

HOUSING AUTHORITY OF LAWTON, OKLAHOMA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED JUNE 30, 2022

Mike Estes, P.C.

A Professional Accounting Corporation

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1 – 3
Management Discussion & Analysis		4 – 17
Basic Financial Statements		
Statement of Net Position	A	18
Statement of Revenues, Expenses, and Changes in Fund Net Position	B	19
Statement of Cash Flows	C	20 – 21
Notes to the Basic Financial Statements		22 – 34
Index		22
Notes to Financial Statements		23– 34
 <u><i>Other Reports Required by Government Auditing Standards And by Office of Management and Budget (OMB) Compliance Supplement</i></u>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		35 – 36
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance		37 – 40
Schedule of Expenditures of Federal Awards		41
Notes to the Schedule of Expenditures of Federal Awards		42
Schedule of Findings and Questioned Costs		43 – 46
Corrective Action Plan		47
Summary Schedule of Prior Audit Findings		48
 <u><i>Supplementary Information</i></u>		
Statement of Modernization Costs – Uncompleted	D(1)	49
Financial Data Schedules		50 – 60



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

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

Independent Auditor's Report

Board of Commissioners
Housing Authority of Lawton
Lawton, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Lawton, Oklahoma as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of Lawton, Oklahoma 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 position of each major fund, of the Housing Authority of the City of Lawton, Oklahoma as of and for the year ended June 30, 2022, 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. 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 Housing Authority of Lawton, Oklahoma 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Lawton, Oklahoma'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 and *Government 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 and *Government 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 Housing Authority of the City of Lawton, Oklahoma'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 Housing Authority of the City of Lawton, Oklahoma'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 Managements' Discussion and Analysis on pages 4 to 17 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Lawton, 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. 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 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 March 30, 2023 on our consideration of the Housing Authority of the City of Lawton, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Lawton, Oklahoma's 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 Lawton, Oklahoma's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
March 30, 2023

**LAWTON HOUSING AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2022**

Introduction

This Management’s Discussion and Analysis (MD&A) of the Lawton Housing Authority (Authority) provides an introduction and overview to the financial statements of the Lawton Housing Authority for the fiscal year ended June 30, 2022. The Lawton Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2022, to assist the reader in focusing on significant financial issues.

All of the funds of the Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and that these funds are used for their intended purposes. This 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 Authority has four significant programs. These are the Low Rent Public Housing Program, Public Housing Capital Fund Program, Section 8 Housing Choice Voucher Program, and a 501(3)(c) non-profit corporation, Lawton Support Services that is presented discretely as a component unit.

The Low Rent Program consists of 296 units. Funding is provided based on the dwelling rents paid by the tenants and operating fund payments received by the Department of Housing and Urban Development (HUD) based on a formula. The Capital Fund Program receives funding from HUD based on a formula. The purpose of this program is to provide funding for low rent housing programs to allow them to make purchases and capital improvements for the current dwelling structures and assist in their operations.

The Section 8 Housing Choice Voucher Program consists of 105 vouchers. Funding for this program is based on the lease-up rate during the previous fiscal year.

Lawton Support Services is a discretely presented component unit that provides a variety of management services to the Lawton Housing Authority.

MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

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

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 available 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 June 30, 2022, to determine the change in net position for the fiscal year.

The Statement of Cash Flows report 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 June 30, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

Financial Highlights

Primary Government:

- The net position of the Primary Government increased from \$4,442,999 to \$4,693,523, an increase of \$250,524, or 6%. Total assets also increased by \$309,830, or 7%.
- The Primary Government's revenue increased from \$3,117,653 to \$3,544,035, an increase of \$426,382, or 14%.
- The Primary Government's expenses decreased from \$3,291,958 to \$3,293,511.

Component Unit:

- The net position of the Component Unit increased from \$415,438 to \$1,396,959, an increase of \$981,521. Total assets also increased by \$1,061,496.
- The Component Unit's revenue increased from \$1,149,181 to \$1,380,200.
- The Component Unit's expenses decreased from \$959,199 to \$398,679, a decrease of \$560,520, or 58%.

Housing Authority Activities & Highlights

The 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 and liability comparisons for the year ended June 30, 2022 and June 30, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

Primary Government Statement of Net Position As of June 30, 2022, and June 30, 2021

<u>Category</u>	<u>2022</u>	<u>2021</u>
Current Assets	\$ 2,111,149	\$ 1,701,628
Fixed Assets (Net of Depreciation)	\$ 3,241,514	\$ 3,318,692
Other NonCurrent Assets	\$ 174,398	\$ 196,911
Total Assets	\$ 5,527,061	\$ 5,217,231
Current Liabilities	\$ 389,412	\$ 303,340
Noncurrent Liabilities	\$ 338,706	\$ 470,892
Total Liabilities	\$ 728,118	\$ 774,232
Deferred Inflow of Resources	\$ 105,420	\$ -
Unrestricted	\$ 1,895,686	\$ 1,646,331
Net Investment in Capital Assets	\$ 2,797,837	\$ 2,764,565
Restricted	\$ -	\$ 32,103
Total Net Position	\$ 4,693,523	\$ 4,442,999

Current Assets

Current assets increased by \$409,521 from the previous year. This increase is primarily due to the increase in cash in the amount of \$349,428, tenant accounts receivable (net) in the amount of \$13,997, and maintenance inventory (net) in the amount of \$32,670.

