

Douglas County Housing Authority
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
For the year ended March 31, 2023

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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, 2023, 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, 2023, 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note G to the financial statements, during the year ended March 31, 2023, the Authority adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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, or River Road Townhomes, LLC, which comprise the discretely presented component units, and represent 21%, 14%, 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, and River Road Townhomes, LLC, is based solely on the report of the other auditors. The financial statements of Gretna Crown, LLC, and River Road Townhomes, 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, and the statement and certification actual modernization cost certificate capital fund program have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 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
December 21, 2023

Douglas County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2023
(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, 2023. This discussion and analysis is designed to assist the reader in focusing on 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, Woodgate Townhomes LP and Valley CROWN, LLC are reported here.
- Component units - The Housing Authority is a partner in two separate legal entities, 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, 2023
(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, 2023, 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, 2023
(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 \$8,085,086 at the close of the year ended March 31, 2023. 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 \$1,832,677 as of the fiscal year end. Restricted Net Position totaling \$552,305 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 \$5,700,104 as of March 31, 2023. 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.

	FY2023	FY2022	Dollar Change	Percent Change
Current and other assets	\$ 5,483,934	\$ 7,321,284	(1,837,350)	-25.10%
Capital assets	6,644,715	4,417,765	2,226,950	50.41%
Deferred Outflows	-	-	-	0.00%
Total Assets	\$ 12,128,649	\$ 11,739,049	389,600	3.32%
Current liabilities	657,368	1,337,811	(680,443)	-50.86%
Noncurrent liabilities	3,386,195	2,768,054	618,141	22.33%
Total Liabilities	4,043,563	4,105,865	(62,302)	-1.52%
Net investment in				
capital assets	1,832,677	1,266,468	566,209	44.71%
Restricted	552,305	408,632	143,673	35.16%
Unrestricted	5,700,104	5,958,084	(257,980)	-4.33%
Total Net Position	8,085,086	7,633,184	451,902	5.92%
Total Liabilities and Net Position	\$ 12,128,649	\$ 11,739,049	389,600	4.40%

Douglas County Housing Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
For the year ended March 31, 2023
(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

The 2023 approved capital grant totals \$174,805 and 0% was expended as of March 31, 2023

The 2022 approved capital grant totals \$173,339 and 36% was expended as of March 31, 2023.

The 2021 approved capital grant totals \$141,675 and 99.9% was expended as of March 31, 2023.

The 2020 approved capital grant totals \$134,331 and 100% was expended as of March 31, 2023. Of the total amount, \$30,000 was used on general operations and \$104,331 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 2023	FY 2022	Dollar Change	Percent Change
Revenues				
HAP revenue	\$ 8,903,296	\$ 7,839,751	\$ 1,063,545	13.57%
Administrative revenue	1,071,280	845,672	225,608	26.68%
Fraud Recovery revenue	24,648	21,189	3,459	16.32%
Tenant rental revenue	1,854,496	1,619,764	234,732	14.49%
HUD operating grant	264,426	249,263	15,163	6.08%
Capital grant revenue	194,473	104,376	90,097	86.32%
Other government grants	75,398	71,197	4,201	5.90%
Interest income	69,591	58,996	10,595	17.96%
Other income	438,808	533,706	(94,898)	-17.78%
Gain on sale of capital assets	-	-	-	100.00%
Total revenue	<u>12,896,416</u>	<u>11,343,914</u>	<u>1,552,502</u>	<u>13.69%</u>
Expenses				
Administrative	1,425,685	1,386,420	39,265	2.83%
Tenant services	76,123	68,155	7,968	11.69%
Utilities	245,104	222,708	22,396	10.06%
Ordinary maintenance and operations	730,237	622,230	108,007	17.36%
General expense	309,883	172,653	137,230	79.48%
Depreciation and amortization	484,075	315,570	168,505	53.40%
HAP expenses	8,826,811	8,392,872	433,939	5.17%
Interest	141,220	91,895	49,325	53.68%
Total expenses	<u>12,239,138</u>	<u>11,272,503</u>	<u>966,635</u>	<u>8.58%</u>

Douglas County Housing Authority
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED
For the year ended March 31, 2023
(Unaudited)

FINANCIAL ANALYSIS (CONTINUED)

Excess (deficiency) before before prior period adjustments	657,278	71,411
Beginning net position Valley Crown	7,633,184	7,317,254
	(197,414)	-
Beginning net position with blended component units	7,435,770	7,317,254
Prior period adjustment	(7,962)	244,519
Beginning net position as restated	<u>7,427,808</u>	<u>7,561,773</u>
Ending net position	<u>\$ 8,085,086</u>	<u>\$ 7,633,184</u>

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

In FYE 2023, the Housing Authority’s overall revenue increased by \$1,552,502. Many factors contributed to the increase; Public Housing and Section 8 HUD Funding increased, and the addition of Valley Crown LLC transferred from Component unit to business activity.

Total expenses increased by \$966,635 due mainly to COLA; increase in Landlord payments which relate to the increase in HUD funding, and an increase in staffing.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - At the end of March 31, 2023, the Housing Authority had \$6,644,715 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, 2023, the Housing Authority had \$3,386,195 in total long-term liabilities. This is a net increase of \$618,141. The increase consists of the addition of Lease Liability and the completion of the Central Office buildout.

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 2023 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, 2023
(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, 2023, was 92%. The operating expenses are expected to increase at 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 a 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, 2023

	Douglas County Housing Authority	Component Units December 31, 2022	
		Gretna Crown, LLC	River Road Townhomes LLC
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents, unrestricted	\$ 4,093,367	\$ 50,428	\$ 101,210
Accounts receivable	165,926	-	-
Tenant accounts receivable	16,037	-	-
Prepaid and other assets	173,624	9,324	7,073
Interprogram due from, current portion	113,552	-	-
Total current assets	<u>4,562,506</u>	<u>59,752</u>	<u>108,283</u>
NON-CURRENT ASSETS			
Cash and cash equivalents, restricted	872,774	237,807	185,583
Accrued interest receivable	-	-	-
Investments, restricted	-	-	-
Deposits with HUD	-	-	-
Mortgages receivable, net	-	-	-
Notes receivable	-	-	-
Right-of-use asset, net	48,654	-	-
Other assets	-	-	5,985
Total non-current assets	<u>921,428</u>	<u>237,807</u>	<u>191,568</u>
CAPITAL ASSETS			
Land	1,201,178	405,000	159,180
Buildings	14,822,000	2,373,360	1,728,958
Construction in progress	-	-	-
Leasehold improvements	1,172,387	-	75,497
Furniture, equipment and vehicles	1,946,401	318,355	183,960
Less accumulated depreciation	<u>(12,497,251)</u>	<u>(1,553,215)</u>	<u>(702,454)</u>
Total capital assets	<u>6,644,715</u>	<u>1,543,500</u>	<u>1,445,141</u>
Total assets	<u>12,128,649</u>	<u>1,841,059</u>	<u>1,744,992</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on bond refunding	-	-	-
Total deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 12,128,649</u>	<u>\$ 1,841,059</u>	<u>\$ 1,744,992</u>

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
STATEMENT OF NET POSITION - CONTINUED
March 31, 2023

