

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Financial Statements**  
**(With Supplementary Information)**  
**and Independent Auditor's Report**

**June 30, 2021**

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**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

Index

	<u>Page</u>
Mortgagor's Certification	2
Managing Agent's Certification	3
Independent Auditor's Report	4
Financial Statements	
Statement of Financial Position	6
Statement of Activities and Changes in Net Assets	8
Statement of Cash Flows	9
Notes to Financial Statements	10
Supplementary Information	
Statement of Financial Position Data	19
Statement of Activities Data	21
Statement of Changes in Net Assets (Deficit) Data	25
Statement of Cash Flows Data	26
Reserve for Replacements	28
Computation of Surplus Cash, Distributions and Residual Receipts	29
Changes in Fixed Asset Accounts	30
Detail of Accounts - Statement of Financial Position	32
Detail of Accounts - Statement of Activities	33
Other Information	34
Schedule of Expenditures of Federal Awards	35
Notes to Schedule of Expenditures of Federal Awards	36
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	37
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	39
Schedule of Findings and Questioned Costs	41

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**June 30, 2021**

Mortgagor's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Brookdale Village Housing Corporation and, to the best of my knowledge and belief, the same are complete and accurate.

Officer

\_\_\_\_\_  
Tracy Welsh  
Chief Operating Officer

Date

Telephone Number: (212) 273-5212

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**June 30, 2021**

Managing Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Brookdale Village Housing Corporation and, to the best of my knowledge and belief, the same are complete and accurate.

Managing Agent

JASA Housing Management Services  
for the Aged, Inc.

\_\_\_\_\_  
Donald Manning  
Director of Housing

Date

Taymar Both Elon  
Property Manager

Managing Agent Taxpayer  
Identification Number:  
13-3078676

## Independent Auditor's Report

To the Board of Trustees  
Brookdale Village Housing Corporation

### Report on the Financial Statements

We have audited the accompanying financial statements of Brookdale Village Housing Corporation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets 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 Brookdale Village Housing Corporation as of June 30, 2021, 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.

*Other Matters*

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 19 to 34 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, on our consideration of Brookdale Village Housing Corporation'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 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 Brookdale Village Housing Corporation'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 Brookdale Village Housing Corporation's internal control over financial reporting and compliance.



New York, New York  
September 10, 2021

Taxpayer Identification Number:  
22-1478099

Lead Auditor: Winell Belfonte, CPA

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Statement of Financial Position**  
**June 30, 2021**

Assets

Current assets	
Cash - operations	\$ 73,119
Cash - entity	291,850
Tenant accounts receivable	92,479
Allowance for doubtful accounts	(29,149)
Accounts receivable - HUD	86,283
Prepaid expenses	20,035
	534,617
Deposits held in trust - funded	
Tenant deposits	316,322
	316,322
Restricted deposits and funded reserves	
Escrow deposits	1,724,395
Reserve for replacements	2,025,145
Other reserves	1,786,576
	5,536,116
Rental property	
Land	936,820
Buildings	30,940,226
Building equipment - portable	2,615,292
Furnishings	15,702
Office furniture and equipment	93,188
Miscellaneous fixed assets	550,644
	35,151,872
Less accumulated depreciation	(27,005,959)
	8,145,913
Other assets	
Miscellaneous other assets	16,800
	16,800
Total other assets	16,800
	16,800
Total assets	\$ 14,549,768

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Statement of Financial Position**  
**June 30, 2021**

Liabilities and Net Assets

Current liabilities	
Accounts payable - operations	\$ 398,203
Accounts payable - construction/development	147,508
Accrued wages payable	119,917
Accrued payroll taxes payable	10,203
Accrued management fee payable	31,661
Accrued interest payable - first mortgage	31,490
Mortgage payable - first mortgage (short-term)	130,949
Prepaid revenue	30,940
	<hr/>
Total current liabilities	900,871
	<hr/>
Deposits liability	
Tenant deposits held in trust (contra)	309,627
	<hr/>
Long-term liabilities	
Mortgage payable - first mortgage, net of current and unamortized debt issuance costs	6,008,496
Other mortgages payable (long-term)	1,307,981
Accrued interest payable - other mortgages payable (long-term)	143,605
	<hr/>
Total long-term liabilities	7,460,082
	<hr/>
Total liabilities	8,670,580
	<hr/>
Contingencies	-
Net assets	
Net assets without donor restrictions	5,860,226
Net assets with donor restrictions	18,962
	<hr/>
Total net assets	5,879,188
	<hr/>
Total liabilities and net assets	\$ 14,549,768
	<hr/> <hr/>

See Notes to Financial Statements.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2021**