Noncurrent Assets (Fixed Assets)

Noncurrent assets decreased by \$77,178 from the previous year due to current year depreciation expense exceeding capital asset purchases during the current year. See Capital Asset section for further discussion.

Other Noncurrent Assets

Other noncurrent assets decreased by \$22,513 from the prior year primarily due to a reduction in the mortgage receivable balances.

Current Liabilities

Current liabilities increased by \$86,072 from the previous year primarily due to the increase in wages/payroll taxes payable in the amount of \$10,388, accounts payable - vendors in the amount of \$17,386, inter program payables in the amount of \$37,515, and current portion of notes payable increased by \$7,970.

Noncurrent Liabilities

Noncurrent liabilities decreased by \$132,186 from the previous year primarily due to the reduction in the principal on the energy performance contract.

Deferred Inflow of Resources

This consists of Low Rent operating subsidy received for the subsequent year end June 30, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

Net Position

Unrestricted Net Position

The Authority's Primary Government's total net position increased, by \$250,524, from the prior year.

The Authority's unrestricted component of net position increased from \$1,646,331 to \$1,895,686, an increase of \$249,355, or 16% for the current year. This increase is primarily due to operating revenues exceeding operating expenditures in the current year. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines. The Authority's individual programs maintain the unrestricted net position balances as follows:

Low Rent Housing Program	\$ 781,539
State & Local	438,639
Housing Choice Voucher Program	
Reserved for Administration	256,297
Homeownership Program	<u>419,211</u>
Total	<u>\$ 1,895,686</u>

Restricted Net Position

Restricted component of net position decreased from \$32,103 at June 30, 2021 to \$0 at June 30, 2022. The primary reason for the decrease was due to the reporting of excess HAP expenditures over HAP funding during the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

*Component Unit
Statement of Net Position
As of June 30, 2022, and June 30, 2021*

<u>Category</u>	<u>2022</u>	<u>2021</u>
Current Assets	\$ 593,112	\$ 293,720
Noncurrent Assets	\$ 922,175	\$ 160,071
Total Assets	\$ 1,515,287	\$ 453,791
Current Liabilities	\$ 117,638	\$ 38,281
Noncurrent Liabilities	\$ 690	\$ 251
Total Liabilities	\$ 118,328	\$ 38,532
Unrestricted	\$ 474,784	\$ 255,188
Investment in Capital Assets	\$ 922,175	\$ 160,071
Total Net Position	\$ 1,396,959	\$ 415,259

Current Assets

Current assets increased by \$299,392, primarily due to an increased in accounts receivable of \$331,519.

Noncurrent Assets

Noncurrent assets increased by \$762,104 or 476% for the current year. The increase can be contributed to capital improvements exceeding current year depreciation expense. The Veterans Resource Center was substantially renovated.

Current Liabilities

Current liabilities increased by \$79,357.

Net Position

The Component Unit's total net position increased by \$981,700 for the current year.

The Component Unit's unrestricted component of net position increased by \$219,596. This increase is primarily due to operating revenues exceeding operating expenses in the current fiscal year.

MANAGEMENT’S DISCUSSION AND ANALYSIS-Cont.

*Primary Government
Statement of Revenues & Expenses
For the Year Ended June 30, 2022 and June 30, 2021*

<u>Category</u>	<u>2022</u>	<u>2021</u>
Tenant Revenue	\$ 595,483	\$ 541,338
Operating Grants	\$ 1,993,870	\$ 2,232,717
Capital Grants	\$ 346,656	\$ 111,229
Interest Income	\$ 6,429	\$ 10,590
Other Revenue	\$ 601,597	\$ 221,779
Total Revenue	\$ 3,544,035	\$ 3,117,653
Administration	\$ 835,255	\$ 652,740
Tenant Services	\$ 1,259	\$ 6,413
Utilities	\$ 267,512	\$ 234,120
Ordinary Maintenance	\$ 785,425	\$ 962,577
Protective Services	\$ 19,208	\$ 4,182
General Expense	\$ 244,692	\$ 233,511
Extraordinary Maintenance	\$ 29,789	\$ 11,600
Housing Assistance Payments	\$ 686,539	\$ 735,871
Depreciation	\$ 423,832	\$ 450,944
Total Expenses	\$ 3,293,511	\$ 3,291,958
Excess of Revenue over Expenses	\$ 250,524	\$ (174,305)
Net Position, Beginning of Year	\$ 4,442,999	\$ 4,617,316
PY Adjustments/Equity Transfers	\$ -	\$ (12)
Net Position, End of Year	\$ 4,693,523	\$ 4,442,999