	Douglas County Housing Authority	Component Units December 31, 2022	
		Gretna Crown LLC	River Road Townhomes LLC
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	\$ 111,035	\$ 25,965	\$ 65,137
Accrued liabilities	127,273	18,989	8,374
Accrued interest payable	61,945	47,443	7,457
Tenant security deposits	86,582	10,500	7,000
Unearned revenue	32,518	-	-
Interprogram due to, current portion	106,245	-	-
Lease liability, current portion	11,247	-	-
Bonds and notes payable, current portion	120,523	-	-
Total current liabilities	<u>657,368</u>	<u>102,897</u>	<u>87,968</u>
NON-CURRENT LIABILITIES			
Other liabilities	232,151	94,963	-
Interprogram due to, less current portion	-	-	-
Lease liability, less current portion	37,874	-	-
Bonds and notes payable, less current portion	3,116,170	1,335,492	635,302
Total non-current liabilities	<u>3,386,195</u>	<u>1,430,455</u>	<u>635,302</u>
Total liabilities	<u>4,043,563</u>	<u>1,533,352</u>	<u>723,270</u>
NET POSITION			
Net investment in capital assets	1,832,677	208,008	809,839
Restricted	552,305	132,344	178,583
Unrestricted	5,700,104	(32,645)	33,300
Total net position	<u>8,085,086</u>	<u>307,707</u>	<u>1,021,722</u>
Total liabilities, deferred inflows, and net position	<u>\$ 12,128,649</u>	<u>\$ 1,841,059</u>	<u>\$ 1,744,992</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, 2023

	Douglas County Housing Authority	Component Units December 31, 2022	
		Gretna Crown LLC	River Road Townhomes LLC
OPERATING REVENUES			
Tenant rental revenue	\$ 1,854,496	\$ 156,450	\$ 132,024
HUD operating grants	10,239,003	-	-
Other government revenue	75,398	-	-
Other revenue	463,455	1,500	3,390
Total revenues	<u>12,632,352</u>	<u>157,950</u>	<u>135,414</u>
OPERATING EXPENSES			
Housing assistance payments	8,826,811	-	-
Administrative	1,425,685	81,554	55,616
Tenant services	76,123	-	-
Utilities	245,104	-	-
Ordinary maintenance and operations	730,237	12,674	30,162
General expenses	309,883	31,242	15,145
Depreciation and amortization expense	484,075	96,250	72,730
Total operating expenses	<u>12,097,918</u>	<u>221,720</u>	<u>173,653</u>
INCOME (LOSS) FROM OPERATIONS	534,434	(63,770)	(38,239)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	69,591	608	715
Gain on sale of assets	-	-	54,700
Interest expense	(141,220)	(64,927)	(26,857)
Net non-operating revenues (expenses)	<u>(71,629)</u>	<u>(64,319)</u>	<u>28,558</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	462,805	(128,089)	(9,681)
HUD CAPITAL CONTRIBUTIONS	<u>194,473</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	657,278	(128,089)	(9,681)
NET POSITION, BEGINNING OF YEAR	<u>7,435,770</u>	<u>436,747</u>	<u>1,031,403</u>
PRIOR PERIOD ADJUSTMENT	<u>(7,962)</u>	<u>-</u>	<u>-</u>
NET POSITION, BEGINNING OF YEAR AS RESTATED	<u>7,427,808</u>	<u>436,747</u>	<u>1,031,403</u>
DISTRIBUTIONS TO MEMBERS	<u>-</u>	<u>(951)</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 8,085,086</u>	<u>\$ 307,707</u>	<u>\$ 1,021,722</u>

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
STATEMENT OF CASH FLOWS
For the year ended March 31, 2023

	Douglas County Housing Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from tenants	\$ 1,899,951
Cash received from operating grants	10,239,003
Other cash received	43,967
Cash paid to suppliers, employees and other funds	(11,187,854)
CASH FROM OPERATING ACTIVITIES	995,067
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received/(paid) to other funds	(716,031)
Deposits into the FSS escrow	62,027
CASH FROM NONCAPITAL FINANCING ACTIVITIES	(654,004)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash receipts from HUD capital grants	194,473
Cash paid for the purchase of capital assets	(1,774,376)
Cash paid for interest on bonds and notes payable	(155,289)
Cash paid for principle on bonds and notes payable	411,702
CASH FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES	(649,476)
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash receipts for interest and dividends	13,238
Purchase of investments	2,311
CASH FROM INVESTING ACTIVITIES	15,549
NET CHANGE IN CASH AND CASH EQUIVALENTS	(292,864)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,259,005
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,966,141
Cash and cash equivalents, unrestricted	\$ 4,093,367
Cash and cash equivalents, restricted	872,774
	\$ 4,966,141

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
STATEMENT OF CASH FLOWS - CONTINUED
For the year ended March 31, 2023

		Douglas County Housing Authority
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS		
FLOWS FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$	534,872
Adjustments to reconcile net income (loss) to net cash from operating activities		
Depreciation and amortization expense		565,797
Change in accounts receivable		(84,611)
Change in prepaid expenses		448,336
Change in right-of-use asset		(468,937)
Change in accounts payable		(51,373)
Change in accrued liabilities and compensated absences		11,931
Change in deposits with HUD		8,846
Change in tenant security deposits		2,036
Change in lease liabilities		477,186
Change in unearned revenue		(449,016)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$	995,067

See accompanying notes and independent auditor's report.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2023

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.

Based upon the application of these criteria, there are three component entities: 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, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Reporting Entity – Continued

Discretely Presented Component Units

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 the 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, 2023

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 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.

Changes in Component Units

Valley Crown, LLC (Fiscal Year End March 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.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Changes in Component Units – Continued

Valley Crown, LLC (Fiscal Year End March 31) – Continued

As of December 31, 2022, the Housing Authority purchased all remaining ownership interest in Valley Crown, LLC, effectively terminating the partnership under Nebraska law. As a result, Valley Crown, LLC is reported on the consolidating schedules in the Supplemental Information section and included in the consolidated financial statements of the Housing Authority as a blended component unit.

During the year ended March 31, 2023, the Housing Authority opted to present Valley Crown, LLC financials as fifteen-month fiscal year in order to change it from a December 31st year end to a March 31st year end. All positions reported in the financial statements are as of March 31, 2023, and all activities are reported for the fifteen-month period ending March 31, 2023.

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.

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.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Basis of Presentation - Continued

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).

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.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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, 2023, 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.

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.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Net Position Classification - Continued

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 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. During the year ended March 31, 2023, this standard was implemented. See Note G for additional information on the implementation of this Statement.

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. During the year ended March 31, 2023, this standard was implemented, but did not have a significant impact on the financial statements.

New Accounting Pronouncements Not Yet Adopted

In May 2020, GASB issued Statement No 96, Subscription-Based Information Technology Arrangements (SBITA). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

14. Recent Accounting Pronouncements – Continued

New Accounting Pronouncements Not Yet Adopted – Continued

In April 2022, GASB issued Statement No. 99 *Omnibus 2022*. 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. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022.

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 the 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.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE B. DEPOSITS AND INVESTMENTS – CONTINUED

2. Carrying Values of Deposits and Investments

The carrying value of deposits at March 31, 2023, is as follows:

Cash in financial institutions, unrestricted	\$	2,422,401
Cash in financial institutions, restricted		872,618
	\$	<u>3,295,019</u>

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, 2023, 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.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE B. DEPOSITS AND INVESTMENTS – CONTINUED

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, 2023, no Housing Authority investments were subject to interest rate risk.

NOTE C. CASH

The carrying amount of the Housing Authority’s cash was \$4,966,141. The following is a detail of amounts included in the cash balances which is restricted for specific purposes.

Unrestricted	
Cash	\$ 4,093,367
Total unrestricted cash	4,093,367
Restricted	
Reserve for replacement	470,323
Operating reserve	145,595
Family self-sufficiency escrow	169,385
Tenant security deposits	87,471
Total restricted cash	872,774
Total cash	\$ 4,966,141

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, 2023, 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, 2023

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, 2023, is \$600,000 with accrued interest to date of \$682,232. The note will mature on December 31, 2023, a single payment of principal and accrued interest will be due. The balances related to this note have been eliminated in the combining schedule of net position.

Woodgate Townhomes, LP loan with CIT matured in 2022. The Finance Committee and the Board of Directors suggested that CHS pay-off the loan and have Woodgate finance the loan thru Community Housing Corporation. This note became effective November 1, 2022, with a principal sum of \$300,000 and an interest rate of 6% per annum for the term of this note. This note will mature on October 10, 2039. The balances related to this note have been eliminated in the combining schedule of net position.

