

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)
HUD Project No. 118-HD026
Tulsa, Oklahoma

Financial Statements
and Supplemental Information

June 30, 2018



MADDOX & ASSOCIATES, APC

CERTIFIED PUBLIC ACCOUNTANTS

To the Department of Housing
and Urban Development

Attached is the financial report of Hope Housing of Green Country, Inc., (A Nonprofit Corporation), HUD
Project No. 118-HD026 for the year ended June 30, 2018.

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Maddox & Associates, APC

August 16, 2018

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

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Independent Auditors' Report

To the Directors
Hope Housing of Green Country, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Hope Housing of Green Country, Inc., HUD Project No. 118-HD026, (the "Project"), which comprise the statement of financial position as of June 30, 2018, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Hope Housing of Green Country, Inc. as of June 30, 2018, 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 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 17 is presented for purposes of additional analysis as required by the *Consolidated Audit Guide for Audits of HUD Programs* 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* (CFR) 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 16, 2018 on our consideration of Hope Housing of Green Country, Inc.'s 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 to solely 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 Hope Housing of Green Country, Inc.'s 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 Hope Housing of Green Country, Inc.'s internal control over financial reporting and compliance.

Maddox & Associates, APC

Baton Rouge, Louisiana
August 16, 2018

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Statement of Financial Position
June 30, 2018

ASSETS

CURRENT ASSETS

Cash-Operations	\$	12,705
Tenant Accounts Receivable		407
Accounts Receivable-HUD		4,524
Accounts and Notes Receivable-Operations		929
Total Current Assets		<u>18,565</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust	4,508
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RESTRICTED DEPOSITS AND FUNDED RESERVES

Replacement Reserve	50,241
Residual Receipts Reserve	<u>7,439</u>
Total Restricted Deposits	<u>57,680</u>

FIXED ASSETS

Land	146,791
Buildings	1,294,723
Building Equipment-Portable	11,349
Furnishings	6,127
Miscellaneous Fixed Assets	<u>4,125</u>
Total Fixed Assets	<u>1,463,115</u>
Less Accumulated Depreciation	<u>391,839</u>
Net Fixed Assets	<u>1,071,276</u>

TOTAL ASSETS	\$	<u>1,152,029</u>
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Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Statement of Financial Position
June 30, 2018

LIABILITIES AND NET ASSETS (DEFICIT)

CURRENT LIABILITIES

Accounts Payable-Operations	\$	2,118
Residual Receipts in Excess of Retained Amount		2,939
Prepaid Revenue		<u>259</u>
Total Current Liabilities		5,316

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust (contra)	3,983
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LONG-TERM LIABILITIES

Mortgage Payable-First Mortgage	<u>1,419,756</u>
Total Long-Term Liabilities	<u>1,419,756</u>

Total Liabilities	1,429,055
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NET ASSETS (DEFICIT)

Unrestricted Net Assets	<u>(277,026)</u>
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TOTAL LIABILITIES AND NET ASSETS (DEFICIT)

\$	<u><u>1,152,029</u></u>
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Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Statement of Activities
For the Year Ended June 30, 2018

REVENUES:

Rent	\$ 94,453
Financial	24
Other	<u>275</u>
Total Revenue	94,752

EXPENSES:

Project Services	
Administrative	26,851
Utilities	22,265
Operating and Maintenance	16,571
Taxes and Insurance	11,566
Depreciation	<u>34,997</u>
Total Project Service Expenses	112,250
Gain on Retention of Residual Receipts	<u>472</u>
Decrease in Unrestricted Net Assets	(17,026)
Net Assets, Beginning of Period (deficit)	<u>(260,000)</u>
NET ASSETS, END OF PERIOD (DEFICIT)	<u><u>\$ (277,026)</u></u>

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Statement of Cash Flows
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Rental Receipts	\$ 101,715
Interest Receipts	24
Other Receipts	275
Total Receipts	<u>102,014</u>
Administrative	(11,852)
Management Fees	(10,270)
Utilities	(22,364)
Salaries and Wages	(1,523)
Operating and Maintenance	(16,859)
Property Insurance	(11,024)
Miscellaneous Taxes and Insurance	(546)
Tenant Security Deposits	(757)
Total Disbursements	<u>(75,195)</u>
Net Cash Provided by Operating Activities	26,819

CASH FLOWS FROM INVESTING ACTIVITIES:

Deposits to the Escrow Account	(1,702)
Withdrawals from the Escrow Account	5,687
Deposits to the Replacement Reserve Account	(4,936)
Deposits to the Residual Receipts Account	(3,487)
Withdrawals from the Residual Receipts Account	246
Net Purchase of Fixed Assets	(16,908)
Other Investing Activities	(929)
Net Cash Used in Investing Activities	<u>(22,029)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

	<u>0</u>
Net Increase in Cash and Cash Equivalents	4,790

CASH AND CASH EQUIVALENTS:

Beginning of Period	<u>7,915</u>
End of Period	<u>\$ 12,705</u>

(continued)

See accompanying notes to the financial statements.

