

AUDIT REPORT
AND
SUPPLEMENTAL DATA FOR
HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA

JUNE 30, 2019

KERSHAW CPA & ASSOCIATES, PC

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HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
 BROKEN BOW, OKLAHOMA
 JUNE 30, 2019

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HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
JUNE 30, 2019

BOARD OF DIRECTORS

<u>NAME</u>	<u>POSITION</u>	<u>TERM EXPIRES</u>
Howard Minor	Chairman	7-5-2020
Midge Moore	Vice Chairman	7-5-2022
Clarisse Cubit	Commissioner	7-5-2022
Scott Brumley	Commissioner	7-5-2021
Keith Sanders	Commissioner	7-5-2021

Unaudited

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Housing Authority of the City of Broken Bow
Broken Bow, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Broken Bow, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in accordance with Oklahoma Statutes. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made, by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the City of Broken Bow, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the City of Broken Bow's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) and Financial Data Schedule, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Housing Authority of the City of Broken Bow.

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Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section listed in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Authority. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020, on our consideration of the Housing Authority of the City of Broken Bow's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Broken Bow's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with *Government Auditing Standards* in considering Housing Authority of the City of Broken Bow's internal control over financial reporting and compliance.

Kershaw CPA & Associates, P.C.
Kershaw CPA & Associates, PC

January 31, 2020

Housing Authority of the City of Broken Bow

Broken Bow, OK

Management's Discussion and Analysis

June 30, 2019

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

Financial Highlights

The most significant changes on the 2019 financial statements were in the expendable fund balance and changes in net position (revenue as compared to expenses).

Overview of the Financial Statements

The annual report includes a Management Discussion and Analysis report, the Basic Financial Statements, the Notes to the Financial Statements, and the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD. The financial statements are presented as fund level financial statements because the Housing Authority only has proprietary funds.

The financial statements report information using accounting methods like those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes assets and liabilities plus provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating capital structure to include assessing liquidity and financial flexibility.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities like those found in the private business sector where the determination of net position is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which assets and liabilities, associated with the operation of these funds, are included on the balance sheet. Their focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. Our discussion and analysis provides an overview of the financial activities and performance for year-end June 30, 2019.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the ability of management to meet budgets, maintain property (meets HUD specifications and inspections), and determines whether the Housing Authority has successfully recovered costs through its rental fees and other charges. It can also be used to measure profitability and credit worthiness.

Housing Authority of the City of Broken Bow

Management's Discussion and Analysis (MD & A)

June 30, 2019

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It also provides answers to such questions as the source, spending, and change in cash during the reporting period.

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

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format.

FINANCIAL ANALYSIS

One of the most important questions concerning finances is the following; "Is the Housing Authority as a whole better, or worse, because of the achievements of the reported fiscal year?" The purpose of the information presented in this Management's Discussion and Analysis is to assist the reader in answering this question.

The basic financial statements are the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. The Statement of Net Position provides a summary of assets and liabilities as of the close of business on June 30, 2019. The Statement of Revenues, Expenses, and Changes in Fund Net Position summarize the revenues, and sources of those revenues generated, and the expenses incurred in operating the Housing Authority for the year-ended June 30, 2019.

Broken Bow Housing Authority has a low-rent program that provides housing for qualified tenants, a capital fund program for improvements to its low-rent property, a Section 8 Housing Choice Voucher program that provides rental assistance to qualified individuals living in private housing, and a state/local program. The following analysis focuses on the net position and the change in net position not the individual programs.

Housing Authority of the City of Broken Bow

Management's Discussion and Analysis (MD & A)

June 30, 2019

Net Position				
June 30,				
	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% of Change</u>
Current Assets	\$ 2,421,464	\$ 2,352,872	\$ 68,592	2.92%
Capital Assets, Net	3,421,064	3,468,181	(47,117)	-1.36%
Noncurrent Assets	<u>1,237,500</u>	<u>1,237,500</u>	<u>0</u>	<u>0.00%</u>
Total Assets	\$ <u>7,080,028</u>	\$ <u>7,058,553</u>	\$ <u>21,475</u>	<u>0.30%</u>
Current Liabilities	111,801	104,497	7,304	6.99%
Noncurrent Liabilities	<u>1,332,578</u>	<u>1,372,976</u>	<u>(40,398)</u>	<u>-2.94%</u>
Total Liabilities	\$ <u>1,444,379</u>	\$ <u>1,477,473</u>	\$ <u>(33,094)</u>	<u>-2.24%</u>
Net Position:				
Investment in Capital Assets	3,421,064	3,468,181	(47,117)	-1.36%
Restricted Net Position	45,068	73,672	(28,604)	-38.83%
Unrestricted Net Position	<u>2,128,624</u>	<u>1,942,897</u>	<u>185,727</u>	<u>9.56%</u>
Total Net Position	\$ <u>5,594,756</u>	\$ <u>5,484,750</u>	\$ <u>110,006</u>	<u>2.01%</u>

Capital Assets				
(Net of Accumulated Depreciation)				
June 30,				
	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% of Change</u>
Land	\$ 225,269	\$ 225,269	\$ 0	0.00%
Infrastructure	13,329	13,329	0	0.00%
Buildings	8,771,772	8,557,929	213,843	2.50%
Furniture & Equipment - Dwell	146,468	159,701	(13,233)	-8.29%
Furniture & Equipment - Admin	397,187	395,237	1,950	0.49%
Leasehold Improvements	1,540,873	1,511,395	29,478	1.95%
Construction in progress	<u>292,270</u>	<u>256,826</u>	<u>35,444</u>	<u>13.80%</u>
Subtotal	11,387,168	11,119,686	267,482	2.41%
Accumulated Depreciation	<u>(7,966,104)</u>	<u>(7,651,505)</u>	<u>(314,599)</u>	<u>4.11%</u>
Net Capital Assets	\$ <u>3,421,064</u>	\$ <u>3,468,181</u>	\$ <u>(47,117)</u>	<u>-1.36%</u>

Unaudited

Housing Authority of the City of Broken Bow

Management's Discussion and Analysis (MD & A)

June 30, 2019

Net Position

Total assets consist of current and capital assets. Current assets are resources that are reasonably expected, based on plans and intentions, to be converted into cash or its equivalent during the current operating cycle. Capital assets are long-term tangible assets obtained because of past transactions, events, or circumstances and include buildings, equipment, and improvements to buildings and land.