NOTE F. CAPITAL ASSETS

A summary of the changes in capital assets for the year ended March 31, 2023, is as follows:

	Beginning Balance April 1, 2022	Additions	Disposals	Transfers	Ending Balance March 31, 2023
Land	\$ 1,201,178	\$ -	\$ -	\$ -	\$ 1,201,178
Construction in progress	14,925	125,953	(96,652)	(44,226)	-
Structures	14,000,986	891,553	(72,350)	1,811	14,822,000
Leasehold improvements	672,153	500,746	(44,425)	43,913	1,172,387
Furniture and equipment	1,573,484	391,183	(16,768)	(1,498)	1,946,401
	<u>17,462,726</u>	<u>1,909,435</u>	<u>(230,195)</u>	<u>-</u>	<u>19,141,966</u>
Less: Accumulated depreciation	<u>(12,026,590)</u>	<u>(470,661)</u>	<u>-</u>	<u>-</u>	<u>(12,497,251)</u>
Capital assets, net	<u>\$ 5,436,136</u>	<u>\$ 1,438,774</u>	<u>\$ (230,195)</u>	<u>\$ -</u>	<u>\$ 6,644,715</u>

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE G. LEASES

During the year ended March 31, 2023, the Housing Authority entered into a lease agreement with Canon Solutions America, Inc. for the use of copiers. This agreement is for a term of 60 months beginning on June 1, 2022, and has a monthly payment of \$1,045. The agreement also has the potential to charge overages based on usage. These potential overages were not included in the calculation to determine the right-of-use asset and related lease liabilities.

During the year ended March 31, 2023, the Housing Authority entered into a lease agreement with Community Housing Service Corporation for the use of an office building located at 3211 North 90th Street, Omaha, Nebraska. This lease has an initial term of three and a half years, beginning on September 1, 2022, and has an initial monthly payment of \$11,737. Each year, beginning on April 1, the monthly payment increases, for fiscal year 2024 the monthly payment will be \$12,123; fiscal year 2025 the monthly payment will be \$12,547; and fiscal year 2026 the monthly payment will be \$13,014. The agreement offers an extension option allowing the Housing Authority to extend the lease for one extension period of four years, under the same terms and conditions. This lease is between component units and the annual activity and year-end asset and liability balances will be eliminated in the combining schedules.

The detail of lease related expenses for the year ended March 31, 2023, is as follows:

	Year Ending 3/31/2023
Lease expense	
Amortization expense by class of underlying asset	
Copy Machine	\$ 9,731
Building	81,722
Total amortization expense	91,453
Interest on lease liabilities	10,788
Total before eliminations	\$ 102,241
Expense eliminations	(91,205)
Total after eliminations	\$ 11,036

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE G. LEASES – CONTINUED

A summary of the changes in lease assets and liabilities for the year ended March 31, 2023, is as follows:

Lease Assets	Beginning of	Additions	Subtractions	Eliminations	End of Year	Amounts Due
	Year					Within One Year
Copy Machine	\$ -	\$ 58,386	\$ -	\$ -	\$ 58,386	
Building	-	502,004	-	(502,004)	-	
	-	560,390	-	(502,004)	58,386	
Less: Accumulated Amortization						
Copy Machine	-	(9,731)	-	-	(9,731)	
Building	-	(81,722)	-	81,722	-	
	-	(91,453)	-	81,722	(9,731)	
Total Lease Assets, net	\$ -	\$ 468,937	\$ -	\$ (420,282)	\$ 48,655	
Lease Liabilities	\$ -	\$ 547,608	\$ (70,422)	\$ (428,065)	\$ 49,121	\$ 11,247

Total future lease payments are as follows:

Maturity Analysis	Principle Payments		Principle Payments		Total Payments	
	Principle	Eliminations	After Eliminations	Interest	After Eliminations	
Fiscal Year Ending March 31, 2024	\$ 143,703	\$ (132,456)	\$ 11,247	\$ 14,312	\$ 25,559	
Fiscal Year Ending March 31, 2025	153,979	(142,397)	11,582	9,127	20,709	
Fiscal Year Ending March 31, 2026	165,140	(153,212)	11,928	3,567	15,495	
Fiscal Year Ending March 31, 2027	12,282	-	12,282	258	12,540	
Fiscal Year Ending March 31, 2028	2,082	-	2,082	8	2,090	
Total Future Payments	\$ 477,186	\$ (428,065)	\$ 49,121	\$ 27,272	\$ 76,393	

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE H. LONG-TERM DEBT

The notes payable listed below are all direct borrowings and collateralized by the assets of DCHA. In the case of any events of default the agreements allow for finance-related consequences, such as an increase in interest rate. Some of these notes are between component units and related balances are eliminated in the combining statements.

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

Fiscal year ending March 31,	Bond and Note Requirements	Eliminations	Total Principle After Eliminations	Interest Requirements	Total Future Payments After Eliminations
2024	\$ 1,412,470	\$ (1,291,947)	\$ 120,523	\$ 88,553	\$ 209,076
2025	144,456	(13,782)	130,674	79,710	210,384
2026	150,481	(14,632)	135,849	75,011	210,860
2027	156,567	(15,535)	141,032	70,112	211,144
2028	162,275	(16,493)	145,782	65,137	210,919
Thereafter	2,785,253	(222,421)	2,562,832	186,104	2,748,936
	<u>\$ 4,811,502</u>	<u>\$ (1,574,809)</u>	<u>\$ 3,236,693</u>	<u>\$ 564,627</u>	<u>\$ 3,801,320</u>

Long-term debt consists of the following as of March 31, 2023:

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.	\$ 261,242
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.	137,264
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.	318,805
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.	327,660

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE H. 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. 755,391

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. 347,722

Woodgate Notes Payable to Community Housing Services Corp in the original principal amount of \$300,000, collateralized by a security interest in Woodgate Townhomes, LLC. The loan is payable in monthly installments of \$2,531.57 with an interest rate of 6%. Final payment is due Oct 1, 2037. This balance is eliminated in the combining schedules. 295,843

Valley Crown’s Promissory note is payable to First Citizen Bank in the original principal amount of \$172,924. The loan is payable in monthly installments of \$889.35 with an interest rate of 5.4% Final payment estimated at \$151,158.9 is due September 2, 2023. The homes are under the CROWN program and interested residents qualify to purchase the homes. As the homes are sold, the loan will reduce at a proration established by First Citizen’s Bank. The loan will continue on 90-day extensions until the amount of homes qualified for sales are determined. 151,358

Valley Crown promises to pay Housing Authority of Douglas County Nebraska , in the original principal amount of \$600,000 collateralized by a security interest in Valley Crown, LLC. Interest rate is compounded annually at 4.91%. The note matures December 31, 2023. This balance is eliminated in the combining schedules. 1,127,618

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. 1,088,599

Total Before Eliminations	\$ 4,811,502
Less: Eliminations to Current Portion	(1,291,947)
Less: Remaining Current Portion	(120,523)
Less: Eliminations to Long-Term Portion	(282,862)
Total After Eliminations	<u>\$ 3,116,170</u>

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE H. LONG-TERM DEBT – CONTINUED

A summary of the changes in the long – term debt for the year ended March 31, 2023, is as follows:

	Beginning Balance April 1, 2022	Additions	Deletions	Ending Balance March 31, 2023	Due within One Year
Bond payable	\$ -	\$ -	\$ -	\$ -	\$ -
Note Payable	3,146,296	2,127,485	(462,279)	4,811,502	1,412,470
	<u>\$ 3,146,296</u>	<u>\$ 2,127,485</u>	<u>\$ (462,279)</u>	<u>\$ 4,811,502</u>	<u>\$ 1,412,470</u>
Bond discount	-	-	-	-	-
Totals before eliminations	<u>\$ 3,146,296</u>	<u>\$ 2,127,485</u>	<u>\$ (462,279)</u>	<u>\$ 4,811,502</u>	<u>\$ 1,412,470</u>
Eliminations	-	-	-	(282,862)	(1,291,947)
Totals after eliminations	<u>\$ 3,146,296</u>	<u>\$ 2,127,485</u>	<u>\$ (462,279)</u>	<u>\$ 4,528,640</u>	<u>\$ 120,523</u>

NOTE I. 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 J. 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, 2023.

