

**Meadow Brook Apartments
(A Nonprofit Corporation)
HUD Project No. 115-HD033
San Antonio, Texas**

Financial Statements
and Supplemental Information

June 30, 2023



MADDOX & ASSOCIATES, APC

CERTIFIED PUBLIC ACCOUNTANTS

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To the Department of Housing
and Urban Development

Attached is the financial report of Meadow Brook Apartments, (A Nonprofit Corporation), HUD Project No. 115-HD033 for the year ended June 30, 2023.

Audit Firm: Maddox & Associates, APC
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Maddox & Associates, APC

August 21, 2023

Meadow Brook Apartments
HUD Project No. 115-HD033

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Independent Auditors' Report

To the Directors
Meadow Brook Apartments

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Meadow Brook Apartments (A Nonprofit Corporation), (the "Project"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Meadow Brook Apartments as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Meadow Brook Apartments and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meadow Brook Apartments' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Meadow Brook Apartments' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meadow Brook Apartments' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary 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 14 to 18 is presented for the purposes of additional analysis as required by *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2023 on our consideration of Meadow Brook Apartments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Meadow Brook Apartments' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meadow Brook Apartments' internal control over financial reporting and compliance.



Baton Rouge, Louisiana
August 21, 2023

Meadow Brook Apartments
HUD Project No. 115-HD033

Statement of Financial Position
June 30, 2023

ASSETS

CURRENT ASSETS

Cash-Operations	\$	3,695
Tenant Accounts Receivable		44
Total Current Assets		<u>3,739</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust	5,222
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RESTRICTED DEPOSITS AND FUNDED RESERVES

Replacement Reserve	27,412
Residual Receipts Reserve	26
Total Restricted Deposits	<u>27,438</u>

FIXED ASSETS

Land	81,500
Buildings	1,427,716
Furniture for Project/Tenant Use	12,607
Motor Vehicles	25,494
Miscellaneous Fixed Assets	2,560
Total Fixed Assets	<u>1,549,877</u>
Less Accumulated Depreciation	<u>748,044</u>
Net Fixed Assets	<u>801,833</u>

TOTAL ASSETS

\$	<u><u>838,232</u></u>
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Meadow Brook Apartments
HUD Project No. 115-HD033

Statement of Financial Position
June 30, 2023

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable-Operations	\$	3,922
Accounts Payable-Section 8 and Other		37
Accrued Wages Payable		844
Accrued Management Fee Payable		5,844
Prepaid Revenue		25
Total Current Liabilities		<u>10,672</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust (contra)		<u>5,222</u>
Total Liabilities		15,894

NET ASSETS

Without Donor Restrictions	(576,662)
With Donor Restrictions	<u>1,399,000</u>
Total Net Assets	<u>822,338</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 838,232

Meadow Brook Apartments
HUD Project No. 115-HD033

Statement of Activities
For the Year Ended June 30, 2023

REVENUES:

Rent	\$ 154,261
Financial	212
Other	<u>33,359</u>

Total Revenue 187,832

EXPENSES:

Project Services	
Administrative	53,583
Utilities	26,450
Operating and Maintenance	34,980
Taxes and Insurance	26,206
Depreciation	<u>43,434</u>
Total Project Service Expenses	184,653

Support Services-Management and General	
Administrative	<u>21,900</u>
Total Support Service Expenses	<u>21,900</u>

Total Expenses 206,553

Change in Net Assets Without Donor Restrictions (18,721)

Net Assets, Beginning of Period 841,059

NET ASSETS, END OF PERIOD \$ 822,338

Meadow Brook Apartments
HUD Project No. 115-HD033

Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Rental Receipts	\$ 143,979
Interest Receipts	212
Other Receipts	304
Total Receipts	<u>144,495</u>
Administrative	(21,254)
Management Fees	(4,338)
Utilities	(26,571)
Salaries and Wages	(46,626)
Operating and Maintenance	(13,805)
Property Insurance	(6,078)
Miscellaneous Taxes and Insurance	(16,070)
Tenant Security Deposits	1,391
Total Disbursements	<u>(133,351)</u>
Net Cash Provided by Operating Activities	<u>11,144</u>

CASH FLOWS FROM INVESTING ACTIVITIES: 0

CASH FLOWS FROM FINANCING ACTIVITIES: 0

Change in Cash, Cash Equivalents, and Restricted Cash 11,144

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:

Beginning of Period	<u>25,211</u>
End of Period	<u><u>\$ 36,355</u></u>

(continued)

See accompanying notes to the financial statements.