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Statement of Cash Flows (continued)
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in Net Assets	\$	(17,026)
Adjustments to Reconcile Decrease in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation Expense		34,997
Gain on Retention of Excess Residual Receipts		(472)
Decrease (Increase) in:		
Tenant Accounts Receivable		4,666
Accounts Receivable-Other		7,056
Cash Restricted for Tenant Security Deposits		(1,028)
Increase (Decrease) in:		
Accounts Payable		(441)
Accrued Liabilities		(835)
Tenants Security Deposits Held in Trust		271
Prepaid Revenue		(369)
Net Cash Provided by Operating Activities	\$	<u>26,819</u>

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Notes to the Financial Statements
June 30, 2018

1. Organization and Summary of Significant Accounting Policies

The Project consists of six three-unit group homes for persons with disabilities located in Tulsa, Oklahoma. 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.

Hope Housing of Green Country, Inc., a corporation sponsored by Volunteers of America of Oklahoma, Inc., holds legal title to the Project. The accompanying financial statements include only the assets and related liabilities of Hope Housing of Green Country, Inc.

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'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 16, 2018, 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: Expenditures incurred in connection with project operations and expenditures made for entity purposes have been summarized on a functional basis in the Statement of Activities.

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.

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.

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Notes to the Financial Statements (continued)
June 30, 2018

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	40 years
Land and Building Improvements	15-38 years
Furniture, Fixtures, and Equipment	7 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, 2018.

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.

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 18-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.

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Notes to the Financial Statements (continued)
June 30, 2018

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 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 disabled persons would result in HUD's billing the owner for the entire capital advance of \$1,419,756 plus 5.250% interest since the date of the first advance. The capital advance is classified in the statement of financial position as debt. The maturity date of the capital advance is September 29, 2045.

3. Related Party-Identity of Interest

Related Party: Volunteers of America of Oklahoma, Inc.
Relationship: Sponsor
Transactions: Management, Payroll, and Reimbursable Expenses
Amount paid for services: \$24,182
Amount payable at June 30, 2018: None

4. Management Fee

The Project has contracted with Volunteers of America of Oklahoma, Inc. to provide management services. The charges for these services are based upon a management agreement. The charges are 10.34% of collected rental income not to exceed \$43.91 per unit, per month. For the period ended June 30, 2018, management fees charged amounted to \$9,484. There is no balance owed Volunteers of America of Oklahoma, Inc. at June 30, 2018.

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 90 days of the Project's year-end. Restricted funds are held in separate accounts and generally are not available for operating purposes.

6. Unrestricted Net Assets

None of the Project's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets.

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Notes to the Financial Statements (continued)
June 30, 2018

7. 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 July 31, 2018. The amount in excess of the retained balance at June 30, 2018 is \$2,939. The required deposit to the Residual Receipts account for current period surplus cash is \$10,853. The required deposit was not used to calculate the current period retained balance.

8. Accounts Receivable from HUD

"Accounts Receivable-HUD" includes \$4,524 due for the July 2015 TRACS vouchers.

9. Accounts and Notes Receivable-Operations

"Accounts and Notes Receivable-Operations" includes \$929 due from the project sponsor.

SUPPLEMENTAL INFORMATION

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Supplementary Information Required by HUD
June 30, 2018

Financial Statement Data:

Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>
1120	Cash-Operations	12,705
1130	Tenant Accounts Receivable	407
1135	Accounts Receivable-HUD	4,524
1140-020	Accounts Receivable-Operations	929
1140	Accounts and Notes Receivable-Operations	929
1100T	Total Current Assets	18,565
1191	Tenant Security Deposits Held in Trust	4,508
1320	Replacement Reserve	50,241
1340	Residual Receipts Reserve	7,439
1300T	Total Deposits	57,680
1410	Land	146,791
1420	Buildings	1,294,723
1440	Building Equipment-Portable	11,349
1460	Furnishings	6,127
1490	Miscellaneous Fixed Assets	4,125
1400T	Total Fixed Assets	1,463,115
1495	Less Accumulated Depreciation	391,839
1400N	Net Fixed Assets	1,071,276
1000T	Total Assets	1,152,029