NOTE K. 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, 2023, the Housing Authority’s portion was \$38,189.

Douglas County Housing Authority
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the year ended March 31, 2023

NOTE L. 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, 2023

NOTE L. 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 M. CONDUIT DEBT

The Housing Authority has issued the following Multifamily Housing Revenue Bonds as of March 31, 2023:

	Original Issue Date	Final Maturity Date	Initial Principle	March 31, 2023 Aggregate Principle
Grover Square Apartments	December 1, 2017	January 1, 2041	\$ 8,500,000	\$ 7,075,000
Bluffs at Cherry Hills	May 1, 2016	May 1, 2033	16,100,000	15,089,319
30 Metropolitan Place	December 1, 2016	January 1, 2057	10,000,000	8,449,390
Pine Tree	March 1, 2016	March 1, 2033	15,600,000	14,590,447
			<u>\$ 50,200,000</u>	<u>\$ 45,204,156</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, 2023

NOTE N. INTERPROGRAM DUE TO AND DUE FROM

Due to the December 31, 2022, fiscal year end of Gretna Crown, LLC, and River Road Townhomes, LLC, being different from the Housing Authority's March 31, 2023, year-end, inter-program receivables do not equal inter-program payables. Inter-program payables of \$7,301 due to the discretely presented component units were paid by the Housing Authority after December 31, 2022, and thus are not reflected in the March 31, 2023, financial statements of the Housing Authority.

NOTE O. DEFICIT BALANCE

The Housing Authority had a deficit net investment in capital assets for Multifamily, Rural Housing, Valley Crown LLC and Woodgate Townhomes LP, in the amount of \$143,749, \$101,617, \$244,732 and \$36,959, 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. The Housing Authority also had a deficit unrestricted net position for Valley Crown LLC in the amount of \$29,800.

NOTE P. PRIOR PERIOD ADJUSTMENT

During the year ended March 31, 2023, 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 \$427; an increase in net position for Vouchers in the amount of \$1,247; and a decrease in net position for Valley Crown LLC in the amount of \$8,782. The offsetting accounts for these adjustments were receivable accounts, for the respective funds.

NOTE Q. SUBSEQUENT EVENTS

Subsequent events have been assessed through December 21, 2023, which is the date the financial statements were issued, and the auditor has concluded there were no significant events or transactions occurring between year-end and this date that would require recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

Douglas County Housing Authority
 COMBINING SCHEDULE OF NET POSITION
 March 31, 2023

	Public Housing				Business Activities							Total Douglas County Housing Authority
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Valley Crown LLC	Woodgate Townhomes LP	Eliminations	
ASSETS												
CURRENT ASSETS												
Cash and cash equivalents, unrestricted	\$ 186,588	\$ 21,201	\$ 492,944	\$ 576,928	\$ -	\$ 1,452,895	\$ 605,180	\$ 532,177	\$ 30,913	\$ 194,541	\$ -	\$ 4,093,367
Accounts receivable	610	-	102,285	-	-	358,874	-	-	-	-	(295,843)	165,926
Tenant accounts receivable	3,498	-	-	541	-	-	10,076	464	1,091	367	-	16,037
Prepaid and other assets	69,077	-	45,286	15,571	-	2,677	19,421	7,262	5,844	8,486	-	173,624
Interprogram due from, current portion	113,552	-	-	-	-	-	-	-	-	-	-	113,552
Total current assets	373,325	21,201	640,515	593,040	-	1,814,446	634,677	539,903	37,848	203,394	(295,843)	4,562,506
NONCURRENT ASSETS												
Cash and cash equivalents, restricted	36,105	-	169,385	54,163	-	-	207,084	26,541	213,610	165,886	-	872,774
Accrued interest receivable	-	-	-	-	682,232	-	-	-	-	-	(682,232)	-
Investments, restricted	-	-	-	-	-	-	-	-	-	-	-	-
Deposits with HUD	-	-	-	-	-	-	-	-	-	-	-	-
Loan fees, net of accumulated amortization	-	-	-	-	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	600,000	-	-	-	-	-	(600,000)	-
Right-of-use asset, net	468,937	-	-	-	-	-	-	-	-	-	(420,283)	48,654
Total non-current assets	505,042	-	169,385	54,163	1,282,232	-	207,084	26,541	213,610	165,886	(1,702,515)	921,428
CAPITAL ASSETS												
Land	390,500	-	-	90,853	-	357,700	75,000	44,340	200,000	42,785	-	1,201,178
Buildings	4,987,485	-	-	1,301,128	-	1,139,854	2,764,679	735,821	1,767,107	2,125,926	-	14,822,000
Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	793,813	-	-	72,593	-	4,455	58,354	55,057	188,115	-	-	1,172,387
Furniture, equipment and vehicles	807,752	289,188	164,153	164,026	-	45,469	154,059	78,189	160,689	82,876	-	1,946,401
Less accumulated depreciation	(5,486,742)	(94,395)	(80,882)	(1,183,442)	-	(59,914)	(2,106,265)	(558,953)	(1,281,677)	(1,644,981)	-	(12,497,251)
Total capital assets	1,492,808	194,793	83,271	445,158	-	1,487,564	945,827	354,454	1,034,234	606,606	-	6,644,715
Total assets	2,371,175	215,994	893,171	1,092,361	1,282,232	3,302,010	1,787,588	920,898	1,285,692	975,886	(1,998,358)	12,128,649
DEFERRED OUTFLOWS OF RESOURCES												
Unamortized loss on bond refunding	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,371,175</u>	<u>\$ 215,994</u>	<u>\$ 893,171</u>	<u>\$ 1,092,361</u>	<u>\$ 1,282,232</u>	<u>\$ 3,302,010</u>	<u>\$ 1,787,588</u>	<u>\$ 920,898</u>	<u>\$ 1,285,692</u>	<u>\$ 975,886</u>	<u>\$ (1,998,358)</u>	<u>\$ 12,128,649</u>

See independent auditor's report.

Douglas County Housing Authority
 COMBINING SCHEDULE OF NET POSITION - CONTINUED
 March 31, 2023

	Public Housing				Business Activities							Total Douglas County Housing Authority
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Valley Crown LLC	Woodgate Townhomes LP	Eliminations	
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION												
CURRENT LIABILITIES												
Accounts payable	\$ 5,212	\$ 9,501	\$ 28,718	\$ 35,087	\$ -	\$ 4,963	\$ 11,349	\$ 2,916	\$ 4,614	\$ 8,675	\$ -	\$ 111,035
Accrued liabilities	25,559	-	48,583	15,009	-	-	12,798	2,749	4,078	18,497	-	127,273
Accrued interest payable	1,383	-	-	-	-	-	-	-	55,384	9,707	(4,529)	61,945
Cash overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Tenant security deposits	36,105	-	-	12,621	-	-	13,306	5,150	8,500	10,900	-	86,582
Unearned revenue	7,551	-	2,714	5,087	-	-	9,680	1,369	1,950	4,167	-	32,518
Interprogram due to	-	-	41,347	23,051	-	-	20,037	10,293	1,622	9,895	-	106,245
Lease liability, current portion	143,703	-	-	-	-	-	-	-	-	-	(132,456)	11,247
Bonds and notes payable, current portion	-	-	-	36,552	-	24,939	30,725	28,307	1,278,966	12,981	(1,291,947)	120,523
Total current liabilities	219,513	9,501	121,362	127,407	-	29,902	97,895	50,784	1,355,114	74,822	(1,428,932)	657,368
NONCURRENT LIABILITIES												
Other liabilities	-	-	141,294	-	-	-	-	-	90,857	-	-	232,151
Lease liability, less current portion	333,483	-	-	-	-	-	-	-	-	-	(295,609)	37,874
Bonds and notes payable, less current portion	-	-	-	552,355	-	1,063,660	724,669	427,764	-	630,584	(282,862)	3,116,170
Total non-current liabilities	333,483	-	141,294	552,355	-	1,063,660	724,669	427,764	90,857	630,584	(578,471)	3,386,195
Total liabilities	552,996	9,501	262,656	679,762	-	1,093,562	822,564	478,548	1,445,971	705,406	(2,007,403)	4,043,563
NET POSITION												
Net investment in capital assets	1,492,272	194,793	83,271	(143,749)	-	398,965	190,433	(101,617)	(244,732)	(36,959)	-	1,832,677
Restricted	536	-	25,819	41,542	-	-	193,778	21,391	114,253	154,986	-	552,305
Unrestricted	325,371	11,700	521,425	514,806	1,282,232	1,809,483	580,813	522,576	(29,800)	152,453	9,045	5,700,104
Total net position	1,818,179	206,493	630,515	412,599	1,282,232	2,208,448	965,024	442,350	(160,279)	270,480	9,045	8,085,086
Total liabilities, deferred inflows, and net position	\$ 2,371,175	\$ 215,994	\$ 893,171	\$ 1,092,361	\$ 1,282,232	\$ 3,302,010	\$ 1,787,588	\$ 920,898	\$ 1,285,692	\$ 975,886	\$ (1,998,358)	\$ 12,128,649

