

**CHEYENNE AND ARAPAHO TRIBES  
DEPARTMENT OF HOUSING  
Clinton, Oklahoma**

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**REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND SINGLE AUDIT**

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**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Cheyenne and Arapaho Tribes Department of Housing  
Clinton, Oklahoma

U.S. Dept of HUD  
Region # 6 SPONAP  
301 NW 6<sup>th</sup> Street, Suite 200  
Oklahoma City, OK 73102

**Opinions**

We have audited the accompanying financial statements of the business-type activities of the Cheyenne and Arapaho Tribes Department of Housing (the Authority) as of and for the year ended December 31, 2021, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of December 31, 2021, 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.

**Basis for Opinions**

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining financial statements, Financial Data Schedule, and the other Supplementary Information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining financial statements and the Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2024 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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



DeBary, Florida  
August 2, 2024

**Malcolm Johnson & Company, P.A.**  
Certified Public Accountants

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

This Section of the Cheyenne & Arapaho Tribes Department of Housing (Authority) annual financial report represents our discussion and analysis of Authority's financial performance during the fiscal year ended on December 31, 2021. Please read it in conjunction with Authority's financial statements, which follow this section. All financial reports are disclosed in the financial statements.

**Financial Highlights**

Authority plans to provide Indian Housing Assistance through on-going operating assistance, on-going maintenance by work orders, inspection for rental units, inspection for homebuyer units and on-going grounds maintenance, and provide modernization of units.

Authority also provides homeownership opportunities through acquisition of existing homes and new construction, and through housing counseling assistance.

Authority will continue to provide on-going assessment and evaluation to improve and upgrade office equipment, software for computer system. The Authority will provide adequate staffing and staff training, provide routine monitoring and oversight of housing activities.

**Overview of the Financial Statements**

This annual report includes this Management & Discussion Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. The Authority's financial statements are presented as fund financial statements because the Authority only has proprietary funds. The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. These statements offer short-term and long-term financial information about the Authority's activities

**Required Financial Statements**

The *Statement of Net Position* includes the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

The *Statement of Revenues, Expenses, and Changes in Net Position* records all revenue (income) and expenses. This statement measures the success of the Authority's operations over the past year and can be used to determine whether Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The *Statement of Cash Flow* reports cash receipts, cash payments, and net changes in cash resulting from operating, financing and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide data that are more detailed.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**  
**(Continued)**

**Cheyenne & Arapaho Tribes Department of Housing Programs:**

**Indian Housing Block Grant:** Under the IHBG Program, Authority rents units that it owns to low-income households. The Housing Program is operated under a contract with HUD, and HUD provides funding to enable Authority to provide the housing at a rent that is based upon 30% household income. The IHBG program also includes monies for physical and management improvements to Authority's properties and new construction activities. NAHASDA meets housing needs for low-income Native American families by maintaining, acquiring and constructing housing units. Enrolled Cheyenne & Arapaho Tribal members have first priority for those who are within our jurisdictional boundaries.

**Mutual Self Help Program:** Provides homeownership for families. Charges are based upon 15% of adjusted monthly income, with a maximum payment of the debt amortization of the unit.

**Financial Analysis**

Net Position may serve, over time, as a useful indicator of Authority's financial position.

**Statement of Net Position**

	<b>FY 2021</b>	<b>FY 2020</b>	<b>Variance</b>
Current Assets	\$ 7,171,148	\$ 6,432,353	\$ 738,795
Non-Current Assets	18,223,592	18,675,316	(451,724)
<b>Total Current Assets</b>	<b>25,394,740</b>	<b>25,107,669</b>	<b>287,071</b>
Current Liabilities	969,322	592,580	376,742
Other Liabilities	3,243,527	3,028,539	214,988
<b>Total Liabilities</b>	<b>4,212,849</b>	<b>3,621,119</b>	<b>591,730</b>
<b>Net Position</b>			
Net Investment in Capital Assets	4,660,551	4,548,676	111,875
Restricted	13,563,041	14,126,640	(563,599)
Unrestricted	2,958,299	2,811,234	147,065
<b>Total Net Position</b>	<b>\$21,181,891</b>	<b>\$ 21,486,550</b>	<b>\$ (304,659)</b>

As stated in the table above, assets exceeded liabilities by \$21,181,891 at the close of the year ended December 31, 2021 slightly down from \$21,486,550 in 2020.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**  
**(Continued)**