Liabilities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
2110	Accounts Payable-Operations	2,118
2190-020	Residual Receipts in Excess of Retained Amount	2,939
2190	Miscellaneous Current Liabilities	2,939
2210	Prepaid Revenue	259
2122T	Total Current Liabilities	5,316
2191	Tenant Security Deposits Held in Trust (contra)	3,983
2320	Mortgage Payable-First Mortgage	1,419,756
2300T	Total Long-Term Liabilities	1,419,756
2000T	Total Liabilities	1,429,055

Net Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>
3131	Unrestricted Net Assets	(277,026)
3130	Total Net Assets	(277,026)
2033T	Total Liabilities and Equity/Net Assets	1,152,029

Rent Revenue		
<u>Account</u>	<u>Description</u>	<u>Value</u>
5120	Rent Revenue-Gross Potential	54,024
5121	Tenant Assistance Payments	42,528

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

(Hope Housing of Green Country, Inc.)

HUD Project No. 118-HD026

Supplementary Data Required by HUD (continued)
June 30, 2018

5100T Total Rent Revenue 96,552

Vacancies

<u>Account</u>	<u>Description</u>	<u>Value</u>
5220	Apartments	2,099
5200T	Total Vacancies	2,099
5152N	Net Rental Revenue	94,453

Financial Revenue

<u>Account</u>	<u>Description</u>	<u>Value</u>
5430	Revenue from Investments-Residual Receipts	14
5440	Revenue from Investments-Replacement Reserve	10
5400T	Total Financial Revenue	24

Other Revenue

<u>Account</u>	<u>Description</u>	<u>Value</u>
5920	Tenant Charges	275
5900T	Total Other Revenue	275
5000T	Total Revenue	94,752

Administrative Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6203	Conventions and Meetings	194
6204	Management Consultants	137
6210	Advertising and Marketing	150
6250	Other Renting Expenses	2,693
6311	Office Expense	1,859
6320	Management Fee	9,484
6330	Manager or Superintendent Salaries	1,478
6350	Audit Expense	4,965
6351	Bookkeeping Fees/Accounting Services	1,800
6370	Bad Debts	4,091
6263T	Total Administrative Expenses	26,851

Utilities Expense

<u>Account</u>	<u>Description</u>	<u>Value</u>
6450	Electricity	11,285
6451	Water	3,755
6452	Gas	5,093
6453	Sewer	2,132
6400T	Total Utilities Expense	22,265

Operating & Maintenance Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6515	Supplies	1,417
6520	Contracts	14,062
6525	Garbage and Trash Removal	1,068
6546	Heating/Cooling Repairs and Maintenance	24
6500T	Total Operating and Maintenance Expenses	16,571

Taxes & Insurance

<u>Account</u>	<u>Description</u>	<u>Value</u>
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Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

(Hope Housing of Green Country, Inc.)

HUD Project No. 118-HD026

Supplementary Data Required by HUD (continued)
June 30, 2018

6711	Payroll Taxes	113
6720	Property and Liability Insurance	11,024
6721	Fidelity Bond Insurance	297
6722	Workmen's Compensation	7
6790	Miscellaneous Taxes, Licenses, Permits, and Insurance	125
6700T	Total Taxes and Insurance	11,566

Operating Results

<u>Account</u>	<u>Description</u>	<u>Value</u>
6000T	Total Cost of Operations Before Depreciation and Amortization	77,253
5060T	Profit (Loss) Before Depreciation and Amortization	17,499
6600	Depreciation Expenses	34,997
5060N	Operating Profit or (Loss)	(17,498)

Corporate or Mortgagor Revenue/Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
7105	Gain on Retention of Excess Residual Receipts	(472)
7100T	Net Entity Revenue/Expenses	(472)

Change in Net Assets from Operations

<u>Account</u>	<u>Description</u>	<u>Value</u>
3247	Change in Unrestricted Net Assets from Operations	(17,026)
3250	Change in Total Net Assets from Operations	(17,026)

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.	4,926
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 Unrestricted Net Assets	(260,000)
3247	Change in Unrestricted Net Assets from Operations	(17,026)
3131	Unrestricted Net Assets	(277,026)
S1100-050	Previous Year Total Net Assets	(260,000)
3250	Change in Total Net Assets from Operations	(17,026)
3130	Total Net Assets	(277,026)

Cash Flow from Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-010	Rental Receipts	101,715
S1200-020	Interest Receipts	24
S1200-030	Other Receipts	275

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

(Hope Housing of Green Country, Inc.)

