

Douglas County Housing Authority
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
For the year ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Douglas County Housing Authority
Omaha, Nebraska

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, and the discretely presented component units, of the Douglas County Housing Authority (the Authority) as of and for the year ended March 31, 2022, the blended component unit, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and discretely presented component units of the Authority, as of March 31, 2022, its blended component unit, and the respective changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Authority's 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Gretna Crown, LLC, River Road Townhomes, LLC, or Valley Crown, LLC, which comprise the discretely presented component units, and represent 30%, 15%, and 3%, respectively, of the assets, net position, and revenues of the Authority. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Gretna Crown, LLC, River Road Townhomes, LLC, and Valley Crown, LLC, is based solely on the report of the other auditors. The financial statements of Gretna Crown, LLC, River Road Townhomes, LLC, and Valley Crown, LLC, were not audited in accordance with Governmental Auditing Standards.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6–11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedule of net position, combining schedule of revenue, expenditures, and changes in net position, combining schedule of cash flows, statement of capital funds program, statement and certification actual modernization cost certificate capital funds program, and financial data schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards, combining schedule of net position, combining schedule of revenue, expenditures, and changes in net position, combining schedule of cash flows, and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

Other Information

The statement of capital funds program, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of the Authority'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 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 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 the Authority's internal control over financial reporting and compliance.

Hayes & Associates, LLC

Hayes & Associates, L.L.C.
Omaha, Nebraska
June 29, 2023

Douglas County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2022
(Unaudited)

This section of the Douglas County Housing Authority's (Housing Authority) annual financial report presents our management's discussion and analysis of the Housing Authority's financial performance during the fiscal year ended on March 31, 2022. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. The Housing Authority's financial statements are presented as fund level financial statements because the Housing Authority only has proprietary funds. The Housing Authority's financial statements include three types of activities:

- Proprietary activities - Most of the Housing Authorities services are reported here, including the HUD Public Housing Program, Section 8 Voucher Program and Multi-Housing programs.
- Business activities - The Community Housing and Service Corporation, Project-Based Rural Housing, Valley Crown Grant, Platte Valley Apartments and Woodgate Townhomes LP are reported here.
- Component units - The Housing Authority is a partner in three separate legal entities, Valley CROWN, LLC, Gretna CROWN, LLC, and River Road Townhomes, LLC. These are Low Income Housing Tax Credit projects that have their own separate audit and have a calendar fiscal year end.

Douglas County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
For the year ended March 31, 2022
(Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Required Financial Statements

The financial statements of the Housing Authority report information of the Housing Authority, and its component units, using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The statement of net position, which is similar to a balance sheet, includes all the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Housing Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Housing Authority and assessing the liquidity and financial flexibility of the Housing Authority.

All the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the Housing Authority's operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The focus of the statement of revenues, expenses, and changes in net position is the change in net position, which is similar to net income or loss.

The final required financial statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended March 31, 2022, and is required to be included in the audit reporting package.

Douglas County Housing Authority
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
For the year ended March 31, 2022
(Unaudited)

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government’s financial position. As stated in the table below, assets exceeded liabilities by \$7,633,184 at the close of the year ended March 31, 2022. See the section titled “Capital Asset and Debt Administration” of this report for detailed analysis of capital assets.

The Housing Authority’s net investment in capital assets was \$1,266,468 as of the fiscal year end. Restricted Net Position totaling \$408,632 consists of the Housing Choice Voucher’s HAP Net Restricted Position, as well as other restricted reserves, debt service, medical, and other accounts. These net positions are subject to external restrictions on how they may be used. At the end of the current fiscal year, the Housing Authority can report positive balances of net position.

The largest portion of the Housing Authority’s net position reflects a decrease in its unrestricted net position. The unrestricted net position was \$5,958,084 as of March 31, 2022. While this amount may be used to meet the Housing Authority’s ongoing obligations, they are limited for use by each type of activity as described in the Overview of the Financial Statements section.

	FY2022	FY2021	Dollar Change	Percent Change
Current and other assets	\$ 7,321,284	\$ 8,293,390	(972,106)	-11.72%
Capital assets	4,417,765	3,402,541	1,015,224	29.84%
Deferred Outflows	-	-	-	0.00%
Total Assets	<u>\$ 11,739,049</u>	<u>\$ 11,695,931</u>	<u>43,118</u>	<u>0.37%</u>
Current liabilities	1,337,811	1,700,297	(362,486)	-21.32%
Noncurrent liabilities	2,768,054	2,678,380	89,674	3.35%
Total Liabilities	<u>4,105,865</u>	<u>4,378,677</u>	<u>(272,812)</u>	<u>-6.23%</u>
Net investment in				
capital assets	1,266,468	702,490	563,978	80.28%
Restricted	408,632	434,182	(25,550)	-5.88%
Unrestricted	5,958,084	6,180,582	(222,498)	-3.60%
Total Net Position	<u>7,633,184</u>	<u>7,317,254</u>	<u>315,930</u>	<u>4.32%</u>
Total Liabilities and Net Position	<u>\$ 11,739,049</u>	<u>\$ 11,695,931</u>	<u>43,118</u>	<u>-1.91%</u>

Douglas County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
For the year ended March 31, 2022
(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

The 2022 approved capital grant totals \$172,721 and 0% was expended as of March 31, 2022.

The 2021 approved capital grant totals \$141,028 and 0% was expended as of March 31, 2022.

The 2020 approved capital grant totals \$134,331 and 74% was expended as of March 31, 2022. Of the total amount, \$30,000 was used on general operations and \$68,005 was used for site improvement projects and to maintain dwelling structures.

The 2019 approved capital grant totals \$125,282 and 100% was expended as of March 31, 2021. Of the total amount, \$24,124 was used on general operations and \$101,158 was used for site improvement projects and to maintain dwelling structures.

The 2018 approved capital grant totals \$130,139 and 100% was expended as of March 31, 2021. Of the total amount, \$19,500 was used on general operations and \$110,639 was used for site improvement projects and to maintain dwelling structures.

	FY 2022	FY 2021	Dollar Change	Percent Change
Revenues				
HAP revenue	\$ 7,839,751	\$ 8,092,353	\$ (252,602)	-3.12%
Administrative revenue	845,672	1,265,295	(419,623)	-33.16%
Fraud Recovery revenue	21,189	20,969	220	1.05%
Tenant rental revenue	1,619,764	1,584,320	35,444	2.24%
HUD operating grant	249,263	267,548	(18,285)	-6.83%
Capital grant revenue	104,376	108,930	(4,554)	-4.18%
Other government grants	71,197	70,283	914	1.30%
Interest income	58,996	65,158	(6,162)	-9.46%
Other income	533,706	1,682,184	(1,148,478)	-68.27%
Gain on sale of capital assets	-	-	-	100.00%
Total revenue	11,343,914	13,157,040	(1,813,126)	-13.78%
Expenses				
Administrative	1,386,420	1,506,469	(120,049)	-7.97%
Tenant services	68,155	43,033	25,122	58.38%
Utilities	222,708	212,551	10,157	4.78%
Ordinary maintenance and operations	622,230	594,429	27,801	4.68%
General expense	172,653	1,370,816	(1,198,163)	-87.41%
Depreciation	315,570	303,207	12,363	4.08%
HAP expenses	8,392,872	7,874,707	518,165	6.58%
Interest	91,895	188,126	(96,231)	-51.15%
Total expenses	11,272,503	12,093,338	(820,835)	-6.79%

Douglas County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
For the year ended March 31, 2022
(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

Excess (deficiency) before		
before prior period adjustments	71,411	1,063,702
Beginning net position	7,317,254	6,473,496
Woodgate	-	-
Beginning net position with		
blended component units	7,317,254	6,473,496
Prior period adjustment	244,519	(219,944)
Beginning net position as restated	<u>7,561,773</u>	<u>6,253,552</u>
Ending net position	<u>\$ 7,633,184</u>	<u>\$ 7,317,254</u>

While the Statement of Net Position shows the change in financial position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

In FYE 2022, the Housing Authority's overall revenue decreased by \$1,813,126. Many factors contributed to the increase including HUD CARES Act funding for COVID, the donation from Orchard Gardens received in FYE 2021 and a decrease in funding from HUD.

Total expenses decreased by \$820,835 due mainly to a decrease of prior years' donation by Orchard Gardens to Community Housing and COVID expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - At the end of March 31, 2022, the Housing Authority had \$4,417,765 invested in a broad range of capital assets, including land, building, and equipment for all three types of activities.

Capital Debt - At the end of March 31, 2022, the Housing Authority had \$2,768,054 in total long-term liabilities. This is a net increase of \$89,674. The increase consists of new loans taken out by properties whose bond payoff was originally paid off by the sale of Orchard Gardens.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority consider many factors when approving the fiscal year 2022 budget. Tenant rental income is based on the prior year actual average income per unit and occupancy levels, which does not typically change from year to year. The Operating Subsidy provided for the HUD low-rent public housing program is based on tenant rental income, other income and utility consumption and costs. The amount of Operating Subsidy funding is established and approved by HUD. The Housing Authority allocates a portion of the CFP Funding to operations.

Douglas County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
For the year ended March 31, 2022
(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (CONTINUED)

The average occupancy rate for all Assisted Housing Authority programs as of March 31, 2022, was 92%. The operating expenses are expected to increase by the economy's inflation rate. Capital expenditures are determined by the established Capital Improvement Plan and excess cash from prior years.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Rhonda Hodge-Mason, Chief Executive Officer.

