Luther Towers II, Wilmington, DE

HUD-Insured Section 202 Multifamily Rental Housing for Seniors and Persons With Disabilities

Office of Audit, Region 3
Philadelphia, PA

Audit Report Number: 2018-PH-1006
September 21, 2018

To: Dean J. Santa, Director, Northeast Region Asset Management Division, 2AH

//signed//

From: David E. Kasperowicz, Regional Inspector General for Audit, Philadelphia Region, 3AGA

Subject: The Owner of Luther Towers II, Wilmington, DE, Did Not Manage Its HUD-Insured Project in Accordance With Its Regulatory Agreement and HUD Requirements

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our review of the HUD-insured Luther Towers II multifamily project.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, Title 5 United States Code, section 8M, requires that OIG post its publicly available reports on the OIG website. Accordingly, this report will be posted at http://www.hudoig.gov.

If you have any questions or comments about this report, please do not hesitate to call me at 215-430-6734.

Audit Report Number: 2018-PH-1006
Date: September 21, 2018

The Owner of Luther Towers II, Wilmington, DE, Did Not Manage Its HUD-Insured Project in Accordance With Its Regulatory Agreement and HUD Requirements

Highlights

What We Audited and Why

We audited Luther Towers II because it was a high-risk multifamily project that received low inspection and financial assessment scores on our multifamily risk assessment for projects within our region and we had never audited it. Our audit objective was to determine whether the owner managed the project in accordance with its regulatory agreement and U.S. Department of Housing and Urban Development (HUD) requirements.

What We Found

The owner of Luther Towers II did not manage the project in accordance with its regulatory agreement and HUD requirements. Specifically, the owner (1) could not show that it always used project funds for costs that were reasonable and necessary for the operation of the project because it commingled HUD funds totaling more than $1.7 million with its own funds and those of its other activities, (2) pledged up to $100,000 in project funds as security for its line of credit, (3) used project funds totaling more than $407,000 to pay its line of credit liability, (4) managed the project without a HUD-approved management certification and management entity profile, and (5) did not ensure that all tenant security deposit funds were deposited into the project's security deposit bank account. These conditions occurred because the owner (1) lacked an understanding of the terms of the regulatory agreement and HUD requirements, (2) had poor record-keeping practices, and (3) did not have controls to ensure that the project was managed in accordance with the regulatory agreement and HUD requirements. As a result, disbursements totaling more than $2.1 million were unsupported, and up to $100,000 in project funds could be put to better use.

What We Recommend

We recommend that HUD require the owner to (1) provide documentation to show that disbursements totaling more than $2.1 million were reasonable and necessary expenses for the operation of the project or repay the project from non-project funds for any amount it cannot support, (2) segregate project bank accounts from the owner's bank accounts, (3) remove project bank accounts as security for its line of credit, (4) submit a management certification and other required documentation to HUD for review and approval, and (5) develop and implement policies and procedures to ensure that the project funds are used in accordance with its regulatory agreement and HUD requirements.

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Background and Objective

Luther Towers II receives U.S. Department of Housing and Urban Development (HUD) project-based Section 8 assistance for 136 housing units available to seniors and persons with disabilities. The project is located at 1420 North Franklin Street, Wilmington, DE. The project is owned by Lutheran Senior Services, Inc., incorporated in Delaware on March 31, 1967. Thirty-one of the subsidized apartments are operated as assisted living units. The owner, a nonprofit corporation, also operates a restaurant in the project's building; an assisted living program; and another apartment building for the elderly, Luther Towers I, which does not receive HUD housing assistance payments.

The owner had two mortgages insured by the Federal Housing Administration (FHA) under Section 202[1] of the Housing Act of 1959, one for the project and another for Luther Towers I. The owner signed a mortgage on the project with HUD for $5 million in 1977. On May 22, 2018, the owner refinanced both loans under Section 207, according to Section 223(f) of the National Housing Act[2] for more than $8.9 million, as one mortgage with two buildings. Additionally, the owner received a $2.7 million HUD grant in 2003 to convert 31 apartments into assisted living facility units.

