

**Independence Square, Inc.
(A Nonprofit Corporation)
(Independence Square)
HUD Project No. 115-EH088
San Antonio, Texas**

Financial Statements
and Supplemental Information

June 30, 2019

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

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June 30, 2019

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Independent Auditors' Report

To the Directors
Independence Square, Inc.
(Independence Square)

Report on the Financial Statements

We have audited the accompanying financial statements of Independence Square, Inc., (Independence Square), HUD Project No. 115-EH088, (the "Project"), which comprise the statement of financial position as of June 30, 2019, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Independence Square as of June 30, 2019, and the changes in 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 12 to 16 is presented for purposes of additional analysis and is not a required part of the financial statements.

The accompanying supplementary 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. Such 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 our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Maddox & Associates, APC

Baton Rouge, Louisiana
August 28, 2019

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Statement of Financial Position
June 30, 2019

ASSETS

CURRENT ASSETS

Cash-Operations	\$ 8,672
Total Current Assets	<u>8,672</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust	3,152
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RESTRICTED DEPOSITS AND FUNDED RESERVES

Replacement Reserve	24,704
Residual Receipts Reserve	<u>503</u>
Total Restricted Deposits	<u>25,207</u>

FIXED ASSETS

Land	41,835
Buildings	501,075
Building Equipment-Portable	16,208
Furniture for Project/Tenant Use	18,206
Furnishings	16,251
Motor Vehicles	<u>10,428</u>
Total Fixed Assets	604,003
Less Accumulated Depreciation	<u>345,746</u>
Net Fixed Assets	<u>258,257</u>

TOTAL ASSETS

\$ 295,288

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Statement of Financial Position
June 30, 2019

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable-Operations	\$	5,357
Accrued Wages Payable		1,276
Accrued Payroll Taxes Payable		493
Accrued Management Fee Payable		484
Accrued Interest Payable-First Mortgage		1,722
Mortgage Payable-First Mortgage (short-term)		<u>24,188</u>
Total Current Liabilities		33,520

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust (contra)		3,149
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LONG-TERM LIABILITIES

Mortgage Payable-First Mortgage		<u>199,206</u>
Total Long-Term Liabilities		<u>199,206</u>

Total Liabilities		235,875
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NET ASSETS

Without Donor Restrictions		<u>59,413</u>
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TOTAL LIABILITIES AND NET ASSETS

	\$	<u><u>295,288</u></u>
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Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Statement of Activities
For the Year Ended June 30, 2019

REVENUES:	
Rent	\$ 212,919
Financial	9
Other	<u>982</u>
Total Revenue	213,910
EXPENSES:	
Project Services	
Administrative	67,315
Utilities	17,237
Operating and Maintenance	23,160
Taxes and Insurance	14,651
Financial	21,615
Depreciation	<u>22,063</u>
Total Project Service Expenses	166,041
Support Services-Management and General	
Administrative	<u>24,980</u>
Total Support Service Expenses	<u>24,980</u>
Total Expenses	<u>191,021</u>
Increase in Net Assets Without Donor Restrictions	22,889
Net Assets, Beginning of Period	<u>36,524</u>
NET ASSETS, END OF PERIOD	<u><u>\$ 59,413</u></u>

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Statement of Cash Flows
For the Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Rental Receipts	\$ 188,514
Interest Receipts	9
Other Receipts	982
Total Receipts	<u>189,505</u>
Administrative	(17,710)
Management Fees	(14,900)
Utilities	(16,020)
Salaries and Wages	(42,682)
Operating and Maintenance	(14,014)
Property Insurance	(4,938)
Miscellaneous Taxes and Insurance	(9,220)
Interest on Mortgage	<u>(21,785)</u>
Total Disbursements	<u>(141,269)</u>
Net Cash Provided by Operating Activities	48,236
CASH FLOWS FROM INVESTING ACTIVITIES:	
Deposits to the Replacement Reserve Account	(12,409)
Withdrawals from the Replacement Reserve Account	24,196
Net Purchase of Fixed Assets	<u>(35,595)</u>
Net Cash Used in Investing Activities	(23,808)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Mortgage Principal Payments	<u>(22,059)</u>
Net Cash Used in Financing Activities	<u>(22,059)</u>
Net Increase in Cash and Cash Equivalents	2,369
CASH AND CASH EQUIVALENTS:	
Beginning of Period	<u>6,303</u>
End of Period	<u>\$ 8,672</u>

(continued)

See accompanying notes to the financial statements.