Meadow Brook Apartments
HUD Project No. 115-HD033

Statement of Cash Flows (continued)
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ (18,721)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation Expense	43,434
Forgiveness of Debt	(33,055)
Decrease (Increase) in:	
Tenant Accounts Receivable	(44)
Increase (Decrease) in:	
Accounts Payable	14,323
Accrued Liabilities	4,323
Tenants Security Deposits Held in Trust	1,391
Prepaid Revenue	<u>(507)</u>
Net Cash Provided by Operating Activities	<u>\$ 11,144</u>

Meadow Brook Apartments
HUD Project No. 115-HD033

Notes to the Financial Statements
June 30, 2023

1. Organization and Summary of Significant Accounting Policies

The Project is a 17-unit apartment project for adults with developmental (intellectual) disabilities located in San Antonio, Texas. The Project is a non-profit corporation organized on December 22, 2000 under the laws of the State of Texas. Construction of the Project was completed on October 24, 2003 and it began collecting rents the date construction was completed. The Project is operated under Section 811 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.

Meadow Brook Apartments, 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 Meadow Brook Apartments.

The Project also is subject to Project Rental Assistance Contracts 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 two units under the PRAC that HUD is allowing two tenants to occupy at the same time. Under the agreement, the Project may not increase rents charged to tenants without HUD approval.

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 21, 2023, which is the date the financial statements were issued.

Revenue Recognition: The Project's primary revenue stream is rent charges for residential units under leases with durations of less than one year. The Project records revenue for such leases at gross potential rent as prescribed by HUD. The rental value of vacancies and other concessions are stated separately to present net rental income on the accrual basis. Subsidy revenue for low-income eligible tenants is provided under a Project Rental Assistance Contract. This contract requires tenants to contribute a portion of the contract rent based on formulas prescribed by HUD. The difference from the calculated subsidy and the contract rent is paid by the HUD. The current contract expires on September 30, 2023.

Subsidy income is considered part of the lease and is not considered a contribution under ASC 958. This standard indicates that government payments to specifically identified participants are to be considered exchange transactions and potentially subject to ASC 606. The Project believes that such both rental and subsidy income streams are exempted from compliance with ASC 606 due to their inclusion under current and future lease standards. Revenue streams subject to ASC 606 include: tenant reimbursement of consumption-based costs paid by the Project on behalf of the tenant, such as utilities and other monthly fees. Additional revenue includes laundry, vending, pet, and parking fees as well as damages. Such fees are ancillary to the lease process and are recognized as revenue at the point in time such fees are incurred.

Meadow Brook Apartments
HUD Project No. 115-HD033

Notes to the Financial Statements (continued)
June 30, 2023

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 fee, audit expense, and bookkeeping fees. All supporting service expenses were allocated at 100%.

Cash, Cash Equivalents, and Restricted Cash: 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.

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.

Buildings 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, 2023.

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: There is no interest expense.

Meadow Brook Apartments
HUD Project No. 115-HD033

Notes to the Financial Statements (continued)
June 30, 2023

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.

Economic Concentrations: The Project's primary asset is its 17-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. Financing

Section 811 of the National Housing Act authorized HUD to provide funds as capital advances to nonprofit owners for new construction or acquisition/rehabilitation of supportive housing facilities. This capital advance note shall bear no interest and repayment is not required so long as the housing remains available for very low-income persons with intellectual disabilities for at least 40 years in accordance with Section 811 of the National Housing Act, the Regulatory Agreement and HUD Regulations. Failure to keep the housing available for intellectually disabled persons would result in HUD's billing the owner for the entire capital advance of \$1,399,000 plus 5.375% interest since the date of the first advance. The capital advance is classified in the statement of financial position as net assets with donor restrictions. The maturity date of the capital advance is September 1, 2043.