HUD regulates the project through a regulatory agreement with the owner. The project received nearly $4 million in housing assistance from HUD over the last 4 years, as shown in the following table.

Fiscal year	Total project-based voucher funding received
2014	$ 908,707
2015	956,250
2016	1,016,278
2017	1,078,225
Total	**3,959,460**

Our audit objective was to determine whether the owner managed the project in accordance with its regulatory agreement and HUD requirements.

1 Until the creation of the Section 811 program in 1990, the Section 202 program provided funding to nonprofit organizations that developed and operated housing for seniors with very low incomes and people with disabilities.

2 Section 207-223(f) insures mortgage loans to facilitate the purchase or refinancing of existing multifamily rental housing. These projects may have been financed originally with conventional or FHA-insured mortgages.

Results of Audit

Finding: The Owner of Luther Towers II Did Not Manage the Project in Accordance With Its Regulatory Agreement and HUD Requirements

The owner of Luther Towers II did not manage its multifamily project in accordance with its regulatory agreement and HUD requirements. Specifically, the owner (1) could not show that it always used project funds for costs that were reasonable and necessary for the operation of the project because it commingled HUD funds totaling more than $1.7 million with its own funds and those of its other activities, (2) pledged up to $100,000 in project funds as security for its line of credit liability, (3) used project funds totaling more than $407,000 to pay its line of credit liability, (4) managed the project without a HUD-approved management certification and management entity profile, and (5) did not ensure that all tenant security deposit funds were deposited into the project's security deposit bank account. These conditions occurred because the owner (1) lacked an understanding of the terms of the regulatory agreement and HUD requirements, (2) had poor record-keeping practices, and (3) did not have controls to ensure that the project was managed in accordance with the regulatory agreement and HUD requirements. As a result, the project incurred more than $2.1 million in unsupported costs from improper transfers of project funds to the owner's bank accounts and payments on the owner's line of credit. The project also exposed project funds to risk from creditor claims of up to $100,000. Additionally, HUD was prevented from properly performing its oversight of the project because the owner did not have an approved management certification and other required forms. Finally, the owner put tenant funds at risk because it did not deposit all security deposits into the project's security deposit account.

The Owner Could Not Show That Bank Transfers of Project Funds Totaling More Than $1.7 Million Were for Reasonable and Necessary Expenses

The owner may have disbursed project funds totaling more than $1.7 million during our audit period for costs benefiting the owner's other activities. According to the owner's business manager, most expenses, including payroll, for all of the owner's entities were paid from a "shared" accounts payable bank account. The business manager and the prior business manager transferred lump sum estimates of the project's share of costs from the bank account in which HUD deposits housing assistance payments to the owner's "shared" accounts payable bank account. Because the transfers were estimates, there was no documentation to show that the amounts transferred were for eligible project costs. The chart in appendix C shows the transfers totaling more than $1.7 million from the bank account in which HUD funds were deposited to the owner's other bank accounts.

The owner's bank accounts were all in the name of the owner, Lutheran Senior Services, Inc. The descriptions of the bank accounts in the chart below were provided by the owner. They were not listed in the account titles on the bank statements.

	Bank account descriptions
1	Luther Towers II (HUD project) revenue
2	Luther Towers II reserve for replacement
3	Luther Towers II security deposits
4	Luther Towers I revenue
5	Luther Towers I reserves and security deposit accounts
6	General fund
7	Payables
8	Payroll investment (retirement)

The information in the accounting system was not reliable because it was inaccurate due to poor record keeping. The business manager stated that the accounting system did not record transactions in separate general ledger accounts for each of the owner's activities and the cash accounts were commingled. Therefore, adjustments and reconciliations to correct the accounts had to be done after each year end. Although the last fiscal year ended December 31, 2017, the adjustments had not been made. For example, we found a disbursement for $10,450 on the HUD revenue account bank statement dated December 21, 2017, which was recorded in the accounting system as a disbursement from the Luther Towers I bank account. Further, the business manager stated it was to pay an invoice for food, which was an expense of the owner's restaurant.