Douglas County Housing Authority
STATEMENT OF NET POSITION
March 31, 2022

	Douglas County Housing Authority	Component Units December 31, 2021		
		Valley Crown LLC	Gretna Crown, LLC	River Road Townhomes LLC
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents, unrestricted	\$ 4,449,316	\$ 49,676	\$ 61,130	\$ 82,085
Accounts receivable	378,336	-	-	-
Tenant accounts receivable	15,287	-	-	-
Prepaid and other assets	609,687	12,273	9,658	5,703
Interprogram due from, current portion	64,761	-	-	-
Total current assets	<u>5,517,387</u>	<u>61,949</u>	<u>70,788</u>	<u>87,788</u>
NON-CURRENT ASSETS				
Cash and cash equivalents, restricted	563,816	196,197	221,523	183,197
Accrued interest receivable	622,221	-	-	-
Investments, restricted	-	-	-	-
Deposits with HUD	8,846	-	-	-
Mortgages receivable, net	9,014	-	-	-
Notes receivable	600,000	-	-	-
Other assets	-	-	-	7,690
Total non-current assets	<u>1,803,897</u>	<u>196,197</u>	<u>221,523</u>	<u>190,887</u>
CAPITAL ASSETS				
Land	1,001,178	200,000	405,000	159,180
Buildings	12,328,679	1,860,422	2,371,870	1,705,258
Construction in progress	14,925	-	-	75,497
Leasehold improvements	484,038	-	-	-
Furniture, equipment and vehicles	1,412,795	160,689	317,826	183,960
Less accumulated depreciation	<u>(10,823,850)</u>	<u>(1,202,740)</u>	<u>(1,456,965)</u>	<u>(665,129)</u>
Total capital assets	<u>4,417,765</u>	<u>1,018,371</u>	<u>1,637,731</u>	<u>1,458,766</u>
Total assets	<u>11,739,049</u>	<u>1,276,517</u>	<u>1,930,042</u>	<u>1,737,441</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on bond refunding	-	-	-	-
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,739,049</u>	<u>\$ 1,276,517</u>	<u>\$ 1,930,042</u>	<u>\$ 1,737,441</u>

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
STATEMENT OF NET POSITION - CONTINUED
March 31, 2022

	Douglas County Housing Authority	Component Units December 31, 2021		
		Valley Crown LLC	Gretna Crown LLC	River Road Townhomes LLC
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	\$ 121,808	\$ 40,484	\$ 39,417	\$ 17,387
Accrued liabilities	109,779	5,563	19,383	12,024
Accrued interest payable	9,707	55,384	45,555	8,646
Tenant security deposits	76,474	8,500	10,500	7,000
Unearned revenue	481,534	-	-	-
Interprogram due to, current portion	81,000	-	-	-
Bonds and notes payable, current portion	457,509	-	-	-
Total current liabilities	<u>1,337,811</u>	<u>109,931</u>	<u>114,855</u>	<u>45,057</u>
NON-CURRENT LIABILITIES				
Other liabilities	79,267	82,191	86,249	-
Interprogram due to, less current portion	-	-	-	-
Bonds and notes payable, less current portion	2,688,787	1,281,809	1,292,191	660,981
Total non-current liabilities	<u>2,768,054</u>	<u>1,364,000</u>	<u>1,378,440</u>	<u>660,981</u>
Total liabilities	<u>4,105,865</u>	<u>1,473,931</u>	<u>1,493,295</u>	<u>706,038</u>
NET POSITION				
Net investment in capital assets	1,266,468	(263,438)	345,540	797,785
Restricted	422,090	105,506	124,774	176,197
Unrestricted	5,944,626	(39,482)	(33,567)	57,421
Total net position	<u>7,633,184</u>	<u>(197,414)</u>	<u>436,747</u>	<u>1,031,403</u>
Total liabilities, deferred inflows, and net position	<u>\$ 11,739,049</u>	<u>\$ 1,276,517</u>	<u>\$ 1,930,042</u>	<u>\$ 1,737,441</u>

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended March 31, 2022

	Douglas County Housing Authority	Component Units December 31, 2021		
		Valley Crown LLC	Gretna Crown LLC	River Road Townhomes LLC
OPERATING REVENUES				
Tenant rental revenue	\$ 1,619,764	\$ 117,441	\$ 145,306	\$ 132,697
HUD operating grants	8,943,532	-	-	-
Other government revenue	98,880	-	-	-
Other revenue	518,366	-	3,835	176
Total revenues	<u>11,180,542</u>	<u>117,441</u>	<u>149,141</u>	<u>132,873</u>
OPERATING EXPENSES				
Housing assistance payments	8,392,872	-	-	-
Administrative	1,386,420	60,508	67,084	44,515
Tenant services	68,155	-	-	-
Utilities	222,708	-	-	-
Ordinary maintenance and operations	622,230	15,023	23,490	31,400
General expenses	172,653	18,770	30,742	18,662
Depreciation and amortization expense	315,570	73,995	96,426	70,246
Total operating expenses	<u>11,180,608</u>	<u>168,296</u>	<u>217,742</u>	<u>164,823</u>
INCOME (LOSS) FROM OPERATIONS	(66)	(50,855)	(68,601)	(31,950)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	58,996	84	107	146
Gain on sale of assets	-	-	-	-
Interest expense	(91,895)	(63,200)	(61,655)	(29,048)
Net non-operating revenues (expenses)	<u>(32,899)</u>	<u>(63,116)</u>	<u>(61,548)</u>	<u>(28,902)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(32,965)	(113,971)	(130,149)	(60,852)
HUD CAPITAL CONTRIBUTIONS	<u>104,376</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	71,411	(113,971)	(130,149)	(60,852)
NET POSITION, BEGINNING OF YEAR	<u>7,317,254</u>	<u>(79,516)</u>	<u>567,877</u>	<u>1,092,255</u>
PRIOR PERIOD ADJUSTMENT	<u>244,519</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION, BEGINNING OF YEAR AS RESTATED	<u>7,561,773</u>	<u>(79,516)</u>	<u>567,877</u>	<u>1,092,255</u>
DISTRIBUTIONS TO MEMBERS	<u>-</u>	<u>(3,927)</u>	<u>(981)</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 7,633,184</u>	<u>\$ (197,414)</u>	<u>\$ 436,747</u>	<u>\$ 1,031,403</u>

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
STATEMENT OF CASH FLOWS
For the year ended March 31, 2022

	Douglas County Housing Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from tenants	\$ 1,564,936
Cash received from operating grants	8,943,532
Other cash received	835,418
Cash paid to suppliers, employees and other funds	<u>(11,477,361)</u>
CASH FROM OPERATING ACTIVITIES	(133,475)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received/(paid) to other funds	(426,517)
Deposits into the FSS escrow	<u>(4,255)</u>
CASH FROM NONCAPITAL FINANCING ACTIVITIES	(430,772)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash receipts from HUD capital grants	104,376
Cash paid for the purchase of capital assets	(1,330,794)
Cash paid for interest on bonds and notes payable	(91,895)
Cash paid for principle on bonds and notes payable	<u>473,239</u>
CASH FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES	(189,088)
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash receipts for interest and dividends	1,636
Purchase of investments	<u>158</u>
CASH FROM INVESTING ACTIVITIES	<u>1,794</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(751,541)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,764,673</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,013,132</u>
Cash and cash equivalents, unrestricted	\$ 4,449,316
Cash and cash equivalents, restricted	<u>563,816</u>
	<u>\$ 5,013,132</u>

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
STATEMENT OF CASH FLOWS - CONTINUED
For the year ended March 31, 2022

	Douglas County Housing Authority
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS	
FLOW FROM OPERATING ACTIVITIES	
Income (loss) from operations	\$ (66)
Adjustments to reconcile net income (loss) to net cash from operating activities	
Depreciation and amortization expense	315,570
Change in accounts receivable	(279,999)
Change in prepaid expenses	(494,683)
Change in accounts payable	(127,095)
Change in accrued liabilities and compensated absences	4,565
Change in deposits with HUD	860
Change in tenant security deposits	(7,753)
Change in unearned revenue	455,126
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (133,475)

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Douglas County Housing Authority (the Housing Authority).

1. Introduction

Douglas County Housing Authority (Fiscal Year End March 31)

The Housing Authority was created under the Nebraska Housing Authority Act. The Housing Authority administers Low Income Housing Assistance and Section 8 Housing programs in Douglas County, Nebraska. The Federal Government, through the U.S. Department of Housing and Urban Development (HUD) subsidizes the programs.

2. Reporting Entity

As required by accounting principles generally accepted in the United States of America, the general-purpose financial statements of the reporting entity include those of the Housing Authority and any component units. Component units are legally separate entities for which the elected officials of a primary government are financially accountable for the entities, or the nature and significance of the relationship between the entities and a primary government are such that excluding the entities from the financial reporting entity would render the general-purpose financial statements misleading or incomplete.

The Housing Authority sold Orchard Gardens in August 2019 for \$5,500,000. The proceeds received from the sale were used to pay off the Series 2012 Bonds and to donate funds for future assistance in the development of Low-income Housing properties. The equity remaining in Orchard Gardens consists of the amount due from the Housing Authority. The equity for Orchard Gardens was transferred to the Housing Authority and closed out in fiscal year 2022.

Based upon the application of these criteria, there are four component entities: Valley Crown LLC, River Road Townhomes LLC, Gretna Crown LLC, and Community Housing Service Corporation. A description of these properties and their relationship with the Housing Authority is as follows:

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Reporting Entity – Continued

Discretely Presented Component Units

Valley Crown LLC (Fiscal Year End December 31)

Valley Crown LLC is a single housing development in Valley, NE. On October 24, 2007, the Nebraska Department of Economic Development awarded a \$600,000 Nebraska Affordable Housing Trust Fund grant to the Housing Authority to build a 12-unit rent-to-own single-family development. Midwest Housing Equity Group is the special limited partner, co-managing members are made up of Foundations Development, LLC and the Housing Authority.

Gretna Crown LLC (Fiscal Year End December 31)

Gretna Crown, LLC was organized on January 16, 2008 under the laws of the State of Nebraska for the purpose of constructing real property and operating thereon a real property. This project was completed and began operations in June 2009. Gretna Crown LLC is a 15-unit rent-to-own single-family development. Midwest Housing Equity Group is the special limited partner; Co-managing members are made up of Foundations Development, LLC and the Housing Authority.

River Road Townhomes (Fiscal Year End December 31)

River Road Townhomes, LLC was organized on June 21, 2013 under the laws of the State of Nebraska for the purpose of constructing real property and operating thereon a rental housing complex. This project was completed and began operations in July 2014. Equity Fund of Nebraska VIII, L.P. is the special limited partner, and Housing Authority is the general partner of this 14-unit housing complex.

Blended Component Unit

Due to the Housing Authority's ability to exert control over the operations of Community Housing and Service Corporation, the entity is required to be included in the reporting entity as a blended component unit and is reflected as such as a business activity of the Housing Authority

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Reporting Entity - Continued

Blended Component Unit – Continued

Community Housing and Service Corporation (Fiscal Year End March 31)

Community Housing and Service Corporation is a non-for-profit corporation organized for the purpose of undertaking and encouraging housing and community development activities for low-income individuals and families in Douglas County, Nebraska. As of August 31, 2012, Community Housing and Services Corporation, the General Partner of Platte Valley Apartments, L.P., sold its share of 0.01% of the Platte Valley Apartments, L.P. to the Housing Authority (the limited Partner). Community Housing and Services Corporation is managed by the Housing Authority and shares a Board with the Housing Authority.

A summary of each program administered by the Housing Authority included in the financial statements is provided to assist the reader in interpreting the financial statements. Separate financial statements for Valley Crown LLC, River Road Townhomes LLC, Gretna Crown, LLC and Community Housing and Service Corporation are available from the Housing Authority. The Housing Authority is not included in any other reporting entity on the basis of such criteria.

3. Basis of Presentation

The Housing Authority uses an enterprise fund, which is a proprietary fund type. The focus of proprietary fund measurement is on the determination of operating income, changes in net position, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector.

