

**U.S. Department of Housing and Urban Development**

Potomac Center South  
550 12th Street SW  
Suite 100  
Washington, D.C. 20410



OFFICE OF PUBLIC AND INDIAN HOUSING  
REAL ESTATE ASSESSMENT CENTER

January 26, 2021

Mr. Robert Klaczekiewicz, CPA, Partner  
Smith & Klaczekiewicz, PC  
PO Box 6688  
Saginaw, MI 48608  
E-mail: rklacz@smithkcpas.com

Dear Mr. Klaczekiewicz:

The U.S. Department of Housing and Urban Development's Office of Public and Indian Housing – Real Estate Assessment Center (HUD-REAC) has completed a Quality Control Review (QCR) of selected audit services provided by Smith & Klaczekiewicz, PC (the Firm) to entities covered by the Uniform Financial Reporting Standards (UFRS: 24 CFR Part 5, Subpart H).

The objective of the QCR was to determine if the Firm performed these services in accordance with auditing standards generally accepted in the United States of America (GAAS); Generally Accepted Government Auditing Standards (GAGAS); Title 2 of the Code of Federal Regulations (2 CFR), Part 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Uniform Guidance*); the American Institute of Certified Public Accountants' (AICPA) *Statements on Standards for Attestation Engagements* (SSAE); and applicable HUD requirements, including those specified in the Consolidated Audit Guide for Audits of HUD Programs, HUD Handbook 2000.04 (the HUD Audit Guide).

The Firm provided audit and attestation services to approximately 34 public housing authorities and one not-for-profit multi-family entity for audits with FYEs within the period December 31, 2018 through September 30, 2019. These entities were all located within Michigan. The public housing authorities collectively reported \$95 million in total assets and \$81 million in total revenue and the multi-family entity reported \$534 thousand in total assets and \$115 thousand in total revenue. The QCR procedures included, but were not limited to, reviewing the Firm's audit documentation and audit reports for the following engagements:

***Engagements Selected for Review***

Entity Name	HUD Code	Audit Type	FYE	Total Assets	Total Revenue
Adapt Housing Corp Number One Inc.	047HD002	AUD-OMB	12/31/2019	\$533,965	\$114,535
Ann Arbor Housing Commission	MI064	AUD-UG	06/30/2019	\$3,348,979	\$16,716,281

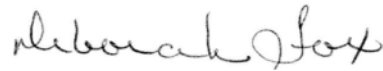
Source: Audit Report on file at the Firm.

For entities covered by UFRS, HUD-REAC relies on Certified Public Accountants (CPAs) to provide reasonable assurance about whether the financial statements are free from material misstatements, whether caused by error or fraud. The financial statements are the basis for a participant's financial indicator score. Therefore, an audit performed in accordance with GAAS and GAGAS is an essential component of HUD's scoring process.

Based on the procedures performed and the results obtained, it is HUD's position that the Firm was in substantial compliance with applicable GAAS and GAGAS standards and applicable HUD requirements.

No further action is required by the Firm. Thank you for your cooperation during this review. If you have any questions, please contact Miriam Kendrick at (202) 384-3164 or me at (404) 229-8952.

Sincerely,

A handwritten signature in cursive script that reads "Deborah K. Fox".

Deborah K. Fox  
Supervisory Auditor  
HUD/PIH/REAC  
Financial Quality Assurance