**Financial Analysis (Continued)**

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

**Statement of Revenues, Expenses, and Changes in Net Position**

	<b>2021</b>	<b>2020</b>	<b>Variance</b>
<b>Revenue:</b>			
Rental & Other Revenue	\$ 194,953	\$ 415,314	\$ (220,361)
HUD & Other Governmental Grants	7,049,571	4,726,797	2,322,774
<b>Total Revenue</b>	<b>7,244,524</b>	<b>5,142,111</b>	<b>2,102,413</b>
<b>Expenses:</b>			
Planning & Administrative	395,159	325,296	69,863
Tenant Services	187,511	176,138	11,373
Ordinary Maintenance & Operations	1,950,252	2,235,438	(285,186)
Protective Services	92,851	4,990	87,861
General Expenses	4,155,483	2,201,950	1,953,533
Depreciation & Amortization	844,582	795,375	49,207
<b>Total Operating Expenses</b>	<b>7,625,838</b>	<b>5,739,187</b>	<b>1,886,651</b>
<b>Income (Loss) before transfers</b>	<b>(381,314)</b>	<b>(597,076)</b>	<b>215,762</b>
<b>Transfers from (to) other programs</b>	<b>76,655</b>	<b>-</b>	<b>76,655</b>
<b>Increase (decrease) in Net Position</b>	<b>(304,659)</b>	<b>(597,076)</b>	<b>292,417</b>
<b>Net position, beginning of year</b>	<b>21,486,550</b>	<b>22,083,626</b>	<b>(597,076)</b>
<b>Net position, end of year</b>	<b>\$ 21,181,891</b>	<b>\$ 21,486,550</b>	<b>\$ (304,659)</b>

Both total Operating expenses and Other governmental grants increased. In 2021, the Authority received a new grant from the U.S. Treasury for Emergency Rental Assistance

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**  
**(Continued)**

**Capital Asset Net of Accumulated Depreciation**

	<b>Total 2020</b>	<b>Adjustment to restate Beginning Balance</b>	<b>Adjusted Beginning Balance</b>	<b>Additions</b>	<b>Deletions/ Transfers</b>	<b>Total 2021</b>
<b>Non-depreciable assets:</b>						
Land	\$ 728,396	\$ -	\$ 728,396	\$ -	\$ -	\$ 728,396
<b>Depreciable assets:</b>						
Buildings & Improvements	5,491,559	-	5,491,559	146,635		5,638,194
Equipment	1,474,995	-	1,474,995	173,494	(109,860)	1,538,629
<b>Total Capital Assets</b>	<b>7,694,950</b>	<b>-</b>	<b>7,694,950</b>	<b>320,129</b>	<b>(109,860)</b>	<b>7,905,219</b>
Less Accumulated Depreciation	(3,146,274)	76,655	(3,069,619)	(230,513)	55,464	(3,244,668)
<b>Capital Assets, net</b>	<b>\$ 4,548,676</b>	<b>\$ 76,655</b>	<b>\$ 4,625,331</b>	<b>\$ 89,616</b>	<b>\$ (54,396)</b>	<b>\$ 4,660,551</b>

**Long-Term Debt**

The Authority no longer carries any long-term debt.

**Anticipated Significant Changes**

There are no known facts, decisions or changes in conditions which will have a significant effect on the financial position (Net Position) or results of operations of the Authority.

**Economic Factors**

The Authority is primarily dependent upon HUD for the funding of operations as well as capital needs. Therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the federal budget. A few local economic conditions that may affect the Authority are the local labor, which can affect salary and wage rates, local recession and employments, which can affect incomes and local utility rates.

**Contacting the Authority's Financial Management**

This financial report is designed to provide our Tribe, Housing Committee Members and HUD with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information,



**CHEYENNE & ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

**Current assets**

Cash and cash equivalents, unrestricted	\$ 1,396,699
Cash and cash equivalents, restricted	550,845
Investments, unrestricted	1,690,805
Accounts receivable, net of allowance	258,283
Due from other governments	3,048,828
Prepaid expense	225,688
<b>Total current assets</b>	<b>7,171,148</b>

**Noncurrent assets**

**Other assets**

Notes and mortgages receivable	13,563,041
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**Capital assets**

Not being depreciated	728,396
Depreciable, net	3,932,155
<b>Total capital assets, net</b>	<b>4,660,551</b>

**Total assets**

**25,394,740**

**Deferred Outflow of Resources**

-

**Total Assets and Deferred Outflow of Resources**

**25,394,740**

**LIABILITIES**

**Current liabilities**

Vendors and contractors payable	177,956
Accrued compensated absences	55,165
Unearned revenue	716,837
Other current liabilities	17,164
Resident security deposits	2,200
<b>Total current liabilities</b>	<b>969,322</b>

**Noncurrent liabilities**

Other accrued liabilities	3,243,527
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**Total liabilities**

**4,212,849**

**Deferred Inflow of Resources**

-

**Total Liabilities and Deferred Inflow of Resources**

**4,212,849**

**NET POSITION**

Net investment in capital assets	4,660,551
Restricted	13,563,041
Unrestricted	2,958,299
<b>Total net position</b>	<b>\$ 21,181,891</b>

The accompanying notes are an integral part of these basic financial statements.