The emphasis in the financial statements is on the major funds. GASB No. 34 sets forth minimum criteria for the determination of major funds. The Housing Authority's operations are considered to constitute a single major enterprise fund for presentation purposes.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Basis of Presentation - Continued

The Housing Authority has created a number of funds within the single, major enterprise fund. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD.

The U.S. Department of Housing and Urban Development requires public housing authorities to use accounting principles generally accepted in the United States of America for financial reporting (GAAP). The accounting and reporting policies of the Housing Authority relating to the accompanying combined financial statements conform to GAAP applicable to state and local governments.

4. Basis of Accounting

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Housing Authority are charges for tenants' rents. Operating expenses for the Housing Authority include the cost of services, administrative expenses, depreciation on capital assets, and housing assistance payments.

The Housing Authority's accounts are maintained as an enterprise fund type, which is accounted for on an economic resource measurement focus using the accrual basis of accounting. Revenue is recorded when earned and expenses and liabilities are recorded when incurred. When both restricted and unrestricted resources are available for use, then it is the Housing Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the Housing Authority considers all highly liquid investments with an original maturity of less than three months or less when purchased to be cash equivalents. The Housing Authority maintains all deposits in bank accounts in the name of the Housing Authority.

6. Receivables

Receivables consist of amounts not yet collected for other governmental revenues, tenant rents, and fraud recovery agreements. The Housing Authority considers all receivables as of March 31, 2022, to be fully collectible.

7. Investments

Investments are comprised of certificates of deposit and United State of America Treasury securities. Investments are determined to approximate fair value.

8. Capital Assets

Capital assets are recorded at cost, or if contributed property, at their fair value at the time of contribution. Repairs and maintenance are recorded as expenses; improvements and additions are capitalized. It is the Housing Authority's policy to capitalize assets having an original cost of \$1,000 or more and a useful life of at least three years. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method: structures at 20-50 years and equipment at 3-7 years.

9. Compensated Absences

The Housing Authority's policy allows employees to accumulate unused sick leave up to 1,440 hours prior to 1/1/12 and post 1/1/12 up to 160 hours. Vacation leave can be accumulated up to 160 hours. Upon termination of employment, accrued vacation hours will be paid out, but sick leave will only be paid out upon illness while in the employment of the Housing Authority.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. Budgets and Budgetary Accounting

The Housing Authority is required by contractual agreements to adopt annual, appropriated operating budgets for all its enterprise funds receiving federal expenditure awards. All budgets are materially consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year-end. The Board of the Housing Authority adopts the budget through passage of a budget resolution.

12. Income Taxes

Douglas County Housing Authority is exempt from Federal and State income taxes, property taxes, and sales taxes as a governmental subdivision of the State of Nebraska.

13. Net Position Classification

Net position is required to be classified into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and costs to be recovered from future revenues, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Net Position Classification - Continued

Restricted

This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), contributors, or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted

This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." When both restricted and unrestricted resources are available for use, it is the Housing Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

14. Recent Accounting Pronouncements:

New Accounting Pronouncements

In May 2019, GASB issued Statement No. 91 *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associates with conduit debt obligations, and 3) related note disclosures. During the year ended March 31, 2022, this standard was implemented.

New Accounting Pronouncements Not Yet Adopted

In June 2016, GASB issued Statement No. 87 *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Recent Accounting Pronouncements – Continued

New Accounting Pronouncements Not Yet Adopted – Continued

In January 2020, GASB issued Statement No. 92 *Omnibus 2020*. This Statement enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. These Statements are effective for the Commission’s year ending March 31, 2023.

NOTE B. DEPOSITS AND INVESTMENTS

The Housing Authority’s deposits and investments are as follows:

1. Investment Policy

The Housing Authority’s deposits may be invested in the following HUD approved investments:

- Direct obligations of the federal government backed by the full faith and credit of the United States.
- Obligations of government agencies
- Securities of government sponsored agencies
- Demand and savings deposits
- Time deposits and repurchase agreements

The objective of Housing Authority’s investment policy is to maximize the return on all the Housing Authority’s reserves by investing the maximum amount of money in prudent investment vehicles.

2. Carrying Values of Deposits and Investments

The carrying value of deposits at March 31, 2022, is as follows:

Cash in financial institutions, unrestricted	\$	4,449,316
Cash in financial institutions, restricted		563,816
	\$	<u>5,013,132</u>

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE B. DEPOSITS AND INVESTMENTS – CONTINUED

3. Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of bank failure, the Housing Authority’s deposits may not be returned to it. Protection of the Housing Authority’s deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution. From time to time, throughout the year, the account balances for the Housing Authority may exceed the threshold to be fully insured by FDIC. Because the funds are held at reputable financial institutions, management does not consider this to be a significant risk.

For investments custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Housing Authority will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the Housing Authority addresses custodial risk by pre-qualifying institutions with which the Housing Authority places investments, restricting the type of investments allowed, and maintaining a standard of quality for investments.

4. Concentration of Credit Risk

The Housing Authority applies the “prudent person” standard, to determine the instrument type and maturity that the Housing Authority will invest its funds in. At March 31, 2022, the following investment concentrations were allowed under the investment policy: Money market funds consisting completely of U.S. Treasury Securities represent 100% of the Housing Authority’s total investments and received a AAA rating from Standard and Poor.

5. Interest Rate Risk

The Housing Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of March 31, 2022, no Housing Authority investments were subject to interest rate risk.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE C. CASH

The carrying amount of the Housing Authority’s cash was \$5,013,132. The following is a detail of amounts included in the cash balances which is restricted for specific purposes.

Unrestricted	
Cash	\$ 4,449,316
Total unrestricted cash	4,449,316
Restricted	
Reserve for replacement	263,111
Operating reserve	145,065
Housing assistance payment	-
Family self-sufficiency escrow	79,246
Tenant security deposits	76,394
Total restricted cash	563,816
Total cash	\$ 5,013,132

NOTE D. MORTGAGES RECEIVABLE

The Home Ownership Program 5(h) was intended to provide affordable home acquisition loans to eligible low-income families wishing to purchase designated single-family scattered site homes offered by the Housing Authority. HUD no longer offers this program; however, the Housing Authority will maintain the mortgage receivable until the time restrictions expire. The homes were sold at fair value and were financed by conventional loans by area financial institutions and by the Housing Authority with a forgivable interest free loan to the purchasers.

If the purchaser defaults on the terms of the forgivable loan, it will become due at the time of default. The loan will be forgiven incrementally from the sixth through the fifteenth year, provided all terms have been met. As of March 31, 2022, the remaining balances of the forgivable loans have been fully amortized.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE E. NOTE RECEIVABLE

The Housing Authority provided funding to Valley Crown, L.L.C. for the construction of a 12-unit affordable housing development in Valley, Nebraska. The loan is being made pursuant to the Nebraska Affordable Housing Trust Fund Program. The note receivable is effective June 1, 2007, with a principal sum of \$600,000 at an interest rate of 4.91%. The balance of the note receivable as of March 31, 2022, is \$600,000 with accrued interest to date of \$622,221. The note will mature on December 31, 2023, a single payment of principal and accrued interest will be due.

NOTE F. CAPITAL ASSETS

A summary of the changes in capital assets for the year ended March 31, 2022, is as follows:

	Beginning Balance April 1, 2021	Additions	Disposals	Ending Balance March 31, 2022
Land	\$ 643,478	\$ 357,700	\$ -	\$ 1,001,178
Land improvements	-	14,925	-	14,925
Structures	11,500,024	828,655	-	12,328,679
Leasehold improvements	484,038	-	-	484,038
Furniture and equipment	1,283,592	152,640	(23,437)	1,412,795
	13,911,132	1,353,920	(23,437)	15,241,615
Less: Accumulated depreciation	(10,508,591)	(315,259)	-	(10,823,850)
Capital assets, net	<u>\$ 3,402,541</u>	<u>\$ 1,038,661</u>	<u>\$ (23,437)</u>	<u>\$ 4,417,765</u>

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE G. LONG-TERM DEBT

The following is a summary of principal maturities of long-term debt:

Fiscal year ending March 31,	Bond and Note Requirements	Interest Requirements	Total
2023	\$ 457,509	\$ 77,732	\$ 535,241
2024	120,255	66,989	187,244
2025	127,524	63,113	190,637
2026	132,564	59,265	191,829
2027	137,592	55,268	192,860
Thereafter	2,170,852	166,112	2,336,964
	<u>\$ 3,146,296</u>	<u>\$ 488,479</u>	<u>\$ 3,634,775</u>

Long-term debt consists of the following as of March 31, 2022:

Note payable to American National Bank, in the original principal amount of \$295,000, collateralized by a security interest in Benn View I. Loan is payable in monthly installments of \$2,157.90, with an interest rate of 3.75%. Final payment is due December 10, 2030. \$276,878

Note payable to American National Bank, in the original principal amount of \$155,000, collateralized by a security interest in Benn View II. Loan is payable in monthly installments of \$1,133.81, with an interest rate of 3.75%. Final payment is due December 10, 2030. 145,479

Note payable to American National Bank, in the original principal amount of \$360,000, collateralized by a security interest in Valley Heights. Loan is payable in monthly installments of \$2,633.36, with an interest rate of 3.75%. Final payment is due December 10, 2030. 337,886

Note payable to American National Bank, in the original principal amount of \$370,000, collateralized by a security interest in Valley View. Loan is payable in monthly installments of \$2,706.51, with an interest rate of 3.75%. Final payment is due December 10, 2030. 347,271

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE G. LONG-TERM DEBT – CONTINUED

Note payable to American National Bank, in the original principal amount of \$823,632.81, collateralized by a security interest in Platte Valley Apartments. Loan is payable in monthly installments of \$4,916.18, with an interest rate of 3.75%. Final payment is due December 10, 2030. \$785,044

Nebraska Department of Economic Development, Trust Funds, in the original principal amount of \$200,000, collateralized by a security interest in Woodgate Townhomes, LP. Loan is payable from residual receipts with an interest rate of 3.00%. Final payment is due November 1, 2022. 337,594

Mutual of Omaha Bank, mortgage loan, in the original principal amount of \$600,000, collateralized by a security interest in Woodgate Townhomes, LP. Loan is payable in monthly installments of \$3,651 with an interest rate of 5.85%. Final payment is due May 15, 2017. As of July 17, 2017, the loan was refinanced with a principal amount of \$434,784 and interest rate of 4.75% due in monthly installments of \$2,826. Final payment is due August 15, 2022. 365,313

Construction financing is through American National Bank under a construction loan commitment of up to \$1,162,500. The loan bears interest at the annual rate of 4.11%, compounding on each advance from the date of the advance until maturity. Principal shall be payable only from net available cash flow, net proceeds, or condemnation proceeds, as defined in the loan agreement. The principal balance remaining shall be due and payable on December 10, 2031. 550,831

	\$ 3,146,296
Less: current portion	<u>(457,509)</u>
	<u>\$ 2,688,787</u>

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE G. LONG-TERM DEBT – CONTINUED

A summary of the changes in the long – term debt for the year ended March 31, 2022, is as follows:

	Beginning Balance April 1, 2021	Additions	Deletions	Ending Balance March 31, 2022	Due within One Year
Bond payable	\$ -	\$ -	\$ -	\$ -	\$ -
Note Payable	2,700,051	550,831	(104,586)	3,146,296	457,509
	<u>\$ 2,700,051</u>	<u>\$ 550,831</u>	<u>\$ (104,586)</u>	<u>\$ 3,146,296</u>	<u>\$ 457,509</u>
Bond discount	-	-	-	-	-
	<u>\$ 2,700,051</u>	<u>\$ 550,831</u>	<u>\$ (104,586)</u>	<u>\$ 3,146,296</u>	<u>\$ 457,509</u>

NOTE H. CONTINGENCIES

The Housing Authority participates in a number of federal programs, which are subject to financial and compliance audits by the granting agencies. The amount of expenditures, if any, which may be disallowed by the granting agencies, were not determinable at this time; however, management does not believe that such amount, if any, would be significant.