Results of Operations

Revenues of the Primary Government are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Primary Government’s revenue increased by \$426,382 during the current fiscal year. Notable differences noted from comparing current year balances to previous year balances are listed as follows:

- Tenant revenue increased \$54,145 due to the average rent increasing from \$164.80 in 2021 to \$179.21 in 2022.
- Operating grants decreased by \$238,847 due to lower Capital Fund operating revenue of \$116,744, Housing Choice Voucher revenue of \$34,491, Low Rent CARES of \$116,700, Shelter Plus Care of \$8,200, and Housing Choice Voucher revenue of \$24,154, offset by an increase in Low Rent operating revenue of \$61,442

MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

- Capital grants reflected an increase of \$235,427 due to increased capital improvement activity during the current year.
- Other revenue increased by \$379,818 or 171% from the prior year due to proceeds received in the State & Local Fund.

Total expenses increased by \$1,553. Significant variations between the years include:

- Administration increased by \$182,515 primarily due to an increase in administrative salaries in the amount of \$81,525, benefits in the amount of \$56,439, and audit fees of \$21,070.
- Tenant services decreased by \$5,154 due to reduced activity in relation to the Coronavirus.
- Ordinary maintenance decreased by \$177,152 due primarily to a decrease in maintenance labor of \$15,010, maintenance materials of \$18,035, and contract costs in the amount of \$145,623 during the current year.
- General expense increased by \$11,181 from the prior year.
- Protective services increased by \$15,026 due to increased activity in contract costs.
- Housing assistance payments decreased in the current year by \$49,332. Average per unit cost decreased from \$489.48 in 2021 to \$460.65 in 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

*Component Unit
Statement of Revenues & Expenses
For the Year Ended June 30, 2022, and June 30, 2021*

<u>Category</u>	<u>2022</u>	<u>2021</u>
Tenant Revenue	\$ 58,269	\$ 60,109
Government Grants	\$ 970,723	\$ 892,270
Interest Income	\$ 118	\$ 131
Other Revenue	\$ 351,090	\$ 196,663
Total Revenue	\$ 1,380,200	\$ 1,149,173
Administration	\$ 68,027	\$ 110,450
Tenant Services	\$ 209,584	\$ 650,149
Utilities	\$ 3,549	\$ 5,116
Ordinary Maintenance	\$ 74,758	\$ 9,609
Housing Assistance Payments	\$ 3,537	\$ 142,120
General Expense	\$ 27,794	\$ 37,773
Depreciation	\$ 11,430	\$ 3,982
Total Expenses	\$ 398,679	\$ 959,199
Excess of Revenue over Expenses	\$ 981,521	\$ 189,974
Net Position, Beginning of Year	\$ 415,438	\$ 225,444
PY Adjustments/Equity Transfers	\$ -	\$ 12
Net Position, End of Year	\$ 1,396,959	\$ 415,438

Results of Operations

Revenues of the Component Unit are generated principally from grants and other revenue. The Component Unit's revenue increased by \$231,019 during the current fiscal year. Significant increases include the following:

- Government grants increased by \$78,453.
- Other revenue increased by \$154,427.