**CHEYENNE & ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Operating revenues</b>	
Rental revenue	\$ 91,214
HUD grants	6,165,547
Other governmental grants	884,024
Other revenue	103,739
<b>Total operating revenues</b>	<b>7,244,524</b>
<b>Operating expenses</b>	
Administrative	395,159
Tenant services	187,511
Ordinary maintenance & operation	1,950,252
Protective services	92,851
General expenses	4,155,483
Amortization	614,070
Depreciation	230,512
<b>Total operating expenses</b>	<b>7,625,838</b>
<b>Income (loss) before transfers</b>	<b>(381,314)</b>
<b>Transfers from (to) other programs</b>	<b>76,655</b>
<b>Increase (decrease) in net position</b>	<b>(304,659)</b>
<b>Net position, beginning of year</b>	<b>21,486,550</b>
<b>Net position, end of year</b>	<b>\$ 21,181,891</b>

The accompanying notes are an integral part of these basic financial statements.

**CHEYENNE & ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Cash Flows From Operating Activities**

Receipts from dwelling rentals	\$ (1,011,820)
Operating grants	7,074,222
Other receipts	(1,681,261)
Payments to employees and suppliers	(5,550,822)
Payments to landlords and residents	(187,511)
Interprogram transfers	829,298
<b>Net cash provided (used) by operating activities</b>	<b><u>(527,894)</u></b>

**Cash Flows From Capital and Related Financing Activities**

Purchases of capital assets	(320,129)
Gain or loss on disposition of capital assets	54,397
<b>Net cash provided (used) by capital and related financing activities</b>	<b><u>(265,732)</u></b>

**Cash Flows From Investing Activities**

Purchase of investments	(7,388)
Proceeds from homebuyer note activity - net	563,598
<b>Net cash provided (used) by investing activities</b>	<b><u>556,210</u></b>

<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(237,416)</b>
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<b>Balance - beginning of the year</b>	<b><u>2,184,960</u></b>
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<b>Balance - end of the year</b>	<b><u><u>\$ 1,947,544</u></u></b>
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**Reconciliation of Cash Flows to Statement of Net Position**

Cash and cash equivalents, unrestricted	\$ 1,396,699
Cash and cash equivalents, restricted	550,845
	<b><u><u>\$ 1,947,544</u></u></b>

There are no non-cash transactions.

**CHEYENNE & ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**Reconciliation of Net Operating Income (Loss) to**  
**Net Cash Provided (Used) By Operating Activities**

<b>Operating income/(loss)</b>	<b>\$ (381,314)</b>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:	
Depreciation elimination	230,512
Increase in accounts receivable	(221,925)
Increase in due to/from other governments	(1,660,120)
Increase in due to/from other programs	40,121
Decrease in prepaid expenses	43,804
Increase in accounts payable	26,425
Decrease in accrued wages	(167,672)
Increase in accrued compensated absences	30,816
Increase in unearned revenue	513,841
Increase in accrued liabilities	188,320
Equity transfers in	829,298
	<u><u><b>\$ (527,894)</b></u></u>

The accompanying notes are an integral part of these basic financial statements.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**A - Summary of Significant Accounting Policies and Organization:**

- 1. Organization:** Cheyenne and Arapaho Tribes Department of Housing (“the Authority”) is a public body corporate and politic pursuant to the Laws of the State of Oklahoma which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies.
- 2. Reporting Entity:** In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has no component units.

The basic financial statements of the Authority include Low Rent and Homeownership Indian Housing and NAHASDA funding in support of these housing programs through affordable housing.

- 3. Summary of NAHASDA and Other Authority Programs:** The accompanying basic financial statements consist of the activities of the housing programs subsidized by HUD and Mutual Help Homeownership Programs.
- 4. Basis of Presentation and Accounting:** In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP).