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Revenue			
Rental	\$ 6,132,496	\$ -	\$ 6,132,496
Vacancies	(345,360)	-	(345,360)
Net rental revenue	5,787,136	-	5,787,136
Nursing home/assisted living and other	227,658	-	227,658
Financial	1,802	-	1,802
Other	142,996	-	142,996
Total revenue	6,159,592	-	6,159,592
Expenses			
Administrative	774,001	-	774,001
Utilities	1,119,176	-	1,119,176
Operating and maintenance	1,508,297	-	1,508,297
Taxes and insurance	1,233,131	-	1,233,131
Financial (including interest of \$412,284)	463,151	-	463,151
Nursing home/assisted living and other elderly care	134,101	-	134,101
Total cost of operations before	5,231,857	-	5,231,857
Income (loss) before depreciation	927,735	-	927,735
Depreciation	858,854	-	858,854
Change in net assets	68,881	-	68,881
Net assets, beginning	5,791,345	18,962	5,810,307
Net assets, end	\$ 5,860,226	\$ 18,962	\$ 5,879,188

See Notes to Financial Statements.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Statement of Cash Flows**  
**Year Ended June 30, 2021**

Cash flows from operating activities	
Rental receipts	\$ 5,634,473
Interest receipts	1,802
Other operating receipts	<u>370,654</u>
Total receipts	<u>6,006,929</u>
Administrative expenses paid	(134,179)
Management fees paid	(392,106)
Utilities paid	(1,111,074)
Salaries and wages paid	(1,119,055)
Operating and maintenance paid	(553,262)
Property insurance paid	(657,537)
Miscellaneous taxes and insurance paid	(710)
Net tenant security deposits received (paid)	(13,562)
Other operating expenses paid	(708,796)
Interest paid on first mortgage	(381,811)
Mortgage insurance premium paid	(33,870)
Miscellaneous financial expenses paid	<u>(16,763)</u>
Total disbursements	<u>(5,122,725)</u>
Net cash provided by operating activities	<u>884,204</u>
Cash flows from investing activities	
Net deposits to mortgage escrows	(337,997)
Net deposits to reserve for replacements	(166,076)
Net deposits to other reserves	(140,766)
Net purchases of fixed assets	<u>(969,193)</u>
Net cash used in investing activities	<u>(1,614,032)</u>
Cash flows from financing activities	
Mortgage principal payments - first mortgage	<u>(123,696)</u>
Net cash used in financing activities	<u>(123,696)</u>
Net decrease in cash and restricted cash	(853,524)
Cash and restricted cash, beginning	<u>1,534,815</u>
Cash and restricted cash, end	<u><u>\$ 681,291</u></u>
Significant noncash investing and financing activities	
Additions to rental property included in accounts payable - construction/development	<u><u>\$ 147,508</u></u>

See Notes to Financial Statements.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Financial Statements**  
**June 30, 2021**

**Note 1 - Organizations**

Brookdale Village Housing Corporation (the "Corporation") was organized in 1972 as a nonstock, nonprofit corporation for the purpose of developing and operating housing and auxiliary facilities for aged persons of low income. Such projects are regulated by the U.S. Department of Housing and Urban Development ("HUD") as to rent charges and operating methods. The project consists of 547 units located in Queens, Far Rockaway, New York and is currently operating under the name Brookdale Village Housing (the "Project"). The Corporation receives a significant portion of its revenue from government subsidy payments. Surplus cash, as defined by HUD, is required to be deposited into a residual receipts reserve.

The Corporation is wholly controlled by the JASA Corporation, its sole member. JASA Corporation also wholly controls the Jewish Association Serving the Aging ("JASA"), JASA Housing Management Services for the Aged, Inc. ("JHM") and other housing companies, in its capacity as their sole member. The Corporation is related to JASA, JHM and the other housing companies by virtue of this control.

**Note 2 - Summary of significant accounting policies**

**Basis of presentation**

The Corporation presents its financial statements in accordance with the accounting guidance for nonprofit entities. Under this guidance, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Furthermore, information is required to segregate program service expenses from management and general expenses.

The Corporation conforms to accounting guidance on revenue recognition for nonprofit entities. Under this guidance, contributions received, if any, are recorded as support without or with donor restrictions depending on the existence and/or nature of any donor restrictions.

**Use of 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 the 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.

**Accounts receivable and allowance for doubtful accounts**

Tenant receivables are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2021, the balance of the allowance for doubtful accounts was \$29,149.

**Rental property**

Rental property is carried at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives by use of the straight-line method. It is the Corporation's policy to capitalize items of \$5,000 or greater and items purchased with replacement reserves that have a useful life that is greater than one year.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Financial Statements**  
**June 30, 2021**

**Debt issuance costs**

Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

**Impairment of long-lived assets**

The Corporation reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized for the year ended June 30, 2021.

**Income taxes**

The Corporation has applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended June 30, 2021. Due to its tax-exempt status, the Corporation is not subject to income taxes. The Corporation is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Corporation has no other tax positions which must be considered for disclosure. Income tax returns filed by the Corporation are subject to examination by the IRS for a period of three years. While no income tax returns are currently being examined by the IRS, tax years since 2017 remain open.