The regulatory agreement required the owner to establish a revenue account with a Federal Deposit Insurance Corporation-insured bank. Rents and any income arising from the operation of the project must be deposited into this account, and expenditures must be made from this account. The regulatory agreement also required project income and other funds to remain segregated from any other funds, and income and funds of the project must be spent only for the project. Finally, the regulatory agreement required all receipts to be deposited in the name of the project into the bank and be withdrawn only for expenses of the project, in accordance with the operating budget approved by HUD. Project funds should be used only to make mortgage payments, make required deposits to the reserves for replacement account, and pay reasonable expenses necessary for the operation and maintenance of the project. Further, HUD Handbook 4370.2, REV-1, section 2-6, requires that only reasonable and necessary expenses be charged to the project and states that all disbursements from a project's regular operating account must be supported by approved invoices, bills, or other supporting documentation.

These deficiencies occurred because the owner's executive director and staff lacked knowledge regarding the terms of the regulatory agreement and HUD requirements, had poor record-keeping practices, and a lack of controls to ensure that it complied with its regulatory agreement and applicable HUD requirements. During the audit, the executive director and business manager stated that they purchased additional accounting software to segregate the project's revenues and expenses. As a result, we could not determine what portion of the transfers to the owner's accounts reflected eligible project costs that were reasonable and necessary for the operation and maintenance of the project. Therefore, disbursements totaling more than $1.7 million were unsupported.

The Owner Used the Project's Bank Accounts as Collateral, in Violation of the Regulatory Agreement, and Made Unsupported Loan Payments

Contrary to the terms of the regulatory agreement, the executive director stated that he opened a $100,000 line of credit for the owner in 2010. During the audit period, the business managers transferred more than $407,000 from the project's HUD revenue bank account to pay down the liabilities on the line of credit. HUD Handbook 4370.2, REV-1, section 2-6, requires that only reasonable and necessary expenses be charged to the project, and the regulatory agreement requires all receipts to be withdrawn only for expenses of the project in accordance with a budget approved by HUD. The chart below shows the transfers from the project's HUD revenue bank account to the owner's line of credit.

Year	Amount transferred
2016	$208,880
2017	198,135
Total	**407,015**

Additionally, because bank accounts with the project's funds on deposit were included with all of the owner's bank accounts as security for the line of credit, up to $100,000 may be at risk of loss if the owner defaults on its liability. The loan agreement stated that the owner's money on deposit at the bank would secure the loan. Because the project's revenue, reserve for replacement, and security deposit bank accounts were in the owner's name, project funds were at risk. Further, this was a violation of the regulatory agreement, which states that the borrower assigns all of its rights to the income of the mortgaged property to HUD. It also states that the borrower must not, without HUD's permission, encumber any personal property, including rents, and must not pay out any funds except as provided in the regulatory and building loan agreements.

HUD officials stated that they did not approve the line of credit, and the executive director confirmed that he did not get HUD's approval. The executive director stated that the transfers were made to ensure that funds were available for payroll liabilities and to manage cash flow deficiencies. From 2016 to 2017, the executive director's salary increased $37,000, which he stated was funded by the line of credit. He also stated the salary increase was approved by the board of directors, but we did not find a record of it in the corporate minutes. HUD officials stated that such a large a salary increase would need to be submitted as part of a new budget for the project. The owner did not submit a new budget for the project. Instead, it received an automatic annual operating cost adjustment factor of approximately 1 or 2 percent.

These conditions occurred because the owner did not have policies and procedures to ensure that it complied with its regulatory agreement and HUD requirements. As a result, disbursements totaling more than $407,000 were unsupported because the costs may not have been reasonable and necessary for the operation and maintenance of the project. By removing the project's accounts as security for the owner's line of credit, the project will put up to $100,000 in project funds to better use because the funds will no longer be at risk from claims from the owner's creditors.

The Owner Operated the Project Without an Approved Management Certification

For our audit period, the owner did not submit the required management entity approval documents, including disclosing its identity-of-interest relationships to HUD. The project is managed by the executive director and his staff, who are employees of the owner. The executive director had been in this position since 2009. He had a familial relationship with the human resources director who was his wife. HUD stated that it did not have a management certification or entity profile for the project.