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (Enterprise Fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

**Net Investment in Capital Assets** – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

**Restricted** - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or they expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**A - Summary of Significant Accounting Policies and Organization: (Continued)**

**4. Basis of Presentation and Accounting: (Continued)**

**Unrestricted** – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

- 5. Budgets:** Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The Capital Fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor legally required for basic financial statement presentation.
- 6. Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.
- 7. Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the Public Housing Program as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.
- 8. Investments:** Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority’s agent in the Authority’s name. It is the Authority’s policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Oklahoma.
- 9. Inventories:** The Authority maintains no inventory of expendable items. All supplies are expensed when purchased. Supplies on hand are minimal. The Authority’s administration believes that the benefits of maintaining an inventory would be less in value than the cost of maintaining such a system.
- 10. Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**A - Summary of Significant Accounting Policies and Organization: (Continued)**

**11. Inventory Held For Sale:** Units constructed or purchased by the Authority and made available for sale, using a 25 year payment plan, to eligible low-income program participants. The HUD Mutual Help Ownership Program (Mutual Help) requires the Authority to amortize the value of the inventory over 25 years and to apply the amortization to the contracted purchase price. The terms of the lease are governed by the Mutual Help Occupancy Agreement (MHOA) between the homebuyer and the Authority. The inventory is considered a noncurrent asset because the units are not available to help finance the Authority's operations in the short-term and cannot be mortgaged, sold, or disposed of, in any manner that would violate the terms of the MHOA.

**12. Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**13. Fair Value of Financial Instruments:** The carrying amount of the Authority's financial instruments at December 31, 2021, including cash, investments, accounts receivable, and accounts payable closely approximates fair value.

**14. Capital Assets:**

- a. Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.

- b. Depreciation:** The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

Depreciation commences on modernization and development additions in the year following completion.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**A - Summary of Significant Accounting Policies and Organization: (Continued)**

**14. Capital Assets: (Continued)**

**b. Depreciation: (Continued)**

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	40 years
Building modernization	20 years
Furniture, Equipment, Vehicles	5 years

**c. Maintenance and Repairs Expenditures:** Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$5,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

**d. Impairment of long-lived assets:** The Authority reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment loss has been recognized during the year ended December 31, 2021.

**15. Homebuyer Program Deferred Monthly Equity Payments:** Payments in excess of the administrative fees received from participants in the Mutual Help Program are recorded as deferred monthly equity payments. When the participants' deferred payments equal the net cost (amortized inventory balance) of the home, ownership is conveyed to the homebuyer. No gain or loss is recorded upon conveyance.

**16. Compensated Absences:** Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

**17. Litigation Losses:** The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable, and the loss is reasonably estimable.



**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**A - Summary of Significant Accounting Policies and Organization: (Continued)**

**18. Federal Contribution Contracts:** NAHASDA Contribution contracts provide that HUD shall have the authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the NAHASDA Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

**19. Risk Management:** The 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 Authority carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance, and automobile insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

The Authority also participates in public entity risk pool (Amerind Risk Retention Company) for all risks of loss, including general liability, fire and extended coverage, fidelity bond, and Director and Officers liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

**20. Use of Restricted Assets:** It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**21. Operating Revenues and Expenses:** The principal operating revenues of the Authority's enterprise fund are charges to customers for rents and services. Operating expenses for the Authority's Enterprise Fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**B - Deposits and Investments:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents

**1. HUD Deposit and Investment Restrictions**

HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**B - Deposits and Investments: (Continued)**

**2. Risk Disclosures**

- a. Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase.

At December 31, 2021, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

- b. Credit Risk:** This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.
- c. Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

The carrying amounts of the Authority's cash deposits were \$1,947,544 at December 31, 2021. Bank balances before reconciling items were \$2,405,716 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name. The Authority's investments consist of certificates of deposit with original maturities greater than three (3) months of \$1,690,805.

**C - Accounts Receivable:**

Dwelling rents (net of allowance for doubtful accounts of \$706,463)	\$ 225,234
Other - Insurance premium overpayment	<u>33,049</u>
	<b><u>\$ 258,283</u></b>

**D - Due From Other Governments:**

U.S. Department of Housing and Urban Development - HUD	\$ 1,877,898
Cheyenne Arapaho Tribe – Tribal Rehab and Elderly Service Grant	<u>1,170,930</u>
	<b><u>\$ 3,048,828</u></b>

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**E - Prepaid Expense:**

Prepaid insurance	\$ 222,779
Other	<u>2,909</u>
	<b><u>\$ 225,688</u></b>

**F - Assets Held for Conveyance - Mutual Help Homeownership Program:** The Homeownership programs allow and assist qualified low-income Native Americans to achieve homeownership. In the Mutual Help program, at the beginning of the program's term, a Mutual Help and Occupancy Agreement ("MHOA") is executed between the homebuyer and the Authority. These agreements govern the relationship between the parties for the term of usually 25 years. The MHOA dictates that the title to the home will reside with the Authority until the home is paid off. The homebuyer's monthly payment is the monthly administration fee plus a Monthly Equity Payment Account (MEPA) portion that includes the debt service (principal plus interest equal to the Minimum Loan Interest Rate for the Project) and that is reserved. Amounts paid for administration fees are current income to the Authority and the MEPA amount reduces the balance due from the homebuyer and the mutual help unit. MEPA Fund contributions are not income to the Authority. They are held in the general fund as a liability (unearned revenue) earning interest, and not subject to use by the homeowner for capital improvements and maintenance in accordance with the Cheyenne and Arapaho Housing Department policies. When the homebuyer completes the MEPA liability agreement or purchases the home early, the MEPA Fund will be disposed of in accordance with the MHOA. The accounting treatment mandated by the MHOA has been continued in these financial statements. Assets held for conveyance balance at December 31, 2021 was \$13,563,041.