**Rental income**

Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Corporation and the tenants of the property are operating leases.

**Grant income**

The Corporation was awarded a cost reimbursed grant from HUD (see Note 8). Revenue is recognized as costs are incurred.

**Advertising costs**

The Corporation's policy is to expense advertising costs when incurred.

**Functional expenses**

The costs of providing programs and other activities are summarized on a functional basis in Note 13. Accordingly, certain costs are allocated among program services and supporting services benefitted.

**Note 3 - Liquidity and availability**

The Corporation has \$225,310 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$73,119 and accounts receivable, net of allowances, of \$152,191. Only amounts related to restricted deposits anticipated to be used more than one year after the statement of financial position date have been excluded from the above amounts.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Financial Statements**  
**June 30, 2021**

As regulated by HUD, financial assets of the Corporation are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. Project operations are designed to break-even and not result in either surplus cash or a deficit in surplus cash. Generally, any surplus cash generated, subject to exceptions permitted in certain regulatory agreements, must be deposited into a residual receipts reserve.

**Note 4 - Mortgage payable**

**First mortgage payable**

On November 13, 2008, the Corporation executed a Building and Project Loan Agreement with New York State Housing Finance Agency ("NYSHFA"), in the principal amount of \$13,590,000 (the "Project Loan"). The total principal of the original loan included \$7,721,362 of funds set aside by the lender, which were used for the rehabilitation of the Project. The Project Loan requires monthly installments of principal and interest of \$42,121 through maturity on July 1, 2045. The loan bears interest at a rate of 5.75% per annum. During the year ended June 30, 2021, interest incurred totaled \$399,204, inclusive of \$17,985 of amortization of debt issuance costs. As of June 30, 2021, the outstanding principal balance and accrued interest was \$6,571,739 and \$31,490, respectively. The Corporation is required by New York State Homes & Community Renewal ("NYSHCR") to make monthly deposits into a restricted cash account to provide for capital repairs, mortgage insurance, and service fees. The use of these funds requires approval of NYSHCR and NYSHFA.

**Other mortgages**

The Corporation obtained subordinate financing of \$1,287,036 (the "Subordinate Loan") in 2008 from DHCR. The Subordinate Loan bears interest at a rate of 1% per annum. Interest from the inception of the Subordinate Loan through July 1, 2010 accrued and was compounded with the principal, to be repaid at maturity on July 1, 2045. The principal balance, including compounded interest through July 1, 2010, was \$1,307,981. Beginning August 1, 2010, accrued interest is payable from net income, as defined in the Subordinate Loan agreement. During the year ended June 30, 2021, interest incurred totaled \$13,080. As of June 30, 2021, the outstanding principal balance and accrued interest was \$1,307,981 and \$143,605, respectively.

All of the mortgages are collateralized by the Corporation's land, buildings, furniture and equipment.

Debt issuance costs, net of accumulated amortization, totaled \$432,294, as of June 30, 2021 and are related to mortgages. Debt issuance costs on the above note are being amortized using an imputed interest rate of 6.16%.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Financial Statements**  
**June 30, 2021**

Aggregate annual maturities of the mortgages payable over each of the next five years and thereafter are as follows:

	Project loan	Subordinate loan	Total
June 30, 2022	\$ 130,949	\$ -	\$ 130,949
2023	138,733	-	138,733
2024	146,923	-	146,923
2025	155,598	-	155,598
2026	164,784	-	164,784
Thereafter	5,834,752	1,307,981	7,142,733
Total balance due	\$ 6,571,739	\$ 1,307,981	7,879,720
		Current	(130,949)
		Unamortized debt issuance costs	(432,294)
		Net balance	\$ 7,316,477

**Note 5 - Restricted deposits and funded reserves**

**Escrow deposits**

In accordance with the Project Loan agreement, the Corporation is required to make monthly deposits of \$28,197 into an escrow account managed by the respective lender for mortgage insurance fees and water and sewer payments. Funds are released from the escrow deposit account pursuant to approval by NYSHCR. As of June 30, 2021, the balance in the escrow was \$1,724,395.

**Replacement reserve**

In accordance with directives from NYSHCR, the Corporation is required to make monthly deposits of \$13,760 into a replacement reserve escrow to fund replacement needs and painting and decorating expenses. Funds are released from the reserve account pursuant to approval by DHCR. As of June 30, 2021, the balance in the reserve was \$2,025,145.

**Other reserves**

**Project reserve fund**

The Corporation is required to make monthly deposits of \$11,660 into a reserve account managed by NYSHFA for contingency needs. Funds are released from the escrow deposit account pursuant to approval by DHCR. As of June 30, 2021, the balance in the escrow was \$1,609,628.