Total liabilities consist of current and noncurrent payables. Current liabilities are current debts that are owed and due within 12 months. It is expected that current liabilities will consume current financial resources to satisfy debt. Noncurrent liabilities are debts that are owed but not due within 12 months. It is not expected that these liabilities will consume current financial resources to satisfy the debt.

Total assets increased due to positive cash flow (net cash provided by operating activities). Total liabilities decreased due to accrued compensated absences (paid leave) and FSS escrow liabilities.

The Housing Authority had \$341,285 in Capital Grant revenue to draw down and spend in the future.

Total Net Position

As of June 30, 2019, the Housing Authority had \$5,594,756 invested in total net position. Of this amount, \$2,128,624 of unrestricted net position may be used to meet the Authority's future ongoing expenses and obligations. Restricted net position of \$45,068 was available for Section 8 Housing Assistance Payments (HAP). The remainder of \$3,421,064 represents the investment in capital assets of land, buildings, infrastructure, furnishings, leasehold improvements, equipment, and construction in progress.

Debt

Broken Bow Housing Authority has \$1,237,500 in operating borrowings for the state/local (affordable housing) program.

Expendable Fund Balance

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% of Change</u>
Expendable Fund Balance	\$ <u>1,339,706</u>	\$ <u>1,240,120</u>	\$ <u>99,586</u>	<u>8.03%</u>
Number of Months Expendable Fund	<u>17.39</u>	<u>14.49</u>	<u>2.90</u>	<u>20.01%</u>

Unaudited

Housing Authority of the City of Broken Bow

Management's Discussion and Analysis (MD & A)

June 30, 2019

Expendable Fund Balance

If current assets, less materials inventory, were converted to cash and all current liabilities were paid, the Authority's cash balance (expendable fund balance) would be \$1,339,706 which increased \$99,586.

Number of Months Expendable Fund Balance

The expendable fund balance is divided by average monthly expense (total expenses for the year, less depreciation, divided by twelve (12) to determine the number of months expendable fund balance. This factor indicates the number of months the entity could operate without relying on additional funding. As of the fiscal year-end, the Authority could continue operations for 17.39 months.

Changes in Net Position For the Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% of Change</u>
Revenue:				
Tenant Revenue	\$ 414,374	\$ 452,115	\$ (37,741)	-8.35%
Federal Grants & Subsidy	1,516,869	1,370,719	146,150	10.66%
Investment	19,409	4,535	14,874	327.98%
Other Income	118,169	100,524	17,645	17.55%
Gain/Loss on the Sale of Assets	144,733	11,839	132,894	1122.51%
Total Revenue	<u>2,213,554</u>	<u>1,939,732</u>	<u>140,928</u>	<u>7.27%</u>
Expenses:				
Administrative	358,791	376,577	(17,786)	-4.72%
Tenant Services	4,683	7,840	(3,157)	-40.27%
Utilities	68,975	72,722	(3,747)	-5.15%
Routine Maintenance	376,139	462,306	(86,167)	-18.64%
Protective Services	34	0	34	100.00%
General	111,664	99,991	11,673	11.67%
Non-Routine	4,304	7,717	(3,413)	-44.23%
Housing Assistance Payments	853,559	773,231	80,328	10.39%
Depreciation	325,399	232,134	93,265	40.18%
Total Operating Expenses	<u>2,103,548</u>	<u>2,032,518</u>	<u>71,030</u>	<u>3.49%</u>
Increase (Decrease) in Net Position	<u>\$ 110,006</u>	<u>\$ (92,786)</u>	<u>\$ 69,898</u>	<u>-75.33%</u>

Changes in Net Position

Total revenue increased due to the sale of property in the state/local program and capital grant projects in progress. Total operating expenses increased due mainly to assets placed in service. The net effect was an increase in changes in net position.

Unaudited

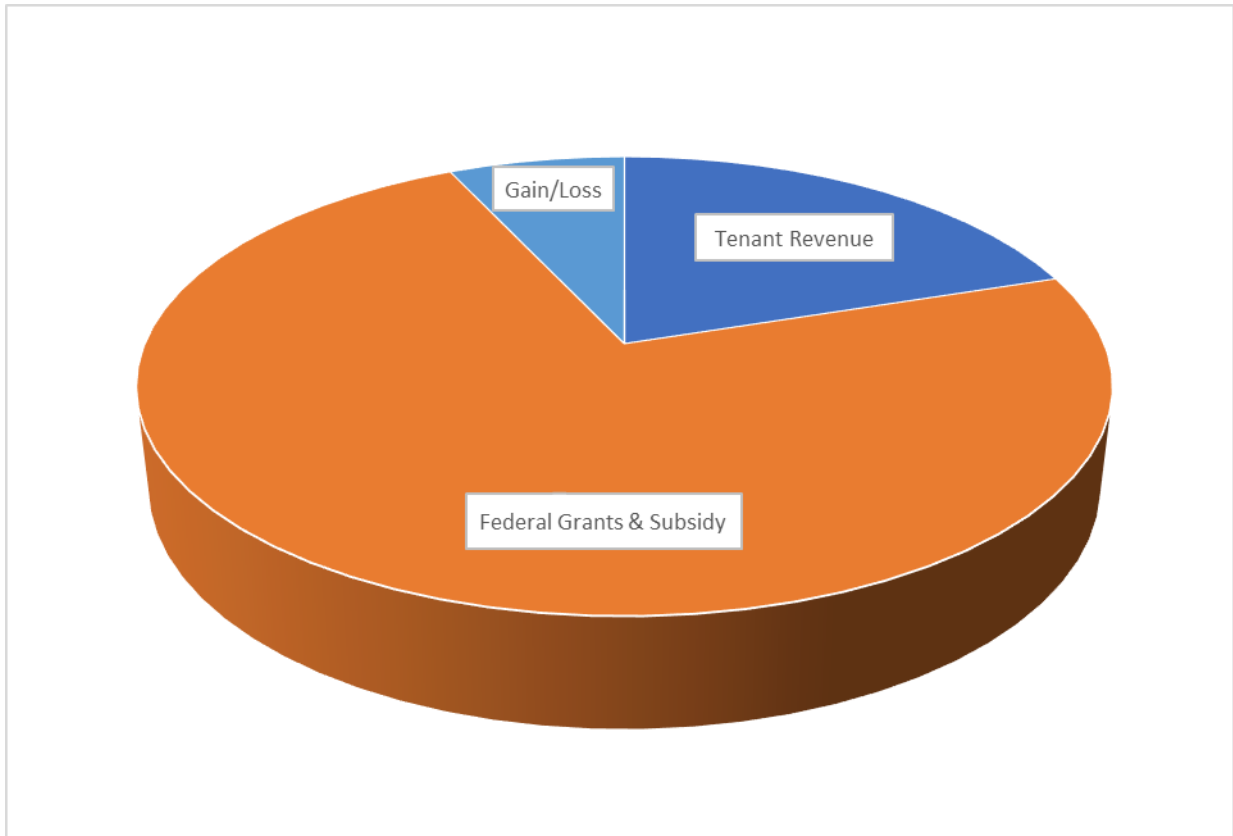
Housing Authority of the City of Broken Bow

