

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED DECEMBER 31, 2018

Mike Estes, P.C.

A Professional Accounting Corporation

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AMERICAN INSTITUTE OF
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and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of Elk City
Elk City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Elk City, Oklahoma as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of Elk City's basic financial statements as listed in the table of contents.

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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgment, including 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 entity's preparation and fair presentation of the financial statements in order to design and audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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.

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 Elk City, Oklahoma, as of December 31, 2018, 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 Managements' Discussion and Analysis on pages 4 to 10 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 general 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 Elk City, Oklahoma's basic financial statements. The statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The, statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards 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 22, 2019 on our consideration of the Housing Authority of the City of Elk City, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of Elk City, Oklahoma's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
August 22, 2019

Elk City Housing Authority Management's Discussion and Analysis For the Year Ended December 31, 2018

Introduction

This Management's Discussion and Analysis (MD&A) of the Elk City Housing Authority (Authority) provides an introduction and overview to the financial statements of the Authority for the fiscal year ended December 31, 2018. The Elk City Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended December 31, 2018 to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Elk City Housing Authority. The information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The agency has three individual programs. These include the Low Rent Public Housing Program, the Capital Fund Program, and a State/Local Program.

- Low Rent Public Housing Program: The Low Rent Public Program consists of 142 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received from the Department of Housing & Urban Development based on a formula.
- Capital Fund Program: The Capital Fund Program is a formula based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.
- State/Local Program: The State/Local Program consists of a Learning Center. Funding for this program comes primarily through the Oklahoma Department of Libraries. This program provides various literacy services to those in the community, including family literacy, English as a second language, and one-to-one tutoring.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expenses, and Changes in Net Position
- The Statement of Cash Flows

Management Discussion and Analysis - Continued

Overview of the Financial Statements – Cont.

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation, less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of Net Position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through constitutional provisions.
- Unrestricted component of Net Position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended December 31, 2018, to determine the net change in Net Position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended December 31, 2018.

Financial Highlights

The Elk City Housing Authority's Net Position changed from \$3,447,235 to \$3,372,999, a decrease of \$74,236 or 2%.

Total assets decreased by \$75,138 or 2%. Total liabilities also decreased by \$902 or 2%.

The unrestricted portion of the Authority's Net Position increased by \$43,274, or 4%, from \$963,069 to \$1,006,343.

Total revenue increased from \$717,669 to \$860,955, an increase of \$143,286 or 20%.

Total expenses decreased by \$8,734, from \$943,925 to \$935,191 for the current year. This represents a decrease of 1%.

Management Discussion and Analysis - Continued

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset, liability and net position comparisons for the year ended December 31, 2018, and December 31, 2017.

Summary Statement of Net Position

As of December 31, 2018 and 2017

Category	12/31/2018	12/31/2017	Change \$	Change %
Current Assets	\$ 1,057,386	\$ 1,015,014	\$ 42,372	4%
Non Current Assets (Net of Depreciation)	\$ 2,366,656	\$ 2,484,166	\$ (117,510)	-5%
Total Assets	\$ 3,424,042	\$ 3,499,180	\$ (75,138)	-2%
Current Liabilities	\$ 44,438	\$ 46,960	\$ (2,522)	-5%
Non Current Liabilities	\$ 6,605	\$ 4,985	\$ 1,620	32%
Total Liabilities	\$ 51,043	\$ 51,945	\$ (902)	-2%
Unrestricted	\$ 1,006,343	\$ 963,069	\$ 43,274	4%
Net Investment in Capital Assets	\$ 2,366,656	\$ 2,484,166	\$ (117,510)	-5%
Total Net Position	\$ 3,372,999	\$ 3,447,235	\$ (74,236)	-2%

Current Assets

Current assets increased by \$42,372, or 4%, primarily due to operating revenues exceeding operating expenses, resulting in net income of \$37,792.

Noncurrent Assets

Noncurrent assets decreased by \$117,510 due to depreciation expense charged on those assets for the current year exceeding the additions of noncurrent assets.

Current Liabilities

Current liabilities decreased by \$2,522, or 5%, from the previous year primarily due to a decrease in accrued wages payable of \$2,920 and tenant security deposits of \$1,074. Account payable increased by \$931 and other accrued liabilities by \$858.

Noncurrent Liabilities

Noncurrent liabilities, which consisted solely of the noncurrent portion of compensated absences, increased by \$1,620 in the current year. This represented a 32% increase from the previous year.

Unrestricted

The unrestricted portion of the Authority's Net Position increased by \$43,274, or 4% from the previous year. The Unrestricted Net Position for the Low Rent Public Housing Program increased \$37,792, from \$958,777 to \$996,569. The Unrestricted Net Position for the State/Local program increased \$5,482, from \$4,292 to \$9,774. This was primarily due to operating revenues exceeding operating expenses, resulting in net income.