**Interest reduction payment reserve**

The Corporation is required by DHCR to fund an IRP reserve through September 2021. The use of the funds is restricted by DHCR. As of June 30, 2021, the balance in the reserve was \$176,948.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Financial Statements**  
**June 30, 2021**

**Note 6 - Related party transactions**

**JASA**

The Corporation is a participant in a general insurance plan with JASA, which also includes health insurance and workers' compensation. Property and liability insurance expense for the year ended June 30, 2021 was \$657,537. Workers' compensation and health insurance and other employee benefits for the year ended June 30, 2021 was \$78,294.

JASA pays the Corporation a license fee for the use of space for a community services facility located at the site. License fee revenue for the year ended June 30, 2021 was \$32,921 and is included in miscellaneous revenue on the statement of activities.

JASA is a participant in a multiemployer, defined benefit retirement plan sponsored by the UJA-Federation. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer who participates in the plan. For the year ended June 30, 2021, the Corporation did not make any direct contributions into the plan on behalf of its employees; contributions to the plan were made by JASA. For the year ended June 30, 2021, the Corporation reimbursed JASA \$14,555 for pension costs.

The Corporation pays JASA, through a HUD grant, for the Service Coordinator Program, which provides social services for the tenants. The program expenses for the year ended June 30, 2021 were \$134,101.

As of June 30, 2021, no amounts remain payable to JASA.

**JHM**

The property is managed by an affiliate of the Corporation, JHM, pursuant to a management agreement approved by HUD. The current management agreement provides for a fee of \$33,896 per month. Management fees incurred during the year ended June 30, 2021 were \$406,747, of which \$31,661 remains payable as of June 30, 2021.

**Note 7 - Statement of cash flows**

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts in the statement of cash flows:

Cash	\$ 364,969
Tenant deposits	<u>316,322</u>
Total cash and restricted cash shown in the statement of cash flows	<u><u>\$ 681,291</u></u>

The amount included in restricted cash consists of security deposits held in trust for the future benefit of tenants upon moving out of the property as required by regulatory authority.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Financial Statements**  
**June 30, 2021**

**Note 8 - Grant revenue**

The Corporation was awarded a service coordinator grant from HUD to use toward payment of the service coordinator's salary, benefits, and other administrative costs. The Corporation reimburses JASA with the grant. The Corporation received and recognized grant revenue of \$227,658 for the year ended June 30, 2021. Grant expense for the year ended June 30, 2021 was \$134,101.

**Note 9 - Real estate tax exemption**

The Corporation has received a tax abatement under the New York state assisted private housing exemption. As such, no real estate tax was incurred for the year ended June 30, 2021. The exemption shall continue so long as the Project is operated as a nonprofit housing for the elderly.

**Note 10 - Housing assistance payment contract agreements**

HUD has contracted with the Corporation pursuant to Section 8 of the Housing Act of 1937 to make housing assistance payments to the Corporation on behalf of qualified tenants. The agreement expires June 1, 2036. For the year ended June 30, 2021, rental assistance payments of \$2,514,824 were earned under the terms of the agreement and are included in tenant assistance payments on the statement of activities.

New York City Housing Authority has contracted with the Corporation to make housing assistance payments to the Corporation on behalf of qualified tenants. The agreement expires April 1, 2032. For the year ended June 30, 2021, rental assistance payments of \$921,274 were earned under the terms of the agreement and are included in tenant assistance payments on the statement of activities.

The Corporation also participates in housing choice voucher programs, through which individual tenant vouchers are accepted. Total revenue earned from these vouchers during the year ended June 30, 2021 was \$77,681.

**Note 11 - Concentration of credit risk**

The Corporation maintains its cash balances in several accounts in one bank. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, these balances may exceed the federal insurance limits; however, the Corporation has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at June 30, 2021.

**Note 12 - Current vulnerability due to certain concentrations**

The Corporation's principal asset is a 547-unit apartment facility. The Corporation's operations are concentrated in the multifamily real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal 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.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Financial Statements**  
**June 30, 2021**

**Note 13 - Expenses by nature and function**

The table below presents expenses by both their nature and function during the year ended June 30, 2021:

	Total program services expense	Total supporting services expense (management and general)	Total
Administrative expenses	\$ 331,626	\$ 442,375	\$ 774,001
Utilities expense	1,119,176	-	1,119,176
Operating and maintenance expenses	1,508,297	-	1,508,297
Taxes and insurance	1,233,131	-	1,233,131
Financial expenses	463,151	-	463,151
Nursing home/assisted living/board and care/other elderly care expenses	134,101	-	134,101
Depreciation	858,854	-	858,854
<b>Total</b>	<b>\$ 5,648,336</b>	<b>\$ 442,375</b>	<b>\$ 6,090,711</b>

All expenses are directly attributable to a specific function.