Management's Discussion and Analysis (MD & A)

June 30, 2019

Investment revenue, other income, along with tenant services, utility, protective services, and non-routine maintenance expenses had minimal effects on the 2019 financial statements which were not included in the following graphs.

2019 Total Revenue

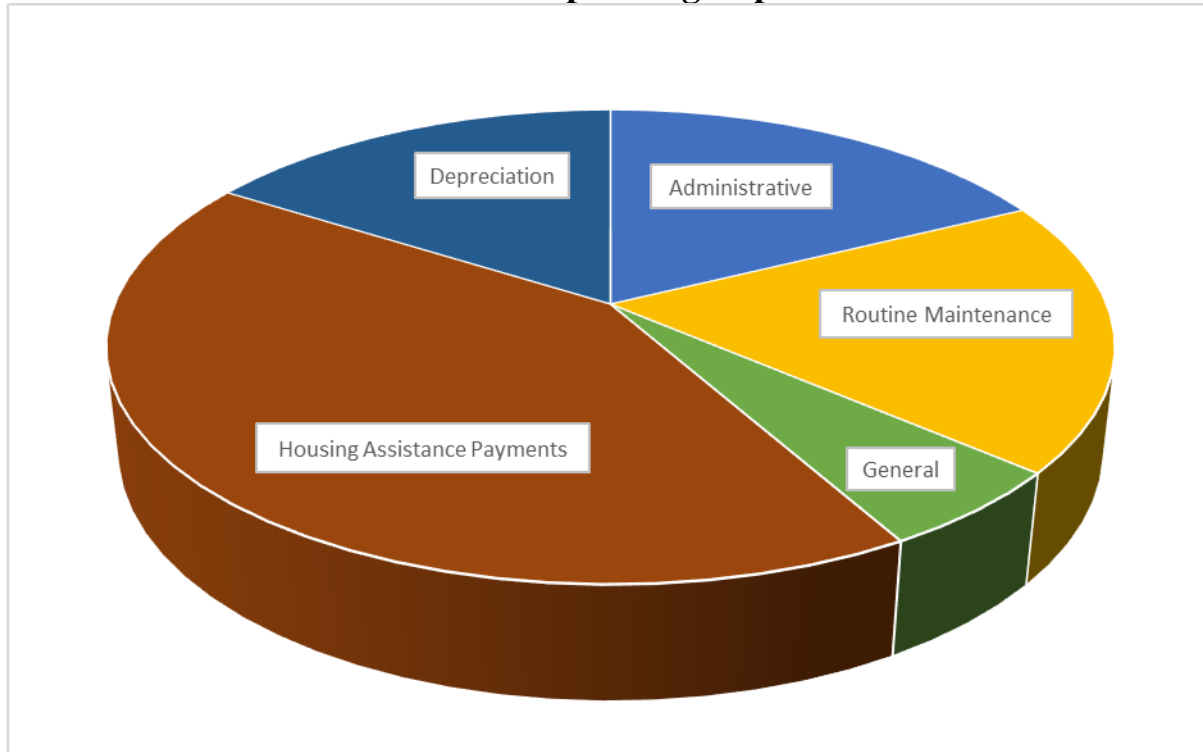


Housing Authority of the City of Broken Bow

Management's Discussion and Analysis (MD & A)

June 30, 2019

2019 Total Operating Expenses



Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations. The entity is affected by both federal budgetary decisions and by local economic conditions.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show accountability for money it receives. If you have questions or need further clarification regarding the financial statements, contact Mr. Frank Meddock, Executive Director, Housing Authority of the City of Broken Bow, 710 East Third, Broken Bow, OK 74728, telephone number (580) 584-6939.

**HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2019**

	<u>2019</u>	<u>Memo Only 2018</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash - Unrestricted	\$ 365,637	\$ 899,722
Cash - Tenant Security Deposits	19,482	19,385
Cash - Other Restricted	111,009	22,530
Accounts Receivable, Net	415,187	276,657
Investments, Unrestricted	550,000	-
Investments, Restricted	51,142	151,356
Inventory, Net	16,414	13,317
Prepaid Expenses	20,308	52,523
Inter Program Due From	40,000	-
Property Held for Resale	832,285	821,052
Total Current Assets	2,421,464	2,256,542
<u>Noncurrent Assets:</u>		
Accounts Receivable - Long Term	1,237,500	1,237,500
Net Capital Assets	3,421,064	3,468,181
Total Noncurrent Assets	4,658,564	4,705,681
TOTAL ASSETS	\$ 7,080,028	\$ 6,962,223
<u>LIABILITIES & NET POSITION</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 15,461	\$ 27,724
Accrued Expenses	65,258	49,921
Tenant Security Deposits	19,482	19,385
Prepaid Tenant Rents	12,493	7,467
Inter Program Due To	40,000	-
Total Current Liabilities	152,694	104,497
<u>Noncurrent Liabilities:</u>		
Long-Term Debt	1,332,578	1,372,976
Total Liabilities	1,485,272	1,477,473
<u>NET POSITION</u>		
Net investment in capital assets	3,421,064	3,468,181
Restricted for debt service	45,068	73,672
Unrestricted	2,128,624	1,942,897
TOTAL NET POSITION	5,594,756	5,484,750
TOTAL LIABILITIES AND NET POSITION	\$ 7,080,028	\$ 6,962,223

