfunded Tenant Security Deposits by \$29,548. (Will fund in 2025)
2. Excess FDIC limits exceeded. (Will discuss with PNC – We maintain the funds in their banks)

Internal Controls:

1. Tenants moved in before Housing Choice Voucher (Section 8) certification leading to lost subsidy. Due to contractual obligations, HACM inherited the rental obligation.
2. Inaccurate reconciliations of tenant accounts receivable lead to delayed audit issuance.
3. HACM withheld Housing Choice Voucher payments.

Westlawn Renaissance V LLC –

Financial:

1. Replacement Reserve underfunded by \$7,700. (Will make up payments in 2025)
2. Unfunded Tenant Security Deposits by \$5,076. (Will fund in 2025)
3. Excess FDIC limits exceeded. (Will discuss with PNC – We maintain the funds in their banks)

Internal Controls:

1. Tenants moved in before Housing Choice Voucher (Section 8) certification leading to lost subsidy. Due to contractual obligations, HACM inherited the rental obligation.
2. Inaccurate reconciliations of tenant accounts receivable lead to delayed audit issuance.
3. HACM withheld Housing Choice Voucher payments.

Westlawn Renaissance VI LLC –

Financial:

1. Replacement Reserve underfunded by \$22,582. (Will make up payments in 2025)
2. Excess FDIC limits exceeded. (Will discuss with PNC – We maintain the funds in their banks)

Internal Controls:

1. Tenants moved in before Housing Choice Voucher (Section 8) certification leading to lost subsidy. Due to contractual obligations, HACM inherited the rental obligation.
2. Inaccurate reconciliations of tenant accounts receivable lead to delayed audit issuance.
3. HACM withheld Housing Choice Voucher payments.

Westlawn Renaissance VII LLC –

Financial:

1. Replacement Reserve underfunded by \$29,100. (Will make up payments in 2025)
2. Excess FDIC limits exceeded. (Will discuss with PNC – We maintain the funds in their banks)
3. Unfunded Tenant Security Deposits by \$90,170. (Will fund in 2025)

Internal Controls:

1. Tenants moved in before Housing Choice Voucher (Section 8) certification leading to lost subsidy. Due to contractual obligations, HACM inherited the rental obligation.
2. Inaccurate reconciliations of tenant accounts receivable lead to delayed audit issuance.
3. HACM withheld Housing Choice Voucher payments.

Lapham Park LLC –

Financial:

1. Replacement Reserve underfunded by \$63,588. (Will make up payments in 2025)
2. Excess FDIC limits exceeded. (Will discuss with PNC – We maintain the funds in their banks)

Internal Controls:

1. Tenants moved in before Housing Choice Voucher (Section 8) certification leading to lost subsidy. Due to contractual obligations, HACM inherited the rental obligation.
2. Inaccurate reconciliations of tenant accounts receivable lead to delayed audit issuance.
3. HACM withheld Housing Choice Voucher payments.
4. Accounting staff incorrectly transferred \$248,308 to the Travaux account. These funds were then used for Travaux payroll inappropriately. HACM has assumed this debt and will be forced to repay the partnership for the error.

Reports soon to be issued by June 30 –

West Lawn II – Similar issues as reported but we have yet to receive specific numbers

Becher Court - Accounting staff incorrectly transferred \$248,308 to the Travaux account. These funds were then used for Travaux payroll inappropriately. HACM has assumed this debt and will be forced to repay the partnership for the error.

Highland Gardens – Under construction. No financial issues.

RBC Properties:

Merrill Park - Audit to begin next week.

Townhomes at Carver – Audit to begin next week.