**Note 14 - Contingencies**

Pursuant to the Corporation's contractual relationships with certain governmental funding sources, outside governmental agencies have the right to examine the books and records of the Corporation with regard to transactions relating to these contracts. The accompanying financial statements contain no provision for possible disallowances resulting from such reviews. Although such possible disallowances could be substantial, in the opinion of management, actual disallowances resulting from such reviews, if any, would be immaterial.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of lease revenue and other material adverse effects to the Corporation's financial position, results of operations, and cash flows. As of June 30, 2021, the global pandemic is still ongoing. Management continues to monitor the results of operations to evaluate the economic impact of the pandemic on the Project.

**Note 15 - Hurricane Sandy**

In 2013, the Corporation received a grant from the Fund for the City of New York in the amount of \$35,000. The funds are grantor restricted for resiliency planning (equipping the Project to reduce the impact of future natural disasters). The remaining balance is of the restricted funds as of June 30, 2021 was \$18,962.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Financial Statements**  
**June 30, 2021**

**Note 16 - Subsequent events**

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Corporation through September 10, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**Supplementary Information**  
**Supporting Data Required by HUD**

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Financial Position Data**  
**June 30, 2021**

Assets

Account No.

Current assets

1120	Cash - operations		\$ 73,119
1125	Cash - entity		291,850
1130	Tenant accounts receivable	\$ 92,479	
1131	Allowance for doubtful accounts	(29,149)	
1130N	Net tenants accounts receivable		63,330
1135	Accounts receivable - HUD		86,283
1200	Prepaid expenses		<u>20,035</u>

1100T Total current assets 534,617

Deposits held in trust - funded

1191 Tenant deposits 316,322

Restricted deposits and funded reserves

1310	Escrow deposits	1,724,395	
1320	Reserve for replacements	2,025,145	
1330	Other reserves	<u>1,786,576</u>	

1300T Total deposits 5,536,116

Rental property

1410	Land	936,820	
1420	Buildings	30,940,226	
1440	Building equipment - portable	2,615,292	
1460	Furnishings	15,702	
1465	Office furniture and equipment	93,188	
1490	Miscellaneous fixed assets	<u>550,644</u>	
1400T	Total fixed assets	35,151,872	
1495	Less accumulated depreciation	<u>(27,005,959)</u>	

1400N Net fixed assets 8,145,913

Other assets

1590	Miscellaneous other assets	<u>16,800</u>	
1500T	Total other assets		<u>16,800</u>

1000T Total assets \$ 14,549,768

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Financial Position Data  
June 30, 2021**

Liabilities and Net Assets

Account No.

Current liabilities

2110	Accounts payable - operations	\$	398,203
2111	Accounts payable - construction/development		147,508
2120	Accrued wages payable		119,917
2121	Accrued payroll taxes payable		10,203
2123	Accrued management fee payable		31,661
2131	Accrued interest payable - first mortgage		31,490
2170	Mortgage payable - first mortgage (short-term)		130,949
2210	Prepaid revenue		30,940
			900,871
2122T	Total current liabilities		900,871

Deposits liability

2191	Tenant deposits held in trust (contra)		309,627
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Long-term liabilities

2320	Mortgage payable - first mortgage	\$	6,008,496
2322	Other mortgages payable (long-term)		1,307,981
2331	Accrued interest payable - other mortgages payable (long-term)		143,605
			7,460,082
2300T	Total long-term liabilities		7,460,082
2000T	Total liabilities		8,670,580
3131	Net assets without donor restrictions		5,860,226
3133	Net assets with donor restrictions		18,962
			5,879,188
3130	Total net assets		5,879,188
2033T	Total liabilities and net assets		\$ 14,549,768

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Activities Data  
Year Ended June 30, 2021**

<u>Account No.</u>			
Rental revenue			
5120	Rent revenue - gross potential	\$ 2,592,938	
5121	Tenant assistance payments	3,513,779	
5170	Garage and parking spaces	19,018	
5190	Miscellaneous rent revenue	<u>6,761</u>	
5100T	Total rental revenue		\$ 6,132,496
Vacancies			
5220	Apartments	<u>(345,360)</u>	
5200T	Total vacancies		<u>(345,360)</u>
5152N	Net rental revenue		5,787,136
5300	Nursing home/Assisted living/Board and care/Other elderly care/Coop and other revenue		227,658
Financial revenue			
5440	Revenue from investments - replacement reserve	956	
5490	Revenue from investments - miscellaneous	<u>846</u>	
5400T	Total financial revenue		1,802
Other revenue			
5910	Laundry and vending	26,365	
5920	Tenant charges	35,893	
5990	Miscellaneous revenue	<u>80,738</u>	
5900T	Total other revenue		<u>142,996</u>
5000T	Total revenue		<u>6,159,592</u>

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Activities Data  
Year Ended June 30, 2021**

Account No.