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT B

**HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN TOTAL NET POSITION
FOR THE TWELVE MONTHS ENDED JUNE 30, 2019**

	<u>2019</u>	<u>Memo Only 2018</u>
<u>OPERATING REVENUE:</u>		
Dwelling Rental	\$ 414,374	\$ 452,115
HUD Operating Subsidies and Vouchers	1,253,615	1,258,647
Capital Grants	263,254	112,072
Other Income	262,902	112,363
Total Operating Revenue	<u>2,194,145</u>	<u>1,935,197</u>
<u>OPERATING EXPENSES:</u>		
Tenant Assistance Payments	853,559	773,231
Tenant Services	4,683	7,840
Administration	358,791	376,577
Utilities	68,975	72,722
Maintenance	376,139	462,306
Protective Services	34	-
Insurance Premiums	89,769	92,733
Other General Expenses	26,199	14,975
Depreciation	325,399	232,134
Total Operating Expenses	<u>2,103,548</u>	<u>2,032,518</u>
NET OPERATING INCOME (LOSS)	90,597	(97,321)
<u>NON-OPERATING REVENUES (EXPENSES):</u>		
Interest Income	19,409	4,535
Interest Expense	-	-
NET NON-OPERATING REVENUES (EXPENSES)	<u>19,409</u>	<u>4,535</u>
CHANGE IN NET POSITION	110,006	(92,786)
TOTAL NET POSITION, BEGINNING OF YEAR	5,484,750	5,574,536
PRIOR YEAR ADJUSTMENTS	<u>-</u>	<u>3,000</u>
TOTAL NET POSITION, END OF YEAR	<u><u>\$ 5,594,756</u></u>	<u><u>\$ 5,484,750</u></u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

EXHIBIT C

**HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2019**

	<u>2019</u>	<u>Memo Only 2018</u>
<u>Cash Flows from Operating Activities:</u>		
Cash From Dwelling Rentals	\$ 414,374	\$ 452,115
Cash From HUD and Other Sources	1,646,364	1,527,283
Cash Payments to Employees	(263,954)	(288,411)
Cash Payments for Goods and Services	<u>(1,493,236)</u>	<u>(1,451,830)</u>
Net Cash Provided (Used) by Operating Activities	<u>303,548</u>	<u>239,157</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Additions to Capital Assets	(278,282)	(120,572)
Proceeds from sale of Capital Assets	-	414,943
Changes in Long-Term Debt	(40,398)	44,110
Interest Paid On Long-Term Debt	-	-
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(318,680)</u>	<u>338,482</u>
<u>Cash Flows from Investing Activities:</u>		
Interest Income	<u>19,409</u>	<u>4,535</u>
Net Cash Provided (Used) by Investing Activities	<u>19,409</u>	<u>4,535</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,277	582,174
Cash & Cash Equivalents, Beginning of Year	1,070,463	485,289
Cash & Cash Equivalents, Prior Year Adjustment	<u>22,530</u>	<u>3,000</u>
Cash & Cash Equivalents, End of Year	<u>\$ 1,097,270</u>	<u>\$ 1,070,463</u>
<u>Reconciliation of operating income (loss) to net cash provided operating activities:</u>		
Net Operating Income (Loss)	\$ 90,597	\$ (97,321)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	325,399	232,134
(Increase)Decrease in Short Term Accounts Receivable	(138,530)	42,922
(Increase)Decrease in Inter Program Due From/To	-	-
(Increase)Decrease in Prepaid Expenses	32,215	(3,497)
(Increase)Decrease in Inventory	(3,097)	785
(Increase)Decrease in Property Held for Sale	(11,233)	52,837
Increase(Decrease) in Accounts Payable	(12,263)	11,439
Increase(Decrease) in Accrued Expenses	15,337	(1,421)
Increase(Decrease) in Tenant Security Deposits	97	(903)
Increase(Decrease) in Prepaid Rents	<u>5,026</u>	<u>2,182</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 303,548</u>	<u>\$ 239,157</u>

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity - The Housing Authority of the City of Broken Bow, Oklahoma was organized for the primary purpose of providing low-income housing to the public.

The financial statements of the Housing Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Housing Authority's reporting entity applies to all relevant *Governmental Accounting Standards Board (GASB)* pronouncements. Proprietary funds and similar component units apply to *Financial Accounting Standards Board (FASB)* pronouncements and *Accounting Principles Board (APB)* opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict *GASB* pronouncements, in which case, *GASB* prevails.

Principles Used to Determine Scope of Entity:

The reporting entity of the Housing Authority includes the governing board and all related organizations for which the Housing Authority exercises oversight responsibility.

The criteria used to determine whether the Housing Authority exercises oversight responsibility includes: designation of management, selection of board of directors, financial interdependency, ability to influence financial matters, and scope of public service.

The Housing Authority has determined that no other outside agency meets the above criteria and, therefore, no other agency has been listed as a component unit of the Housing Authority's financial statements.

Basis of Presentation - The financial statements of the Housing Authority have been prepared using the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the liability is incurred. The financial statements of this audit report were prepared using the following fund types:

Proprietary Fund Types:

Enterprise Funds - Enterprise funds are used to account for the acquisition, operation, and maintenance of the Housing Authority, which are financed primarily by tenant rents. The Housing Authority used an enterprise fund to account for all of its operations.

Property Held for Resale - Property held for resale is stated at cost.

Risk Management - Significant losses are covered by commercial insurance for all significant Authority operations.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH

The Housing Authority's cash balance and investments consist of demand deposits and time deposits maintained at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The Housing Authority may invest funds in accordance with HUD guidelines as referenced by the Financial Management Handbook.