HUD Management Agent Handbook 4381.5, REV-2, section 2.2, required the owner to submit the management certification and other information to HUD for review. HUD officials stated that the owner needed to submit the correct owner's management certification[3] and a management entity profile. This condition occurred because the project lacked controls to ensure that it complied with its regulatory agreement and applicable HUD requirements. The owner's executive director stated that he would work with HUD to file the correct management certification and any other forms and documents HUD required. Because the owner did not submit the required forms, HUD was not aware of the identity-of-interest relationships and related financial transactions, preventing it from properly conducting its oversight responsibilities.

The Owner Did Not Ensure That All Tenant Security Deposit Funds Were Deposited Into the Security Deposit Bank Account

The owner did not follow HUD requirements to deposit all tenant security deposits into a separate security deposit account. According to the bank statement, the security deposit account balance as of December 31, 2017, was $39,168, after adjustment for a deposit in transit. The project's security deposit by tenant summary spreadsheet total was $39,512, resulting in a deficiency of $344. The manager stated that the spreadsheet balance was correct, and she deposited $344 to the project's security deposit account after we asked her about the discrepancy. The human resources director stated that sometimes a security deposit might be deposited into the revenue account, along with rent or other payments. HUD Handbook 4370.2, REV-1 chapter 2 section 2-9, required that the security deposit bank account balance be confirmed with the amount shown on the books. This condition occurred because the owner lacked policies and procedures to ensure that it reconciled the bank balance to the amount of tenant deposits shown on the books, as required. Tenant funds could be at risk of loss because the security deposit bank account had insufficient funds to account for all tenant deposits paid. During the audit, the manager deposited $344 to the account to correct the deficiency. The

[3] Project owner's or management agent's certification for multifamily housing projects for identity-of-interest or independent management agents (HUD form 9839)

executive director stated that going forward the staff would perform regular account reconciliations to ensure that tenant funds were deposited into the correct bank account.

Conclusion

The owner did not manage its multifamily project in accordance with its regulatory agreement and HUD requirements. The owner could not show that it used more than $2.1 million[4] in project funds for costs that were reasonable and necessary for the operation of the project; improperly pledged up to $100,000 in project funds as security for its line of credit liability; managed the project without a HUD-approved management certification and management entity profile; and did not deposit all tenant security deposit funds into the project's security deposit bank account. These conditions occurred because the owner lacked an understanding of the terms of the regulatory agreement and HUD requirements, had poor record-keeping practices, and did not have controls to ensure that the project was managed in accordance with the regulatory agreement and HUD requirements. As a result, disbursements of project funds totaling more than $2.1 million were unsupported; project funds of up to $100,000 were at risk from creditor claims; HUD was prevented from properly performing its oversight of the project; and tenant funds for security deposits were at risk. By removing the project's accounts as security for the owner's line of credit, the project will put up to $100,000 in project funds to better use because the funds will no longer be at risk from claims from the owner's creditors.

Recommendations

We recommend that the Director of HUD's Northeast Region Asset Management Division direct the owner to

1A. Provide documentation to show that disbursements totaling $2,136,849 and any bank transfers to the owner's non-project accounts that occurred outside of our audit period were reasonable and necessary expenses for the operation of the project or repay the project from non-project funds for any amount that it cannot support.

1B. Provide documentation to show that project funds are segregated in the project's name, in accordance with the regulatory agreement and HUD requirements.

1C. Take immediate action to remove project bank accounts as security for the owner's line of credit and, thereby put up to $100,000 to better use.

1D. Submit a project owner's or management agent's certification, management entity profile, current budget and other required documentation to HUD for review and approval.

1E. Develop and implement controls to ensure that the project complies with the regulatory agreement and applicable HUD requirements, including but not limited to policies and procedures for maintaining project funds in separate bank accounts

[4] See Appendix C

in the project’s name, using project funds only for necessary expenses of the project, and reconciling bank accounts to the project’s computerized accounting records.