Administrative expenses

6203	Conventions and meetings	521
6250	Other renting expenses	5,641
6310	Office salaries	84,093
6311	Office expenses	62,395
6320	Management fee	406,747
6330	Manager or superintendent salaries	67,073
6331	Administrative rent free unit	21,468
6340	Legal expense - project	25,226
6350	Auditing expense	14,215
6351	Bookkeeping fees/accounting services	21,413
6370	Bad debts	63,317
6390	Miscellaneous administrative expenses	<u>1,892</u>

6263T	Total administrative expenses		774,001
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Utilities expense

6450	Electricity	443,702
6451	Water	200,900
6452	Gas	155,814
6453	Sewer	<u>318,760</u>

6400T	Total utilities expense		1,119,176
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Operating and maintenance expenses

6510	Payroll	957,026
6515	Supplies	87,052
6520	Contracts	408,493
6546	Heating/cooling repairs and maintenance	50,558
6548	Snow removal	<u>5,168</u>

6500T	Total operating and maintenance expenses		1,508,297
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**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Activities Data**  
**Year Ended June 30, 2021**

<u>Account No.</u>			
Taxes and insurance			
6711	Payroll taxes	83,335	
6720	Property and liability insurance	657,537	
6722	Workmen's compensation	46,968	
6723	Health insurance and other employee benefits	444,581	
6790	Miscellaneous taxes, licenses, permits and insurance	710	
		<hr/>	
6700T	Total taxes and insurance		1,233,131
Financial expenses			
6820	Interest on first mortgage payable	399,204	
6825	Interest on other mortgages	13,080	
6850	Mortgage insurance premium/service charge	34,104	
6890	Miscellaneous financial expenses	16,763	
		<hr/>	
6800T	Total financial expenses		<hr/> 463,151
6900	Nursing home/Assisted living/Board and care/Other elderly care expenses		<hr/> 134,101
6000T	Total cost of operations before depreciation		<hr/> 5,231,857
5060T	Income (loss) before depreciation		<hr/> 927,735
Depreciation			
6600	Depreciation expense	858,854	
		<hr/>	
	Total depreciation		<hr/> 858,854
5060N	Operating income (loss)		<hr/> 68,881
			<hr/>
	Total expenses		<hr/> 6,090,711
3250	Change in net assets		<hr/> <hr/> \$ 68,881

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Activities Data  
Year Ended June 30, 2021**

Account No.

S1000-010	Total first mortgage (or bond) principal payments required during the audit year (12 monthly payments). Applies to all direct loans and HUD-held and fully-insured first mortgages.	<u>\$ 123,696</u>
S1000-020	Total of 12 monthly deposits in the audit year made to the replacement reserve account, as required by the regulatory agreement, even if payments may be temporarily suspended or reduced.	<u>\$ 165,120</u>
S1000-030	Replacement reserve, or residual receipts and releases which are included as expense items on the statement of activities.	<u>\$ -</u>
S1000-040	Project improvement reserve releases under the flexible subsidy program which are included as expense items on the statement of activities.	<u>\$ -</u>

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Changes in Net Assets (Deficit) Data  
Year Ended June 30, 2021**

<u>Account No.</u>		<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
S1100-050	Net assets			
S1100-060/080	June 30, 2020	\$ 5,791,345	\$ 18,962	\$ 5,810,307
3247/3249	Change in net assets	<u>68,881</u>	<u>-</u>	<u>68,881</u>
3130	Net assets			
3131/3133	June 30, 2021	<u>\$ 5,860,226</u>	<u>\$ 18,962</u>	<u>\$ 5,879,188</u>

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Cash Flows Data**  
**Year Ended June 30, 2021**

<u>Account No.</u>		
	Cash flows from operating activities	
S1200-010	Rental receipts	\$ 5,634,473
S1200-020	Interest receipts	1,802
S1200-030	Other operating receipts	<u>370,654</u>
S1200-040	Total receipts	<u>6,006,929</u>
S1200-050	Administrative expenses paid	(134,179)
S1200-070	Management fees paid	(392,106)
S1200-090	Utilities paid	(1,111,074)
S1200-100	Salaries and wages paid	(1,119,055)
S1200-110	Operating and maintenance paid	(553,262)
S1200-140	Property insurance paid	(657,537)
S1200-150	Miscellaneous taxes and insurance paid	(710)
S1200-160	Net tenant security deposits received (paid)	(5,508)
S1200-170	Other operating expenses paid	(708,796)
S1200-180	Interest paid on first mortgage	(381,811)
S1200-210	Mortgage insurance premium paid	(33,870)
S1200-220	Miscellaneous financial expenses paid	<u>(16,763)</u>
S1200-230	Total disbursements	<u>(5,114,671)</u>
S1200-240	Net cash provided by operating activities	<u>892,258</u>
	Cash flows from investing activities	
S1200-245	Net deposits to mortgage escrows	(337,997)
S1200-250	Net deposits to reserve for replacements	(166,076)
S1200-255	Net deposits to other reserves	
S1200-256	Other reserves	<u>\$ (140,766)</u>
		(140,766)
S1200-330	Net purchases of fixed assets	<u>(969,193)</u>
S1200-350	Net cash used in investing activities	<u>(1,614,032)</u>
	Cash flows from financing activities	
S1200-360	Mortgage principal payments - first mortgage	<u>(123,696)</u>
S1200-460	Net cash used in financing activities	<u>(123,696)</u>
S1200-470	Net decrease in cash	(845,470)
S1200-480	Cash, beginning	<u>1,210,439</u>
S1200T	Cash, end	<u>\$ 364,969</u>