NOTE I. ECONOMIC DEPENDENCY

The Housing Authority relied on the U.S. Department of Housing and Urban Development for approximately 80% of its revenue during the fiscal year ended March 31, 2022.

NOTE J. PENSION PLAN

The Housing Authority has established a 401(a) retirement plan for eligible employees. The Housing Authority contributes 4% of the employee’s actual income to all eligible employees, and eligible employees may voluntarily contribute to the plan. During the fiscal year ended March 31, 2022, the Housing Authority’s portion was \$36,981.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE K. PUBLIC ENTITY RISK POOL

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance and is a member of the Assisted Housing Risk Management Association to handle risk of loss.

The Housing Authority has not had to pay out any amounts that exceeded their coverage provided by the pool in the last fiscal year.

The Assisted Housing Risk Management Association (Association or AHRMA) is a cooperative association of public housing authorities established on March 1, 1986, pursuant to Article VII, Section 10, "Intergovernmental Cooperation", of the 1970 Constitution of the State of Illinois and Chapter 127, Paragraph 741, "The Intergovernmental Cooperation Act", of the 1983 Illinois Revised Statutes. These statutes provide for intergovernmental cooperation agreements with agencies of other states to the extent the constitutions and statutes of other states permit.

The Association was established for the purpose of providing member public housing authorities (Member) with indemnification and financial protection against, and risk management services with respect to loss as may be agreed upon by the Member and the Association including, but not limited to, physical property damage, general liability, housing authority public official's liability, hired and non-owned automobile liability, and workers' compensation.

Public housing authorities become members of the Association upon approval of a majority vote of the Association Board. As a condition precedent to becoming a Member, a public housing authority shall be required to make an initial reserve contribution (IRC) as determined by the Association Board. Each Member is required to make periodic contributions on a per residential unit basis or as otherwise determined by the Association Board.

Public housing authorities joining the Association must remain members for a minimum of three years and shall be liable for their full initial reserve contribution and any periodic contributions attributable to such three-year period.

However, with respect to AHRMA's property/liability coverage program, if the total periodic contributions required of a Member on a per residential unit basis in any year exceeds those required in the immediately preceding year for identical coverage by more than 25%, a Member may withdraw from the property/liability coverage program without satisfying periodic contribution obligations.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE K. PUBLIC ENTITY RISK POOL – CONTINUED

With respect to AHRMA’s workers’ compensation coverage program, if the Member’s annual premium in any year exceeds the annual premium that would have been applicable if calculated in accordance with National Council on Compensation Insurance (NCCI) rates by more than 25% of such NCCI rates, the member may withdraw from the workers’ compensation coverage program. A withdrawing Member shall be liable for periodic contributions attributable to the Member only up through the date of its withdrawal including any unpaid initial reserve contribution installments. In all instances, withdrawal before the three-year minimum will result in the forfeiture of the Member’s initial reserve contribution. A Member may withdraw its membership at any time after such three-year period has elapsed upon complying with the applicable notice and procedural requirements, as set forth in the rules and regulations adopted by the Association Board.

NOTE L. CONDUIT DEBT

The Housing Authority has issued the following Multifamily Housing Revenue Bonds as of March 31, 2022:

	Original Issue Date	Final Maturity Date	Initial Principle	March 31, 2022 Aggregate Principle
Grover Square Apartments	December 1, 2017	January 1, 2041	\$ 8,500,000	\$ 7,280,000
Bluffs at Cherry Hills	May 1, 2016	May 1, 2033	16,100,000	15,332,271
30 Metropolitan Place	December 1, 2016	January 1, 2057	10,000,000	8,531,755
Pine Tree	March 1, 2016	March 1, 2033	15,600,000	14,811,310
			<u>\$ 50,200,000</u>	<u>\$ 45,955,336</u>

These Bonds were issued for the purpose of assisting with the financing needed by a privately-owned company to acquire and rehabilitate a multifamily rental housing development within Douglas County. The bonds are secured by various assets of the borrower. The Housing Authority has no liability for the bonds in the event of default by the borrowers. Accordingly, the bonds are not reported as liabilities in the Housing Authority’s financial statements.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE M. INTERPROGRAM DUE TO AND DUE FROM

Due to the December 31, 2021, fiscal year end of Gretna Crown, LLC, River Road Townhomes, LLC, and Valley Crown, LLC, being different from the Housing Authority's March 31, 2021, year-end, inter-program receivables do not equal inter-program payables. Inter-program payables of \$5,598 due to the discretely presented component units were paid by the Housing Authority after December 31, 2021, and thus are not reflected in the March 31, 2022, financial statements of the Housing Authority.

NOTE N. DEFICIT BALANCE

The Housing Authority had a deficit net investment in capital assets for Multifamily, Rural Housing, and Woodgate Townhomes LP, in the amount of \$261,658, \$168,106, and \$16,250, respectively. The deficits are due to the amounts in net investment in capital assets and restricted net position being greater than the total net position in that fund.

NOTE O. CONTINGENT GAIN

In November 2017, the Housing Authority, on behalf of the Community Housing Services Corp., joined a class action lawsuit against The United States of American Department of Housing and Urban Affairs (HUD) challenging the operating reserve offset that Congress and HUD imposed on the Housing Authority's 2012 operating subsidy. On April 12, 2022, the Housing Authority was informed of the positive outcome of the class action lawsuit. The positive outcome resulted in the Housing Authority being paid \$81,000 for damages.

NOTE P. PRIOR PERIOD ADJUSTMENT

During the year ended March 31, 2022, the Housing Authority noted that there had been some issues with transactions made in prior periods for three of the discretely presented component units. The adjustments affected the following funds: a decrease in net position for Public Housing in the amount of \$4,030; a decrease in net position for Vouchers in the amount of \$6,218; and an increase in net position for Community Housing Service Corp. in the amount of \$254,767. The offsetting accounts for these adjustments were receivable accounts, for the respective funds.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2022

NOTE Q. SUBSEQUENT EVENT

Subsequent events have been assessed through June 29, 2023, which is the date the financial statements were issued, and the auditor has concluded there was one event or transaction occurring between year-end and this date that would require recognition or disclosure in the financial statements. With the approval from the Board of Commissioners, Community Housing and Service Corp purchased an office building located at 3211 N 90th Street on October 26, 2021. Financing was received for the build out in order to house all of Douglas County Housing Authorities staff. In August of 2022 the office was completed and the Admin staff moved from the 5404 N 107th Plaza location to 3211 N 90th Street. The maintenance staff now occupies the 5404 N 107th Plaza location. The loan was issued under Community Housing Service Corp. A lease was approved and signed with Community Housing Service Corp as the Landlord and DCHA as the Tenant.

SUPPLEMENTAL INFORMATION

Douglas County Housing Authority
 COMBINING SCHEDULE OF NET POSITION
 March 31, 2022

	Public Housing				Business Activities						Total Douglas County Housing Authority	
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Orchard Gardens	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Woodgate Townhomes LP		
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents, unrestricted	\$ 344,298	\$ 9,555	\$ 348,991	\$ 636,594	\$ -	\$ -	\$ 1,789,435	\$ 602,037	\$ 544,292	\$ 174,114	\$ 4,449,316	
Accounts receivable	31,628	-	80,112	3,950	-	-	244,437	5,270	1,914	11,025	378,336	
Tenant accounts receivable	290	-	-	2,059	-	-	-	7,378	2,494	3,066	15,287	
Prepaid and other assets	520,167	-	49,177	10,867	-	-	5,115	13,920	5,248	5,193	609,687	
Interprogram due from, current portion	31,834	-	26,860	2,620	-	-	-	-	3,447	-	64,761	
Total current assets	928,217	9,555	505,140	656,090	-	-	2,038,987	628,605	557,395	193,398	5,517,387	
NONCURRENT ASSETS												
Cash and cash equivalents, restricted	33,869	-	79,246	54,745	-	-	-	205,401	26,514	164,041	563,816	
Accrued interest receivable	-	-	-	-	-	622,221	-	-	-	-	622,221	
Investments, restricted	-	-	-	-	-	-	-	-	-	-	-	
Deposits with HUD	-	-	8,846	-	-	-	-	-	-	-	8,846	
Loan fees, net of accumulated amortization	-	-	-	-	-	-	9,014	-	-	-	9,014	
Notes receivable	-	-	-	-	-	600,000	-	-	-	-	600,000	
Total non-current assets	33,869	-	88,092	54,745	-	1,222,221	9,014	205,401	26,514	164,041	1,803,897	
CAPITAL ASSETS												
Land	390,500	-	-	90,853	-	-	357,700	75,000	44,340	42,785	1,001,178	
Buildings	4,960,608	-	-	1,196,148	-	-	792,995	2,570,811	682,191	2,125,926	12,328,679	
Construction in progress	14,925	-	-	-	-	-	-	-	-	-	14,925	
Leasehold improvements	301,420	-	-	72,593	-	-	-	54,968	55,057	-	484,038	
Furniture, equipment and vehicles	662,336	184,437	90,932	154,566	-	-	17,213	148,228	73,580	81,503	1,412,795	
Less accumulated depreciation	(5,414,235)	(69,651)	(71,373)	(1,151,669)	-	-	(20,700)	(1,992,756)	(539,909)	(1,563,557)	(10,823,850)	
Total capital assets	915,554	114,786	19,559	362,491	-	-	1,147,208	856,251	315,259	686,657	4,417,765	
Total assets	1,877,640	124,341	612,791	1,073,326	-	1,222,221	3,195,209	1,690,257	899,168	1,044,096	11,739,049	
DEFERRED OUTFLOWS OF RESOURCES												
Unamortized loss on bond refunding	-	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,877,640	\$ 124,341	\$ 612,791	\$ 1,073,326	\$ -	\$ 1,222,221	\$ 3,195,209	\$ 1,690,257	\$ 899,168	\$ 1,044,096	\$ 11,739,049	

See independent auditor's report.