We recommend that the Director of HUD’s Northeast Region Asset Management Division

1F. Provide training and technical assistance to the owner’s executive director and staff to ensure compliance with the terms of its regulatory agreement and applicable HUD requirements.

Scope and Methodology

We conducted the audit from November 2017 through August 2018 at the offices of Luther Towers II located at 1420 North Franklin Street, Wilmington, DE, and at our office located in Philadelphia, PA. The audit covered the period January 1, 2016, through December 31, 2017.

To accomplish our objective, we reviewed

- HUD's files for the project, including the mortgage and regulatory agreement.
- HUD's program requirements at 24 CFR (Code of Federal Regulations) Parts 983 and 5; HUD Handbooks 4350.3, 4350.5, 4370.2, and 4381.5; housing assistance payment agreements; and other guidance.
- the owner's audited 2016 financial statements.
- the owner's computerized financial records.
- the owner's bank statements into which the project-based Section 8 assistance funds were deposited.
- return of the owner's Organization Exempt From Income Tax forms (Internal Revenue Service Form 990) for the fiscal year ending December 31, 2015.

We also

- observed the physical condition of the project.
- interviewed employees of the owner and HUD staff.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Internal Controls

Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- effectiveness and efficiency of operations,
- reliability of financial reporting, and
- compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objectives:

- Program operations – Policies and procedures that management has implemented to reasonably ensure that a program meets its objectives.
- Validity and reliability of data – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports.
- Compliance with applicable laws and regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.

We assessed the relevant controls identified above.

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, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

Significant Deficiencies

Based on our review, we believe that the following items are significant deficiencies:

- The owner lacked an understanding of the terms of the regulatory agreement and HUD requirements.
- The owner lacked controls to ensure that the project was managed in accordance with its regulatory agreement and HUD requirements.

Appendixes

Appendix A

Schedule of Questioned Costs and Funds To Be Put to Better Use

Recommendation number	Unsupported 1/	Funds to be put to better use 2/
1A	$2,136,849	
1C		$100,000

1/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of the audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.

2/ Recommendations that funds be put to better use are estimates of amounts that could be used more efficiently if an Office of Inspector General (OIG) recommendation is implemented. These amounts include reductions in outlays, deobligation of funds, withdrawal of interest, costs not incurred by implementing recommended improvements, avoidance of unnecessary expenditures noted in preaward reviews, and any other savings that are specifically identified. In this instance, if the owner implements our recommendations, the project will protect project assets from creditor claims.

Appendix B

Auditee Comments and OIG's Evaluation

Ref to OIG Evaluation | **Auditee Comments**

LUTHER TOWERS

I II

1201 North Harrison — 1420 North Franklin

LUTHERAN SENIOR SERVICES, INC.
1201 North Harrison Street, Wilmington, DE 19806
Office: 302-652-3737 Fax: 302-652-5456
TTY 1-800-232-5460
Luther Towers I 302-652-8797
Luther Towers II 302-654-4490

September 5, 2018

David Kasperowicz, Regional Inspector General for Audit
U. S. Department of Housing and Urban Development, Office of Inspector General
100 Penn Square East, Suite 10205
Philadelphia, PA 19107

Re: Luther Towers II, Wilmington, DE – Owner Comments to Draft OIG Report

Dear Mr. Kasperowicz:

I am writing on behalf of Lutheran Senior Services, Inc. (the "Owner") regarding the draft audit prepared by your office regarding Luther Towers II Apartments, located in Wilmington, Delaware (the "Project"). Based upon our review of the draft report, we respond as follows to the six (6) recommendations therein:

1A. Provide documentation to show that disbursements totaling $2,136,849 and any bank transfers to the owner's non-project accounts that occurred outside of our audit period were reasonable and necessary expenses for operation of the project or repay the project from non-project funds for any amount that it cannot support.

Comment 1

Owner's response: The Owner will work with its forensic accountant to demonstrate to HUD that the $2,136,849 was spent on costs that were both reasonable and necessary for the operation of the Project.

1B. Provide documentation to show that project funds are segregated in the project's name, in accordance with the regulatory agreement and HUD requirements.