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, 2023

	Public Housing				Business Activities							Total Douglas County Housing Authority
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Valley Crown LLC (for the 15-month period ending March 31, 2023)	Woodgate Townhomes LP	Eliminations	
OPERATING REVENUES												
Tenant rental revenue	\$ 307,934	\$ -	\$ -	\$ 371,126	\$ -	\$ 82,160	\$ 526,807	\$ 230,196	\$ 151,990	\$ 266,443	\$ (82,160)	\$ 1,854,496
HUD operating grants	157,485	52,001	10,029,517	-	-	-	-	-	-	-	-	10,239,003
Other government revenue	-	-	-	75,398	-	-	-	-	-	-	-	75,398
Other revenue	86,778	-	24,372	36,045	-	147,216	65,701	7,659	93,650	2,034	-	463,455
Total revenues	552,197	52,001	10,053,889	482,569	-	229,376	592,508	237,855	245,640	268,477	(82,160)	12,632,352
OPERATING EXPENSES												
Housing assistance payments	3,791	-	8,822,781	-	-	-	239	-	-	-	-	8,826,811
Administrative	149,888	-	840,946	152,317	-	35,475	107,679	36,829	59,710	42,841	-	1,425,685
Tenant services	-	-	76,123	-	-	-	-	-	-	-	-	76,123
Utilities	28,843	-	8,707	76,020	-	7,587	46,881	44,835	270	31,961	-	245,104
Ordinary maintenance and operations	200,563	59,191	8,797	125,091	-	41,011	148,256	46,502	24,388	76,438	-	730,237
General expenses	74,462	-	50,021	40,452	-	33,191	46,602	17,918	26,090	21,147	-	309,883
Depreciation and amortization expense	81,964	24,744	50,477	39,791	-	48,228	126,522	24,314	79,999	89,758	(81,722)	484,075
Total operating expenses	539,511	83,935	9,857,852	433,671	-	165,492	476,179	170,398	190,457	262,145	(81,722)	12,097,918
INCOME (LOSS) FROM OPERATIONS	12,686	(31,934)	196,037	48,898	-	63,884	116,329	67,457	55,183	6,332	(438)	534,434
NON-OPERATING REVENUES (EXPENSES)												
Interest income	1,066	-	2,779	60	60,011	5,969	2,311	27	1,232	2,105	(5,969)	69,591
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	(10,788)	-	-	(23,131)	-	(37,964)	(29,345)	(17,913)	(10,498)	(27,033)	15,452	(141,220)
Net non-operating revenues (expenses)	(9,722)	-	2,779	(23,071)	60,011	(31,995)	(27,034)	(17,886)	(9,266)	(24,928)	9,483	(71,629)
										289,178		
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	2,964	(31,934)	198,816	25,827	60,011	31,889	89,295	49,571	45,917	(18,596)	9,045	462,805
HUD CAPITAL CONTRIBUTIONS	-	194,473	-	-	-	-	-	-	-	-	-	194,473
CHANGE IN NET POSITION	\$ 2,964	\$ 162,539	\$ 198,816	\$ 25,827	\$ 60,011	\$ 31,889	\$ 89,295	\$ 49,571	\$ 45,917	\$ (18,596)	\$ 9,045	\$ 657,278
NET POSITION, BEGINNING OF YEAR	\$ 1,763,642	\$ 95,954	\$ 430,452	\$ 386,772	\$ 1,222,221	\$ 2,176,559	\$ 875,729	\$ 392,779	\$ (197,414)	\$ 289,076	\$ -	\$ 7,435,770
PRIOR PERIOD ADJUSTMENT	(427)	-	1,247	-	-	-	-	-	(8,782)	-	-	(7,962)
NET POSITION, BEGINNING OF YEAR AS RESTATED	1,763,215	95,954	431,699	386,772	1,222,221	2,176,559	875,729	392,779	(206,196)	289,076	-	7,427,808
EQUITY TRANSFER	52,000	(52,000)	-	-	-	-	-	-	-	-	-	-
NET POSITION, END OF YEAR	\$ 1,818,179	\$ 206,493	\$ 630,515	\$ 412,599	\$ 1,282,232	\$ 2,208,448	\$ 965,024	\$ 442,350	\$ (160,279)	\$ 270,480	\$ 9,045	\$ 8,085,086

See independent auditor's report.

Douglas County Housing Authority
 COMBINING SCHEDULE OF CASH FLOWS
 For the year ended March 31, 2023

	Public Housing				Business Activities						Total Douglas County Housing Authority
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Valley Crown LLC (for the 15-month period ending March 31, 2023)	Woodgate Townhomes LP	
CASH FLOWS FROM OPERATING ACTIVITIES											
Cash received from tenants	\$ 337,169	\$ -	\$ (21,757)	\$ 375,978	\$ -	\$ -	\$ 538,469	\$ 235,110	\$ 152,849	\$ 282,133	\$ 1,899,951
Cash received from operating grants	157,485	52,001	10,029,517	-	-	-	-	-	-	-	10,239,003
Other cash received	86,778	-	24,372	111,443	-	(347,670)	65,701	7,659	93,650	2,034	43,967
Cash paid to suppliers, employees and other funds	(23,858)	(73,006)	(9,789,720)	(370,082)	-	(115,073)	(346,599)	(150,203)	(141,500)	(177,813)	(11,187,854)
CASH FROM OPERATING ACTIVITIES	557,574	(21,005)	242,412	117,339	-	(462,743)	257,571	92,566	104,999	106,354	995,067
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES											
Cash received/(paid) to other funds	(45,491)	(57,071)	41,063	(690,121)	-	-	20,037	4,035	1,622	9,895	(716,031)
Withdraws from the FSS escrow	-	-	62,027	-	-	-	-	-	-	-	62,027
CASH FROM NONCAPITAL FINANCING ACTIVITIES	(45,491)	(57,071)	103,090	(690,121)	-	-	20,037	4,035	1,622	9,895	(654,004)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES											
Cash receipts from HUD capital grants	-	194,473	-	-	-	-	-	-	-	-	194,473
Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
Cash paid for the purchase of capital assets	(659,218)	(104,751)	(114,189)	(122,458)	-	(388,584)	(216,098)	(63,509)	(95,862)	(9,707)	(1,774,376)
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	(9,405)	-	-	(23,131)	-	(37,964)	(29,345)	(17,913)	(10,498)	(27,033)	(155,289)
Cash paid for principle on bonds and notes payable	-	-	-	(6,937)	-	537,768	(29,650)	(27,294)	(2,843)	(59,342)	411,702
CASH FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES	(668,623)	89,722	(114,189)	512,474	-	120,234	(275,093)	(108,716)	(109,203)	(96,082)	(649,476)
CASH FLOWS FROM INVESTING ACTIVITIES											
Cash receipts for interest and dividends	1,066	-	2,779	60	-	5,969	-	27	1,232	2,105	13,238
Cash receipts from sale of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of investment	-	-	-	-	-	-	2,311	-	-	-	2,311
CASH FROM INVESTING ACTIVITIES	1,066	-	2,779	60	-	5,969	2,311	27	1,232	2,105	15,549
NET CHANGE IN CASH AND CASH EQUIVALENTS	(155,474)	11,646	234,092	(60,248)	-	(336,540)	4,826	(12,088)	(1,350)	22,272	(292,864)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	378,167	9,555	428,237	691,339	-	1,789,435	807,438	570,806	245,873	338,155	5,259,005
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 222,693	\$ 21,201	\$ 662,329	\$ 631,091	\$ -	\$ 1,452,895	\$ 812,264	\$ 558,718	\$ 244,523	\$ 360,427	\$ 4,966,141
Cash and cash equivalents, unrestricted	\$ 186,588	\$ 21,201	\$ 492,944	\$ 576,928	\$ -	\$ 1,452,895	\$ 605,180	\$ 532,177	\$ 30,913	\$ 194,541	\$ 4,093,367
Cash and cash equivalents, restricted	36,105	-	169,385	54,163	-	-	207,084	26,541	213,610	165,886	872,774
\$ 222,693	\$ 21,201	\$ 662,329	\$ 631,091	\$ -	\$ 1,452,895	\$ 812,264	\$ 558,718	\$ 244,523	\$ 360,427	\$ 4,966,141	