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Statement of Cash Flows (continued)
For the Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets	\$ 22,889
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation Expense	22,063
Decrease (Increase) in:	
Tenant Accounts Receivable	218
Cash Restricted for Tenant Security Deposits	(74)
Increase (Decrease) in:	
Accounts Payable	2,252
Accrued Liabilities	1,008
Accrued Interest Payable	(170)
Tenants Security Deposits Held in Trust	74
Prepaid Revenue	(24)
	<hr/>
Net Cash Provided by Operating Activities	<u>\$ 48,236</u>

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Notes to the Financial Statements
June 30, 2019

1. Organization and Summary of Significant Accounting Policies

The Project is a 9-unit apartment project for adults with developmental (intellectual) disabilities located in San Antonio, Texas. The project is a non-profit corporation organized on June 21, 1983 under the laws of the State of Texas. Construction of the Project was completed on May 23, 1986 and the Project began collecting rents July 1986. The Project is operated under Section 202 of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods.

Independence Square, Inc., a corporation sponsored by Mission Road Developmental Center, holds legal title to the Project. The accompanying financial statements include only the assets and related liabilities of Independence Square.

The Project also is subject to Section 8 Housing Assistance Payments agreements with the U.S. Department of Housing and Urban Development (HUD), and a significant portion of the Project's rental income is received from HUD. The project has eight units under the HAP Agreement that HUD is allowing two tenants to occupy at the same time.

The Project's regulatory agreement with HUD stipulates, among other things, that the Project will not make distributions of assets or income to any of its officers and directors.

The following significant accounting policies have been followed in the preparation of the financial statements:

Basis of Accounting: The financial statements are prepared on the accrual basis of accounting, which is in accordance with generally accepted accounting principles.

Subsequent Events: The financial statements and related disclosures include evaluation of events up through and including August 28, 2019, which is the date the financial statements were issued.

Revenue Recognition: Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Project and the tenants are operating leases. Rental income is recorded net of vacancies. Under the Regulatory Agreement, the Project may not increase rents charged to tenants without HUD approval.

Functional Expenses: The costs of providing program and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among project services and supporting services. Expenses allocated to supporting services include conventions and meetings, management fees, audit expense, and bookkeeping fees. All supporting service expenses were allocated at 100%.

Cash and Cash Equivalents: For the purposes of the Statement of Cash Flows, the Project considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Concentration of Credit Risk: The project maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. The project has not experienced any losses in such accounts.

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Notes to the Financial Statements (continued)
June 30, 2019

Allowance for Uncollectible Receivables: Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Depreciation: The Project's land, building, improvements, and personal property are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided by the straight-line method over the estimated useful life of the asset.

Building and Improvements	15-40 years
Furniture, Fixtures, and Equipment	5-7 years
Motor Vehicles	5 years

Impairment of Long-Lived Assets: The Project reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There is no impairment loss recognized for the period ending June 30, 2019.

Other Liabilities: Accrued expenses for compensated absences, vacations, and sick pay are not shown due to the fact that amount of the liability cannot be reasonably estimated. It is the Project's policy to expense these items when they are incurred.

Interest Expense: The Project has expensed all interest and none has been capitalized.