Douglas County Housing Authority
 COMBINING SCHEDULE OF NET POSITION - CONTINUED
 March 31, 2022

	Public Housing				Business Activities						Total Douglas County Housing Authority	
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Orchard Gardens	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Woodgate Townhomes LP		
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION												
CURRENT LIABILITIES												
Accounts payable	\$ 30,529	\$ 23,316	\$ 29,813	\$ 11,295	\$ -	\$ -	\$ 5,210	\$ 5,615	\$ 5,134	\$ 10,896	\$ 121,808	
Accrued liabilities	25,892	-	42,570	10,299	-	-	-	9,973	2,636	18,409	109,779	
Accrued interest payable	-	-	-	-	-	-	-	-	-	9,707	9,707	
Cash overdraft	-	-	-	-	-	-	-	-	-	-	-	
Tenant security deposits	34,405	-	-	13,619	-	-	-	13,000	5,150	10,300	76,474	
Unearned revenue	7,826	-	2,298	4,705	-	-	462,609	896	399	2,801	481,534	
Interprogram due to	15,346	5,071	28,391	22,487	-	-	-	-	9,705	-	81,000	
Bonds and notes payable, current portion	-	-	-	35,247	-	-	-	29,653	27,296	365,313	457,509	
Total current liabilities	113,998	28,387	103,072	97,652	-	-	467,819	59,137	50,320	417,426	1,337,811	
NONCURRENT LIABILITIES												
Other liabilities	-	-	79,267	-	-	-	-	-	-	-	79,267	
Bonds and notes payable, less current portion	-	-	-	588,902	-	-	550,831	755,391	456,069	337,594	2,688,787	
Total non-current liabilities	-	-	79,267	588,902	-	-	550,831	755,391	456,069	337,594	2,768,054	
Total liabilities	113,998	28,387	182,339	686,554	-	-	1,018,650	814,528	506,389	755,020	4,105,865	
NET POSITION												
Net investment in capital assets	915,018	114,786	6,080	(261,658)	-	-	605,391	71,207	(168,106)	(16,250)	1,266,468	
Restricted	-	-	13,458	41,126	-	-	-	192,401	21,364	153,741	422,090	
Unrestricted	848,624	(18,832)	410,914	607,304	-	1,222,221	1,571,168	612,121	539,521	151,585	5,944,626	
Total net position	1,763,642	95,954	430,452	386,772	-	1,222,221	2,176,559	875,729	392,779	289,076	7,633,184	
Total liabilities, deferred inflows, and net position	\$ 1,877,640	\$ 124,341	\$ 612,791	\$ 1,073,326	\$ -	\$ 1,222,221	\$ 3,195,209	\$ 1,690,257	\$ 899,168	\$ 1,044,096	\$ 11,739,049	

See independent auditor's report.

Douglas County Housing Authority
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 For the year ended March 31, 2022

	Public Housing				Business Activities						Total Douglas County Housing Authority
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Orchard Gardens	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Woodgate Townhomes LP	
OPERATING REVENUES											
Tenant rental revenue	\$ 278,405	\$ -	\$ -	\$ 363,072	\$ -	\$ -	\$ -	\$ 511,170	\$ 226,359	\$ 240,758	\$ 1,619,764
HUD operating grants	165,762	30,000	8,747,770	-	-	-	-	-	-	-	8,943,532
Other government revenue	-	-	-	71,197	-	-	-	27,683	-	-	98,880
Other revenue	83,674	-	45,694	67,355	-	-	181,043	94,579	46,021	-	518,366
Total revenues	527,841	30,000	8,793,464	501,624	-	-	181,043	633,432	272,380	240,758	11,180,542
OPERATING EXPENSES											
Housing assistance payments	5,797	-	8,387,075	-	-	-	-	-	-	-	8,392,872
Administrative	162,917	-	813,510	122,365	-	-	90,313	109,533	48,820	38,962	1,386,420
Tenant services	-	-	68,148	7	-	-	-	-	-	-	68,155
Utilities	27,712	-	1,233	73,565	-	-	13,337	35,716	41,339	29,806	222,708
Ordinary maintenance and operations	162,710	83,615	4,737	90,440	-	-	9,321	129,749	47,781	93,877	622,230
General expenses	45,837	-	27,643	29,270	-	-	10,167	33,347	11,429	14,960	172,653
Depreciation and amortization expense	46,374	18,647	3,088	27,572	-	-	12,354	107,079	18,426	82,030	315,570
Total operating expenses	451,347	102,262	9,305,434	343,219	-	-	135,492	415,424	167,795	259,635	11,180,608
									104,585		
INCOME (LOSS) FROM OPERATIONS	76,494	(72,262)	(511,970)	158,405	-	-	45,551	218,008	-	(18,877)	(66)
NON-OPERATING REVENUES (EXPENSES)											
Interest income	373	-	882	3	-	57,202	-	158	2	376	58,996
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	(24,443)	-	-	-	(30,448)	(18,929)	(18,075)	(91,895)
Net non-operating revenues (expenses)	373	-	882	(24,440)	-	57,202	-	(30,290)	(18,927)	(17,699)	(32,899)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	76,867	(72,262)	(511,088)	133,965	-	57,202	45,551	187,718	85,658	(36,576)	(32,965)
HUD CAPITAL CONTRIBUTIONS	-	104,376	-	-	-	-	-	-	-	-	104,376
CHANGE IN NET POSITION	\$ 76,867	\$ 32,114	\$ (511,088)	\$ 133,965	\$ -	\$ 57,202	\$ 45,551	\$ 187,718	\$ 85,658	\$ (36,576)	\$ 71,411
NET POSITION, BEGINNING OF YEAR	\$ 1,660,805	\$ 93,840	\$ 947,758	\$ 252,807	\$ -	\$ 1,165,019	\$ 1,876,241	\$ 688,011	\$ 307,121	\$ 325,652	\$ 7,317,254
PRIOR PERIOD ADJUSTMENT	(4,030)	-	(6,218)	-	-	-	254,767	-	-	-	244,519
NET POSITION, BEGINNING OF YEAR AS RESTATED	1,656,775	93,840	941,540	252,807	-	1,165,019	2,131,008	688,011	307,121	325,652	7,561,773
EQUITY TRANSFER	30,000	(30,000)	-	-	-	-	-	-	-	-	-
NET POSITION, END OF YEAR	\$ 1,763,642	\$ 95,954	\$ 430,452	\$ 386,772	\$ -	\$ 1,222,221	\$ 2,176,559	\$ 875,729	\$ 392,779	\$ 289,076	\$ 7,633,184

See independent auditor's report.

Douglas County Housing Authority
COMBINING SCHEDULE OF CASH FLOWS
For the year ended March 31, 2022

	Public Housing				Business Activities						Total Douglas County Housing Authority
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Orchard Gardens	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Woodgate Townhomes LP	
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash received from tenants	\$ 269,955	\$ -	\$ (14,653)	\$ 360,329	\$ -	\$ -	\$ -	\$ 500,612	\$ 221,793	\$ 226,900	\$ 1,564,936
Cash received from operating grants	165,762	30,000	8,747,770	-	-	-	-	-	-	-	8,943,532
Other cash received	83,674	-	45,694	138,552	-	-	399,215	122,262	46,021	-	835,418
Cash paid to suppliers, employees and other funds	(1,013,791)	(64,723)	(9,306,092)	(307,273)	-	-	(124,464)	(311,490)	(174,459)	(175,069)	(11,477,361)
CASH FROM OPERATING ACTIVITIES	(494,400)	(34,723)	(527,281)	191,608	-	-	274,751	311,384	93,355	51,831	(133,475)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
Cash received/(paid) to other funds	12,260	(29,710)	(12,344)	(1,280,098)	-	-	1,284,313	5,410	(417,474)	11,126	(426,517)
Withdraws from the FSS escrow	-	-	(4,255)	-	-	-	-	-	-	-	(4,255)
CASH FROM NONCAPITAL FINANCING ACTIVITIES	12,260	(29,710)	(16,599)	(1,280,098)	-	-	1,284,313	5,410	(417,474)	11,126	(430,772)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Cash receipts from HUD capital grants	-	104,376	-	-	-	-	-	-	-	-	104,376
Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Cash paid for the purchase of capital assets	(67,095)	(48,748)	(3,862)	(2,103)	-	-	(1,151,006)	(45,962)	(3,152)	(8,866)	(1,330,794)
Proceeds from notes payable	-	-	-	665,000	-	-	-	-	-	-	665,000
Cash paid for loan fees	-	-	-	-	-	-	(9,014)	-	-	-	(9,014)
Cash paid for interest on bonds and notes payable	-	-	-	(24,443)	-	-	-	(30,448)	(18,929)	(18,075)	(91,895)
Cash paid for principle on bonds and notes payable	-	-	-	(6,937)	-	-	550,831	(28,546)	(26,276)	(15,833)	473,239
CASH FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES	(67,095)	55,628	(3,862)	631,517	-	-	(609,189)	(104,956)	(48,357)	(42,774)	(189,088)
CASH FLOWS FROM INVESTING ACTIVITIES											
Cash receipts for interest and dividends	373	-	882	3	-	-	-	-	2	376	1,636
Cash receipts from sale of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of investment	-	-	-	-	-	-	-	158	-	-	158
CASH FROM INVESTING ACTIVITIES	373	-	882	3	-	-	-	158	2	376	1,794
NET CHANGE IN CASH AND CASH EQUIVALENTS	(548,862)	(8,805)	(546,860)	(456,970)	-	-	949,875	211,996	(372,474)	20,559	(751,541)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	927,029	18,360	975,097	1,148,309	-	-	839,560	595,442	943,280	317,596	5,764,673
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 378,167	\$ 9,555	\$ 428,237	\$ 691,339	\$ -	\$ -	\$ 1,789,435	\$ 807,438	\$ 570,806	\$ 338,155	\$ 5,013,132
Cash and cash equivalents, unrestricted	\$ 344,298	\$ 9,555	\$ 348,991	\$ 636,594	\$ -	\$ -	\$ 1,789,435	\$ 602,037	\$ 544,292	\$ 174,114	\$ 4,449,316
Cash and cash equivalents, restricted	33,869	-	79,246	54,745	-	-	-	205,401	26,514	164,041	563,816
	<u>\$ 378,167</u>	<u>\$ 9,555</u>	<u>\$ 428,237</u>	<u>\$ 691,339</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,789,435</u>	<u>\$ 807,438</u>	<u>\$ 570,806</u>	<u>\$ 338,155</u>	<u>\$ 5,013,132</u>

See independent auditor's report.