Management Discussion and Analysis - Continued

The table below lists the revenue, expense, and changes in net position comparisons for the years ended December 31, 2018 and December 31, 2017.

Summary Statement of Revenues & Expenses and Changes in Net Position Years Ended December 31, 2018 and 2017

<u>Category</u>	12/31/2018	12/31/2017	Change \$	Change %
Program Revenues:				
Tenant Revenue	\$ 339,384	\$ 334,387	\$ 4,997	1%
Government Operating Grants	\$ 300,514	\$ 217,293	\$ 83,221	38%
Capital Grants	\$ 164,494	\$ 96,400	\$ 68,094	71%
Other Revenue	\$ 47,634	\$ 63,708	\$ (16,074)	-25%
Interest Income	\$ 8,929	\$ 5,881	\$ 3,048	52%
Total Revenue	\$ 860,955	\$ 717,669	\$ 143,286	20%
Expenses:				
Administration	\$ 302,257	\$ 315,711	\$ (13,454)	-4%
Tenant Services	\$ 668	\$ 2,102	\$ (1,434)	-68%
Utilities	\$ 39,790	\$ 36,156	\$ 3,634	10%
Ordinary Maintenance	\$ 170,714	\$ 175,371	\$ (4,657)	-3%
Protective Services	\$ 1,523	\$ 1,332	\$ 191	14%
General/Insurance Expense	\$ 99,176	\$ 91,124	\$ 8,052	9%
Depreciation	\$ 321,063	\$ 322,129	\$ (1,066)	0%
Total Expenses	\$ 935,191	\$ 943,925	\$ (8,734)	-1%
Excess (Deficiency) Before Special Items	\$ (74,236)	\$ (226,256)	\$ 152,020	-67%
Change in Net Position	\$ (74,236)	\$ (226,256)	\$ 152,020	-67%
Net Position, Beginning of Year	\$ 3,447,235	\$ 3,673,491	\$ (226,256)	-6%
Net Position, End of Year	\$ 3,372,999	\$ 3,447,235	\$ (74,236)	-2%

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's total revenues increased by \$143,286 during the current fiscal year, a 20% increase over the previous year. Significant changes noted between the current and previous fiscal year include:

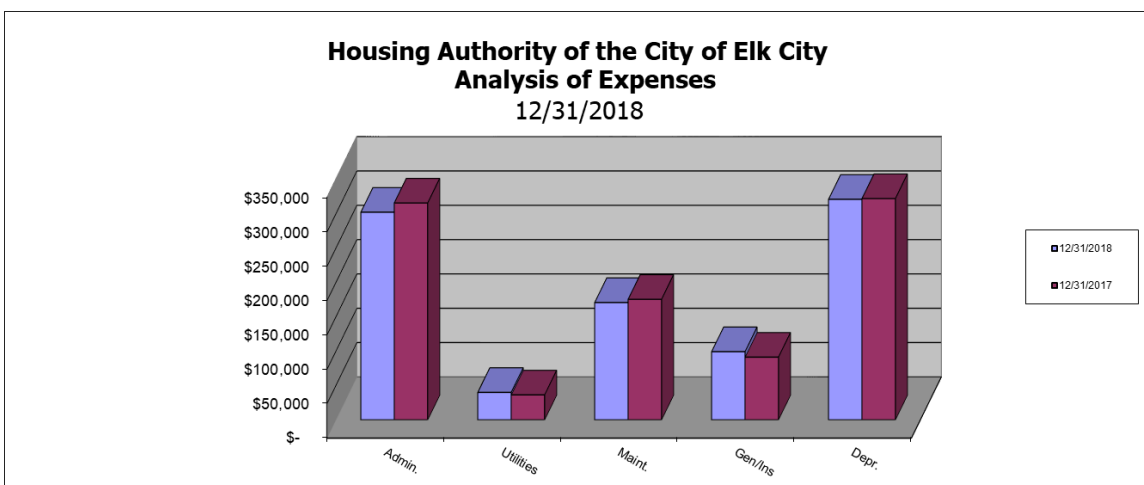
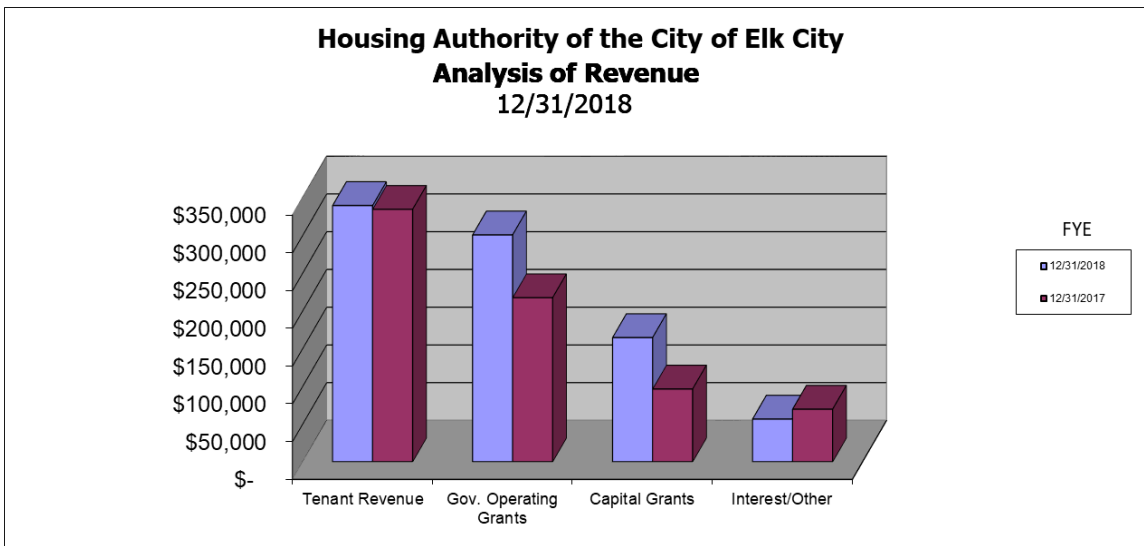
- Government operating grants increased \$83,221, from \$217,293 to \$300,514 in the current year. This change is primarily due to an increase of \$77,650 in operating subsidy granted to The Low Rent Public Housing Program.
- Capital grants increased \$68,094, or 71%, due to an increase of in capital improvement projects completed during the current year.