For purposes of the Statement of Cash Flows, the Housing Authority considers all highly liquid investments to be cash equivalents. All certificates of deposit, other time deposits and investments are considered cash equivalents.

Custodial Credit Risk

At June 30, 2019, the Authority held deposits of approximately \$1,137,270 at financial institutions. The Authority's cash deposits, including interest-bearing certificates of deposit are covered by Federal Depository Insurance (FDIC) or collateralized with securities held by the Authority or by its agent in the Authority's name.

Investment Interest Rate Risk

The 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.

Investment Credit Risk

The Authority has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

NOTE 3 - ACCOUNTS RECEIVABLE

All receivables from tenants are for rentals and service charges. These receivables are shown net of an allowance for uncollectible amounts. This amount is estimated based upon historical information. The allowance is \$1,500 at June 30, 2019.

NOTE 4 - CAPITAL ASSETS

Capital assets are valued at cost when purchased and at fair market value when donated. The costs of the assets are depreciated over the estimated useful life of the asset. All items with an estimated useful life of one year or more are capitalized and depreciated using the straight-line method. The Authority does not have a set capitalization threshold, but rather determines capitalization on a case-by-case basis. Depreciation expense for the fiscal year ended June 30, 2019 is \$325,399.

Estimated useful lives of the assets are as follows:

Buildings	40 Years
Site Improvements	20 Years
Equipment	3 to 10 Years

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
 BROKEN BOW, OKLAHOMA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

The changes in capital assets are as follows:

	Balance at June 30, 2018	Additions	Deductions	Reclass/ Transfers	Balance at June 30, 2019
Non-depreciable assets:					
Land	\$ 225,269	\$ -	\$ -	\$ -	\$ 225,269
Construction in Progress	256,826	263,254	-	(227,810)	292,270
Total non-depreciable assets	<u>\$ 482,095</u>	<u>\$ 263,254</u>	<u>\$ -</u>	<u>\$ (227,810)</u>	<u>\$ 517,539</u>
Depreciable assets:					
Infrastructure	13,329	-	-	-	13,329
Buildings	8,557,928	-	-	213,843	8,771,772
Furniture, Equipment & Machinery - Dwell	159,701	2,278	-	(15,512)	146,468
Furniture, Equipment & Machinery - Admin	395,237	12,750	(10,800)	-	397,187
Leasehold Improvements	1,511,395	-	-	29,478	1,540,873
Total depreciable assets	<u>10,637,591</u>	<u>15,028</u>	<u>(10,800)</u>	<u>227,810</u>	<u>10,869,629</u>
Less: Accum. Depreciation	<u>(7,651,505)</u>	<u>(325,399)</u>	<u>10,800</u>	<u>-</u>	<u>(7,966,104)</u>
Total depreciable assets, net	2,986,086	(310,371)	-	227,810	2,903,525
Total Capital Assets, Net	<u><u>\$ 3,468,181</u></u>	<u><u>\$ (47,117)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,421,064</u></u>

NOTE 5 - NOTES AND MORTGAGES PAYABLE

Compensated Absences

As of June 30, 2019, the Authority had \$32,374 of compensated absences. \$29,137 of this liability was classified as long term.

Notes payable

The Authority does not have any long-term notes payable.

NOTE 6- ECONOMIC DEPENDENCY

The Housing Authority receives a significant portion of its revenue from funds provided through federal grants. The grant amounts are appropriated each year at the federal level. If significant budget cuts are made at the federal level, the amount of the funds the Housing Authority receives could be reduced significantly, and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Housing Authority will receive in the next fiscal year.

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 - BUDGETARY PROCESS

Pursuant to HUD Guidelines, the Housing Authority adopts a budget annually. The director prepares the budget with consultation by the Housing Authority's fee accountant. The Board of Directors then approves it. Revisions to the budget are made as needed.

NOTE 8 - CONTINGENT LIABILITIES

During the year ending June 30, 2005, the Authority received federal monies passed through the agency of the State of Oklahoma, the Oklahoma Housing Financing Authority. The Authority also received funds from the Federal Home Loan Bank Board. These funds were to be used to construct two low income housing projects. The funds need not be repaid as long as the facilities that are being constructed remain as low income housing. The Authority passed the funds through to two for-profit entities. The for-profit entities are building the facilities using the monies from the Authority and also using tax credits that were awarded the Authority and also passed through to the for-profit entities. The two facilities are owned by the for-profit entities. The tax credits were awarded to the Authority with the provision that they be used to help construct low income housing. The federal funds passed through to the for-profit entities are loans from the Authority to the for-profit entities. If the two facilities are converted to non low income housing the monies are required to be repaid to the Authority from the for-profit entities immediately and the Authority is required to repay the monies to the various granting agencies immediately. These funds are not required to be paid back for 15 years, as long as the facilities remain low income housing. The federal monies totaled \$716,940. Additional federal money in the amount of \$520,560 was distributed during the year ending June 30, 2006. These funds are presented as revenues in the statement of revenues over expenses for the Authority and also as long-term accounts receivable. The total amount of long-term accounts receivable from such entities as of June 30, 2019 is \$1,237,500. At the end of the 15-year period, the liability from the for-profit entities may be exchanged for the properties. The Authority is the property manager and handles all operations of the two facilities. It is not probable that the Authority will convert the properties associated with the receivable/payable to non-low rent housing and be required to repay the loans.

The Smith Farm Estate was started in September 2010 and completed in September 2011, all funding was approved and obligated before June 30, 2011 but final document closing wasn't until September 2011. The Housing Authority is Managing member of the Smith Farm Estate LLC and owns .01% of the LLC. The Housing Authority holds mortgage in the amount of \$750,000.00 for the HOME, a loan forgivable, at the end of the 15-year compliance period. The Housing Authority does not hold the mortgage on the \$200,000.00 Affordable Housing Program, FHLB, that mortgage is held by Horizon Bank.

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Other Contingencies

The entity is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refunds by the entity to the federal grantors and/or program beneficiaries.