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information**

**Statement of Cash Flows Data  
Year Ended June 30, 2021**

Account No.  
S1200-620

Comments

Significant noncash investing and financing activities  
Additions to rental property included in accounts payable -  
construction/development

\$ 147,508

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information  
Year Ended June 30, 2021**

**Reserve for Replacements**

<u>Account No.</u>		
1320P	Balance at June 30, 2020	\$ 1,859,069
1320DT	Total monthly deposits	165,120
1320INT	Interest income	<u>956</u>
1320	Balance at June 30, 2021	<u><u>\$ 2,025,145</u></u>

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information  
Year Ended June 30, 2021**

**Computation of Surplus Cash, Distributions and Residual Receipts**

<u>Account No.</u>	<u>Part A - Compute Surplus Cash</u>	
S1300-010	Cash (Accounts 1120, 1170 and 1191)	\$ 389,441
1135	Accounts receivable - HUD	<u>86,283</u>
S1300-040	Total cash	<u>475,724</u>
S1300-050	Accrued mortgage interest payable	31,490
S1300-060	Delinquent mortgage principal payments	-
S1300-070	Delinquent deposits to reserve for replacements	-
S1300-075	Accounts payable (due within 30 days)	398,203
S1300-080	Loans and notes payable (due within 30 days)	-
S1300-090	Deficient tax, insurance or MIP escrow deposits	-
S1300-100	Accrued expenses (not escrowed)	161,781
2210	Prepaid revenue (Account 2210)	30,940
2191	Tenant security deposits liability (Account 2191)	<u>309,627</u>
S1300-140	Less total current obligations	<u>932,041</u>
S1300-150	Surplus cash (deficiency)	<u>\$ (456,317)</u>
S1300-210	<u>Part B - Deposit Due Residual Receipts Reserve</u>	<u>\$ -</u>

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Supplementary Information**  
**Year Ended June 30, 2021**

**Changes in Fixed Asset Accounts**

	Assets			Balance 6/30/21
	Balance 6/30/20	Additions	Deletions	
Land	\$ 936,820	\$ -	\$ -	\$ 936,820
Buildings	30,329,761	610,465	-	30,940,226
Building equipment - portable	2,587,029	28,263	-	2,615,292
Furnishings	15,702	-	-	15,702
Office furniture and equipment	52,838	40,350	-	93,188
Miscellaneous fixed assets	113,021	437,623	-	550,644
	<u>\$ 34,035,171</u>	<u>\$ 1,116,701</u>	<u>\$ -</u>	<u>\$ 35,151,872</u>
Accumulated depreciation	<u>\$ 26,147,105</u>	<u>\$ 858,854</u>	<u>\$ -</u>	<u>\$ 27,005,959</u>
Total net book value				<u>\$ 8,145,913</u>

**Brookdale Village Housing Corporation  
HUD Project No.: 012-119-NI**

**Supplementary Information  
Year Ended June 30, 2021**

Fixed Asset Detail

Additions to Buildings Account

<u>Item and quantity</u>	<u>Amount</u>
Vacant unit renovations	<u><u>\$ 610,465</u></u>

Additions to Building Equipment - Portable Account

<u>Item and quantity</u>	<u>Amount</u>
Equipment	<u><u>\$ 28,263</u></u>

Additions to Office Furniture and Equipment Account

<u>Item and quantity</u>	<u>Amount</u>
Furniture for Project/Tenant Uses	<u><u>\$ 40,350</u></u>

Additions to Miscellaneous Fixed Assets Account

<u>Item and quantity</u>	<u>Amount</u>
Construction in progress	<u><u>\$ 437,623</u></u>

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Supplementary Information**  
**Year Ended June 30, 2021**

**Detail of Accounts - Statement of Financial Position**

Other Reserves (Account No. 1330)

IRP deposits	\$ 176,948
Project reserve fund	<u>1,609,628</u>
	<u>\$ 1,786,576</u>

Miscellaneous Other Assets (Account No. 1590)

Other	
Utility deposits	<u>\$ 16,800</u>

Other Mortgages Payable (Long-Term) (Account No. 2322)