See independent auditor's report.

Douglas County Housing Authority
 COMBINING SCHEDULE OF CASH FLOWS - CONTINUED
 For the year ended March 31, 2023

	Public Housing				Business Activities						Total Douglas County Housing Authority	
	KC-4115 Project NE 26-P153 00197M	Capital Fund Program	Vouchers	Multi-Housing	Valley Crown Grant	Community Housing Service Corp.	Platte Valley Apartments, L.P.	Rural Housing	Valley Crown LLC (for the 15-month period ending March 31, 2023)	Woodgate Townhomes LP		
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES												
Income (loss) from operations	\$ 12,686	\$ (31,934)	\$ 196,037	\$ 48,898	\$ -	\$ 63,884	\$ 116,329	\$ 67,457	\$ 55,183	\$ 6,332	\$ 534,872	
Adjustments to reconcile net income (loss) to net cash from operating activities												
Depreciation and amortization expense	81,964	24,744	50,477	39,791	-	48,228	126,522	24,314	79,999	89,758	565,797	
Change in accounts receivable	27,810	-	(22,173)	3,950	-	(114,437)	5,270	3,944	-	11,025	(84,611)	
Change in prepaid expenses	451,090	-	3,891	(4,704)	-	2,438	(5,501)	(2,014)	6,429	(3,293)	448,336	
Change in right-of-use asset	(468,937)	-	-	-	-	-	-	-	-	-	(468,937)	
Change in accounts payable	(25,317)	(13,815)	(1,095)	23,792	-	(247)	5,734	(2,218)	(35,986)	(2,221)	(51,373)	
Change in accrued liabilities and compensated absences	(333)	-	6,013	4,710	-	-	2,825	113	(1,485)	88	11,931	
Change in deposits with HUD	-	-	8,846	-	-	-	-	-	-	-	8,846	
Change in tenant security deposits	1,700	-	-	520	-	-	(2,392)	-	(1,091)	3,299	2,036	
Change in lease liabilities	477,186	-	-	-	-	-	-	-	-	-	477,186	
Change in unearned revenue	(275)	-	416	382	-	(462,609)	8,784	970	1,950	1,366	(449,016)	
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 557,574	\$ (21,005)	\$ 242,412	\$ 117,339	\$ -	\$ (462,743)	\$ 257,571	\$ 92,566	\$ 104,999	\$ 106,354	\$ 995,067	

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: 03/31/2023

	Project Total	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	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$207,790	\$151,638	\$1,545,005	\$576,928		\$494,975	\$2,976,336		\$2,976,336
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted		\$405,760	\$1,845,854	\$40,766	\$26,061	\$141,294	\$2,459,735		\$2,459,735
114 Cash - Tenant Security Deposits	\$36,105	\$17,630	\$37,968	\$13,394			\$105,097		\$105,097
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	\$243,895	\$575,028	\$3,428,827	\$631,088	\$26,061	\$636,269	\$5,541,168	\$0	\$5,541,168
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects									
124 Accounts Receivable - Other Government						\$51	\$51		\$51
125 Accounts Receivable - Miscellaneous	\$610		\$5,000		\$6,317	\$95,914	\$107,841		\$107,841
126 Accounts Receivable - Tenants	\$3,497	\$1,741	\$13,110	\$542			\$18,890		\$18,890
126.1 Allowance for Doubtful Accounts - Tenants	\$0	-\$394	-\$1,112	\$0			-\$1,506		-\$1,506
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current			\$353,874				\$353,874	-\$295,843	\$58,031
128 Fraud Recovery									
128.1 Allowance for Doubtful Accounts - Fraud									
129 Accrued Interest Receivable			\$682,232				\$682,232	-\$682,232	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,107	\$1,347	\$1,053,104	\$542	\$6,317	\$95,965	\$1,161,382	-\$978,075	\$183,307
131 Investments - Unrestricted									
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current Liability									
142 Prepaid Expenses and Other Assets	\$69,077	\$14,312	\$43,691	\$15,572		\$45,287	\$187,939		\$187,939
143 Inventories									
143.1 Allowance for Obsolete Inventories									
144 Inter Program Due From	\$113,547	\$743	\$0				\$114,290		\$114,290
145 Assets Held for Sale									
150 Total Current Assets	\$430,626	\$591,430	\$4,525,622	\$647,202	\$32,378	\$777,521	\$7,004,779	-\$978,075	\$6,026,704
161 Land	\$390,500	\$564,180	\$719,825	\$90,853			\$1,765,358		\$1,765,358
162 Buildings	\$4,656,533	\$3,860,881	\$8,533,387	\$1,301,128			\$18,351,929		\$18,351,929
163 Furniture, Equipment & Machinery - Dwellings	\$492,431	\$326,377	\$276,906	\$153,178			\$1,248,892		\$1,248,892
164 Furniture, Equipment & Machinery - Administration	\$604,507	\$175,937	\$244,376	\$10,847		\$164,153	\$1,199,820		\$1,199,820
165 Leasehold Improvements	\$793,813	\$75,497	\$55,058	\$72,593			\$996,961		\$996,961
166 Accumulated Depreciation	-\$5,581,137	-\$2,255,673	-\$5,051,789	-\$1,183,442		-\$80,882	-\$14,752,923		-\$14,752,923
167 Construction in Progress									
168 Infrastructure	\$330,952	\$241,437	\$250,924				\$823,313		\$823,313
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,687,599	\$2,988,636	\$4,428,687	\$445,157	\$0	\$83,271	\$9,633,350	\$0	\$9,633,350
171 Notes, Loans and Mortgages Receivable - Non-Current			\$600,000				\$600,000	-\$600,000	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due									
173 Grants Receivable - Non Current									
174 Other Assets		\$5,985					\$5,985		\$5,985
176 Investments in Joint Ventures			\$0				\$0		\$0
180 Total Non-Current Assets	\$1,687,599	\$2,994,621	\$5,028,687	\$445,157	\$0	\$83,271	\$10,239,335	-\$600,000	\$9,639,335
200 Deferred Outflow of Resources	\$468,937						\$468,937	-\$420,283	\$48,654
290 Total Assets and Deferred Outflow of Resources	\$2,587,162	\$3,586,051	\$9,554,309	\$1,092,359	\$32,378	\$860,792	\$17,713,051	-\$1,998,358	\$15,714,693