NOTE 9 - RETIREMENT PLAN

The Housing Authority participates in a defined contribution plan administered by the Housing Renewal and Local Agency Retirement Plan. The Housing Authority and the participants are required to contribute 8 ½% and 5%, respectively. For the fiscal year, actual contributions by the Housing Authority and the participants were \$32,273.41 and \$28,641.71, respectively for a total of \$60,915.12. Participating employees shall vest in Employer contributions at the rate of twenty percent per each full year of continuous and uninterrupted service with the Employer.

No Other Post-Employment Benefits are provided by the Authority.

NOTE 10 - INTERPROGRAM ACCOUNTS

Inter-program receivables and payables arise from Inter-program transactions and are recorded by all programs affected in the period in which transactions are executed. These receivables and payables are eliminated for presentation of the financial statements.

NOTE 11 - SUBSEQUENT EVENTS

The Authority did not have any subsequent events through January 31, 2020, which is the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending June 30, 2019.

**HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA No.</u>	<u>Agency Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:			
Direct Programs			
Low Rent Public Housing	14.850	OK006	\$ 272,710
Public Housing Capital Fund Program	14.872	OK006	313,153
Housing Choice Vouchers	14.871	OK006	931,007
Total			<u><u>\$ 1,516,870</u></u>

**HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority of the City of Broken Bow and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Housing Authority of the City of Broken Bow
Broken Bow, Oklahoma

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, and in accordance with Oklahoma Statutes, the financial statements of the Housing Authority of the City of Broken Bow, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Broken Bow's basic financial statements, and have issued our report thereon dated January 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Broken Bow's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Broken Bow's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Broken Bow's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Broken Bow's financial statements are free of material misstatement, we performed tests of 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kershaw CPA & Associates, P.C.
Kershaw, CPA & Associates, PC

January 31, 2020

KERSHAW CPA & ASSOCIATES, PC

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

To the Board of Directors
Housing Authority of the City of Broken Bow

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Broken Bow's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Broken Bow's major federal programs for the year ended June 30, 2019. The Housing Authority of the City of Broken Bow's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Broken Bow's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance), and in accordance with Oklahoma Statutes. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Broken Bow's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Housing Authority of the City of Broken Bow's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Broken Bow complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Broken Bow is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Broken Bow's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Broken Bow's internal control over compliance.

A *deficiency in internal control over compliance* 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 to detect and correct, noncompliance with a type of compliance requirement of a federal program 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

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control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Kershaw CPA & Associates, P.C.
Kershaw, CPA & Associates, PC

January 31, 2020

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
BROKEN BOW, OKLAHOMA
SUMMARY STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2019

The prior report on the audit of the financial statements as of and for the twelve months ended June 30, 2018, contained no findings.

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
 BROKEN BOW, OKLAHOMA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issue:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	_____yes	<u> X </u> no
Significant deficiencies identified that are not considered to be material weaknesses?	_____yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	_____yes	<u> X </u> no
Significant deficiencies identified that are not considered to be material weaknesses?	_____yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	_____yes	<u> X </u> no
------------------------------------------------------------------------------------------------------------	----------	-----------------

Identification of major programs:
 #14.871 Housing Choice Vouchers

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

Auditee qualified as low-risk auditee?	<u> X </u> yes	_____no
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SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
 BROKEN BOW, OKLAHOMA
 STATEMENT AND CERTIFICATION OF CAPITAL FUND PROJECT
 JUNE 30, 2019

As of June 30, 2019, the 2017, 2018 & 2019 Capital Fund Programs have not been completed.

The following is a summary of the Capital Fund Program activity for the fiscal year ending June 30, 2019:

2017 Capital Fund Program

Classification	Y-T-D	Project		Variance
		To Date	Budget	
1406 Operations	\$ -	\$ 5,000	\$ 5,000	\$ -
1408 Management Improvements	5,049	5,049	10,243	5,194
1408.1 Scanner - HARD COSTS	1,700	1,700	-	(1,700)
1410 Administration	5,034	5,034	13,900	8,866
1410.1 In House Accounting	700	700	-	(700)
1411 Audit Cost	-	2,000	2,600	600
1430 Fees & Costs	-	-	-	-
1450 Site Improvement	1,255	1,255	-	(1,255)
1460 Dwelling Structures	92,461	105,066	128,178	23,112
1465 Dwelling Equipment	-	16,412	-	(16,412)
1470 Nondwelling Structures	-	-	3,960	3,960
1475 Nondwelling Equipment	15,426	17,848	-	(17,848)
Total Capital Grant Cost	<u>\$121,625</u>	<u>\$ 160,064</u>	<u>\$163,881</u>	<u>\$ 3,817</u>
Advances Received	<u>\$125,442</u>	<u>\$ 163,881</u>		

2018 Capital Fund Program

Classification	Y-T-D	Project		Variance
		To Date	Budget	
1408 Management Improvements	\$ 3,725	\$ 3,725	\$ 11,743	\$ 8,018
1410 Administration	1,223	1,223	22,156	20,933
1410.1 In House Accounting	1,094	1,094	-	(1,094)
1410.2 PHA Plan Preparation	1,759	1,759	-	(1,759)
1410.3 Sundry	100	100	-	(100)
1411 Audit Cost	2,800	2,800	-	(2,800)
1450 Site Improvement	4,800	4,800	-	(4,800)
1460 Dwelling Structures	153,537	153,537	-	(153,537)
1475.9 NonDeprec Equip-Soft Costs	2,490	2,490	-	(2,490)
1480 General Capital Activity	-	-	220,541	220,541
Total Capital Grant Cost	<u>\$171,528</u>	<u>\$ 171,528</u>	<u>\$254,440</u>	<u>\$ 82,912</u>
Advances Received	<u>\$175,799</u>	<u>\$ 175,799</u>		

HOUSING AUTHORITY OF THE CITY OF BROKEN BOW
 BROKEN BOW, OKLAHOMA
 STATEMENT AND CERTIFICATION OF CAPITAL FUND PROJECT
 JUNE 30, 2019
 (Continued)