**G - Land, Buildings and Equipment:**

	Balance December 31, 2020	Adjustment to restate Beginning Balance	Adjusted Beginning Balance	Additions	Retirements & Dispositions	Balance December 31, 2021
<b>Not being depreciated:</b>						
Land	\$ 728,396	\$ -	\$ 728,396	\$ -	\$ -	\$ 728,396
<b>Total not being depreciated</b>	<b>728,396</b>	<b>-</b>	<b>728,396</b>	<b>-</b>	<b>-</b>	<b>728,396</b>
<b>Depreciable:</b>						
Buildings & improvements	5,491,559	-	5,491,559	146,635	-	5,638,194
Accumulated depreciation	(1,896,714)	76,655	(1,820,059)	(142,889)	-	(1,962,948)
<b>Net buildings &amp; improvements</b>	<b>3,594,845</b>	<b>76,655</b>	<b>3,671,500</b>	<b>3,746</b>	<b>-</b>	<b>3,675,246</b>
Equipment	1,474,995	-	1,474,995	173,494	(109,860)	1,538,629
Accumulated depreciation	(1,249,560)	-	(1,249,560)	(87,624)	55,464	(1,281,720)
<b>Net equipment</b>	<b>225,435</b>	<b>-</b>	<b>225,435</b>	<b>85,870</b>	<b>(54,396)</b>	<b>256,909</b>
<b>Net depreciable assets</b>	<b>3,820,280</b>	<b>76,655</b>	<b>3,896,935</b>	<b>89,616</b>	<b>(54,396)</b>	<b>3,932,155</b>
<b>TOTAL</b>	<b>\$ 4,548,676</b>	<b>\$ 76,655</b>	<b>\$ 4,625,331</b>	<b>\$ 89,616</b>	<b>\$ (54,396)</b>	<b>\$ 4,660,551</b>

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**H - Deferred Revenues:**

Unexpended Funds for ERAP in FY 2021	\$ 550,845
Prepaid tenants/ residents rents and fees	<u>165,992</u>
	<b><u>\$ 716,837</u></b>

**I - Schedule of Changes in Noncurrent Liabilities:**

	Balance at December 31, 2020		Year Ended December 31, 2021		Balance at December 31, 2021	
	Long-term Portion	Current Portion	Additions	Payments	Current Portion	Long-term Portion
Escrow Liabilities - monthly equity payments (MEPA)	<u>\$ 3,072,371</u>	<u>\$ -</u>	<u>\$ 171,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,243,527</u>

- J - Other Accrued Liabilities-Escrowed Trust Liabilities (Homebuyers):** The Authority has entered into Monthly Equity Payment Agreements (MEPA) with Homeownership Participants as part of the Mutual Help Homeownership Opportunity Program whereby eligible participants via rent payments can accumulate an amount that can be used to either purchase the homes that they occupy, for eligible repairs, or can be refunded to the homebuyer in accordance with certain provisions of the Mutual Help and Occupancy Agreement (MHO). A homebuyer account in the MEPA is credited with the amount by which each required monthly payment exceeds the administrative charge. At December 31, 2021, the balances in the accounts aggregated \$3,243,527.
- K - Conduit Type Debt:** Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the basic financial statements of the Authority. Additionally, HUD no longer provides debt service information to the Authority.
- L - Commitments:** The Authority is engaged in a rehabilitation program funded by HUD. In this regard, the Authority has entered into force account on-going annual construction and rehabilitation type work with no balance remaining until completion.
- M - Economic Dependency:** The Authority receives approximately 85% of its revenues from federal sources. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**N - Contingencies:**

1. The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations For the Year Ended December 31, 2021.
2. The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority (and the Authority's attorney) that resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

**O - Leasing Activities (as Lessor):** The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the basic financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions that impact personal income and local job availability.

**P - Interprogram Transfers:** The Authority will make cash transfers between its various programs as outlined in the Federal Regulations and authorized and approved by the Authority's Board of Commissioners. There were no transfers during the current fiscal year.