Income Taxes: Neither the Project nor its nonprofit corporate owner is subject to federal income taxes under IRC 501(C)(3). The Project files information returns in the U.S. federal jurisdiction. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. There are no interest and penalties related to income taxes recognized in the statement of activities. The Project has not taken any tax positions that would significantly increase or decrease any unrecognized tax benefit within twelve months of the reporting date.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Notes to the Financial Statements (continued)
June 30, 2019

Economic Concentrations: The Project's primary asset is its 9-unit apartment project. The Project's operations are concentrated in the multifamily housing real estate market. In addition, the Project operates in a regulated environment. The operations of the Project are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress, or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

2. Mortgage Payable

The mortgage note, insured by the Federal Housing Administration, is payable over 40 years in monthly installments, including principal and interest of \$3,654 at 9.25%. All interest is charged to expense. This note is secured by a mortgage on the real estate and improvements thereon. The maturity date is May 1, 2026.

Maturities of the mortgage note payments for the next five years and thereafter are:

Fiscal year ending June 30, 2020	\$	24,188
2021		26,523
2022		29,083
2023		31,890
2024		34,968
Remaining Balance		76,742
	\$	<u>223,394</u>

3. Related Party-Identity of Interest

Related Party: Mission Road Developmental Center
Relationship: Sponsor
Transactions: Property, Liability, and Automotive Insurance, and Reimbursable Expenses
Amount paid for services: \$8,218
Amount payable at June 30, 2019: None

4. Management Fee

The Project has contracted with Suzanne Smith Management Company to provide management services. The charges for these services are based upon a management agreement. The charges are 7.5% of collected rental income. For the period ended June 30, 2019, management fees charged amounted to \$14,139. The balance owed Suzanne Smith Management Company at June 30, 2019 is \$484.

5. Restricted Funds

Under the Regulatory Agreement, the Project is required to establish and maintain a replacement reserve account for the replacement of property and other project expenditures as approved by HUD. The Project is also required to complete a computation of surplus cash. Surplus cash is the cash remaining after all expenses of the project are paid less current obligations of the current reporting period. If surplus cash exists, the Project is required to deposit surplus cash into a residual receipts account within 60 days of the Project's year-end. Restricted funds are held in separate accounts and generally are not available for operating purposes.

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Notes to the Financial Statements (continued)
June 30, 2019

6. Net Assets Without Donor Restrictions

None of the Project's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restrictions. There are no self-imposed limits on net assets.

7. Liquidity and Availability

The Project's financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consists of operating cash and escrows. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

The Project manages liquidity needed for operations primarily through budgeted monthly cash inflows and outflows. Cash inflows can be easily predicted since they are comprised mostly of rent and subsidy receipts. Cash outflows are planned accordingly so as not to exceed those expected inflows. A minimal amount of excess cash is on hand in the event of unexpected outflows. In addition, the Organization maintains funds in a reserve for replacement for planned property improvements and may be used only with the approval of HUD.

8. Residual Receipts Contingency

Regulations require the return of residual receipts to HUD unless the funds are authorized by HUD to be retained by the Project for possible future uses. The use of these funds is contingent upon HUD's prior written approval. HUD authorized the recapture of residual receipt balances in excess of \$250 per unit ("retained balance") through the Project's Section 8 Contract. There is no excess at June 30, 2019.

SUPPLEMENTAL INFORMATION

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Supplementary Data Required by HUD
June 30, 2019

Financial Statement Data:

Assets		
Account	Description	Value
1120	Cash-Operations	8,672
1100T	Total Current Assets	8,672
1191	Tenant Security Deposits Held in Trust	3,152
1320	Replacement Reserve	24,704
1340	Residual Receipts Reserve	503
1300T	Total Deposits	25,207
1410	Land	41,835
1420	Buildings	501,075
1440	Building Equipment-Portable	16,208
1450	Furniture for Project/Tenant Use	18,206
1460	Furnishings	16,251
1480	Motor Vehicles	10,428
1400T	Total Fixed Assets	604,003
1495	Less Accumulated Depreciation	345,746
1400N	Net Fixed Assets	258,257
1000T	Total Assets	295,288

Liabilities		
Account	Description	Value
2110	Accounts Payable-Operations	5,357
2120	Accrued Wages Payable	1,276
2121	Accrued Payroll Taxes Payable	493
2123	Accrued Management Fee Payable	484
2131	Accrued Interest Payable-First Mortgage	1,722
2170	Mortgage Payable-First Mortgage (short-term)	24,188
2122T	Total Current Liabilities	33,520
2191	Tenant Security Deposits Held in Trust (contra)	3,149
2320	Mortgage Payable-First Mortgage	199,206
2300T	Total Long-Term Liabilities	199,206
2000T	Total Liabilities	235,875