3. Related Party-Identity of Interest

Related Party: Mission Road Developmental Center
Relationship: Sponsor
Transactions: Property, Liability, and Automobile Insurance
Amount paid for services: \$6,078
Amount payable at June 30, 2023: None

During the year, the Project received \$15,581 in debt forgiveness from Mission Road Developmental Center for insurance premiums.

Meadow Brook Apartments
HUD Project No. 115-HD033

Notes to the Financial Statements (continued)
June 30, 2023

4. Management Fee

The Project has contracted with RC Management, Inc. to provide management services. The charges for these services are based upon a management agreement. The charges are 6.10% of collected rental income plus \$11 per unit, per month in special add-on fees. For the period ended June 30, 2023, management fees charged amounted to \$5,844. The balance owed RC Management, Inc. at June 30, 2023 is \$5,844.

Until December 31, 2022, the Project contracted with Suzanne Smith Management Company to provide management services. The charges for these services were based upon a management agreement. The charges are \$35.33 per unit, per month. For the period ended June 30, 2023, management fees charged amounted to \$3,718. There is no balance owed Suzanne Smith Management Company at June 30, 2023.

Suzanne Smith Management Company closed operations on December 31, 2022 and forgave the Project's debt in full. The debt totaled \$17,474 and represented unreimbursed salaries and management fees. No efforts will be made in the future to collect on these debts.

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.

6. Cash, Cash Equivalents, and Restricted Cash

In accordance with Accounting Standards Update (ASU) 2016-18, "Restricted Cash", the following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the amounts presented in the statement of cash flows:

	Beginning of <u>Period</u>	End of <u>Period</u>
Cash-Operations	\$ 1,402	\$ 3,695
Tenant Security Deposits Held in Trust	3,832	5,222
Replacement Reserve	19,951	27,412
Residual Receipts Reserve	26	26
	<u>\$ 25,211</u>	<u>\$ 36,355</u>

7. Net Assets

The Project classifies net assets into two categories: without donor restrictions and with donor restrictions. Donor-imposed restrictions include that the project provide affordable housing as indicated in the regulatory agreement. Net assets released from donor restrictions are indicated on the Statement of Activities. There are no self-imposed limits on net assets without donor restrictions.

Meadow Brook Apartments
HUD Project No. 115-HD033

Notes to the Financial Statements (continued)
June 30, 2023

8. 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 accounts receivable. 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.

9. 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. On June 19, 2015 HUD issued a directive that they will require the return of residual receipts balances in excess of \$250 per unit ("retained balance"), upon expiration of the Project Rental Assistance Contract, subject to certain conditions. The expiration date of the Project Rental Assistance Contract is September 30, 2023. There is no excess at June 30, 2023.

10. Accounts Payable to HUD

"Accounts Payable-Section 8 and Other" includes \$37 in miscellaneous voucher adjustments.

SUPPLEMENTAL INFORMATION

Meadow Brook Apartments
HUD Project No. 115-HD033

Supplementary Information Required by HUD
June 30, 2023

Financial Statement Data:

Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>
1120	Cash-Operations	3,695
1130	Tenant Accounts Receivable	44
1100T	Total Current Assets	3,739
1191	Tenant Security Deposits Held in Trust	5,222
1320	Replacement Reserve	27,412
1340	Residual Receipts Reserve	26
1300T	Total Deposits	27,438
1410	Land	81,500
1420	Buildings	1,427,716
1450	Furniture for Project/Tenant Use	12,607
1480	Motor Vehicles	25,494
1490	Miscellaneous Fixed Assets	2,560
1400T	Total Fixed Assets	1,549,877
1495	Less Accumulated Depreciation	748,044
1400N	Net Fixed Assets	801,833
1000T	Total Assets	838,232
Liabilities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
2110	Accounts Payable-Operations	3,922
2116	Accounts Payable-Section 8 and Other	37
2120	Accrued Wages Payable	844
2123	Accrued Management Fee Payable	5,844
2210	Prepaid Revenue	25
2122T	Total Current Liabilities	10,672
2191	Tenant Security Deposits Held in Trust (contra)	5,222
2000T	Total Liabilities	15,894
Net Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>
3131	Without Donor Restrictions	(576,662)
3133	With Donor Restrictions	1,399,000
3130	Total Net Assets	822,338
2033T	Total Liabilities and Equity/Net Assets	838,232
Rent Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5120	Rent Revenue-Gross Potential	100,642
5121	Tenant Assistance Payments	65,270
5100T	Total Rent Revenue	165,912
Vacancies		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5220	Apartments	11,651
5200T	Total Vacancies	11,651

Meadow Brook Apartments
HUD Project No. 115-HD033

Supplementary Data Required by HUD (continued)
June 30, 2023

5152N	Net Rental Revenue	154,261
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Financial Revenue

<u>Account</u>	<u>Description</u>	<u>Value</u>
5440	Revenue from Investments-Replacement Reserve	212
5400T	Total Financial Revenue	212

Other Revenue

<u>Account</u>	<u>Description</u>	<u>Value</u>
5910	Laundry and Vending Revenue	40
5920	Tenant Charges	264
5990-020	Debt Forgiveness	33,055
5990	Miscellaneous Revenue	33,055
5900T	Total Other Revenue	33,359
5000T	Total Revenue	187,832

Administrative Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6203	Conventions and Meetings	1,998
6250	Other Renting Expenses	61
6310	Office Salaries	10,042
6311	Office Expense	7,514
6320	Management Fee	9,562
6330	Manager or Superintendent Salaries	25,755
6331	Administrative Rent Free Unit	9,768
6350	Audit Expense	5,808
6351	Bookkeeping Fees/Accounting Services	4,532
6390	Miscellaneous Administrative Expenses	443
6263T	Total Administrative Expenses	75,483

Utilities Expense

<u>Account</u>	<u>Description</u>	<u>Value</u>
6450	Electricity	19,439
6451	Water	4,127
6453	Sewer	2,884
6400T	Total Utilities Expense	26,450

Operating & Maintenance Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6510	Payroll	10,415
6515	Supplies	2,918
6520	Contracts	19,922
6525	Garbage and Trash Removal	1,725
6500T	Total Operating and Maintenance Expenses	34,980

Taxes & Insurance

<u>Account</u>	<u>Description</u>	<u>Value</u>
6711	Payroll Taxes	5,330
6720	Property and Liability Insurance	12,156
6722	Workmen's Compensation	1,300
6723	Health Insurance and Other Employee Benefits	7,420
6700T	Total Taxes and Insurance	26,206

Meadow Brook Apartments
HUD Project No. 115-HD033

Supplementary Data Required by HUD (continued)
June 30, 2023

Operating Results

<u>Account</u>	<u>Description</u>	<u>Value</u>
6000T	Total Cost of Operations Before Depreciation and Amortization	163,119
5060T	Profit (Loss) Before Depreciation and Amortization	24,713
6600	Depreciation Expenses	43,434
5060N	Operating Profit or (Loss)	(18,721)

Change in Net Assets from Operations

<u>Account</u>	<u>Description</u>	<u>Value</u>
3247	Change in Net Assets Without Donor Restrictions	(18,721)
3250	Change in Total Net Assets from Operations	(18,721)

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.	0
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.	6,720
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

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1100-060	Previous Year Net Assets Without Donor Restrictions	(557,941)
3247	Change in Net Assets Without Donor Restrictions from Operations	(18,721)
3131	Net Assets Without Donor Restrictions	(576,662)
S1100-080	Previous Year Net Assets With Donor Restrictions	1,399,000
3133	Net Assets With Donor Restrictions	1,399,000
S1100-050	Previous Year Total Net Assets	841,059
3250	Change in Total Net Assets from Operations	(18,721)
3130	Total Net Assets	822,338