Management Discussion and Analysis - Continued

Total expenses for the year decreased \$8,734 or 1%, from \$943,925 to \$935,191. Significant changes between the current and previous fiscal year include:

- Administration expense decreased \$13,454, from \$315,711 to \$302,257. This is primarily due to the salary and benefits decreasing by \$14,064 and travel by \$3,236. Computer and software expense increased by \$4,467.
- Maintenance expense decreased \$4,657, from \$175,371 to \$170,714. This was primarily due to a decrease in maintenance labor and benefits in the amount of \$8,906, miscellaneous contracts of \$1,985, and plumbing contracts of \$1,649. There was an increase in extermination contract by \$2,980, maintenance material expense by \$2,485, and landscape and grounds contracts by \$1,450.

The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:



Management Discussion and Analysis - Continued

Capital Assets

As of December 31, 2018, the Elk City Housing Authority's net investment in capital assets was \$2,366,656. This investment includes land, buildings, equipment, and construction in progress, net of accumulated depreciation.

Summary Statement of Capital Assets

Years Ended December 31, 2018 and 2017

Category	12/31/2018	12/31/2017	Change \$	Change %
Land	\$ 107,800	\$ 107,800	\$ -	0%
Buildings	\$ 10,623,783	\$ 10,331,299	\$ 292,484	3%
Equipment	\$ 200,521	\$ 203,443	\$ (2,922)	-1%
Construction in Progress	\$ -	\$ 88,932	\$ (88,932)	-100%
Accumulated Depreciation	\$ (8,565,448)	\$ (8,247,308)	\$ (318,140)	4%
Total Net Fixed Assets	\$ 2,366,656	\$ 2,484,166	\$ (117,510)	-5%

- The increase in buildings is due to the completion of a flooring project, a water heater modernization project, and an exhaust fan modernization project. These projects were funded through the Low Rent operating fund, 2015 Capital Fund Program and 2016 Capital Fund Program.
- The decrease in equipment was due to the disposal of community room equipment in the amount of \$2,922.

Long-Term Debt Activity

The Authority classifies a portion of the employee's leave as long term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term for the current year was \$6,605, a net increase of \$1,620 from the previous year.

Subsequent Events

As of the time of this analysis, HUD has not finalized the funding levels for the 2019 calendar year. It has been estimated that operating subsidy for the Low Rent Public Housing Program will be prorated at 97%.

Management Discussion and Analysis - Continued

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Elk City Housing Authority
Kathy Bell, Executive Director
P.O. Box 647
Elk City, OK 73648-0647

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
STATEMENT OF NET POSITION

DECEMBER 31, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 142,458
Investments	873,780
Interest receivable	123
Prepaid items and other assets	9,027
Inventory	4,844
Restricted assets - cash and cash equivalents	27,154
	<hr/>
Total Current Assets	1,057,386
	<hr/>
Capital Assets, net	
Land and other non-depreciated assets	107,800
Other capital assets - net of depreciation	2,258,856
	<hr/>
Total Capital Assets, net	2,366,656
	<hr/>
Total Assets	\$ 3,424,042
	<hr/> <hr/>