Douglas County Housing Authority
 COMBINING SCHEDULE OF CASH FLOWS - CONTINUED
 For the year ended March 31, 2022

	Public Housing				Business Activities						Total Douglas County Housing Authority	
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Orchard Gardens	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Woodgate Townhomes LP		
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES												
Income (loss) from operations	\$ 76,494	\$ (72,262)	\$ (511,970)	\$ 158,405	\$ -	\$ -	\$ 45,551	\$ 218,008	\$ 104,585	\$ (18,877)	\$ (66)	
Adjustments to reconcile net income (loss) to net cash from operating activities												
Depreciation and amortization expense	46,374	18,647	3,088	27,572	-	-	12,354	107,079	18,426	82,030	315,570	
Change in accounts receivable	(4,360)	-	(7,507)	(3,950)	-	-	(244,437)	(5,270)	(3,450)	(11,025)	(279,999)	
Change in prepaid expenses	(463,815)	-	(20,299)	(1,614)	-	-	(3,897)	(2,559)	(1,099)	(1,400)	(494,683)	
Change in accounts payable	(146,278)	18,892	11,450	6,812	-	-	4,115	(1,795)	(23,244)	2,953	(127,095)	
Change in accrued liabilities and compensated absences	1,275	-	213	3,176	-	-	(1,544)	1,209	(747)	983	4,565	
Change in deposits with HUD	(4,030)	-	4,890	-	-	-	-	-	-	-	860	
Change in tenant security deposits	(60)	-	-	(501)	-	-	-	(3,511)	-	(3,681)	(7,753)	
Change in unearned revenue	-	-	(7,146)	1,708	-	-	462,609	(1,777)	(1,116)	848	455,126	
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (494,400)</u>	<u>\$ (34,723)</u>	<u>\$ (527,281)</u>	<u>\$ 191,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,751</u>	<u>\$ 311,384</u>	<u>\$ 93,355</u>	<u>\$ 51,831</u>	<u>\$ (133,475)</u>	

See independent auditor's report.

Douglas County Housing Authority (NE153)

OMAHA, NE

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	1 Business Activities	14.149 Rent Supplements_Rental Housing for Lower Income Families	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	Total
111 Cash - Unrestricted	\$353,853			\$192,891	\$1,487,742	\$636,592		\$348,990			\$3,020,068	\$3,020,068
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted				\$525,482	\$367,465	\$40,711		\$79,246			\$1,012,904	\$1,012,904
114 Cash - Tenant Security Deposits	\$33,869			\$26,171	\$28,491	\$14,035					\$102,566	\$102,566
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	\$387,722	\$0	\$0	\$744,544	\$1,883,698	\$691,338	\$0	\$428,236	\$0	\$0	\$4,135,538	\$4,135,538
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects								\$8,846			\$8,846	\$8,846
124 Accounts Receivable - Other Government								\$50			\$50	\$50
125 Accounts Receivable - Miscellaneous	\$31,628				\$20,710	\$3,948	\$2,693	\$77,368			\$136,347	\$136,347
126 Accounts Receivable - Tenants	\$2,552			\$989	\$18,354	\$2,785					\$24,680	\$24,680
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,262			-\$63	-\$5,417	-\$723					-\$8,465	-\$8,465
126.2 Allowance for Doubtful Accounts - Other	\$0				\$0	\$0	\$0	\$0			\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current												
128 Fraud Recovery												
128.1 Allowance for Doubtful Accounts - Fraud												
129 Accrued Interest Receivable					\$622,221						\$622,221	\$622,221
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$31,918	\$0	\$0	\$926	\$655,868	\$6,010	\$2,693	\$86,264	\$0	\$0	\$783,679	\$783,679
131 Investments - Unrestricted					\$1,622,136						\$1,622,136	\$1,622,136
132 Investments - Restricted				\$49,265							\$49,265	\$49,265
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets	\$520,167			\$20,942	\$29,476	\$10,867		\$49,176			\$630,628	\$630,628
143 Inventories												
143.1 Allowance for Obsolete Inventories												
144 Inter Program Due From	\$31,834			\$5,766	\$18,747	\$2,620	\$238	\$26,622			\$85,827	\$85,827
145 Assets Held for Sale												
150 Total Current Assets	\$971,641	\$0	\$0	\$821,443	\$4,209,925	\$710,835	\$2,931	\$590,298	\$0	\$0	\$7,307,073	\$7,307,073
161 Land	\$390,500			\$764,180	\$519,825	\$90,853					\$1,765,358	\$1,765,358
162 Buildings	\$4,629,656			\$5,507,997	\$6,171,923	\$1,196,148					\$17,505,724	\$17,505,724
163 Furniture, Equipment & Machinery - Dwellings	\$387,681			\$336,451	\$226,235	\$143,719					\$1,094,086	\$1,094,086
164 Furniture, Equipment & Machinery - Administration	\$459,091			\$326,023	\$94,290	\$10,847		\$90,932			\$981,183	\$981,183
165 Leasehold Improvements	\$301,420			\$75,497	\$55,058	\$72,593					\$504,568	\$504,568
166 Accumulated Depreciation	-\$5,483,685			-\$3,324,834	-\$4,116,922	-\$1,151,669		-\$71,373			-\$14,148,683	-\$14,148,683
167 Construction in Progress	\$14,925				\$143,650						\$158,575	\$158,575
168 Infrastructure	\$330,952			\$429,552	\$54,968						\$815,472	\$815,472
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,030,340	\$0	\$0	\$4,114,866	\$3,149,027	\$362,491	\$0	\$19,559	\$0	\$0	\$8,676,283	\$8,676,283
171 Notes, Loans and Mortgages Receivable - Non-Current					\$600,000						\$600,000	\$600,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due												
173 Grants Receivable - Non Current												
174 Other Assets				\$7,690	\$9,014						\$16,704	\$16,704
176 Investments in Joint Ventures					\$82,987						\$82,987	\$82,987
180 Total Non-Current Assets	\$1,030,340	\$0	\$0	\$4,122,556	\$3,841,028	\$362,491	\$0	\$19,559	\$0	\$0	\$9,375,974	\$9,375,974
200 Deferred Outflow of Resources												
290 Total Assets and Deferred Outflow of Resources	\$2,001,981	\$0	\$0	\$4,943,999	\$8,050,953	\$1,073,326	\$2,931	\$609,857	\$0	\$0	\$16,683,047	\$16,683,047

See Independent Auditor's Report

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	1 Business Activities	14.149 Rent Supplements_Rental Housing for Lower Income Families	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	Total
311 Bank Overdraft	\$54,054										\$54,054	\$54,054
312 Accounts Payable <= 90 Days				\$49,546	\$25,378	\$11,295	\$3	\$29,810			\$116,032	\$116,032
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable	\$8,362			\$1,061	\$6,558	\$2,915		\$17,907			\$36,803	\$36,803
322 Accrued Compensated Absences - Current Portion	\$6,296			\$3,405	\$11,071	\$7,384		\$24,663			\$52,819	\$52,819
324 Accrued Contingency Liability				\$4,775							\$4,775	\$4,775
325 Accrued Interest Payable				\$109,585	\$9,708						\$119,293	\$119,293
331 Accounts Payable - HUD PHA Programs												
332 Account Payable - PHA Projects												
333 Accounts Payable - Other Government												
341 Tenant Security Deposits	\$34,405			\$26,000	\$28,450	\$13,619					\$102,474	\$102,474
342 Unearned Revenue	\$7,826			\$4,411	\$466,704	\$4,705		\$2,298			\$485,944	\$485,944
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				\$1,579	\$422,262	\$35,247					\$459,088	\$459,088
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities												
346 Accrued Liabilities - Other	\$11,025			\$69,711	\$14,865						\$95,601	\$95,601
347 Inter Program - Due To	\$20,417				\$9,705	\$22,487	\$28,390				\$80,999	\$80,999
348 Loan Liability - Current												
310 Total Current Liabilities	\$142,385	\$0	\$0	\$270,073	\$994,701	\$97,652	\$28,393	\$74,678	\$0	\$0	\$1,607,882	\$1,607,882
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$2,513,927	\$1,762,290	\$588,903					\$4,865,120	\$4,865,120
352 Long-term Debt, Net of Current - Operating Borrowings				\$721,054	\$337,594						\$1,058,648	\$1,058,648
353 Non-current Liabilities - Other				\$168,210				\$79,267			\$247,477	\$247,477
354 Accrued Compensated Absences - Non Current												
355 Loan Liability - Non Current												
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities												
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$3,403,191	\$2,099,884	\$588,903	\$0	\$79,267	\$0	\$0	\$6,171,245	\$6,171,245
300 Total Liabilities	\$142,385	\$0	\$0	\$3,673,264	\$3,094,585	\$686,555	\$28,393	\$153,945	\$0	\$0	\$7,779,127	\$7,779,127
400 Deferred Inflow of Resources												
508.4 Net Investment in Capital Assets	\$1,030,340			\$878,306	\$626,882	-\$261,659	\$0	\$19,559	\$0	\$0	\$2,293,428	\$2,293,428
511.4 Restricted Net Position				\$406,708	\$367,506	\$41,127					\$815,341	\$815,341
512.4 Unrestricted Net Position	\$829,256	\$0	\$0	-\$14,279	\$3,961,980	\$607,303	-\$25,462	\$436,353	\$0	\$0	\$5,795,151	\$5,795,151
513 Total Equity - Net Assets / Position	\$1,859,596	\$0	\$0	\$1,270,735	\$4,956,368	\$386,771	-\$25,462	\$455,912	\$0	\$0	\$8,903,920	\$8,903,920
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,001,981	\$0	\$0	\$4,943,999	\$8,050,953	\$1,073,326	\$2,931	\$609,857	\$0	\$0	\$16,683,047	\$16,683,047