Cash Flow from Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-010	Rental Receipts	143,979
S1200-020	Interest Receipts	212
S1200-030	Other Receipts	304
S1200-040	Total Receipts	144,495
S1200-050	Administrative	(21,254)
S1200-070	Management Fees	(4,338)
S1200-090	Utilities	(26,571)
S1200-100	Salaries and Wages	(46,626)
S1200-110	Operating and Maintenance	(13,805)
S1200-140	Property Insurance	(6,078)
S1200-150	Miscellaneous Taxes and Insurance	(16,070)
S1200-160	Tenant Security Deposits	1
S1200-230	Total Disbursements	(134,741)
S1200-240	Net Cash Provided by (Used in) Operating Activities	9,754

Meadow Brook Apartments
HUD Project No. 115-HD033

Supplementary Data Required by HUD (continued)
June 30, 2023

Cash Flow from Investing Activities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-250	Net Deposits to the Replacement Reserve Account	(7,461)
S1200-350	Net Cash Provided by (Used in) Investing Activities	(7,461)
S1200-470	Net Increase (Decrease) in Cash and Cash Equivalents	2,293
Cash and Cash Equivalents		
<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-480	Beginning of Period	1,402
S1200T	End of Period	3,695

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, 2022	\$	19,951
Total Monthly Deposits		6,720
Investment Income		212
Other Deposits-Prior Year Deficiency		560
Approved Withdrawals		0
Other Withdrawals-Service Charges		(31)
Balance, June 30, 2023	\$	27,412

Deposits Suspended or Waived

No

Residual Receipts Reserve:

Balance, June 30, 2022	\$	26
Total Required Deposit		0
Investment Income		0
Approved Withdrawals		0
Balance, June 30, 2023	\$	26

Meadow Brook Apartments
HUD Project No. 115-HD033

Supplementary Data Required by HUD (continued)
June 30, 2023

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

Cash	\$	8,917
Total Cash	\$	8,917
Accounts Payable-30 Days		3,922
Accrued Expenses [not escrowed]		6,688
Prepaid Revenue		25
Tenant Security Deposits Liability		5,222
Other Current Obligations: Accounts Payable HUD		37
Total Current Obligations		15,894
Surplus Cash (Deficiency)	\$	(6,977)

Schedule of Fixed Assets Accounts-Detail:

	Beginning			Ending	
	Balance	Additions	Deductions	Balance	
Land	\$ 81,500	\$ 0	\$ 0	\$ 81,500	
Buildings	1,427,716	0	0	1,427,716	
Furniture for Project/Tenant Use	12,607	0	0	12,607	
Motor Vehicles	25,494	0	0	25,494	
Miscellaneous Fixed Assets	2,560	0	0	2,560	
Total	\$ 1,549,877	\$ 0	\$ 0	1,549,877	
Accumulated Depreciation	\$ 704,610	\$ 43,434	\$ 0	748,044	
Net Book Value				\$ 801,833	

Meadow Brook Apartments
HUD Project No. 115-HD033

Schedule of Expenditures of Federal Awards
June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>		
<i>Capital Advance</i>		\$ 1,399,000
<i>Project Rental Assistance</i>		65,270
Supportive Housing for Persons with Disabilities (Section 811)	14.181	\$ 1,464,270
Total Expenditures of Federal Awards		\$ 1,464,270

Basis of Presentation: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Meadow Brook Apartments, (A Nonprofit Corporation), HUD Project No. 115-HD033, and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies: Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Project has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

To the Directors
Meadow Brook Apartments

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Meadow Brook Apartments, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meadow Brook Apartments' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meadow Brook Apartments' internal control. Accordingly, we do not express an opinion on the effectiveness of the Meadow Brook Apartments' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meadow Brook Apartments' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

Meadow Brook Apartments' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Meadow Brook Apartments' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Meadow Brook Apartments' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Maddox & Associates, APC". The signature is written in a cursive, flowing style.