LIABILITIES

Current Liabilities	
Accounts payable	\$ 8,555
Unearned income	656
Compensated absences payable	8,073
Deposits due others	27,154
	<hr/>
Total Current Liabilities	44,438
	<hr/>
Noncurrent Liabilities	
Compensated absences payable	6,605
	<hr/>
Total Liabilities	51,043
	<hr/>

NET POSITION

Net investment in capital assets	2,366,656
Unrestricted	1,006,343
	<hr/>
Net Position	\$ 3,372,999
	<hr/> <hr/>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATING REVENUES

Dwelling rental	\$ 332,791
Governmental operating grants	300,514
Other-dwelling	6,593
Other	47,634

Total Operating Revenues	687,532
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OPERATING EXPENSES

Administration	302,257
Tenant services	668
Utilities	39,790
Ordinary maintenance & operations	170,714
Protective services	1,523
General expenses	99,176
Depreciation	321,063

Total Operating Expenses	935,191
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Income (Loss) from Operations	(247,659)
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Non Operating Revenues (Expenses)

Interest earnings	8,929
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Total Non-Operating Revenues (Expenses)	8,929
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Income (Loss) before contribution	(238,730)
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Capital Contribution	164,494
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Change in net position	(74,236)
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Total net position - beginning	3,447,235
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Total net position - ending	\$ 3,372,999
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The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 330,079
Other receipts	53,153
Federal grants	300,514
Payments to vendors	(260,775)
Payments to employees – net	(346,696)
	<hr/>
Net cash provided (used) by operating activities	76,275
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(203,553)
Federal Capital Grants	164,494
	<hr/>
Net cash provided (used) by capital and related financing activities	(39,059)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	8,947
Purchase of investments	(8,326)
	<hr/>
Net cash provided (used) by investing activities	621
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	37,837
	<hr/>
CASH AND CASH EQUIVALENTS Beginning of Fiscal Year	131,775
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CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 169,612
	<hr/> <hr/>

Continued

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

**RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING
ACTIVITIES**

Operating income (loss)	\$ (247,659)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	321,063
Provision of uncollectible accounts	(166)
Change in assets and liabilities:	
Inventories	1,653
Prepaid items	2,286
Account payables	765
Unearned income	(593)
Deposits due others	(1,074)
Net cash provided (used) by operations	<u>\$ 76,275</u>

Concluded

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

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HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of Elk City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the state laws for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Elk City, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	OK015	150 (142 rental units)
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of Elk City since the City of Elk City appoints a voting majority of the Housing Authority's governing board. The City of Elk City is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Elk City. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Elk City.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program, the Capital Fund program, and a Learning Center Program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under state law and national banks having their principal offices in the state.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$169,612. This is comprised of cash and cash equivalents of \$142,458 and restricted assets – cash of \$27,154, on the statement of net position.

E. INVESTMENTS Investments are limited by the Housing Authority’s investment policy to Certificates of Deposit. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-40 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

J. UNEARNED INCOME The Housing Authority reports prepaid revenues on its statement of net position. Prepaid revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for prepaid revenue is removed from the statement of net position and the revenue is recognized.

K. COMPENSATED ABSENCES The Housing Authority follows adopted Board policy for accumulated annual and sick leave. Employees earn vacation time for 1-3 years of service, and at an accelerated schedule for additional years. Sick leave is earned at 8 hours per month, for a maximum accrual of 1,000 hours. Employees with five or more years of service, who resign or retire, will be paid for 10% of their accumulated unused sick leave.

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

Sometime the Authority may fund outlays from both restricted and unrestricted resources. In the event that should occur, the Authority must make a flow assumption about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at December 31, 2018. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$27,154 is restricted in the General Fund for security deposits.

At December 31, 2018, the Housing Authority's carrying amount of deposits was \$1,043,217 and the bank balance was \$1,055,958, which includes \$873,780 in certificates of deposits classified as investments. Petty cash consists of \$175. \$682,178 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$373,780 was covered by pledged securities. However, this \$373,780 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 3 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 107,800	\$ 0	\$ 0	\$ 107,800
Construction in progress	88,932	0	88,932	0
Depreciable assets:				
Buildings	10,331,299	292,484	0	10,623,783
Furniture and equipment	203,443	0	2,922	200,521
Total capital assets	<u>10,731,474</u>	<u>292,484</u>	<u>91,854</u>	<u>10,932,104</u>
Less: accumulated depreciation				
Buildings	8,076,549	311,086	0	8,387,635
Furniture and equipment	170,759	9,346	2,292	177,813
Total accumulated depreciation	<u>8,247,308</u>	<u>320,432</u>	<u>2,292</u>	<u>8,565,448</u>
Total capital assets, net	<u>\$ 2,484,166</u>	<u>\$ (27,948)</u>	<u>\$ 89,562</u>	<u>\$ 2,366,656</u>

NOTE 4 – ACCOUNTS PAYABLE The payables at December 31, 2018 are as follows:

Vendors	\$ 3,764
Payroll taxes & Retirement withheld	1,300
Utilities	3,491
Total	<u>\$ 8,555</u>

NOTE 5 – COMPENSATED ABSENCES At December 31, 2018, employees of the Housing Authority have accumulated and vested \$14,678 of employee leave computed in accordance with GASB, Codification Section C60.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 6 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended December 31, 2018.