HUD Project No. 118-HD026

Supplementary Data Required by HUD (continued)
June 30, 2018

S1200-040	Total Receipts	102,014
S1200-050	Administrative	(11,852)
S1200-070	Management Fees	(10,270)
S1200-090	Utilities	(22,364)
S1200-100	Salaries and Wages	(1,523)
S1200-110	Operating and Maintenance	(16,859)
S1200-140	Property Insurance	(11,024)
S1200-150	Miscellaneous Taxes and Insurance	(546)
S1200-160	Tenant Security Deposits	(757)
S1200-230	Total Disbursements	(75,195)
S1200-240	Net Cash Provided by (Used in) Operating Activities	26,819

Cash Flow from Investing Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-245	Net Deposits to the Mortgage Escrow Account	3,985
S1200-250	Net Deposits to the Replacement Reserve Account	(4,936)
S1200-260	Net Deposits to the Residual Receipts Account	(3,241)
S1200-330	Net Purchase of Fixed Assets	(16,908)
S1200-342	Net Receivable Due from Affiliate	(929)
S1200-340	Other Investing Activities	(929)
S1200-350	Net Cash Provided by (Used in) Investing Activities	(22,029)
S1200-470	Net Increase (Decrease) in Cash and Cash Equivalents	4,790

Cash and Cash Equivalents

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-480	Beginning of Period	7,915
S1200T	End of Period	12,705

Reconciliation of Net Profit (Loss) to Net Cash Provided by (Used in)

Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
3250	Change in Total Net Assets from Operations	(17,026)

Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by
(Used in) Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
6600	Depreciation Expense	34,997
S1200-490	Decrease (Increase) in Tenant Accounts Receivable	4,666
S1200-500	Decrease (Increase) in Accounts Receivable-Other	7,056
S1200-530	Decrease (Increase) in Cash Restricted for Tenant Security Deposits	(1,028)
S1200-540	Increase (Decrease) in Accounts Payable	(441)
S1200-560	Increase (Decrease) in Accrued Liabilities	(835)
S1200-580	Increase (Decrease) in Tenants Security Deposits Held in Trust	271
S1200-590	Increase (Decrease) in Prepaid Revenue	(369)
S1200-602	Gain on Retention of Excess Residual Receipts	(472)
S1200-600	Other Adjustments	(472)

Net Cash Provided by (Used in) Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-610	Net Cash Provided by (Used in) Operating Activities	26,819

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

(Hope Housing of Green Country, Inc.)

HUD Project No. 118-HD026

Supplementary Data Required by HUD (continued)
June 30, 2018

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, 2017	\$	45,305
Total Monthly Deposits		4,926
Investment Income		10
Approved Withdrawals		0
Balance, June 30, 2018	\$	<u>50,241</u>

Deposits Suspended or Waived

No

Residual Receipts Reserve:

Balance, June 30, 2017	\$	4,198
Total Required Deposit		3,473
Investment Income		14
Approved Withdrawals		0
Other Withdrawals-Service Charges		(246)
Balance, June 30, 2018	\$	<u>7,439</u>

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

Cash	\$	17,213
Tenant Subsidy Due for Period Covered by Financial Statement		<u>4,524</u>
Total Cash		21,737
Accounts Payable-30 Days		2,118
Prepaid Revenue		259
Tenant Security Deposits Liability		3,983
Other Current Obligations: July 2015 TRACS Voucher Receivable		<u>4,524</u>
Total Current Obligations		10,884
Surplus Cash (Deficiency)	\$	<u>10,853</u>

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

(Hope Housing of Green Country, Inc.)

HUD Project No. 118-HD026

Supplementary Data Required by HUD (continued)
June 30, 2018

Schedule of Fixed Assets Accounts-Detail:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	Ending <u>Balance</u>
Land	\$ 146,791	\$ 0	\$ 0	\$ 146,791
Buildings	1,290,643	4,080	0	1,294,723
Building Equipment-Portable	7,728	3,621	0	11,349
Furnishings	0	6,127	0	6,127
Miscellaneous Fixed Assets	0	4,125	0	4,125
Total	<u>\$ 1,445,162</u>	<u>\$ 17,953</u>	<u>\$ 0</u>	<u>1,463,115</u>
Accumulated Depreciation	<u>\$ 356,842</u>	<u>\$ 34,997</u>	<u>\$ 0</u>	<u>391,839</u>
Net Book Value				<u>\$ 1,071,276</u>