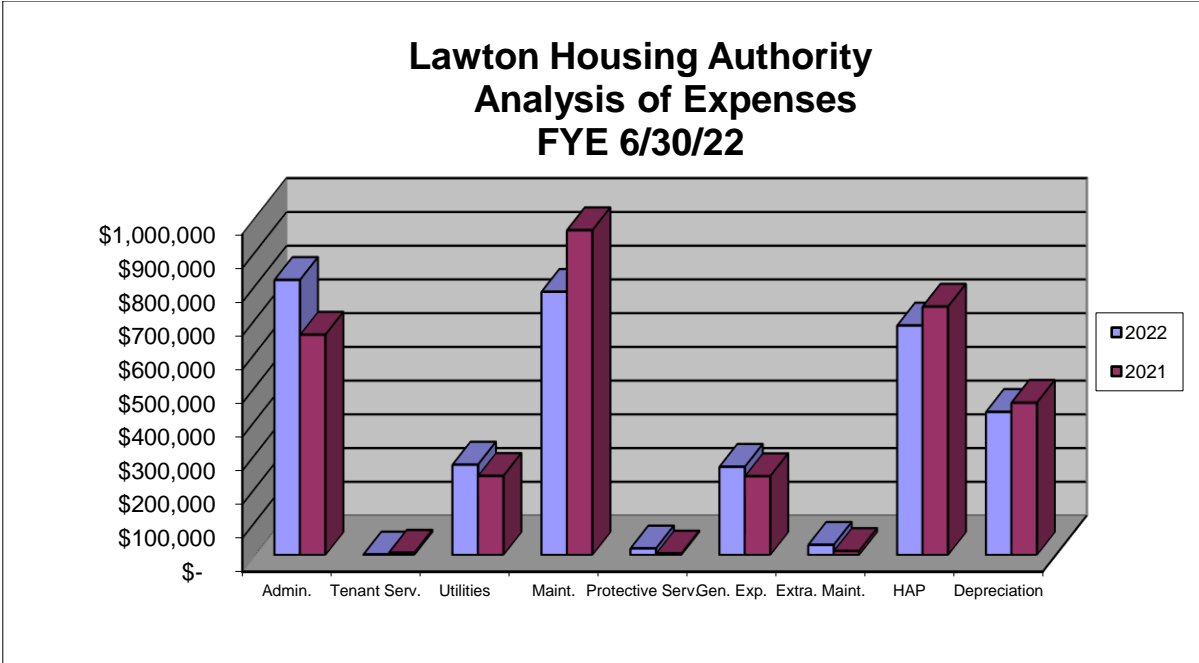
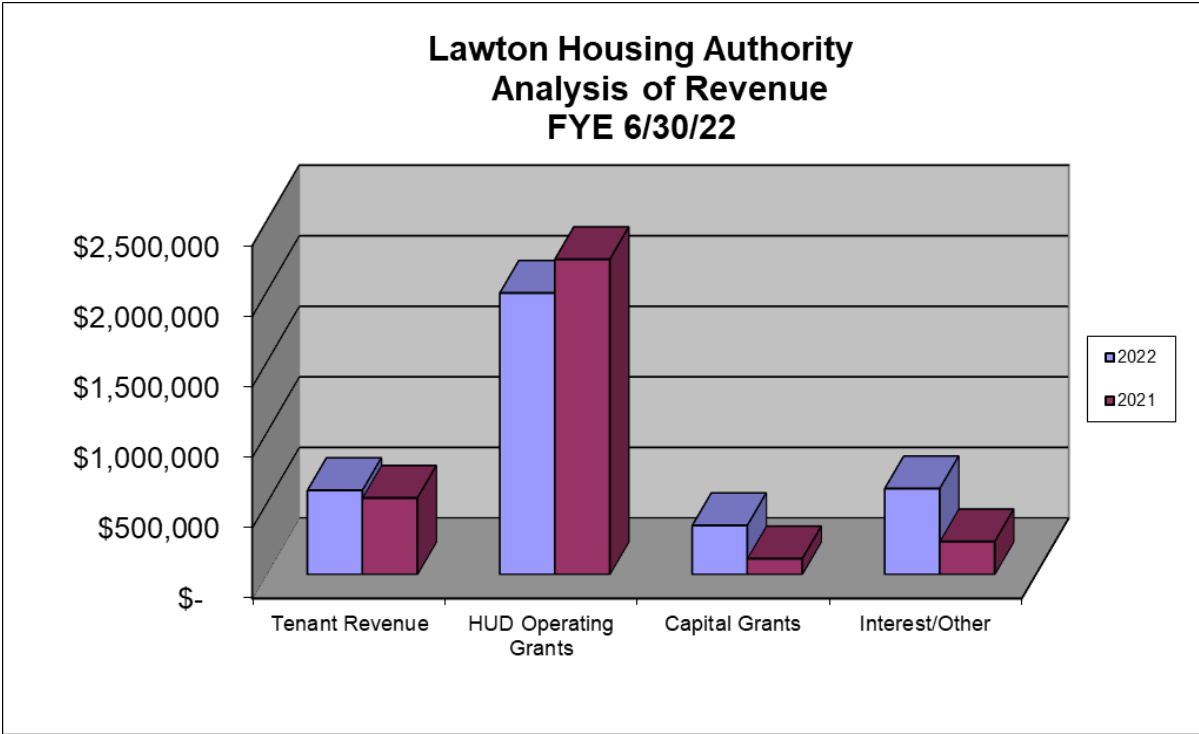
MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

Total expenses decreased by \$560,520, or 58%. Significant variations between the years include the following:

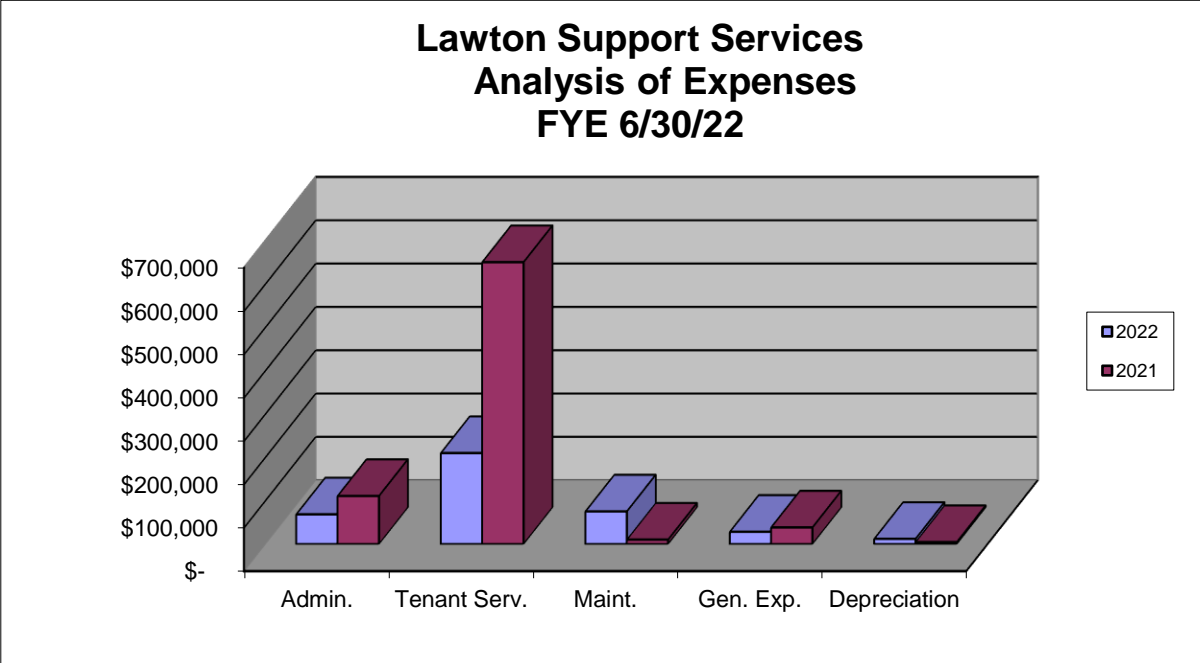
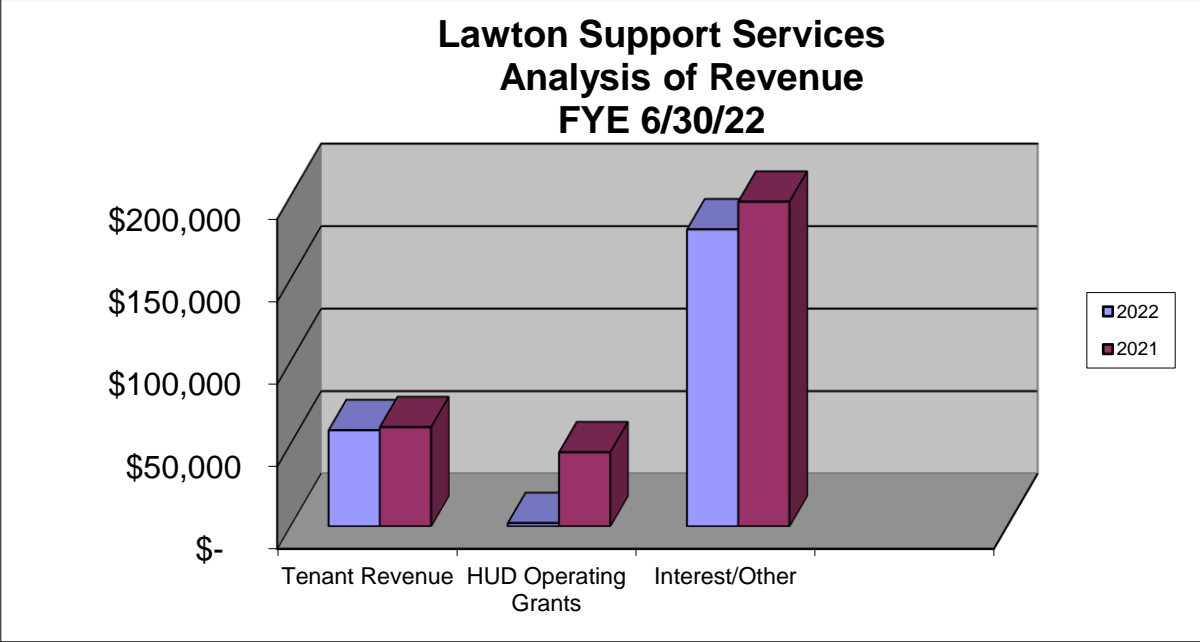
- Administrative expenses decreased by \$42,423 or 38%. This was primarily due to an decrease in administrative payroll by \$34,754 in relation to Coronavirus CARES grant expenditures.
- Tenant services decreased by \$440,565 or 68%. This was primarily due to a decrease in tenant services contracts in relation to Coronavirus CARES grant expenditures.
- Utilities decreased by \$1,567 or 31%. This was due to decreased consumption in the current year.
- Ordinary maintenance increased by \$65,149 or 678%. This was primarily due to an increase in maintenance material costs of \$59,077 during the current year.
- Housing assistance payments decreased by \$138,583 or 98% due to reduced participation in the TBRA program in the current year. The units leased decreased from 288 in 2021 to 10 in 2022.
- General expenses decreased by \$9,979 or 26% in the current year. The decrease was primarily a result of decreased liability insurance expenses in the amount of \$13,288 and all other insurance in the amount of \$5,689, offset by an increase in other general expenses of \$9,361.

MANAGEMENT’S DISCUSSION AND ANALYSIS-Cont.