2019 Capital Fund Program

OK56P02750119

<u>Classification</u>	<u>Y-T-D</u>	<u>Project To Date</u>	<u>Budget</u>	<u>Variance</u>
1406 Operations	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
1408 Management Improvements	-	-	18,201	18,201
1410 Administration	-	-	19,616	19,616
1480 General Capital Activity	-	-	204,826	204,826
Total Capital Grant Cost	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$262,643</u>	<u>\$ 242,643</u>
Advances Received	<u>\$ -</u>	<u>\$ -</u>		

FINANCIAL DATA SCHEDULE

Housing Authority of the City of Broken Bow (OK006)

BROKEN BOW, OK

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	Project Total	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$36,621	\$260,487	\$68,529	\$365,637		\$365,637
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$0	\$111,009	\$111,009		\$111,009
114 Cash - Tenant Security Deposits	\$15,507	\$3,975	\$0	\$19,482		\$19,482
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0		\$0
100 Total Cash	\$52,128	\$264,462	\$179,538	\$496,128		\$496,128
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$20,000	\$0	\$0	\$20,000		\$20,000
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$35,898	\$164,340	\$0	\$200,238		\$200,238
126 Accounts Receivable - Tenants	\$8,165	\$5,147	\$0	\$13,312		\$13,312
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,000	-\$500	\$0	-\$1,500		-\$1,500
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$167,927	\$0	\$167,927		\$167,927
128 Fraud Recovery	\$5,813	\$0	\$0	\$5,813		\$5,813
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0		\$0
129 Accrued Interest Receivable	\$0	\$9,248	\$149	\$9,397		\$9,397
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$68,876	\$346,162	\$149	\$415,187		\$415,187
131 Investments - Unrestricted	\$0	\$550,000	\$0	\$550,000		\$550,000
132 Investments - Restricted	\$0	\$51,142	\$0	\$51,142		\$51,142
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$17,432	\$1,202	\$1,674	\$20,308		\$20,308
143 Inventories	\$17,278	\$0	\$0	\$17,278		\$17,278
143.1 Allowance for Obsolete Inventories	-\$864	\$0	\$0	-\$864		-\$864
144 Inter Program Due From	\$0	\$40,000	\$0	\$40,000		\$40,000
145 Assets Held for Sale	\$0	\$832,285	\$0	\$832,285		\$832,285
150 Total Current Assets	\$154,850	\$2,085,253	\$181,361	\$2,421,464		\$2,421,464
161 Land	\$225,269	\$0	\$0	\$225,269		\$225,269
162 Buildings	\$8,098,428	\$673,344	\$0	\$8,771,772		\$8,771,772
163 Furniture, Equipment & Machinery - Dwellings	\$145,968	\$500	\$0	\$146,468		\$146,468
164 Furniture, Equipment & Machinery - Administration	\$301,571	\$93,291	\$2,325	\$397,187		\$397,187
165 Leasehold Improvements	\$1,398,469	\$142,404	\$0	\$1,540,873		\$1,540,873
166 Accumulated Depreciation	-\$7,585,175	-\$378,604	-\$2,325	-\$7,966,104		-\$7,966,104
167 Construction in Progress	\$292,270	\$0	\$0	\$292,270		\$292,270
168 Infrastructure	\$13,329	\$0	\$0	\$13,329		\$13,329
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,890,129	\$530,935	\$0	\$3,421,064		\$3,421,064

FINANCIAL DATA SCHEDULE

171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$1,237,500	\$0	\$1,237,500	\$1,237,500
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$2,890,129	\$1,768,435	\$0	\$4,658,564	\$4,658,564
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$3,044,979	\$3,853,688	\$181,361	\$7,080,028	\$7,080,028
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$7,861	\$658	\$6,942	\$15,461	\$15,461
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$13,244	\$29,691	\$269	\$43,204	\$43,204
322 Accrued Compensated Absences - Current Portion	\$1,624	\$3	\$1,610	\$3,237	\$3,237
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$15,507	\$3,975	\$0	\$19,482	\$19,482
342 Unearned Revenue	\$11,491	\$1,002	\$0	\$12,493	\$12,493
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$40,000	\$40,000	\$40,000
348 Loan Liability - Current	\$0	\$18,817	\$0	\$18,817	\$18,817
310 Total Current Liabilities	\$49,727	\$54,146	\$48,821	\$152,694	\$152,694
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$1,237,500	\$0	\$1,237,500	\$1,237,500
353 Non-current Liabilities - Other	\$0	\$0	\$65,941	\$65,941	\$65,941
354 Accrued Compensated Absences - Non Current	\$14,618	\$31	\$14,488	\$29,137	\$29,137
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$14,618	\$1,237,531	\$80,429	\$1,332,578	\$1,332,578
300 Total Liabilities	\$64,345	\$1,291,677	\$129,250	\$1,485,272	\$1,485,272
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$2,890,129	\$530,935	\$0	\$3,421,064	\$3,421,064
511.4 Restricted Net Position	\$0	\$0	\$45,068	\$45,068	\$45,068
512.4 Unrestricted Net Position	\$90,505	\$2,031,076	\$7,043	\$2,128,624	\$2,128,624
513 Total Equity - Net Assets / Position	\$2,980,634	\$2,562,011	\$52,111	\$5,594,756	\$5,594,756
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,044,979	\$3,853,688	\$181,361	\$7,080,028	\$7,080,028