<u>Description</u>	<u>Additions (Deductions)</u>
HVAC Units	\$ 4,080
Appliances	3,621
Flooring	6,127
Gate	4,125

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Schedule of Expenditures of Federal Awards
June 30, 2018

Federal Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	Federal <u>Expenditures</u>
U.S. Department of Housing and Urban Development Supportive Housing for Persons with Disabilities (Section 811)-Capital Advance	14.181	\$ 1,419,756
U.S. Department of Housing and Urban Development Supportive Housing for Persons with Disabilities (Section 811)-Project Rental Assistance	14.181	42,528
		<u>\$ 1,462,284</u>

Basis of Presentation: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Hope Housing of Green Country, Inc., (A Nonprofit Corporation), (Hope Housing of Green Country, Inc.), HUD Project No. 118-HD026, 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.

Hope Housing of Green Country, Inc.
9605 E. 61st St.
Tulsa, OK 74133-6308

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>	2017-001
<i>Statement of Condition:</i>	The security deposit account is not fully funded.
<i>Status:</i>	The account has been properly funded.
<i>Finding Reference Number:</i>	2017-002
<i>Statement of Condition:</i>	Surplus cash was not deposited into the Residual Receipts account.
<i>Status:</i>	The account has been properly funded.



**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
Hope Housing of Green Country, Inc.

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 Hope Housing of Green Country, Inc., which comprise the statement of financial position as of June 30, 2018, 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 16, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hope Housing of Green Country, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hope Housing of Green Country, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Hope Housing of Green Country, Inc.'s 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hope Housing of Green Country, Inc.'s 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 determination of financial statement amounts. 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 items 2018-001 and 2018-002.

Hope Housing of Green Country, Inc.'s Response to Findings

Hope Housing of Green Country, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings, questioned costs, and recommendations. Hope Housing of Green Country, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Maddox & Associates, APC

Baton Rouge, Louisiana
August 16, 2018



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

To the Directors
Hope Housing of Green Country, Inc.

Report on Compliance for Each Major Federal Program

We have audited Hope Housing of Green Country, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hope Housing of Green Country, Inc.'s major federal programs for the year ended June 30, 2018. Hope Housing of Green Country, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hope Housing of Green Country, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hope Housing of Green Country, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Hope Housing of Green Country, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Hope Housing of Green Country, Inc. 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, 2018.

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 items 2018-001 and 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

Hope Housing of Green Country, Inc.'s response to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. Hope Housing of Green Country, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Hope Housing of Green Country, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hope Housing of Green Country, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hope Housing of Green Country, Inc.'s 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Maddox & Associates, APC

Baton Rouge, Louisiana
August 16, 2018

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

A. Summary of Audit Results

1. The auditors' report expresses an unmodified opinion on the financial statements of Hope Housing of Green Country, Inc.
2. Material weaknesses were not identified during the audit of the financial statements.
3. Instances of noncompliance material to the financial statements of Hope Housing of Green Country, Inc. were not disclosed during the audit.
4. Material weaknesses were not identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Hope Housing of Green Country, Inc. expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs for Hope Housing of Green Country, Inc. are reported on this Schedule.
7. The programs tested as major programs included:

<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. Hope Housing of Green Country, Inc. qualified as a low-risk auditee.

B. Findings-Financial Statement Audit

None

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

C. 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:	2018-001
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:	HUD Memorandum dated October 14, 2016, "Continuing Remission of Excess PRAC Residual Receipts", continues the requirement that "Any balance greater than \$250 per unit in a Residual Receipts account must be remitted to HUD's Accounting Center upon "termination" of the PRAC".
Statement of Condition:	The project did not remit excess Residual Receipts to HUD.
Cause:	Residual Receipts account balance was not monitored.
Effect or Potential Effect:	Residual Receipts account is in excess of the required balance.
Auditor Non-Compliance Code:	Z
Questioned Costs:	There are no questioned costs. The finding does not relate to an undocumented transaction or unreasonable expenditure.
Reporting Views of Responsible Officials:	Management agrees with the finding. The excess funds were accrued to submit to HUD.
Context:	The project did not remit excess Residual Receipts to HUD.
Recommendation:	Management should monitor the Residual Receipts account balance and remit excess deposits to HUD.
Auditor's Summary of the Auditee's Comments on the Findings and Recommendations:	Management agrees with the finding. The excess funds were accrued to submit to HUD.
Response Indicator:	Agree
Completion Date:	August 16, 2018
Response:	Management agrees with the finding. The excess funds were accrued to submit to HUD.