		Compensated Absences
Balance, beginning	\$	12,782
Additions		19,134
Deletions		17,238
Balance, ending		14,678
Amounts due in one year	\$	8,555

NOTE 7 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Agency Retirement Trust, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day of the month after attaining the age twenty-five and completing twelve months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 5% of each participant’s effective compensation.

The Housing Authority’s contribution for each employee and income allocated to the employee’s account is fully vested after five years of continuous service. The Housing Authority’s contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority’s Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$16,260 for the year ended December 31, 2018, of which \$8,130 was paid by the Housing Authority and \$8,130 was paid by employees. No payments were made out of the forfeiture account.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at December 31, 2018. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, auto, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Legal counsel believes, based on case precedent and Oklahoma Attorney General opinions, that if the Oklahoma Municipal League Intergovernmental Risk Pool (TML) is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 9– ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$465,008 to the Housing Authority, which represents approximately 54% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 10 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, August 22, 2019, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.



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MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

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*

Independent Auditor's Report

Housing Authority of Elk City
Elk City, Oklahoma

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 Housing Authority of the City of Elk City, Oklahoma, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Elk City, Oklahoma's basic financial statements, and have issued our report thereon dated August 22, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Elk City, Oklahoma'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 Elk City, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Elk City, Oklahoma'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 Housing Authority of the City of Elk City, Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
August 22, 2019

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2018

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified.
2. Internal Control Over Financial Reporting:
 - a. Material weakness(es) identified? _____ yes ✓ no
 - b. Significant deficiency(ies) identified? _____ yes ✓ none reported
3. Noncompliance material to financial statements noted? _____ yes ✓ no

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2018

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

None

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
CORRECTIVE ACTION PLAN

YEAR ENDED DECEMBER 31, 2018

There are no audit findings.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2018

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

There were no prior audit findings.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED DECEMBER 31, 2018

CASH BASIS

	2015 Capital Fund	2016 Capital Fund	2017 Capital Fund	2018 Capital Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Funds approved	\$ 180,340	\$ 188,940	\$ 198,306	\$ 307,623
Funds expended	171,292	158,894	0	0
Excess of funds approved	<u>\$ 9,048</u>	<u>\$ 30,046</u>	<u>\$ 198,306</u>	<u>\$ 307,623</u>
Funds advanced	\$ 171,292	\$ 158,894	\$ 0	\$ 0
Funds expended	171,292	158,894	0	0
Excess (Deficiency) of funds	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accountants' report

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 283,122
Capital Fund Program	14.872	164,494
Total United States Department of Housing and Urban Development		\$ 447,616
Total Expenditures of Federal Awards		\$ 447,616

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2018

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the City of Elk City, Oklahoma (the “Housing Authority”) under programs of the federal government for the year ended December 31, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

		Federal Sources
Enterprise Funds		
Governmental operating grants	\$	300,514
Capital contributions		164,494
Total	\$	465,008

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 – DE MINIMIS INDIRECT COST RATE The Housing Authority did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 6 – Governmental operating grants include \$17,392 received from the Oklahoma Department of Libraries.

**HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
FINANCIAL DATA SCHEDULES**

YEAR ENDED DECEMBER 31, 2018

Entity Wide Balance Sheet Summary				
	Project Total	2 State/Local	Subtotal	Total
111 Cash - Unrestricted	\$132,684	\$9,774	\$142,458	\$142,458
112 Cash - Restricted - Modernization and Development	\$0		\$0	\$0
113 Cash - Other Restricted	\$0		\$0	\$0
114 Cash - Tenant Security Deposits	\$27,154		\$27,154	\$27,154
115 Cash - Restricted for Payment of Current Liabilities	\$0		\$0	\$0
100 Total Cash	\$159,838	\$9,774	\$169,612	\$169,612
121 Accounts Receivable - PHA Projects	\$0		\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0		\$0	\$0
124 Accounts Receivable - Other Government	\$0		\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0		\$0	\$0
126 Accounts Receivable - Tenants	\$0		\$0	\$0
126.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0		\$0	\$0
128 Fraud Recovery	\$0		\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0		\$0	\$0
129 Accrued Interest Receivable	\$123		\$123	\$123
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$123	\$0	\$123	\$123
131 Investments - Unrestricted	\$873,780		\$873,780	\$873,780
132 Investments - Restricted	\$0		\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0		\$0	\$0
142 Prepaid Expenses and Other Assets	\$9,027		\$9,027	\$9,027
143 Inventories	\$5,382		\$5,382	\$5,382
143.1 Allowance for Obsolete Inventories	-\$538		-\$538	-\$538
144 Inter Program Due From	\$0		\$0	\$0
145 Assets Held for Sale	\$0		\$0	\$0
150 Total Current Assets	\$1,047,612	\$9,774	\$1,057,386	\$1,057,386
161 Land	\$107,800		\$107,800	\$107,800
162 Buildings	\$10,623,783		\$10,623,783	\$10,623,783
163 Furniture, Equipment & Machinery - Dwellings	\$0		\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$200,521		\$200,521	\$200,521
165 Leasehold Improvements	\$0		\$0	\$0
166 Accumulated Depreciation	-\$8,565,448		-\$8,565,448	-\$8,565,448
167 Construction in Progress	\$0		\$0	\$0
168 Infrastructure	\$0		\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,366,656	\$0	\$2,366,656	\$2,366,656
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0		\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0		\$0	\$0
173 Grants Receivable - Non Current	\$0		\$0	\$0
174 Other Assets	\$0		\$0	\$0
176 Investments in Joint Ventures	\$0		\$0	\$0
180 Total Non-Current Assets	\$2,366,656	\$0	\$2,366,656	\$2,366,656
200 Deferred Outflow of Resources	\$0		\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$3,414,268	\$9,774	\$3,424,042	\$3,424,042

**HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
FINANCIAL DATA SCHEDULES**

YEAR ENDED DECEMBER 31, 2018

Entity Wide Balance Sheet Summary				
	Project Total	2 State/Local	Subtotal	Total
311 Bank Overdraft	\$0		\$0	\$0
312 Accounts Payable <= 90 Days	\$3,764		\$3,764	\$3,764
313 Accounts Payable >90 Days Past Due	\$0		\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$1,300		\$1,300	\$1,300
322 Accrued Compensated Absences - Current Portion	\$8,073		\$8,073	\$8,073
324 Accrued Contingency Liability	\$0		\$0	\$0
325 Accrued Interest Payable	\$0		\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0		\$0	\$0
332 Account Payable - PHA Projects	\$0		\$0	\$0
333 Accounts Payable - Other Government	\$0		\$0	\$0
341 Tenant Security Deposits	\$27,154		\$27,154	\$27,154
342 Unearned Revenue	\$656		\$656	\$656
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0		\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0		\$0	\$0
345 Other Current Liabilities	\$0		\$0	\$0
346 Accrued Liabilities - Other	\$3,491		\$3,491	\$3,491
347 Inter Program - Due To	\$0		\$0	\$0
348 Loan Liability - Current	\$0		\$0	\$0
310 Total Current Liabilities	\$44,438	\$0	\$44,438	\$44,438
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0		\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0		\$0	\$0
353 Non-current Liabilities - Other	\$0		\$0	\$0
354 Accrued Compensated Absences - Non Current	\$6,605		\$6,605	\$6,605
355 Loan Liability - Non Current	\$0		\$0	\$0
356 FASB 5 Liabilities	\$0		\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0		\$0	\$0
350 Total Non-Current Liabilities	\$6,605	\$0	\$6,605	\$6,605
300 Total Liabilities	\$51,043	\$0	\$51,043	\$51,043
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$2,366,656		\$2,366,656	\$2,366,656
511.4 Restricted Net Position	\$0		\$0	\$0
512.4 Unrestricted Net Position	\$996,569	\$9,774	\$1,006,343	\$1,006,343
513 Total Equity - Net Assets / Position	\$3,363,225	\$9,774	\$3,372,999	\$3,372,999
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,414,268	\$9,774	\$3,424,042	\$3,424,042

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2018

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$332,791	\$0	\$332,791
70400 Tenant Revenue - Other	\$6,593	\$0	\$6,593
70500 Total Tenant Revenue	\$339,384	\$0	\$339,384
70600 HUD PHA Operating Grants	\$283,122	\$0	\$283,122
70610 Capital Grants	\$0	\$164,494	\$164,494
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
71100 Investment Income - Unrestricted	\$8,929	\$0	\$8,929
71200 Mortgage Interest Income	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0
71500 Other Revenue	\$40,244	\$0	\$40,244
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$671,679	\$164,494	\$836,173
91100 Administrative Salaries	\$160,060	\$0	\$160,060
91200 Auditing Fees	\$10,000	\$0	\$10,000
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$1,329	\$0	\$1,329
91500 Employee Benefit contributions - Administrative	\$52,824	\$0	\$52,824
91600 Office Expenses	\$23,945	\$0	\$23,945
91700 Legal Expense	\$0	\$0	\$0
91800 Travel	\$12,117	\$0	\$12,117
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$24,707	\$0	\$24,707
91000 Total Operating - Administrative	\$284,982	\$0	\$284,982
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$63	\$0	\$63
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$605	\$0	\$605
92500 Total Tenant Services	\$668	\$0	\$668
93100 Water	\$10,747	\$0	\$10,747
93200 Electricity	\$16,468	\$0	\$16,468
93300 Gas	\$5,991	\$0	\$5,991
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$4,559	\$0	\$4,559