Baton Rouge, Louisiana
August 21, 2023



**Independent Auditors' Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance**

To the Directors
Meadow Brook Apartments

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meadow Brook Apartments' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Meadow Brook Apartments' major federal programs for the year ended June 30, 2023. Meadow Brook Apartments' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Meadow Brook Apartments complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Meadow Brook Apartments and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Meadow Brook Apartments' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Meadow Brook Apartments' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Meadow Brook Apartments' compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Meadow Brook Apartments' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Meadow Brook Apartments' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Meadow Brook Apartments' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Meadow Brook Apartments' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Meadow Brook Apartments' response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Meadow Brook Apartments' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Baton Rouge, Louisiana
August 21, 2023

Meadow Brook Apartments
HUD Project No. 115-HD033

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Meadow Brook Apartments were prepared in accordance with GAAP.
2. Material weaknesses were not identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Meadow Brook Apartments were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Meadow Brook Apartments expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported on this Schedule.
7. The programs tested as major programs were:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Section 811 Supportive Housing for Persons with Disabilities	14.181

8. The threshold for distinguishing Type A and Type B programs was \$750,000.
9. Meadow Brook Apartments was determined to be a low-risk auditee.

Findings-Financial Statement Audit

None

Meadow Brook Apartments
HUD Project No. 115-HD033

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Findings and Questioned Costs-Major Federal Award Programs Audit

Federal Agency: Department of Housing and Urban Development
Federal Program: Section 811
CFDA Number: 14.181

Finding Reference Number:	2023-001
Type of Finding:	FA
Finding Resolution Status:	In Process
Information on Universe	
Population Size:	The finding was not a result of a sampling procedure.
Sample Size Information:	The finding was not a result of a sampling procedure.
Identification of Repeat Finding and Finding Reference Number:	This is not a repeat finding.
Criteria:	The regulatory agreement requires any residual receipts realized from the operation of the property to be deposited into a separate residual receipts account.
Statement of Condition:	The residual receipts are not in a separate bank account.
Cause:	The management agent combined the residual receipts account and the replacement reserve account.
Effect or Potential Effect:	The residual receipts are not in a separate bank account.
Auditor Non-Compliance Code:	P
Questioned Costs:	\$26
Reporting Views of Responsible Officials:	Management agrees with the finding. A separate residual receipts account will be set up and any residual receipts funds will be transferred to the new account. Management will ensure that future residual receipts are deposited into the correct account.
Context:	The residual receipts are not in a separate bank account.
Recommendation:	Management should ensure that residual receipts are deposited into the correct account.
Auditor's Summary of the Auditee's Comments on the Findings and Recommendations:	Management agrees with the finding. A separate residual receipts account will be set up and any residual receipts funds will be transferred to the new account. Management will ensure that future residual receipts are deposited into the correct account.
Response Indicator:	Agree
Completion Date:	August 21, 2023
Response:	Management agrees with the finding. A separate residual receipts account will be set up and any residual receipts funds will be transferred to the new account. Management will ensure that future residual receipts are deposited into the correct account.

Meadow Brook Apartments
3045 Eisenhower Road
San Antonio, TX 78209
(210) 531-0577

Summary Schedule of Prior Audit Findings

Federal Agency: Department of Housing and Urban Development
Federal Program: Section 811
CFDA Number: 14.181

<i>Finding Reference Number:</i>	2022-001
<i>Statement of Condition:</i>	Required monthly deposits to the replacement reserve are deficient in the amount of \$560.
<i>Status:</i>	The account has been properly funded.