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



MANAGEMENT’S DISCUSSION AND ANALYSIS-Cont.



MANAGEMENT’S DISCUSSION AND ANALYSIS-Cont.

Capital Assets

As of June 30, 2022, the Primary Government’s investment in capital assets was \$2,797,836. This investment includes land, building, equipment, and construction in progress, less any associated debt.

<u>Category</u>	<u>2022</u>	<u>2021</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 271,767	\$ 271,768	\$ (1)	0%
Buildings	\$ 16,843,599	\$ 16,496,943	\$ 346,656	2%
Equipment	\$ 538,388	\$ 538,388	\$ -	0%
Construction in Progress	\$ 1,750	\$ 1,750	\$ -	0%
Accumulated Depreciation	\$ (14,413,990)	\$ (13,990,157)	\$ (423,833)	3%
Total Capital Assets	\$ 3,241,514	\$ 3,318,692	\$ (77,178)	-2%

Buildings increased due to completion of construction in progress items that consisted of a door replacement project, shower project, windows, flooring, and HVAC project utilizing the 2018, 2019, and 2020 CFP grants.

Noncurrent Liabilities

Noncurrent liabilities decreased by \$132,186 from the previous year primarily due to the reduction in the principal balance on the energy performance contract.

The Primary Government classifies a portion of the employees’ leave as a noncurrent liability. This is due to the Primary Government not anticipating paying out the total amount accrued in the upcoming fiscal year. The amount estimated as a noncurrent liability was \$11,126.

The Authority did not acquire any additional debt obligations during the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS-Cont.

As of June 30, 2022, the Component Unit's investment in capital assets was \$922,175. This investment includes land, building, equipment, and construction in progress less any associated debt.

<u>Category</u>	<u>2022</u>	<u>2021</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 41,150	\$ 1,150	\$ 40,000	3478%
Buildings	\$ 268,960	\$ 158,960	\$ 110,000	69%
Equipment	\$ 19,343	\$ 19,343	\$ -	0%
Accumulated Depreciation	\$ (110,812)	\$ (99,382)	\$ (11,430)	12%
Construction in Progress	\$ 703,534	\$ 80,000	\$ 623,534	779%
Total Capital Assets	\$ 922,175	\$ 160,071	\$ 762,104	476%

The increase in land and buildings is for the purchase of the property for a Veteran's Resource Center. The increase in construction in progress is related to the renovation of the building for a Veteran's Resource Center.

Noncurrent Liabilities

The Component Unit classifies a portion of the employees' leave as a noncurrent liability. This is due to the Authority not anticipating paying out the total amount accrued in the upcoming fiscal year. The amount estimated as a noncurrent liability was \$690.

Subsequent Event

Operating subsidy for the 2023 calendar year is estimated at 95%.

The amount of funding for the 2023 calendar year for the Housing Choice Voucher Program has not been finalized by HUD. The 2023 administrative fees are estimated at 91% and HAP funding at 99%.

Request for Information

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following address:

Lawton Housing Authority
Rita Love, Executive Director
609 SW Avenue F
Lawton, OK 73501

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
STATEMENT OF NET POSITION

JUNE 30, 2022

	General	Housing Choice Voucher	Total Primary Government	Component Unit
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,017,480	\$ 179,535	\$ 1,197,015	\$ 119,971
Investments - Unrestricted	543,112	0	543,112	0
Accounts receivable net	64,352	40,880	105,232	465,625
Interest receivable	366	0	366	0
Interfund and component unit A/R	0	47,724	47,724	0
Prepaid items and other assets	105,157	1,881	107,038	4,816
Note receivable	6,232	0	6,232	0
Inventory	51,760	0	51,760	0
Restricted assets - cash and cash equivalents	52,670	0	52,670	2,700
Total Current Assets	1,841,129	270,020	2,111,149	593,112
Capital Assets, net				
Land and other non-depreciated assets	273,517	0	273,517	744,684
Other capital assets - net of depreciation	2,967,997	0	2,967,997	177,491
Total Capital Assets, net	3,241,514	0	3,241,514	922,175
Noncurrent				
Other Assets	174,398	0	174,398	0
Total Assets	\$ 5,257,041	270,020	5,527,061	\$ 1,515,287
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 106,386	\$ 10,336	\$ 116,722	\$ 86,579
Unearned income	25,165	0	25,165	0
Compensated absences payable	53,989	2,974	56,963	408
Accrued interest payable	2,022	0	2,022	0
Current portion of notes payable	116,097	0	116,097	0
Interfund and component unit A/Payable	19,773	0	19,773	27,951
Deposits due others	52,670	0	52,670	2,700
Total Current Liabilities	376,102	13,310	389,412	117,638
Noncurrent Liabilities				
Compensated absences payable	10,713	413	11,126	0
Noncurrent portion of notes payable	327,580	0	327,580	0
Noncurrent liabilities - other	0	0	0	690
Total Noncurrent Liabilities	338,293	413	338,706	690
Total Liabilities	714,395	13,723	728,118	118,328
Deferred inflow of resources	105,420	0	105,420	0
NET POSITION				
Net investment in capital assets, net of related debt	2,797,837	0	2,797,837	922,175
Unrestricted	1,639,389	256,297	1,895,686	474,784
Net Position	4,437,226	256,297	4,693,523	1,396,959