Second mortgage - Subordinate loan payable	<u>\$ 1,307,981</u>
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Accrued Interest Payable - Other Mortgages Payable (Long-Term) (Account No. 2331)

Second mortgage - Subordinate loan	<u>\$ 143,605</u>
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**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Supplementary Information**  
**Year Ended June 30, 2021**

**Detail of Accounts - Statement of Activities**

Revenue from Investments - Miscellaneous (Account No. 5490)

Interest income from project reserve fund	<u>\$ 846</u>
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Miscellaneous Other Revenue (Account No. 5990)

Use of premises income	\$ 32,921
Retained excess income	<u>47,817</u>

	<u>\$ 80,738</u>
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**Detail of Accounts - Statement of Activities**

Nursing Home/Assisted Living/Board and Care/Other Elderly Care/Coop and Other Revenue  
(Account No. 5300)

5390 Other service revenue	<u>\$ 227,658</u>
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Nursing Home/Assisted Living/Board and Care/Other Elderly Care  
Expenses (Account No. 6900)

6990 Other service expenses	<u>\$ 134,101</u>
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**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Supplementary Information**  
**Year Ended June 30, 2021**

**Other Information**

Related party transactions detail:

<u>Account No.</u>	<u>Entity name</u>	<u>Amount paid</u>
S3100-210	JHM (management fee)	\$ 392,106
S3100-210	JASA (service coordinator)	134,101
S3100-210	JHM (bookkeeping and accounting)	<u>21,413</u>
		<u><u>\$ 547,620</u></u>

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

Federal Grantor/ (Pass-through Grantor)/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development	14.155	N/A	\$ 6,695,435
Multi-Family Housing Service Coordinators	14.191	N/A	227,658
Housing Voucher Cluster: Section 8 Housing Choice Vouchers	14.871	N/A	<u>2,514,824</u>
Total U.S. Department of Housing and Urban Development			<u>9,437,917</u>
Total expenditures of federal awards			<u><u>\$ 9,437,917</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2021**

**Note 1 - Basis of presentation**

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of Brookdale Village Housing Corporation, HUD Project No. 012-119-NI, under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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"). Because the Schedule presents only a selected portion of the operations of Brookdale Village Housing Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Brookdale Village Housing Corporation

**Note 2 - Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance. Brookdale Village Housing Corporation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3 - U.S. Department of Housing and Urban Development loan program**

Brookdale Village Housing Corporation has received a U.S. Department of Housing and Urban Development mortgage insurance loan under Section 223(f) of the National Housing Act. The loan balance outstanding at the beginning of the year is included in the federal expenditures presented in the Schedule. Brookdale Village Housing Corporation received no additional loans during the year. The balance of the loan outstanding at June 30, 2021 consists of:

<u>CFDA number</u>	<u>Program name</u>	<u>Outstanding balance</u>
14.155	Mortgage Insurance for the Purchase or Refinancing of Existing Multi-family Rental Housing: Sections 207/223(f)	\$ 6,571,739

Independent Auditor's 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 Board of Trustees  
Brookdale Village Housing Corporation

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 Brookdale Village Housing Corporation, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 10, 2021.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brookdale Village Housing Corporation's 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 Brookdale Village Housing Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Brookdale Village Housing Corporation'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 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 we have not identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brookdale Village Housing Corporation'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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

*CohnReznick LLP*

New York, New York  
September 10, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees  
Brookdale Village Housing Corporation

Report on Compliance for Each Major Federal Program

We have audited Brookdale Village Housing Corporation'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 Brookdale Village Housing Corporation's major federal programs for the year ended June 30, 2021. Brookdale Village Housing Corporation'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 Brookdale Village Housing Corporation'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 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"). 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 Brookdale Village Housing Corporation'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 Brookdale Village Housing Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Brookdale Village Housing Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Brookdale Village Housing Corporation 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 Brookdale Village Housing Corporation'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 Brookdale Village Housing Corporation'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 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 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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*CohnReznick LLP*

New York, New York  
September 10, 2021

**Brookdale Village Housing Corporation**  
**HUD Project No.: 012-119-NI**

**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Brookdale Village Housing Corporation were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies related to the audit of the financial statements were reported in the Independent Auditor's 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*. No material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of Brookdale Village Housing Corporation, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor's report on compliance for the major federal award programs for Brookdale Village Housing Corporation expressed an unmodified opinion on all major federal programs.
6. There are no audit findings relative to the major federal award programs for Brookdale Village Housing Corporation.
7. The programs tested as major programs were:  
  
Mortgage Insurance for Purchase or Refinancing of Existing Multifamily Rental Housing:  
Sections 207/223(f), CFDA #14.155  
  
Housing Voucher Cluster: Section 8 Housing Choice Vouchers, CFDA # 14.871
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. Brookdale Village Housing Corporation was determined to be a low-risk auditee.

**B. Findings - Financial Statements Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None



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