Meadow Brook Apartments
3045 Eisenhower Road
San Antonio, TX 78209
(210) 531-0577

Corrective Action Plan

Name of Auditee: Meadow Brook Apartments
HUD Project Number: 115-HD033
Name of Audit Firm: Maddox & Associates, APC
Period Covered by Audit: Year Ending June 30, 2023

Corrective Action Plan Prepared by:

Name: John McKee
Position: Agent
Telephone Number: (210) 341-9133

Findings-Financial Statement Audit

None

Findings-Federal Award Programs Audits

Federal Agency: Department of Housing and Urban Development
Federal Program: Section 811
CFDA Number: 14.181

<i>Finding Reference Number:</i>	2023-001
<i>Concur or Do Not Concur:</i>	Concur
<i>Agree or Disagree with Auditor Recommendations:</i>	Agree
<i>Actions Taken or Planned on the Finding:</i>	Management agrees with the finding. A separate residual receipts account will be set up and any residual receipts funds will be transferred to the new account. Management will ensure that future residual receipts are deposited into the correct account.
<i>Completion Date:</i>	August 21, 2023

Meadow Brook Apartments
HUD Project No. 115-HD033

Certification of Officers

We hereby certify that we have examined the accompanying financial statements and supplemental data of Meadow Brook Apartments, (A Nonprofit Corporation), HUD Project No. 115-HD033 as of June 30, 2023, and, to the best of our knowledge and belief, the same are accurate and complete.

Signature: _____

Knox Pitts, President
Meadow Brook Apartments
August 21, 2023

Signature: _____

Carol White, Secretary
Meadow Brook Apartments
August 21, 2023

Employer Identification Number: 74-2989632

Meadow Brook Apartments
HUD Project No. 115-HD033

Management Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplemental data of Meadow Brook Apartments, (A Nonprofit Corporation), HUD Project No. 115-HD033 as of June 30, 2023, and, to the best of my knowledge and belief, the same are accurate and complete.

Signature: _____

John Mckee, Secretary
RC Management, Inc.
Employer ID #: 74-1671920
August 21, 2023



Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Directors
Meadow Brook Apartments

We have performed the procedure described in the second paragraph of this report on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Meadow Brook Apartments is responsible for the accuracy and completeness of the electronic submission.

Meadow Brook Apartments has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to determine whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Additionally, the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC) has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged by Meadow Brook Apartments to perform this agreed-upon procedure engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Meadow Brook Apartments and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We were engaged to perform an audit in accordance with the *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance)*, by Meadow Brook Apartments as of and for the year ended June 30, 2023, and have issued our reports thereon dated August 21, 2023. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, our opinion on the fair presentation of the supplementary information dated August 21, 2023, was expressed in relation to the basic financial statements of Meadow Brook Apartments taken as a whole.

A copy of the reporting package required by the OMB Uniform Guidance, which includes the auditor's reports, is available in its entirety from Meadow Brook Apartments. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

The purpose of this report on applying the agreed-upon procedures is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Maddox & Associates, APC

August 27, 2023

Attachment to Independent Accountants' Report on Applying Agreed-Upon Procedures

<u>UFRS Rule Information</u>	<u>Hard Copy Document(s)</u>	<u>Findings</u>
Balance Sheet, Revenue and Expense and Cash Flow Data (account numbers 1120 to 7100T and the S1200 series)	Financial Data Templates (i.e., Supplemental Schedules)	Agrees
Surplus Cash (S1300 series of accounts)	Financial Data Templates (i.e., Computation of Surplus Cash, Distributions and Residual Receipts (Annual))	Agrees
Footnotes (S3100 series of accounts)	Footnotes to Audited Basic Financial Statements	Agrees
Type of Opinion on the Financial Statements and Auditor Reports (S3400, S3500, and S3600 series of accounts)	Auditor's Reports on the Financial Statements and Compliance and Internal Control	Agrees
Type of Opinion on Financial Data Templates (i.e., Supplemental Data) (account number S3400-100)	Auditor's Supplemental Report on Financial Data Templates	Agrees
Auditor Findings Narrative (S3800 series of accounts)	Schedule of Findings and Questioned Costs	Agrees
General Information (S3300, S3700, and S3800 series of accounts)	Schedule of Findings and Questioned Costs and Federal Awards Data	Agrees