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

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	General	Housing Choice Voucher	Total Primary Government	Component Unit
OPERATING REVENUES				
Tenant revenue	\$ 595,483	\$ 0	\$ 595,483	\$ 58,269
Governmental operating grants	1,394,083	599,787	1,993,870	970,723
Other	452,595	0	452,595	275
Port-in revenue	0	149,002	149,002	0
Donations and grants	0	0	0	350,815
Total Operating Revenues	2,442,161	748,789	3,190,950	1,380,082
OPERATING EXPENSES				
Administration	715,239	120,016	835,255	68,027
Utilities	267,512	0	267,512	3,549
Ordinary maintenance & operations	783,637	1,788	785,425	74,718
Protective services	19,208	0	19,208	40
General expenses	211,382	10,250	221,632	27,794
Depreciation	423,832	0	423,832	11,430
Extraordinary maintenance	29,789	0	29,789	0
Housing assistance payments	0	551,860	551,860	3,537
Port-in housing assistance payments	0	134,679	134,679	0
Tenant services	1,259	0	1,259	209,584
Total Operating Expenses	2,451,858	818,593	3,270,451	398,679
Income (Loss) from Operations	(9,697)	(69,804)	(79,501)	981,403
Non Operating Revenues (Expenses)				
Interest earnings	6,105	324	6,429	118
Interest expense	(23,060)	0	(23,060)	0
Total Non-Operating Revenues (Expenses)	(16,955)	324	(16,631)	118
Income (Loss) before contribution	(26,652)	(69,480)	(96,132)	981,521
Capital Contribution	346,656	0	346,656	0
Change in net position	320,004	(69,480)	250,524	981,521
Total net position - beginning	4,117,222	325,777	4,442,999	415,438
Total net position - ending	\$ 4,437,226	256,297	4,693,523	1,396,959

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

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	General	Housing Choice Voucher	Total Primary Government	Component Unit
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Rental receipts	\$ 557,864	\$ 0	\$ 557,864	\$ 58,269
Other receipts (payments)	136,459	(37,070)	99,389	5,665
Donations and grants	0	0	0	350,815
Federal grants	1,499,997	596,547	2,096,544	630,688
Ports	0	146,307	146,307	0
HUD lawsuit settlement	364,732	0	364,732	0
Payments to vendors	(1,151,760)	(9,759)	(1,161,519)	(245,441)
Payments to employees – net	(858,827)	(114,271)	(973,098)	(55,480)
Payments to private landlords	0	(686,539)	(686,539)	(3,537)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	548,465	(104,785)	443,680	740,979
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid	(490)	0	(490)	0
Purchase of assets	(346,656)	0	(346,656)	(773,534)
Repayment of debt	(133,510)	0	(133,510)	0
Federal capital grants	346,656	0	346,656	0
Proceeds of asset sales	25,134	0	25,134	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	(108,866)	0	(108,866)	(773,534)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	2,204	324	2,528	118
Mortgage interest	3,901	0	3,901	0
Proceeds from maturities of investments	48,915	0	48,915	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	55,020	324	55,344	118
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	494,619	(104,461)	390,158	(32,437)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS Beginning of Fiscal Year	575,531	283,996	859,527	155,108
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS End of Fiscal Year	\$ 1,070,150	179,535	1,249,685	\$ 122,671
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Continued

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

	General	Housing Choice Voucher	Total Primary Government	Component Unit
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING				
INCOME (LOSS) TO NET CASH				
PROVIDED (USED) BY OPERATING				
ACTIVITIES				
Operating income (loss)	\$ (9,697)	\$ (69,804)	\$ (79,501)	\$ 981,403
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation Expense	423,832	0	423,832	11,430
Provision of uncollectable accounts	11,085	0	11,085	0
Change in assets and liabilities:				
Receivables	(17,867)	0	(17,867)	(331,352)
Inventories	(36,300)	0	(36,300)	0
Prepaid items	(378)	4	(374)	(310)
Security Deposits	(982)	0	(982)	0
Accounts payable	21,511	13,730	35,241	82,934
Interfund	51,841	(48,715)	3,126	(3,126)
Deferred inflow of resources	105,420		105,420	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operations	\$ 548,465	\$ (104,785)	\$ 443,680	\$ 740,979
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Concluded