See Independent Auditor's Report

	Project Total	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	Subtotal	ELIM	Total
311 Bank Overdraft									
312 Accounts Payable <= 90 Days	\$14,712	\$64,338	\$28,187	\$35,089		\$28,714	\$171,040		\$171,040
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable	\$6,146	\$1,026	\$9,302	\$6,883		\$21,392	\$44,749		\$44,749
322 Accrued Compensated Absences - Current Portion	\$6,929	\$3,758	\$13,065	\$8,125		\$27,190	\$59,067		\$59,067
324 Accrued Contingency Liability									
325 Accrued Interest Payable	\$1,383	\$54,900	\$65,091				\$121,374	\$4,529	\$116,845
331 Accounts Payable - HUD PHA Programs									
332 Account Payable - PHA Projects									
333 Accounts Payable - Other Government									
341 Tenant Security Deposits	\$36,105	\$17,500	\$37,856	\$12,617			\$104,078		\$104,078
342 Unearned Revenue	\$7,551	\$2,375	\$17,164	\$5,087		\$2,714	\$34,891		\$34,891
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$143,703	\$10,154	\$1,375,919	\$36,552			\$1,566,328	-\$1,424,403	\$141,925
344 Current Portion of Long-term Debt - Operating Borrowings									
345 Other Current Liabilities									
346 Accrued Liabilities - Other	\$12,482	\$46,968	\$16,507				\$75,957		\$75,957
347 Inter Program - Due To			\$45,426	\$23,052		\$41,348	\$109,826		\$109,826
348 Loan Liability - Current									
310 Total Current Liabilities	\$229,011	\$201,019	\$1,608,517	\$127,405	\$0	\$121,358	\$2,287,310	-\$1,428,932	\$858,378
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$333,483	\$1,416,365	\$2,498,956	\$552,355			\$4,801,159	-\$578,471	\$4,222,688
352 Long-term Debt, Net of Current - Operating Borrowings		\$544,276	\$347,722				\$891,998		\$891,998
353 Non-current Liabilities - Other		\$94,962	\$90,857		\$1,493	\$139,801	\$327,113		\$327,113
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	\$333,483	\$2,055,603	\$2,937,535	\$552,355	\$1,493	\$139,801	\$6,020,270	-\$578,471	\$5,441,799
300 Total Liabilities	\$562,494	\$2,256,622	\$4,546,052	\$679,760	\$1,493	\$261,159	\$8,307,580	-\$2,007,403	\$6,300,177
400 Deferred Inflow of Resources									
508.4 Net Investment in Capital Assets	\$2,164,785	\$4,415,155	\$8,303,562	\$1,034,064		\$83,271	\$16,000,837		\$16,000,837
511.4 Restricted Net Position	\$310,928	\$1,755,109	\$1,755,109	\$41,543	\$24,568	\$507,896	\$2,640,044		\$2,640,044
512.4 Unrestricted Net Position	-\$140,117	-\$3,396,654	-\$5,050,414	-\$663,008	\$6,317	\$9,466	-\$9,235,410	\$9,045	-\$9,226,365
513 Total Equity - Net Assets / Position	\$2,024,668	\$1,329,429	\$5,008,257	\$412,599	\$30,885	\$599,633	\$9,405,471	\$9,045	\$9,414,516
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,587,162	\$3,586,051	\$9,554,309	\$1,092,359	\$32,378	\$860,792	\$17,713,051	-\$1,998,358	\$15,714,693

Douglas County Housing Authority (NE153)
 OMAHA, NE

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	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	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$291,369	\$288,219	\$1,224,007	\$363,904			\$2,167,499	-\$82,160	\$2,085,339
70400 Tenant Revenue - Other	\$16,565	\$2,445	\$33,588	\$7,221			\$59,819		\$59,819
70500 Total Tenant Revenue	\$307,934	\$290,664	\$1,257,595	\$371,125	\$0	\$0	\$2,227,318	-\$82,160	\$2,145,158
70600 HUD PHA Operating Grants	\$209,485				\$1,823,337	\$8,206,180	\$10,239,002		\$10,239,002
70610 Capital Grants	\$194,473						\$194,473		\$194,473
70710 Management Fee									
70720 Asset Management Fee									
70730 Book Keeping Fee									
70740 Front Line Service Fee									
70750 Other Fees			\$32,867				\$32,867		\$32,867
70700 Total Fee Revenue							\$0	\$0	\$0
70800 Other Government Grants				\$75,398			\$75,398		\$75,398
71100 Investment Income - Unrestricted	\$1,066	\$1,323	\$81,008	\$60		\$2,779	\$86,236		\$86,236
71200 Mortgage Interest Income							\$0	-\$5,969	-\$5,969
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery	\$1,005					\$23,644	\$24,649		\$24,649
71500 Other Revenue	\$85,774	\$2,700	\$274,039	\$36,045		\$728	\$399,286		\$399,286
71600 Gain or Loss on Sale of Capital Assets		\$54,700					\$54,700		\$54,700
72000 Investment Income - Restricted		\$0					\$0		\$0
70000 Total Revenue	\$799,737	\$349,387	\$1,645,509	\$482,628	\$1,823,337	\$8,233,331	\$13,333,929	-\$88,129	\$13,245,800
91100 Administrative Salaries	\$72,211	\$31,387	\$117,879	\$98,624	\$153,747	\$290,789	\$764,637		\$764,637
91200 Auditing Fees	\$4,772	\$6,423	\$9,467	\$2,448	\$5,004	\$52,961	\$81,075		\$81,075
91300 Management Fee									
91310 Book-keeping Fee									
91400 Advertising and Marketing	\$407	\$98	\$1,658	\$230	\$153	\$1,874	\$4,420		\$4,420
91500 Employee Benefit contributions - Administrative	\$20,675	\$13,651	\$44,652	\$25,871	\$25,429	\$122,168	\$252,446		\$252,446
91600 Office Expenses	\$2,212	\$1,156	\$3,862	\$1,199	\$2,905	\$19,534	\$30,868		\$30,868
91700 Legal Expense	\$2,228	\$403	\$9,830	\$2,293	\$1,278	\$8,588	\$24,620		\$24,620
91800 Travel	\$3,686	\$954	\$4,344	\$1,776	\$175	\$1,158	\$12,093		\$12,093
91810 Allocated Overhead									
91900 Other	\$55,065	\$71,565	\$114,687	\$27,895	\$33,280	\$162,872	\$465,364		\$465,364
91000 Total Operating - Administrative	\$161,256	\$125,637	\$306,379	\$160,336	\$221,971	\$659,944	\$1,635,523	\$0	\$1,635,523
92000 Asset Management Fee									
92100 Tenant Services - Salaries						\$48,704	\$48,704		\$48,704
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services						\$24,918	\$24,918		\$24,918
92400 Tenant Services - Other						\$2,500	\$2,500		\$2,500
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$76,122	\$76,122	\$0	\$76,122