Douglas County Housing Authority (NE153)
 OMAHA, NE

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	1 Business Activities	14.149 Rent Supplements_Rental Housing for Lower Income Families	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	Total
70300 Net Tenant Rental Revenue	\$265,565			\$393,203	\$940,289	\$353,774					\$1,952,831	\$1,952,831
70400 Tenant Revenue - Other	\$12,840			\$6,252	\$37,998	\$9,302					\$66,392	\$66,392
70500 Total Tenant Revenue	\$278,405	\$0	\$0	\$399,455	\$978,287	\$363,076	\$0	\$0	\$0	\$0	\$2,019,223	\$2,019,223
70600 HUD PHA Operating Grants	\$195,762						\$1,473,712	\$7,265,212	\$8,846		\$8,943,532	\$8,943,532
70610 Capital Grants	\$104,376										\$104,376	\$104,376
70710 Management Fee												
70720 Asset Management Fee												
70730 Book Keeping Fee												
70740 Front Line Service Fee												
70750 Other Fees					\$156,561						\$156,561	\$156,561
70700 Total Fee Revenue												
70800 Other Government Grants						\$71,197				\$27,683	\$98,880	\$98,880
71100 Investment Income - Unrestricted	\$373			\$337	\$62,220	\$3		\$882			\$63,815	\$63,815
71200 Mortgage Interest Income												
71300 Proceeds from Disposition of Assets Held for Sale												
71310 Cost of Sale of Assets												
71400 Fraud Recovery	\$1,118							\$20,070			\$21,188	\$21,188
71500 Other Revenue	\$49,030				\$160,601	\$67,356		\$25,624			\$302,611	\$302,611
71600 Gain or Loss on Sale of Capital Assets	\$33,526										\$33,526	\$33,526
72000 Investment Income - Restricted				\$450							\$450	\$450
70000 Total Revenue	\$662,590	\$0	\$0	\$400,242	\$1,357,669	\$501,632	\$1,473,712	\$7,311,788	\$8,846	\$27,683	\$11,744,162	\$11,744,162
91100 Administrative Salaries	\$74,701			\$33,564	\$105,980	\$38,547	\$139,481	\$261,752	\$1,037		\$655,062	\$655,062
91200 Auditing Fees	\$2,250			\$8,985	\$23,636	\$1,269		\$38,225			\$74,365	\$74,365
91300 Management Fee				\$8,221	\$0						\$8,221	\$8,221
91310 Book-keeping Fee					\$576						\$576	\$576
91400 Advertising and Marketing	\$92			\$33	\$260	\$32		\$1,467			\$1,884	\$1,884
91500 Employee Benefit contributions - Administrative	\$22,651			\$10,605	\$29,665	\$8,964	\$9,878	\$147,650	\$79		\$229,492	\$229,492
91600 Office Expenses	\$1,527			\$605	\$6,985	\$794		\$12,435	\$70		\$22,416	\$22,416
91700 Legal Expense	\$784			\$3,613	\$12,248	\$558		\$16,559			\$33,762	\$33,762
91800 Travel	\$1,379			\$301	\$1,458	\$794		\$1,350			\$5,282	\$5,282
91810 Allocated Overhead					\$287						\$287	\$287
91900 Other	\$59,525			\$99,982	\$76,687	\$31,756	\$535	\$175,336	\$7,660		\$451,481	\$451,481
91000 Total Operating - Administrative	\$162,909	\$0	\$0	\$165,909	\$257,782	\$82,714	\$149,894	\$654,774	\$8,846	\$0	\$1,482,828	\$1,482,828
92000 Asset Management Fee												
92100 Tenant Services - Salaries						\$27,610		\$44,964			\$72,574	\$72,574
92200 Relocation Costs	\$160										\$160	\$160
92300 Employee Benefit Contributions - Tenant Services						\$9,197		\$21,999			\$31,196	\$31,196
92400 Tenant Services - Other						\$2,862		\$1,185			\$4,047	\$4,047
92500 Total Tenant Services	\$160	\$0	\$0	\$0	\$0	\$39,669	\$0	\$68,148	\$0	\$0	\$107,977	\$107,977

See Independent Auditor's Report

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	1 Business Activities	14.149 Rent Supplements, Rental Housing for Lower Income Families	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	Total
93100 Water	\$20,729			\$2,958	\$49,784	\$22,800					\$96,271	\$96,271
93200 Electricity	\$4,738			\$674	\$47,809	\$50,736		\$560			\$104,517	\$104,517
93300 Gas	\$2,244			\$32	\$19,358	\$28		\$673			\$22,335	\$22,335
93400 Fuel												
93500 Labor												
93600 Sewer												
93700 Employee Benefit Contributions - Utilities												
93800 Other Utilities Expense												
93000 Total Utilities	\$27,711	\$0	\$0	\$3,664	\$116,951	\$73,564	\$0	\$1,233	\$0	\$0	\$223,123	\$223,123
94100 Ordinary Maintenance and Operations - Labor	\$95,861			\$23,449	\$98,907	\$33,158					\$251,375	\$251,375
94200 Ordinary Maintenance and Operations - Materials and Other	\$99,798			\$8,405	\$33,316	\$13,101		\$2,250			\$156,870	\$156,870
94300 Ordinary Maintenance and Operations Contracts	\$24,437			\$25,426	\$98,318	\$30,676		\$2,487			\$181,344	\$181,344
94500 Employee Benefit Contributions - Ordinary Maintenance	\$26,091			\$9,156	\$58,908	\$13,506					\$107,661	\$107,661
94000 Total Maintenance	\$246,187	\$0	\$0	\$66,436	\$289,449	\$90,441	\$0	\$4,737	\$0	\$0	\$697,250	\$697,250
95100 Protective Services - Labor												
95200 Protective Services - Other Contract Costs												
95300 Protective Services - Other												
95500 Employee Benefit Contributions - Protective Services												
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$42,965			\$27,577	\$53,638	\$15,271		\$339			\$139,790	\$139,790
96120 Liability Insurance	\$1,587			\$1,063	\$1,456	\$698		\$18,821			\$23,625	\$23,625
96130 Workmen's Compensation	\$629			\$3,100	\$742	\$355		\$8,974			\$13,800	\$13,800
96140 All Other Insurance	\$1,589			\$652	\$5,021	\$9,421		\$2,262			\$18,945	\$18,945
96100 Total insurance Premiums	\$46,770	\$0	\$0	\$32,392	\$60,857	\$25,745	\$0	\$30,396	\$0	\$0	\$196,160	\$196,160
96200 Other General Expenses	\$734			\$37,358	\$4,710	\$414					\$43,216	\$43,216
96210 Compensated Absences	-\$1,284			\$3,893	\$942	\$3,073		-\$2,754			\$3,870	\$3,870
96300 Payments in Lieu of Taxes												
96400 Bad debt - Tenant Rents	-\$397			\$563	\$938	\$35					\$1,139	\$1,139
96500 Bad debt - Mortgages												
96600 Bad debt - Other												
96800 Severance Expense												
96000 Total Other General Expenses	-\$947	\$0	\$0	\$41,814	\$6,590	\$3,522	\$0	-\$2,754	\$0	\$0	\$48,225	\$48,225
96710 Interest of Mortgage (or Bonds) Payable				\$84,780	\$37,003	\$24,442					\$146,225	\$146,225
96720 Interest on Notes Payable (Short and Long Term)					\$34,941						\$34,941	\$34,941
96730 Amortization of Bond Issue Costs				\$69,103	\$1,261						\$70,364	\$70,364
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$153,883	\$73,205	\$24,442	\$0	\$0	\$0	\$0	\$251,530	\$251,530
96900 Total Operating Expenses	\$482,790	\$0	\$0	\$464,098	\$804,834	\$340,097	\$149,894	\$756,534	\$8,846	\$0	\$3,007,093	\$3,007,093
97000 Excess of Operating Revenue over Operating Expenses	\$179,800	\$0	\$0	-\$63,856	\$552,835	\$161,535	\$1,323,818	\$6,555,254	\$0	\$27,683	\$8,737,069	\$8,737,069

	Project Total	14.PHC Public Housing CARES Act Funding	14.MSC Mainstream CARES Act Funding	6.1 Component Unit - Discretely Presented	1 Business Activities	14.149 Rent Supplements, Rental Housing for Lower Income Families	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	97.036 Disaster Grants - Presidentially Declared Disasters	Subtotal	Total
97100 Extraordinary Maintenance												
97200 Casualty Losses - Non-capitalized												
97300 Housing Assistance Payments	\$5,797						\$1,428,837	\$6,958,238			\$8,392,872	\$8,392,872
97350 HAP Portability-In												
97400 Depreciation Expense	\$65,021			\$240,667	\$219,888	\$27,571		\$3,088			\$556,235	\$556,235
97500 Fraud Losses												
97600 Capital Outlays - Governmental Funds												
97700 Debt Principal Payment - Governmental Funds												
97800 Dwelling Units Rent Expense												
90000 Total Expenses	\$553,608	\$0	\$0	\$704,765	\$1,024,722	\$367,668	\$1,578,731	\$7,717,860	\$8,848	\$0	\$11,956,200	\$11,956,200
10010 Operating Transfer In	\$30,000				\$27,683						\$57,683	\$57,683
10020 Operating transfer Out	-\$30,000									-\$27,683	-\$57,683	-\$57,683
10030 Operating Transfers from/to Primary Government												
10040 Operating Transfers from/to Component Unit												
10050 Proceeds from Notes, Loans and Bonds												
10060 Proceeds from Property Sales												
10070 Extraordinary Items, Net Gain/Loss												
10080 Special Items (Net Gain/Loss)												
10091 Inter Project Excess Cash Transfer In												
10092 Inter Project Excess Cash Transfer Out												
10093 Transfers between Program and Project - In												
10094 Transfers between Project and Program - Out												
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$27,683	\$0	\$0	\$0	\$0	-\$27,683	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$108,982	\$0	\$0	-\$304,523	\$360,630	\$133,964	-\$105,019	-\$406,072	\$0	\$0	-\$212,038	-\$212,038
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$60,649	\$69,144	\$34,898	\$0	\$0	\$0	\$0	\$164,691	\$164,691
11030 Beginning Equity	\$1,460,940	\$0	\$0	\$1,586,850	\$5,006,670	\$262,817	\$79,556	\$851,960	\$0	\$0	\$9,248,793	\$9,248,793
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$289,674			-\$11,592	-\$410,932	-\$10,010	\$1	\$10,024			-\$132,835	-\$132,835
11050 Changes in Compensated Absence Balance												
11060 Changes in Contingent Liability Balance												
11070 Changes in Unrecognized Pension Transition Liability												
11080 Changes in Special Term/Severance Benefits Liability												
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents												
11100 Changes in Allowance for Doubtful Accounts - Other												
11170 Administrative Fee Equity								\$549,053			\$549,053	\$549,053
11180 Housing Assistance Payments Equity								-\$93,141			-\$93,141	-\$93,141
11190 Unit Months Available	948			492	1104	528	3384	12840		0	19296	19296
11210 Number of Unit Months Leased	907			492	1078	522	2669	11936		0	17604	17604
11270 Excess Cash	\$275,825										\$275,825	\$275,825
11610 Land Purchases	\$0										\$0	\$0
11620 Building Purchases	\$0										\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$156,547										\$156,547	\$156,547
11640 Furniture & Equipment - Administrative Purchases	\$0										\$0	\$0
11650 Leasehold Improvements Purchases	\$0										\$0	\$0
11660 Infrastructure Purchases	\$0										\$0	\$0
13510 CFFP Debt Service Payments	\$0										\$0	\$0
13901 Replacement Housing Factor Funds	\$0										\$0	\$0

Douglas County Housing Authority
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended March 31, 2022

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
Rental Supplements Rental Housing for Lower Income Families	14.149	NE26R000035	\$ 72,685
		NE26R000004	117,131
		MFSC179450	<u>71,197</u>
Total Rental Supplements Rental Housing for Lower Income Families			<u>261,013</u>
Public and Indian Housing			
Public and Indian Housing (Operating Subsidy)	14.850	NE1530000620D	<u>165,762</u>
Total Public and Indian Housing (Operating Subsidy)			<u>165,762</u>
Public Housing Capital Fund Program			
	14.872	NE	30,000
		NE26P153501-18	175
		NE26P153501-19	80,881
		NE26P153501-20	<u>23,320</u>
Total Public Housing Capital Fund Program			<u>134,376</u>
Lower Income Housing Assistance Payments			
Housing Vouchers Cluster			
Section 8 Housing Choice Vouchers	14.871	NE153	<u>6,958,238</u>
Total Section 8 Housing Choice Vouchers			<u>6,958,238</u>
Mainstream Vouchers	14.879	NE153DV	<u>1,428,837</u>
Total Mainstream Vouchers			<u>1,428,837</u>
Total Housing Vouchers Cluster			<u>8,387,075</u>
Cares Act			
Housing Choice Vouchers - Cares Act	14.HCC	NE1530000620DC	<u>8,846</u>
Total HCV - Cares Act			<u>8,846</u>
Total U.S. Department of Housing and Urban Development			8,957,072
U.S. Department of Homeland Security			
Disaster Grants - Presidentially Declared Disaster	97.036	055-U0S6B-00	<u>27,683</u>
Total U.S. Department of Homeland Security			<u>27,683</u>
Total expenditures of federal awards			<u><u>\$ 8,984,755</u></u>

See independent auditor's report

Douglas County Housing Authority
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended March 31, 2022

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The schedule of expenditures of federal awards is presented on the full accrual basis of accounting.