**Q - Defined Contribution Pension Plan:** The Authority provides pension benefits for all its full-time employees through a defined contribution plan entitled the "401 K Retirement Plan". The plan is administered by Ohio National Financial Services. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Board of commissioners for the Authority is authorized to establish and amend plan benefits. Employees are eligible to participate after one year of employment. The Authority contributes up to 6% of the employee's base salary each month, while the employee contributes progressively up to 6%. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five (5) years of continuous services, or until age 65, whichever is first. Authority contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce the Authority's current-period contribution requirement.

The Authority's total payroll in nine-month period ended December 31, 2021, was \$1,493,201. The Authority's and employee's contributions were calculated using \$1,493,201. The Authority and the employees made the required contributions amounting to \$17,836 and \$695 respectively.

**R - Other Post Employment Benefits:** In relation to its employee benefit programs, the Authority does not provide any Other Post Employment Benefits (OPEB), as outlined under GASB 45 and 75.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

- S - Subsequent Events:** Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through Opinion Date and concluded that no subsequent events have occurred that would require recognition in the Financial Statements or disclosure in the Notes to the Financial Statements.

## **SUPPLEMENTARY INFORMATION**

**CHEYENNE & ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Federal Grantor:**

Assistance Listing Number	Program Title	Pass Through Entity	Federal Expenditures
<b>U.S. Department of Treasury</b>			
21.023	Emergency Rental Assistance Program	NA	\$ 2,894,565
<b>Total U.S. Department of Treasury</b>			<b>2,894,565</b>
<b>U.S. Department of Housing and Urban Development</b>			
	<b>Section 8 Project Based Cluster</b>		
14.867	Indian Housing Block Grants	NA	\$ 2,891,565
14.867	NAHASDA - CARES Act (20BV3000680)	NA	257,039
	<b>Total NAHASDA Programs</b>		<b>3,148,604</b>
14.871	21HV3000680 - Section 8 VASH Vouchers	NA	122,378
	<b>Total Section 8 VASH Vouchers Program</b>	NA	<b>122,378</b>
<b>Total U.S. Department of HUD</b>			<b>3,270,982</b>
<b>Total Federal Awards Expenditures</b>			<b>\$ 6,165,547</b>

**Notes to the Schedule of Expenditures of Federal Awards**

**A. Basis of Accounting**

This schedule is prepared on the accrual basis of accounting.

**B. Basis of Presentation**

The accompanying Schedule of Federal Awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2021.

The information in this schedule is presented in accordance with the requirements of OMB Uniform Guidance, Title 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

**C. Other Matters - Indirect Costs**

The Authority has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**D. Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule**

FDS line 70600	HUD PHA Grants	\$ 6,165,547
		<b>\$ 6,165,547</b>



## **SINGLE AUDIT SECTION**

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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**

Board of Commissioners  
Cheyenne and Arapaho Tribes Department of Housing  
Clinton, Oklahoma

U.S. Dept of HUD  
Region # 6 SPONAP  
301 NW 6<sup>th</sup> Street, Suite 200  
Oklahoma City, OK 73102

We have audited, 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, the financial statements of the business-type activities of the Cheyenne and Arapaho Tribes Department of Housing ("the Authority"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 2, 2024.

**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 opinions 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.

*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. 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 Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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



**Malcolm Johnson & Company, P.A.**  
Certified Public Accountants

DeBary, Florida  
August 2, 2024

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

Board of Commissioners  
Cheyenne and Arapaho Tribes Department of Housing  
Clinton, Oklahoma

U.S. Dept of HUD  
Region # 6 SPONAP  
301 NW 6<sup>th</sup> Street, Suite 200  
Oklahoma City, OK 73102

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Cheyenne and Arapaho Tribes Department of Housing's ("the Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Qualified Opinion on the NAHASDA Program (Assistance Listing # 14.867) and the Emergency Rental Assistance Program (Assistance Listing #21.023)**

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Authority's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Low-Income Public Housing Program for the year December 31, 2021.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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.

**Matter(s) Giving Rise to Qualified Opinion on the NAHASDA Program (Assistance Listing # 14.867)  
Qualified Opinion on the NAHASDA Program (Assistance Listing # 14.867) and the Emergency Rental  
Assistance Program (Assistance Listing #21.023)**

As described in the accompanying Schedule of Findings and Questioned Costs, the Authority did not comply with requirements regarding the NAHASDA Program (Assistance Listing # 14.867) or the Emergency Rental Assistance Program (Assistance Listing #21.023) as described in finding numbers 2021-001 through 2021-004.

Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

***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 generally accepted auditing standards, *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 generally accepted auditing standards, *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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item(s) 2021-001 through 2021-004. Our opinion on each major federal program is not modified with respect to these matters.

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

### **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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 through 2021-004 that we consider to be significant deficiencies.

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.



**Malcolm Johnson & Company, P.A.**  
Certified Public Accountants

DeBary, Florida  
August 2, 2024

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING  
Clinton, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Basic Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
~ Material weakness(es) identified?	Yes
~ Significant deficiency(s) identified that are not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)?	Yes
Identification of major programs:	

**Assistance Listing Number**

14.867

21.023

**Name of Federal Program**

NAHASDA Program

Emergency Rental Assistance Program

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING  
Clinton, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no Basic Financial Statement Findings.

**SECTION III-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

<b>2021-001</b>	<b>Condition:</b>	<b>Deficiencies Noted in Maintenance of Tenant Files</b>
		During the review of the Tenant Files from all programs, the following deficiencies were noted:
		12 of 25 Rental files selected lacked a timely Annual Recertification 25 of 25 Rental files selected lacked a timely Annual Inspections
	<b>Assistance Listing #:</b>	14.867
	<b>Questioned Costs:</b>	None
	<b>Cause:</b>	The Authority's deficiency in its resident files stems from some lack of controls concerning HUD requirements and procedures.
	<b>Effect:</b>	The Authority has not been in complete compliance with the above HUD and policy requirements.
	<b>Criteria:</b>	24 CFR requirements for Indian Housing eligibility.
	<b>Recommendation:</b>	In general, we continue to recommend a review of the recertification process to determine areas of weakness. We also recommend more standardization in file organization of information.
	<b>Reply:</b>	Management agrees with the audit finding and the auditor's recommendation. We will implement procedures and changes to ensure that this finding will be cleared by the subsequent fiscal year audit.



**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**2021-002 Condition: Deficiencies Noted in Cash Disbursements**

During the review of Cash Disbursement, the following deficiencies were noted:

- 3 checks selected for audit were not fully supported with receipts and invoices to support the disbursement
- 1 Credit Card Payments lacked support and disbursement explanation
- 13 Disbursements lacked signed contracts or procurement documentation
- 1 payroll check were paid in a manner inconsistent with policy for work performed

**Assistance Listing #:** 14.867

**Questioned Costs:** Undetermined

**Cause:** The Authority's deficiency in the area of cash disbursements is a lack of internal controls or the invoice approval process.

**Effect:** The Authority has not been in complete compliance with HUD regulations and internal control requirements to support invoices.

**Criteria:** 24 CFR requirements for Cash Disbursements Documentation

**Recommendation:** We recommend a review of the cash disbursement documentation process in order to ensure that each disbursement is fully documented prior to check issuance, and we further recommend an update of internal control policies and regular quality control reviews over cash disbursements to ensure compliance with HUD regulations.

**Reply:** Management agrees with the audit finding and the auditor's recommendation. We will implement procedures and changes to ensure that this finding will be cleared by the subsequent fiscal year audit.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

<b>2021-003</b>	<b>Condition:</b>	<b>Deficiencies Noted in Maintenance of the Cash Receipts and Deposits and the Tenant Accounts Receivable</b>
		During the review of twenty-five (25) Cash Receipts selected for audit, it was noted that the Authority did not make timely deposits and end of month reconciliations for all the receipts and deposits chosen. These deposit lags have created a reconciliation question for the fiscal year 2021.
	<b>Assistance Listing #:</b>	14.867
	<b>Questioned Costs:</b>	Undetermined
	<b>Cause:</b>	The Authority's deficiency stems from a lack of internal controls over tenant account and a loss of key personnel in this area.
	<b>Effect:</b>	The Authority is not in compliance with numerous HUD requirements.
	<b>Criteria:</b>	Annual Contributions Contracts
	<b>Recommendation:</b>	We recommend that the Authority utilize the tenant software to properly account for tenant balances.
	<b>Reply:</b>	Management agrees with the audit finding and the auditor's recommendation. We will implement procedures and changes to ensure that this finding will be cleared by the subsequent fiscal year audit.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

**2021-004    Condition:                    Deficiencies Noted in Small Purchases Procurement**

During the review of the contracts selected for audit, it was noted that in all contracts, small purchases, and sealed bids the Authority did not follow their procurement policy or the Cheyenne Arapaho Tribe Covid Procurement Guidance during the Fiscal Year 2021.

**Assistance Listing #:** 14.867

**Questioned Costs:** Undetermined

**Cause:** The Authority's deficiency in procurement and contracts stems from a lack of certain controls concerning HUD requirements and procedures.