Net Assets		
Account	Description	Value
3131	Without Donor Restrictions	59,413
3130	Total Net Assets	59,413
2033T	Total Liabilities and Equity/Net Assets	295,288

Rent Revenue		
Account	Description	Value
5120	Rent Revenue-Gross Potential	85,112
5121	Tenant Assistance Payments	136,279
5100T	Total Rent Revenue	221,391

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Supplementary Data Required by HUD (continued)
June 30, 2019

Vacancies		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5220	Apartments	8,472
5200T	Total Vacancies	8,472
5152N	Net Rental Revenue	212,919
Financial Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5410	Financial Revenue-Project Operations	1
5440	Revenue from Investments-Replacement Reserve	8
5400T	Total Financial Revenue	9
Other Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5910	Laundry and Vending Revenue	927
5920	Tenant Charges	55
5900T	Total Other Revenue	982
5000T	Total Revenue	213,910
Administrative Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6203	Conventions and Meetings	2,434
6310	Office Salaries	24,879
6311	Office Expense	6,588
6320	Management Fee	14,139
6330	Manager or Superintendent Salaries	10,470
6331	Administrative Rent Free Unit	24,599
6350	Audit Expense	4,765
6351	Bookkeeping Fees/Accounting Services	3,642
6390	Miscellaneous Administrative Expenses	779
6263T	Total Administrative Expenses	92,295
Utilities Expense		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6450	Electricity	11,303
6451	Water	4,172
6453	Sewer	1,762
6400T	Total Utilities Expense	17,237
Operating & Maintenance Expenses		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6510	Payroll	8,609
6515	Supplies	1,098
6520	Contracts	10,440
6525	Garbage and Trash Removal	1,062
6570	Vehicle and Maintenance Equipment Operations and Repairs	1,921
6590	Miscellaneous Operating and Maintenance Expense	30
6500T	Total Operating and Maintenance Expenses	23,160
Taxes & Insurance		
<u>Account</u>	<u>Description</u>	<u>Value</u>
6711	Payroll Taxes	5,750
6720	Property and Liability Insurance	4,938
6722	Workmen's Compensation	839

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Supplementary Data Required by HUD (continued)
June 30, 2019

6723	Health Insurance and Other Employee Benefits	3,124
6700T	Total Taxes and Insurance	14,651

Financial Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6820	Interest on Mortgage (or Bonds) Payable	21,615
6800T	Total Financial Expenses	21,615

Operating Results

<u>Account</u>	<u>Description</u>	<u>Value</u>
6000T	Total Cost of Operations Before Depreciation and Amortization	168,958
5060T	Profit (Loss) Before Depreciation and Amortization	44,952
6600	Depreciation Expenses	22,063
5060N	Operating Profit or (Loss)	22,889

Change in Net Assets from Operations

<u>Account</u>	<u>Description</u>	<u>Value</u>
3247	Change in Net Assets Without Donor Restrictions	22,889
3250	Change in Total Net Assets from Operations	22,889

Part II

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1000-010	Total first mortgage (or bond) principal payments required during the audit period (usually 12 months). This applies to all direct loans and HUD-held and HUD-insured first mortgages.	22,059
S1000-020	The total of all monthly reserve for replacement deposits (usually 12 months) required during the audit period even if deposits have been temporarily waived or suspended.	12,401
S1000-030	Replacement Reserves or Residual Receipts and Releases which are included as expense items on this Profit and Loss statement.	0
S1000-040	Project Improvement Reserve releases under the Flexible Subsidy program that are included as expense items on this Profit and Loss statement.	0

Equity Data

S1100-060	Previous Year Net Assets Without Donor Restrictions	36,524
3247	Change in Net Assets Without Donor Restrictions from Operations	22,889
3131	Net Assets Without Donor Restrictions	59,413
S1100-050	Previous Year Total Net Assets	36,524
3250	Change in Total Net Assets from Operations	22,889
3130	Total Net Assets	59,413