2. Basis of Presentation

The accompanying schedule presents expenditures paid for each federal award program in accordance with the Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal programs are reported as presented in the Catalog of Federal Domestic Assistance (CFDA), whenever possible.

3. Contingencies

During the normal course of business, the Housing Authority receives funds from the United States Government for program services. Substantially all of these funds are subject to future audit by the U. S. Department of Housing and Urban Development, however, it is management's opinion that resulting adjustments, if any, would not have a material effect upon the accompanying financial statements.

4. De Minimis Indirect Cost Rate

The Commission has elected not to charge the 10% de minimis indirect cost rate to its federal award programs.

OTHER INFORMATION

Douglas County Housing Authority
 STATEMENT OF CAPITAL FUNDS PROGRAM
 For the year ended March 31, 2022

Project Code	Status	Funds Approved	Funds Obligated	Unobligated Funds	Funds Advanced	Funds Expended	Excess (Shortage) Funds
CFP Project 2022 NE26P153501-22	Incomplete	\$ 172,721	\$ -	\$ -	\$ -	\$ -	\$ -
CFP Project 2021 NE26P153501-21	Incomplete	\$ 141,028	\$ 30,000	\$ -	\$ 30,000	\$ 30,000	\$ -
CFP Project 2020 NE26P153501-20	Incomplete	\$ 134,331	\$ 60,623	\$ -	\$ 60,623	\$ 60,623	\$ -
CFP Project 2019 NE26P153501-19	Incomplete	\$ 125,282	\$ 125,282	\$ -	\$ 125,282	\$ 125,282	\$ -
CFP Project 2018 NE26P153501-18	Incomplete	\$ 130,139	\$ 130,139	\$ -	\$ 130,139	\$ 130,139	\$ -

See independent auditor's report.



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

Board of Commissioners
Douglas County Housing Authority
Omaha, Nebraska

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 the business-type activities of Douglas County Housing Authority (the Authority), and blended component unit, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated June 29, 2023.

We did not audit the financial statements of Gretna Crown, LLC, River Road Townhomes, LLC, or Valley Crown, LLC, which represent 30%, 15%, and 3%, respectively, of the assets, net position, and revenues of the Authority and the component units. The financial statements of Gretna Crown, LLC, River Road Townhomes, LLC, and Valley Crown, LLC, were not audited in accordance with Governmental Auditing Standards.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’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 the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Authority'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Douglas County Housing Authority's Response to Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority'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.

Hayes & Associates, LLC

Hayes & Associates, L.L.C.
Omaha, Nebraska
June 29, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Douglas County Housing Authority
Omaha, Nebraska

Report on Compliance for the Major Federal Program

Opinion on Major Federal Program

We have audited Douglas County Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended March 31, 2022. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

Hayes & Associates, LLC

Hayes & Associates, L.L.C.
Omaha, Nebraska
June 29, 2023

Douglas County Housing Authority
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended March 31, 2022

I. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issues: **Unmodified**

Internal controls over financial reporting:

- Material weaknesses identified: **2022-001**
- Significant deficiencies identified: **None reported**

Noncompliance material to financial statements noted: **None reported**

Federal Awards

Internal control over major programs:

- Material weaknesses identified: **None reported**
- Significant deficiencies identified: **None reported**

Type of auditors' report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of Uniform Guidance: **No**

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.871 & 14.879	Housing Vouchers Cluster

Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**

Audit qualified as low-risk auditee: **No**

Douglas County Housing Authority
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -CONTINUED
For the year ended March 31, 2022

II. FINANCIAL STATEMENT FINDINGS

2022-001 Material Weakness

Preparation of timely financial statements and REAC reporting

Condition: The Authority has not maintained their financial records in a fashion that accommodated them filing their audited financial statements along with their financial data schedule (FDS) through the Real Estate Assessment Center (REAC) via the Financial Assessment Subsystem (FASS-ph). Based on our assessment, there appears to have been difficulties in reconciling the inter-program due to and due from transactions between the various properties.

Criteria: As a recipient of HUD funds, public housing authority's (PHAs) are responsible for ensuring that audited financial statements are electronically submitted to REAC within 9 months after its fiscal year end.

Cause: There is a lot of time spent daily on ensuring the operations of the Authority are properly accounted for, which consumes much of the accounting team's resources and provides a challenge for them in trying to ensure other requirements are met.

Effect: The Authority is not in compliance with their financial reporting obligations to HUD.

Recommendation: The Authority should implement internal controls to ensure the inter-program due to and due from accounts are reconciled monthly. In addition, the Authority should assess if they have the capacity to file the required HUD reports in a timely manner with their current internal resources, and if not, consider contracting a fee accountant to assist them with these filings.

Management Response: The Authority will implement a monthly reconciliation process for their inter-program activity. In addition, The Authority has contracted with a third-party fee accountant to assist them with the timely submission of both their required annual HUD reporting requirements.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

Douglas County Housing Authority
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended March 31, 2022

II. FINANCIAL STATEMENT FINDINGS

2021-001 Material Weakness

Preparation of timely financial statements and REAC reporting

Condition: The Authority has not maintained their financial records in a fashion that accommodated them filing their audited financial statements along with their financial data schedule (FDS) through the Real Estate Assessment Center (REAC) via the Financial Assessment Subsystem (FASS-ph). Based on our assessment, there appears to have been difficulties in reconciling the inter-program due to and due from transactions between the various properties.

Criteria: As a recipient of HUD funds, public housing authority's (PHAs) are responsible for ensuring that audited financial statements are electronically submitted to REAC within 9 months after its fiscal year end.

Cause: There is a lot of time spent daily on ensuring the operations of the Authority are properly accounted for, which consumes much of the accounting team's resources and provides a challenge for them in trying to ensure other requirements are met.

Effect: The Authority is not in compliance with their financial reporting obligations to HUD.

Recommendation: The Authority should implement internal controls to ensure the inter-program due to and due from accounts are reconciled monthly. In addition, the Authority should assess if they have the capacity to file the required HUD reports in a timely manner with their current internal resources, and if not, consider contracting a fee accountant to assist them with these filings.

Management Response: The Authority will implement a monthly reconciliation process for their inter-program activity. In addition, The Authority has contracted with a third-party fee accountant to assist them with the timely submission of both their required annual HUD reporting requirements.

Follow-up: The Authority has implemented their corrective action plan to prevent this issue in the future, however due to the timing of the FY2021 the action did not have a significant impact on the timing of the FY2022 audit. Management expects this to be resolved for the year ended March 31, 2023.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

III. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

2022-001 – Material Weakness

Name of contact person – Rhonda Hodge-Mason, Chief Executive Officer

Findings – The Authority has not maintained their financial records in a fashion that accommodated them filing their audited financial statements along with their financial data schedule (FDS) through the Real Estate Assessment Center (REAC) via the Financial Assessment Subsystem (FASS-ph). Based on our assessment, there appears to have been difficulties in reconciling the inter-program due to and due from transactions between the various properties. As a recipient of HUD funds, public housing authority's (PHAs) are responsible for ensuring that audited financial statements are electronically submitted to REAC within 9 months after its fiscal year end. There is a lot of time spent daily on ensuring the operations of the Authority are properly accounted for, which consumes much of the accounting team's resources and provides a challenge for them in trying to ensure other requirements are met. The Authority is not in compliance with their financial reporting obligations to HUD.

Recommendation – The Authority should implement internal controls to ensure the inter-program due to and due from accounts are reconciled monthly. In addition, the Authority should assess if they have the capacity to file the required HUD reports in a timely manner with their current internal resources, and if not, consider contracting a fee accountant to assist them with these filings.

Agency Response – The Authority will implement a monthly reconciliation process for their inter-program activity. In addition, The Authority has contracted with a third-party fee accountant to assist them with the timely submission of both their required annual HUD reporting requirements.

Plan of Action –

After numerous attempts to counsel and provide guidance to the Finance Director it became clear that there had not been much if any improvement in that department. I met with the Board and shared these concerns. As a result, the Finance Director, employment was terminated April 28th. I have promoted from within, and we have made the following steps to meet the deadlines.

- DCHA previously contracted a 3rd party fee accountant to assist with several reporting functions including the submission of the REAC, but due to capacity constraints



with the vendor that arrangement was unsuccessful.

- DCHA have since engaged with BDO for consulting and training on VMS and other reporting functions for our accounting and finance personnel and will continue to seek their guidance as needed to help ensure we have the capacity internally to fulfill the reporting requirements both accurately and timely. In addition, BDO is providing services to assist with timely submission of our Unaudited FYE 2023 FDS which was submitted May 2023.
- DCHA plans to have the submission of the past due information (audit for FYE 3-31-22) completed and submitted as soon as possible, but no later than June 30, 2023.
- DCHA has met with our external auditors (Hayes & Associates) for an entrance conference to discuss timing and planning for the upcoming audit of FYE 3-31-23 financial statements to ensure the audit is completed by the due date of December 31, 2023, including the REAC submission and data collection form to the federal audit clearing house.
- DCHA will continue to collaborate with our Board of Commissioners, Finance Committee, HUD representative/liaison, BDO, and Hayes & Associates to proactively monitor the timely close out of fiscal year, submission of the FY23 unaudited FDS, and ultimate completion of the financial and single audit for DCHA.

Proposed Completion Date –

All past submissions will be submitted by June 30, 2023. We will strive to complete all future submissions before or by their due dates.