Comment 2

Owner's response: The Owner agrees with this recommendation and is prepared to provide evidence that the Project's funds have been segregated as required.

Auditee Comments and OIG's Evaluation

Ref to OIG Evaluation	Auditee Comments

1C. Take immediate action to remove project bank accounts as security for the owner's line of credit and, thereby put up to $100,000 to better use.

Comment 2

Owner's response: The Owner agrees with this recommendation and is prepared to produce documentation reflecting that the Project's accounts will no longer be used as security for the Owner's line of credit.

1D. Submit a project owner's or management agent's certification, management entity project, current budget and other required documentation to HUD for review and approval.

Comment 2

Owner's response: While the Owner believes that HUD has an obligation to affirmatively request materials it believes are missing from its files and records and that their failure to do so should not result in a Finding against the Owner, the Owner is nonetheless prepared to provide to HUD current versions of Form 9839, Form 9832, a Project budget, and any other document that HUD needs to complete its file on the Project.

1E. Develop and implement controls to ensure that the project complies with the regulatory agreement and applicable HUD requirements, including but not limited to policies and procedures for maintaining project funds in separate bank accounts in the project's name, using project funds only for necessary expenses of the project, and reconciling bank accounts to the project's computerized accounting records.

Comment 3

Owner's response: While the Owner does not concede that it failed to perform any of these tasks, the Owner is prepared to work with HUD to implement and/ or to strengthen any necessary controls to ensure future compliance with the regulatory agreement and applicable HUD requirements.

1F. Provide training and technical assistance to the owner's executive director and staff to ensure compliance with the terms of its regulatory agreement and applicable HUD requirements.

Comment 4

Owner's response: The Owner is prepared to accept any HUD training offered.

Sincerely,

LUTHERAN SENIOR SERVICES, INC.

By: ______________________

John Twolt, Executive Director

OIG Evaluation of Auditee Comments

Comment 1 The owner stated that it will show HUD that the bank transfers to its non-project accounts totaling more than $2.1 million were for costs that were reasonable and necessary for the operation of the project. As part of the audit resolution process, HUD will review the documentation provided by the owner, determine whether it satisfies the recommendation, and provide its determination and the documentation to OIG for review and concurrence.

Comment 2 The owner agreed with the recommendation. As part of the audit resolution process, HUD and OIG will agree on the necessary documentation to be provided by the owner to show that its corrective actions satisfied the recommendations.

Comment 3 The owner stated that while it does not concede that it failed to perform tasks, it is prepared to work with HUD to implement and strengthen necessary controls to ensure future compliance with the regulatory agreement and applicable HUD requirements. As stated in the audit report, the owner lacked controls to ensure that the project was managed in accordance with the regulatory agreement and HUD requirements such as to maintain project funds in separate bank accounts in the project's name, use project funds only for necessary project expenses and reconcile bank accounts to the project's computerized accounting records. The owner stated that it will take corrective actions that address the intent of the recommendations. As part of the audit resolution process, HUD and OIG will agree on the necessary documentation to be provided by the owner to show that its corrective actions satisfied the recommendation.

Comment 4 The owner stated that it will accept training from HUD. We acknowledge the owner's positive attitude toward the audit report and the recommendations.

Appendix C

Unsupported Disbursements From Project Funds to the Owner's Other Accounts

Year	Transfers to the owner's shared accounts payable bank account	Transfers to the owner's general fund bank account	Transfers to the owner's payroll investment (retirement) bank account	Transfers to the owner's Luther Towers I bank accounts	Transfers to the owner's credit card	Total transfers to other accounts
2016	$805,500		$450	$46,610	$4,500	$857,060
2017	838,118	$16,956	17,700			872,774
Totals	**1,643,618**	**16,956**	**18,150**	**46,610**	**4,500**	**1,729,834**

Year	Total transfers to other accounts	Transfers to pay the owner's line of credit	Total of all transfers
2016	$857,060	$208,880	$1,065,940
2017	872,774	198,135	1,070,909
Totals	**1,729,834**	**407,015**	**2,136,849**