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Finding Reference Number:	2018-002
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:	Project funds may be used only for expenses that are reasonable and necessary to the operation of the project as provided for in the Regulatory Agreement between HUD and the project owner.
Statement of Condition:	There is a receivable due from the sponsor.
Cause:	The sponsor overbilled the project for payroll expenses resulting in an overpayment.
Effect or Potential Effect:	There is a receivable due from the sponsor.
Auditor Non-Compliance Code:	G
Questioned Costs:	\$929
Reporting Views of Responsible Officials:	Management agrees with the finding.
Context:	The sponsor overbilled the project for payroll expenses
Recommendation:	The project should be reimbursed.
Auditor's Summary of the Auditee's Comments on the Findings and Recommendations:	Management agrees with the finding. The funds will be reimbursed to the project in the amount of \$929.
Response Indicator:	Agree
Completion Date:	August 16, 2018
Response:	Management agrees with the finding. The funds will be reimbursed to the project in the amount of \$ 929.

Hope Housing of Green Country, Inc.
9605 E. 61st St.
Tulsa, OK 74133-6308

Corrective Action Plan

Name of Auditee: Hope Housing of Green Country, Inc.
HUD Project Number: 118-HD026
Name of Audit Firm: Maddox & Associates, APC
Period Covered by Audit: Year Ending June 30, 2018

Corrective Action Plan Prepared by:
Name: Pam Richardson
Position: President and CEO
Telephone Number: 918307-3030

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>	2018-001
<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. The excess funds were accrued to submit to HUD.
<i>Completion Date:</i>	August 16, 2018
<i>Finding Reference Number:</i>	2018-002
<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. The funds will be reimbursed to the project in the amount of \$929.
<i>Completion Date:</i>	August 16, 2018

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Certification of Officers

We hereby certify that we have examined the accompanying financial statements and supplemental data of Hope Housing of Green Country, Inc., (A Nonprofit Corporation), HUD Project No. 118-HD026 as of June 30, 2018, and, to the best of our knowledge and belief, the same are accurate and complete.

Signature: _____

Pam Richardson, President
Hope Housing of Green Country, Inc.
August 16, 2018

Signature: _____

Lyon Morehead, Chair
Hope Housing of Green Country, Inc.
August 16, 2018

Employer Identification Number: 75-3156380

Hope Housing of Green Country, Inc.
(A Nonprofit Corporation)

HUD Project No. 118-HD026

Management Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplemental data of Hope Housing of Green Country, Inc., (A Nonprofit Corporation), HUD Project No. 118-HD026 as of June 30, 2018, and, to the best of my knowledge and belief, the same are accurate and complete.

Signature: _____

Pam Richardson, President
Volunteers of America of Oklahoma, Inc.
Employer ID #: 73-1354867
August 16, 2018



Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Directors
Hope Housing of Green Country, Inc.

We have performed the procedure described in the second paragraph of this report, which was agreed to by Hope Housing of Green Country, Inc., (A Nonprofit Corporation), HUD Project No. 118-HD026 and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), on whether the electronic submission of certain information agrees with the related hard copy documents within the audit reporting package. Hope Housing of Green Country, Inc. is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of Hope Housing of Green Country, Inc. and PIH-REAC. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

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.

This agreed-upon procedure engagement was conducted in accordance with the 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, 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 were engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. *Code of the Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), by Hope Housing of Green Country, Inc. as of and for the year ended June 30, 2018, and have issued our reports thereon dated August 16, 2018. 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 supplemental financial data templates dated August 16, 2018, was expressed in relation to the basic financial statements of Hope Housing of Green Country, Inc. taken as a whole.

A copy of the financial statement package required by the Uniform Guidance, which includes the auditors' reports, is available in its entirety from Hope Housing of Green Country, Inc. 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, PIH-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 22, 2018

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)	Supplemental Schedules with Financial Statement Data	Agrees
Surplus Cash (S1300 series of accounts)	Computation of Surplus Cash, Distributions and Residual Receipts (Annual)	Agrees
Footnotes (S3100 series of accounts)	Notes to the Financial Statements	Agrees
Type of Opinion on the Financial Statements and Auditor Reports (S3400, S3500, and S3600 series of accounts)	Auditors' Reports on the Financial Statements, Compliance and Internal Control	Agrees
Type of Opinion on Supplemental Data (account S3400-100)	Auditors' Report on Supplemental Data	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