**Effect:** The Authority has not been in complete compliance with the above HUD requirements.

**Criteria:** HUD Regulation regarding 24 CFR 85.36

**Recommendation:** We recommend that all contracts have the same level of documentation of procurement for small purchases contracts and that the Authority add additional support for contracts where only one bid for services was available.

**Reply:** Management agrees with the audit finding and the auditor's recommendation. We will implement procedures and changes to ensure that this finding will be cleared by the subsequent fiscal year audit.

**CHEYENNE AND ARAPAHO TRIBES DEPARTMENT OF HOUSING**  
**Clinton, Oklahoma**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

There were no Prior Audit Findings.

**SECTION IV – HUD – NAHASDA PROGRAM MONITORING REPORTS**

The Southwest Office of Native America Programs (SWONAP) conducted a Monitoring Review of the Cheyenne and Arapaho Housing Authority Block grant May 15 - 19, 2023 and issued a report thereon dated October 24, 2023. The report contained eleven (11) findings described below.

Finding 2023-IHBG-01: Non-Compliance with NAHASDA Section 101(c) for Cooperation Agreements

Finding 2023-IHBG-02: Non-Compliance with Total Development Costs (TDC) Requirements

Finding 2023-IHBG-03: Non-Compliance with Conflict-of-Interest Requirements

Finding 2023-IHBG-04: Non-Compliance with Useful Life/Binding Commitment Requirements

Finding 2023-IHBG-05: Non-Compliance with Serving Non-Low-Income Requirements

Finding 2023-IHBG-06: CATHA did not follow their Waiting List Policy

Finding 2023-IHBG-ARPA-07: Non-Compliance with Environmental Review Requirements

Finding 2023-IHBG-CARES-08: Non-Compliance with Environmental Review Requirements

Finding 2023-IHBG-ARPA-09: Non-Compliance with Procurement and Contract Administration

Finding 2023-IHBG-CARES-10: Non-Compliance with Procurement and Contract Administration

Finding 2023-IHBG-11: Non-Compliance with Self-Monitoring Requirements

1. The above findings are under the purview of SWONAP and HUD has not closed any of the above findings per their letter dated November 8, 2023.
2. Findings 6 and 10 of the above monitoring findings had also been reported or addressed by the contracted independent Public Accounting firm in this report going back to fiscal year ended December 31, 2021.
3. As of the date of the issue of our initial audit for December 31, 2021, the HUD office has not closed any of the above findings. However, our audit has reviewed the above HUD findings, and concurs with the IHA responses. Our Findings, reported in this initial audit report, remain unclosed.

# CHEYENNE AND ARAPAHO TRIBES DEPARTMENT HOUSING

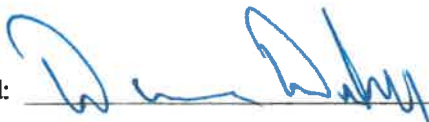
2100 Dog Patch Road  
Clinton, Oklahoma 73601

Phone (580) 331-2400

## Corrective Action Plan – December 31, 2021 Audit Findings

- 2021-001 Condition: Deficiencies Noted in Maintenance of Tenant Files**
- Steps to resolve:** Management agrees with the audit finding and the auditor's recommendation. We will implement procedures and changes to ensure that this finding will be cleared by the subsequent fiscal year audit.
- Individual responsible for correction:** Mr. Damon Dunbar, Executive Director
- Timeframe:** As of December 31, 2022
- 2021-002 Condition: Deficiencies Noted in Cash Disbursements**
- Steps to resolve:** Management agrees with the audit finding and the auditor's recommendation. We will implement procedures and changes to ensure that this finding will be cleared by the subsequent fiscal year audit.
- Individual responsible for correction:** Mr. Damon Dunbar, Executive Director
- Timeframe:** As of December 31, 2022
- 2021-003 Condition: Deficiencies Noted in Maintenance of the Cash Receipts and Deposits and the Tenant Accounts Receivable**
- Steps to resolve:** Management agrees with the audit finding and the auditor's recommendation. We will implement procedures and changes to ensure that this finding will be cleared by the subsequent fiscal year audit.
- Individual responsible for correction:** Mr. Damon Dunbar, Executive Director
- Timeframe:** As of December 31, 2022
- 2021-004 Condition: Deficiencies Noted in Small Purchases Procurement**
- Steps to resolve:** Management agrees with the audit finding and the auditor's recommendation. We will implement procedures and changes to ensure that this finding will be cleared by the subsequent fiscal year audit.
- Individual responsible for correction:** Mr. Damon Dunbar, Executive Director
- Timeframe:** As of December 31, 2022

Signed:



EXECUTIVE DIRECTOR

Title