Cash Flow from Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-010	Rental Receipts	188,514
S1200-020	Interest Receipts	9
S1200-030	Other Receipts	982
S1200-040	Total Receipts	189,505
S1200-050	Administrative	(17,710)
S1200-070	Management Fees	(14,900)
S1200-090	Utilities	(16,020)
S1200-100	Salaries and Wages	(42,682)

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Supplementary Data Required by HUD (continued)
June 30, 2019

S1200-110	Operating and Maintenance	(14,014)
S1200-140	Property Insurance	(4,938)
S1200-150	Miscellaneous Taxes and Insurance	(9,220)
S1200-180	Interest on Mortgage	<u>(21,785)</u>
S1200-230	Total Disbursements	<u>(141,269)</u>
S1200-240	Net Cash Provided by (Used in) Operating Activities	48,236

Cash Flow from Investing Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-250	Net Deposits to the Replacement Reserve Account	11,787
S1200-330	Net Purchase of Fixed Assets	<u>(35,595)</u>
S1200-350	Net Cash Provided by (Used in) Investing Activities	(23,808)

Cash Flow from Financing Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-360	Principal Payments-First Mortgage (or Bonds)	<u>(22,059)</u>
S1200-460	Net Cash Provided by (Used in) Financing Activities	<u>(22,059)</u>
S1200-470	Net Increase (Decrease) in Cash and Cash Equivalents	2,369

Cash and Cash Equivalents

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-480	Beginning of Period	<u>6,303</u>
S1200T	End of Period	<u><u>8,672</u></u>

Reserve for Replacements:

In accordance with the provisions of the Regulatory Agreement, restricted cash is to be used for replacement of property and various other uses, with the approval of HUD as follows:

Balance, June 30, 2018	\$	36,491
Total Monthly Deposits		12,401
Investment Income		8
Approved Withdrawals		<u>(24,196)</u>
Balance, June 30, 2019	\$	<u><u>24,704</u></u>

Deposits Suspended or Waived

No

Residual Receipts Reserve:

Balance, June 30, 2018	\$	503
Total Required Deposit		0
Investment Income		0
Approved Withdrawals		<u>0</u>
Balance, June 30, 2019	\$	<u><u>503</u></u>

Independence Square, Inc.
(Independence Square)

HUD Project No. 115-EH088

Supplementary Data Required by HUD (continued)
June 30, 2019

Computation of Surplus Cash, Distributions, and Residual Receipts-Annual

Cash	\$	11,824	
Total Cash		11,824	
Accrued Mortgage Interest Payable		1,722	
Accounts Payable-30 Days		5,357	
Accrued Expenses [not escrowed]		2,253	
Tenant Security Deposits Liability		3,149	
Total Current Obligations		12,481	
Surplus Cash (Deficiency)	\$	(657)	

Schedule of Fixed Assets Accounts-Detail

	Beginning <u>Balance</u>	Additions	Deductions	Ending <u>Balance</u>
Land	\$ 41,835	\$ 0	\$ 0	\$ 41,835
Buildings	501,075	0	0	501,075
Building Equipment-Portable	0	16,208	0	16,208
Furniture for Project/Tenant Use	15,486	2,720	0	18,206
Furnishings	16,251	0	0	16,251
Motor Vehicles	10,428	0	0	10,428
 Total	\$ 585,075	\$ 18,928	\$ 0	604,003
Accumulated Depreciation	\$ 323,683	\$ 22,063	\$ 0	345,746
Net Book Value				\$ 258,257

<u>Description</u>	<u>Additions</u> <u>(Deductions)</u>
Refrigerator	\$ 428
HVACs	15,780
Furniture	2,720

Certifying Officers:

Knox Pitts, President
David Davis, Secretary
TIN: 74-2291607
Phone: (210) 531-0577

Certifying Management Agent:

Suzanne Smith Management Company
Suzanne Smith, President
TIN: 76-0104958