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2018

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0
93000 Total Utilities	\$37,765	\$0	\$37,765
94100 Ordinary Maintenance and Operations - Labor	\$80,252	\$0	\$80,252
94200 Ordinary Maintenance and Operations - Materials and Other	\$49,807	\$0	\$49,807
94300 Ordinary Maintenance and Operations Contracts	\$19,257	\$0	\$19,257
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,398	\$0	\$21,398
94000 Total Maintenance	\$170,714	\$0	\$170,714
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0
95300 Protective Services - Other	\$1,523	\$0	\$1,523
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$1,523	\$0	\$1,523
96110 Property Insurance	\$23,648	\$0	\$23,648
96120 Liability Insurance	\$7,873	\$0	\$7,873
96130 Workmen's Compensation	\$8,823	\$0	\$8,823
96140 All Other Insurance	\$4,287	\$0	\$4,287
96100 Total insurance Premiums	\$44,631	\$0	\$44,631
96200 Other General Expenses	\$2,880	\$0	\$2,880
96210 Compensated Absences	\$20,043	\$0	\$20,043
96300 Payments in Lieu of Taxes	\$29,503	\$0	\$29,503
96400 Bad debt - Tenant Rents	\$2,119	\$0	\$2,119
96500 Bad debt - Mortgages	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0
96000 Total Other General Expenses	\$54,545	\$0	\$54,545
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$594,828	\$0	\$594,828
97000 Excess of Operating Revenue over Operating Expenses	\$76,851	\$164,494	\$241,345
97100 Extraordinary Maintenance	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$305,104	\$15,959	\$321,063
97500 Fraud Losses	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0
90000 Total Expenses	\$899,932	\$15,959	\$915,891

HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED DECEMBER 31, 2018

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$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
10094 Transfers between Project and Program - Out	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$228,253	\$148,535	-\$79,718
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,981,113	\$461,830	\$3,442,943
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$304,964	-\$304,964	\$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			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1704		1704
11210 Number of Unit Months Leased	1673		1673
11270 Excess Cash	\$939,734		\$939,734
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$164,494	\$164,494
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
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

**HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
FINANCIAL DATA SCHEDULES**

YEAR ENDED DECEMBER 31, 2018

Entity Wide Revenue and Expense Summary				
	Project Total	2 State/Local	Subtotal	Total
70300 Net Tenant Rental Revenue	\$332,791		\$332,791	\$332,791
70400 Tenant Revenue - Other	\$6,593		\$6,593	\$6,593
70500 Total Tenant Revenue	\$339,384	\$0	\$339,384	\$339,384
70600 HUD PHA Operating Grants	\$283,122		\$283,122	\$283,122
70610 Capital Grants	\$164,494		\$164,494	\$164,494
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	\$17,392	\$17,392	\$17,392
71100 Investment Income - Unrestricted	\$8,929		\$8,929	\$8,929
71200 Mortgage Interest Income	\$0		\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0		\$0	\$0
71310 Cost of Sale of Assets	\$0		\$0	\$0
71400 Fraud Recovery	\$0		\$0	\$0
71500 Other Revenue	\$40,244	\$7,390	\$47,634	\$47,634
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0	\$0
72000 Investment Income - Restricted	\$0		\$0	\$0
70000 Total Revenue	\$836,173	\$24,782	\$860,955	\$860,955
91100 Administrative Salaries	\$160,060	\$10,308	\$170,368	\$170,368
91200 Auditing Fees	\$10,000		\$10,000	\$10,000
91300 Management Fee	\$0		\$0	\$0
91310 Book-keeping Fee	\$0		\$0	\$0
91400 Advertising and Marketing	\$1,329		\$1,329	\$1,329
91500 Employee Benefit contributions - Administrative	\$52,824	\$787	\$53,611	\$53,611
91600 Office Expenses	\$23,945	\$6,180	\$30,125	\$30,125
91700 Legal Expense	\$0		\$0	\$0
91800 Travel	\$12,117		\$12,117	\$12,117
91810 Allocated Overhead	\$0		\$0	\$0
91900 Other	\$24,707		\$24,707	\$24,707
91000 Total Operating - Administrative	\$284,982	\$17,275	\$302,257	\$302,257
92000 Asset Management Fee	\$0		\$0	\$0
92100 Tenant Services - Salaries	\$0		\$0	\$0
92200 Relocation Costs	\$63		\$63	\$63
92300 Employee Benefit Contributions - Tenant Services	\$0		\$0	\$0
92400 Tenant Services - Other	\$605		\$605	\$605
92500 Total Tenant Services	\$668	\$0	\$668	\$668
93100 Water	\$10,747		\$10,747	\$10,747
93200 Electricity	\$16,468		\$16,468	\$16,468
93300 Gas	\$5,991		\$5,991	\$5,991
93400 Fuel	\$0		\$0	\$0
93500 Labor	\$0		\$0	\$0
93600 Sewer	\$4,559		\$4,559	\$4,559

**HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
FINANCIAL DATA SCHEDULES**

YEAR ENDED DECEMBER 31, 2018

Entity Wide Revenue and Expense Summary				
	Project Total	2 State/Local	Subtotal	Total
93700 Employee Benefit Contributions - Utilities	\$0		\$0	\$0
93800 Other Utilities Expense	\$0	\$2,025	\$2,025	\$2,025
93000 Total Utilities	\$37,765	\$2,025	\$39,790	\$39,790
94100 Ordinary Maintenance and Operations - Labor	\$80,252		\$80,252	\$80,252
94200 Ordinary Maintenance and Operations - Materials and Other	\$49,807		\$49,807	\$49,807
94300 Ordinary Maintenance and Operations Contracts	\$19,257		\$19,257	\$19,257
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,398		\$21,398	\$21,398
94000 Total Maintenance	\$170,714	\$0	\$170,714	\$170,714
95100 Protective Services - Labor	\$0		\$0	\$0
95200 Protective Services - Other Contract Costs	\$0		\$0	\$0
95300 Protective Services - Other	\$1,523		\$1,523	\$1,523
95500 Employee Benefit Contributions - Protective Services	\$0		\$0	\$0
95000 Total Protective Services	\$1,523	\$0	\$1,523	\$1,523
96110 Property Insurance	\$23,648		\$23,648	\$23,648
96120 Liability Insurance	\$7,873		\$7,873	\$7,873
96130 Workmen's Compensation	\$8,823		\$8,823	\$8,823
96140 All Other Insurance	\$4,287		\$4,287	\$4,287
96100 Total insurance Premiums	\$44,631	\$0	\$44,631	\$44,631
96200 Other General Expenses	\$2,880		\$2,880	\$2,880
96210 Compensated Absences	\$20,043		\$20,043	\$20,043
96300 Payments in Lieu of Taxes	\$29,503		\$29,503	\$29,503
96400 Bad debt - Tenant Rents	\$2,119		\$2,119	\$2,119
96500 Bad debt - Mortgages	\$0		\$0	\$0
96600 Bad debt - Other	\$0		\$0	\$0
96800 Severance Expense	\$0		\$0	\$0
96000 Total Other General Expenses	\$54,545	\$0	\$54,545	\$54,545
96710 Interest of Mortgage (or Bonds) Payable	\$0		\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0		\$0	\$0
96730 Amortization of Bond Issue Costs	\$0		\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$594,828	\$19,300	\$614,128	\$614,128
97000 Excess of Operating Revenue over Operating Expenses	\$241,345	\$5,482	\$246,827	\$246,827
97100 Extraordinary Maintenance	\$0		\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0		\$0	\$0
97300 Housing Assistance Payments	\$0		\$0	\$0
97350 HAP Portability-In	\$0		\$0	\$0
97400 Depreciation Expense	\$321,063		\$321,063	\$321,063
97500 Fraud Losses	\$0		\$0	\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense	\$0		\$0	\$0
90000 Total Expenses	\$915,891	\$19,300	\$935,191	\$935,191

**HOUSING AUTHORITY OF ELK CITY, OKLAHOMA
FINANCIAL DATA SCHEDULES**

YEAR ENDED DECEMBER 31, 2018

Entity Wide Revenue and Expense Summary				
	Project Total	2 State/Local	Subtotal	Total
10010 Operating Transfer In	\$0		\$0	\$0
10020 Operating transfer Out	\$0		\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0		\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0		\$0	\$0
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss	\$0		\$0	\$0
10080 Special Items (Net Gain/Loss)	\$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
10094 Transfers between Project and Program - Out	\$0		\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$79,718	\$5,482	-\$74,236	-\$74,236
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$3,442,943	\$4,292	\$3,447,235	\$3,447,235
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				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	1704		1704	1704
11210 Number of Unit Months Leased	1673		1673	1673
11270 Excess Cash	\$939,734		\$939,734	\$939,734
11610 Land Purchases	\$0		\$0	\$0
11620 Building Purchases	\$164,494		\$164,494	\$164,494
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0	\$0
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