FINANCIAL DATA SCHEDULE

Housing Authority of the City of Broken Bow (OK006) BROKEN BOW, OK Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	Project Total	2 State/Local	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$324,181	\$80,981	\$0	\$405,162		\$405,162
70400 Tenant Revenue - Other	\$5,484	\$3,728	\$0	\$9,212		\$9,212
70500 Total Tenant Revenue	\$329,665	\$84,709	\$0	\$414,374		\$414,374
70600 HUD PHA Operating Grants	\$322,608	\$0	\$931,007	\$1,253,615		\$1,253,615
70610 Capital Grants	\$263,254	\$0	\$0	\$263,254		\$263,254
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants	\$0	\$0	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$485	\$10,219	\$230	\$10,934		\$10,934
71200 Mortgage Interest Income	\$0	\$8,475	\$0	\$8,475		\$8,475
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$15,000	\$0	\$15,000		\$15,000
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0		\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0		\$0
71500 Other Revenue	\$41,329	\$22,739	\$39,101	\$103,169		\$103,169
71600 Gain or Loss on Sale of Capital Assets	\$1,500	\$143,233	\$0	\$144,733		\$144,733
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0		\$0
70000 Total Revenue	\$958,841	\$284,375	\$970,338	\$2,213,554		\$2,213,554
91100 Administrative Salaries	\$130,902	\$2,807	\$47,303	\$181,012		\$181,012
91200 Auditing Fees	\$6,175	\$800	\$825	\$7,800		\$7,800
91300 Management Fee	\$0	\$0	\$0	\$0		\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0		\$0
91400 Advertising and Marketing	\$400	\$0	\$0	\$400		\$400
91500 Employee Benefit contributions - Administrative	\$62,294	\$6,030	\$14,618	\$82,942		\$82,942
91600 Office Expenses	\$18,242	\$101	\$1,577	\$19,920		\$19,920
91700 Legal Expense	\$1,420	\$0	\$0	\$1,420		\$1,420
91800 Travel	\$5,741	\$0	\$1,843	\$7,584		\$7,584
91810 Allocated Overhead	\$0	\$0	\$0	\$0		\$0
91900 Other	\$44,484	\$3,109	\$10,120	\$57,713		\$57,713
91000 Total Operating - Administrative	\$269,658	\$12,847	\$76,286	\$358,791		\$358,791
92000 Asset Management Fee	\$0	\$0	\$0	\$0		\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0		\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0		\$0
92400 Tenant Services - Other	\$2,028	\$2,655	\$0	\$4,683		\$4,683
92500 Total Tenant Services	\$2,028	\$2,655	\$0	\$4,683		\$4,683

FINANCIAL DATA SCHEDULE

93100 Water	\$14,807	\$120	\$0	\$14,927	\$14,927
93200 Electricity	\$23,140	\$1,288	\$0	\$24,428	\$24,428
93300 Gas	\$8,495	\$0	\$0	\$8,495	\$8,495
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$21,125	\$0	\$0	\$21,125	\$21,125
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$67,567	\$1,408	\$0	\$68,975	\$68,975
94100 Ordinary Maintenance and Operations - Labor	\$87,290	\$25	\$0	\$87,315	\$87,315
94200 Ordinary Maintenance and Operations - Materials and Other	\$118,679	\$13,968	\$0	\$132,647	\$132,647
94300 Ordinary Maintenance and Operations Contracts	\$68,838	\$30,704	\$0	\$99,542	\$99,542
94500 Employee Benefit Contributions - Ordinary Maintenance	\$42,393	\$14,242	\$0	\$56,635	\$56,635
94000 Total Maintenance	\$317,200	\$58,939	\$0	\$376,139	\$376,139
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$34	\$0	\$0	\$34	\$34
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$34	\$0	\$0	\$34	\$34
96110 Property Insurance	\$41,753	\$4,711	\$0	\$46,464	\$46,464
96120 Liability Insurance	\$3,707	\$1,316	\$0	\$5,023	\$5,023
96130 Workmen's Compensation	\$22,195	\$3,699	\$0	\$25,894	\$25,894
96140 All Other Insurance	\$11,082	\$1,306	\$0	\$12,388	\$12,388
96100 Total insurance Premiums	\$78,737	\$11,032	\$0	\$89,769	\$89,769
96200 Other General Expenses	\$0	\$0	\$0	\$0	\$0
96210 Compensated Absences	\$0	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$15,472	\$6,423	\$0	\$21,895	\$21,895
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$15,472	\$6,423	\$0	\$21,895	\$21,895
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$750,696	\$93,304	\$76,286	\$920,286	\$920,286
97000 Excess of Operating Revenue over Operating Expenses	\$208,145	\$191,071	\$894,052	\$1,293,268	\$1,293,268

FINANCIAL DATA SCHEDULE

97100	Extraordinary Maintenance	\$3,905	\$399	\$0	\$4,304	\$4,304
97200	Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300	Housing Assistance Payments	\$0	\$0	\$853,559	\$853,559	\$853,559
97350	HAP Portability-In	\$0	\$0	\$0	\$0	\$0
97400	Depreciation Expense	\$292,904	\$32,495	\$0	\$325,399	\$325,399
97500	Fraud Losses	\$0	\$0	\$0	\$0	\$0
97600	Capital Outlays - Governmental Funds					
97700	Debt Principal Payment - Governmental Funds					
97800	Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0
90000	Total Expenses	\$1,047,505	\$126,198	\$929,845	\$2,103,548	\$2,103,548
10010	Operating Transfer In	\$20,000	\$0	\$0	\$20,000	\$20,000
10020	Operating transfer Out	-\$20,000	\$0	\$0	-\$20,000	-\$20,000
10030	Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0
10040	Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0
10050	Proceeds from Notes, Loans and Bonds					
10060	Proceeds from Property Sales					
10070	Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0
10080	Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0
10091	Inter Project Excess Cash Transfer In	\$0			\$0	\$0
10092	Inter Project Excess Cash Transfer Out	\$0			\$0	\$0
10093	Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0
10094	Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$88,664	\$158,177	\$40,493	\$110,006	\$110,006
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$3,069,298	\$2,403,834	\$11,618	\$5,484,750	\$5,484,750
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0			\$0	\$0
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	\$0		\$11,430	\$11,430	\$11,430
11180	Housing Assistance Payments Equity			\$40,681	\$40,681	\$40,681
11190	Unit Months Available	1615	240	2386	4241	4241
11210	Number of Unit Months Leased	1579	240	2277	4096	4096
11270	Excess Cash	\$10,943			\$10,943	\$10,943
11610	Land Purchases	\$0			\$0	\$0
11620	Building Purchases	\$0			\$0	\$0
11630	Furniture & Equipment - Dwelling Purchases	\$263,253			\$263,253	\$263,253
11640	Furniture & Equipment - Administrative Purchases	\$0			\$0	\$0
11650	Leasehold Improvements Purchases	\$0			\$0	\$0
11660	Infrastructure Purchases	\$0			\$0	\$0
13510	CFFP Debt Service Payments	\$0			\$0	\$0
13901	Replacement Housing Factor Funds	\$0			\$0	\$0