See Independent Auditor's Report

	Project Total	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	Subtotal	ELIM	Total
93100 Water	\$20,203	\$2,769	\$55,275	\$22,590	\$121	\$1,492	\$102,450		\$102,450
93200 Electricity	\$5,353	\$231	\$51,027	\$53,032	\$94	\$4,232	\$113,969		\$113,969
93300 Gas	\$3,287	\$93	\$23,649	\$398	\$202	\$2,566	\$30,195		\$30,195
93400 Fuel									
93500 Labor									
93600 Sewer									
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	\$28,843	\$3,093	\$129,951	\$76,020	\$417	\$8,290	\$246,614	\$0	\$246,614
94100 Ordinary Maintenance and Operations - Labor	\$109,726	\$15,467	\$124,332	\$42,698		\$78	\$292,301		\$292,301
94200 Ordinary Maintenance and Operations - Materials and Other	\$90,048	\$3,714	\$51,143	\$23,083		\$2,338	\$170,326		\$170,326
94300 Ordinary Maintenance and Operations Contracts	\$30,702	\$19,169	\$124,116	\$44,048	\$28	\$6,352	\$224,415		\$224,415
94500 Employee Benefit Contributions - Ordinary Maintenance	\$29,276	\$9,733	\$56,351	\$15,261			\$110,621		\$110,621
94000 Total Maintenance	\$259,752	\$48,083	\$355,942	\$125,090	\$28	\$8,768	\$797,663	\$0	\$797,663
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs	\$5,246	\$751	\$8,732	\$1,256		\$13,233	\$29,218		\$29,218
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	\$5,246	\$751	\$8,732	\$1,256	\$0	\$13,233	\$29,218	\$0	\$29,218
96110 Property Insurance	\$63,874	\$19,228	\$83,480	\$21,915		\$1,807	\$190,304		\$190,304
96120 Liability Insurance	\$1,171	\$426	\$1,620	\$661		\$17,014	\$20,892		\$20,892
96130 Workmen's Compensation	\$629	\$2,945	\$1,522	\$355		\$8,975	\$14,426		\$14,426
96140 All Other Insurance	\$2,729	\$997	\$20,948	\$10,517		\$6,464	\$41,655		\$41,655
96100 Total insurance Premiums	\$68,403	\$23,596	\$107,570	\$33,448	\$0	\$34,260	\$267,277	\$0	\$267,277
96200 Other General Expenses		\$23,624	\$6,043				\$29,667		\$29,667
96210 Compensated Absences	\$633	\$1,253	\$854	\$741	\$89	\$2,438	\$6,008		\$6,008
96300 Payments in Lieu of Taxes									
96400 Bad debt - Tenant Rents	-\$572	\$351	\$4,822	\$5,005			\$9,606		\$9,606
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	\$61	\$25,228	\$11,719	\$5,746	\$89	\$2,438	\$45,281	\$0	\$45,281
97000 Excess of Operating Revenue over Operating Expenses	\$265,388	\$31,215	\$602,464	\$57,601	\$1,600,832	\$7,430,276	\$9,987,776	-\$72,677	\$9,915,099
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments	\$3,791		\$239		\$1,544,484	\$7,278,297	\$8,826,811		\$8,826,811
97350 HAP Portability-In									
97400 Depreciation Expense	\$96,096	\$168,984	\$344,141	\$31,773		\$9,508	\$650,502	-\$81,722	\$568,780
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	\$634,236	\$487,156	\$1,387,425	\$456,800	\$1,766,989	\$8,090,860	\$12,823,466	-\$97,174	\$12,726,292

See Independent Auditor's Report

	Project Total	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	Subtotal	ELIM	Total
10010 Operating Transfer In	\$52,000						\$52,000		\$52,000
10020 Operating transfer Out	-\$52,000						-\$52,000		-\$52,000
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		\$197,306	-\$197,306				\$0		\$0
10094 Transfers between Project and Program - Out									
10100 Total Other financing Sources (Uses)	\$0	\$197,306	-\$197,306	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$165,501	\$59,537	\$60,778	\$25,828	\$56,348	\$142,471	\$510,463	\$9,045	\$519,508
11020 Required Annual Debt Principal Payments	\$143,703	\$44,138	\$534,549	\$4,446	\$0	\$0	\$726,836	\$0	\$726,836
11030 Beginning Equity	\$1,859,596	\$1,270,735	\$4,956,368	\$386,771	-\$25,462	\$455,912	\$8,903,920	\$0	\$8,903,920
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$429	-\$843	-\$8,889		-\$1	\$1,250	-\$8,912		-\$8,912
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							\$656,490		\$656,490
11180 Housing Assistance Payments Equity							-\$56,857		-\$56,857
11190 Unit Months Available	936	348	1248	528	3384	12840	19284	0	19284
11210 Number of Unit Months Leased	902	348	1205	502	2843	11986	17786	0	17786
11270 Excess Cash	\$92,942						\$92,942		\$92,942
11610 Land Purchases	\$0						\$0		\$0
11620 Building Purchases	\$26,876						\$26,876		\$26,876
11630 Furniture & Equipment - Dwelling Purchases	\$104,750						\$104,750		\$104,750
11640 Furniture & Equipment - Administrative Purchases	\$145,416						\$145,416		\$145,416
11650 Leasehold Improvements Purchases	\$492,393						\$492,393		\$492,393
11660 Infrastructure Purchases	\$0						\$0		\$0
13510 CFFP Debt Service Payments	\$0						\$0		\$0
13901 Replacement Housing Factor Funds	\$0						\$0		\$0
11620 Building Purchases	\$0								
11630 Furniture & Equipment - Dwelling Purchases	\$156,547								
11640 Furniture & Equipment - Administrative Purchases	\$0								
11650 Leasehold Improvements Purchases	\$0								
11660 Infrastructure Purchases	\$0								
13510 CFFP Debt Service Payments	\$0								
13901 Replacement Housing Factor Funds	\$0								

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Douglas County Housing Authority
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended March 31, 2023

<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	\$ 71,369
		NE26R000004	114,583
		MFSC179450	<u>75,398</u>
Total Rental Supplements Rental Housing for Lower Income Families			<u>261,350</u>
Public and Indian Housing			
Public and Indian Housing (Operating Subsidy)	14.850	NE15300000620D	<u>157,485</u>
Total Public and Indian Housing (Operating Subsidy)			<u>157,485</u>
Public Housing Capital Fund Program			
	14.872	NE26P153501-22	52,000
		NE26P153501-20	73,708
		NE26P153501-21	110,534
		NE26P153501-22	<u>10,231</u>
Total Public Housing Capital Fund Program			<u>246,473</u>
Lower Income Housing Assistance Payments			
Housing Vouchers Cluster			
Section 8 Housing Choice Vouchers	14.871	NE153	<u>8,081,351</u>
Total Section 8 Housing Choice Vouchers			<u>8,081,351</u>
Mainstream Vouchers			
Total Mainstream Vouchers	14.879	NE153DV	<u>1,766,989</u>
			<u>1,766,989</u>
Total Housing Vouchers Cluster			<u>9,848,340</u>
Total U.S. Department of Housing and Urban Development			<u>10,513,648</u>
Total expenditures of federal awards			<u><u>\$10,513,648</u></u>

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Douglas County Housing Authority
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended March 31, 2023

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, 2023

Project Code	Status	Funds Approved	Funds Obligated	Unobligated Funds	Funds Advanced	Funds Expended	Excess (Shortage) Funds
CFP Project 2023 NE26P153501-23	Incomplete	\$ 174,805	\$ -	\$ -	\$ -	\$ -	\$ -
CFP Project 2022 NE26P153501-22	Incomplete	\$ 172,721	\$ 62,232	\$ -	\$ 62,232	\$ 62,232	\$ -
CFP Project 2021 NE26P153501-21	Incomplete	\$ 141,028	\$ 140,534	\$ -	\$ 140,534	\$ 140,534	\$ -
CFP Project 2020 NE26P153501-20	Incomplete	\$ 134,331	\$ 134,331	\$ -	\$ 134,331	\$ 134,331	\$ -
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, 2023, 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, or River Road Townhomes, LLC, which represent 21%, 14%, and 3%, respectively, of the assets, net position, and revenues of the Authority and the component units. The financial statements of Gretna Crown, LLC, and River Road Townhomes, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hayes & Associates, LLC

Hayes & Associates, L.L.C.
Omaha, Nebraska
December 21, 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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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
December 21, 2023

Douglas County Housing Authority
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended March 31, 2023

I. SUMMARY OF AUDIT RESULTS

Financial Statements

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

Internal controls over financial reporting:

- Material weaknesses identified: **None reported**
- 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, 2023

II. FINANCIAL STATEMENT FINDINGS

None reported.

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, 2023

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.

Follow-up: The Authority has implemented their corrective action plan to prevent this issue in the future. Improvements have been made, and this issue appears to be resolved for the year ended March 31, 2023.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.