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

INDEX

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	23
A. REPORTING ENTITY	23
B. FUNDS	24
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	25
D. CASH AND CASH EQUIVALENTS.....	25
E. INVESTMENTS.....	26
F. REVENUE RECOGNITION	26
G. INVENTORY	26
H. PREPAID ITEMS.....	26
I. CAPITAL ASSETS	27
J. UNEARNED INCOME.....	27
K. COMPENSATED ABSENCES	27
L. POST EMPLOYMENT BENEFITS	27
M. NET POSITION AND FLOW ASSUMPTIONS.....	27
N. USE OF ESTIMATES.....	28
NOTE 2 – DEPOSITS AND INVESTMENTS.....	28
NOTE 3 – ACCOUNTS RECEIVABLE	29
NOTE 4 – OTHER ASSETS	29
NOTE 5 – CAPITAL ASSETS	30
NOTE 6 – ACCOUNTS PAYABLE.....	31
NOTE 7 – COMPENSATED ABSENCES.....	31
NOTE 8 – LONG – TERM OBLIGATIONS.....	31
NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES.....	32
NOTE 10 – OTHER INCOME.....	32
NOTE 11 – RETIREMENT SYSTEM.....	32
NOTE 12 – COMMITMENTS AND CONTINGENCIES	33
NOTE 13 – ECONOMIC DEPENDENCE	34
NOTE 14 – SUBSEQUENT EVENTS	34

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of Lawton 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 Lawton, serve staggered multi-year terms.

The Housing Authority administers an annual contributions contract to provide low-income housing with primary financial support from the U.S. Department of Housing and Urban Development (HUD). Contracts administered by the Housing Authority are as follows:

Public Housing - The Housing Authority owns, operates and maintains 296 units of Public Housing. The properties were acquired through bonds and notes guaranteed by HUD and through grants, subject to the terms of an Annual Contributions Contract with HUD. Revenues consist primarily of rents and other fees collected from tenants, and an Operating Subsidy from HUD.

Capital Fund Program – Funds from the Capital Fund Program provided by HUD are used to maintain and improve the Housing Authority. Substantially all additions to land, structures and equipment of the Housing Authority are accomplished through these capital fund grants.

Housing Choice Vouchers – The Housing Authority administers Housing Choice Vouchers to assist low-income families, elderly and disabled to afford decent, safe and sanity housing in the private market. Revenues consist primarily of Annual Contribution for Housing Assistance Payments from HUD. For June 2022, 98 vouchers were issued.

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.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

The Housing Authority is a related organization of the City of Lawton since the City of Lawton appoints a voting majority of the Housing Authority's governing board. The City of Lawton 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 Lawton. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Lawton.

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:

- 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.

As of June 30, 2022, and for the fiscal year then ended, the Housing Authority had one component unit required to be discretely presented, which is presented in a separate column in the financial statements, Lawton Support Services.

Lawton Support Services, Inc. – Component Unit

Lawton Support Services is a component unit of the Housing Authority of the City of Lawton. The corporation is organized exclusively for charitable, education and scientific purposes, including, for such purposes making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code. Lawton Support Services, Inc. is currently providing a variety of management and training services for other housing authorities. The component unit is governed by the governing board of the Housing Authority.

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.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

The General Fund is composed primarily of the Low Rent program. It also includes the Capital Fund, which is composed of annual grants of varying amounts to rehab or improve the Low Rent units, or assist in paying Low Rent operating expenses. In addition, the general fund also includes two separately accounted for funds. One is termed the Other Federal Program, which includes rent houses and a house held for resale. The Authority purchased the units from HUD with the proceeds of funds from the sale of scattered site Low Rent units. Finally, the general fund also includes one termed the State and Local Program, which primarily originated with fees earned in prior years from the City of Lawton.

The Housing Choice Voucher Fund is primarily composed of the Section Eight program. In addition, the fund includes the related Section Eight entities of Shelter Plus Care and the Emergency Shelter grants programs.

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 and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 \$1,249,685. This is comprised of cash and cash equivalents of \$1,197,015 and restricted assets – cash of \$52,670, on the statement of net position.

The Component Unit had cash and cash equivalents of \$122,671, composed of \$119,971 and \$2,700 of unrestricted and restricted, respectively.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

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.

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

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,000. 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	40 years
Building improvements	15 years
Furniture and equipment	3-7 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 Authority's policy is to allow full-time employees (full-time after 90-day probation) to accumulate earned but unused personal time off (PTO) and pay benefits up to a maximum of 480 hours. These amounts accrued, for which the employee is vested that would be paid upon termination, are charged to expense and a corresponding liability is established when earned. The portion of the liability that is anticipated to be paid within the next fiscal year is reported as a current liability, while the remainder is reported as a long-term liability.

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits.

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.

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.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

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 June 30, 2022. 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: \$52,670 and \$2,700 is restricted in the General Fund and component unit, respectively, for security deposits.

At June 30, 2022, the Housing Authority's carrying amount of deposits was \$1,791,797 and the bank balance was \$1,971,553, which includes \$543,112 in certificates of deposits classified as investments. Petty cash consists of \$1,000. \$558,957 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$1,412,596 was covered by pledged securities. However, this \$1,412,596 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.

For the component unit, the carrying amount of deposits was \$122,671 and the carrying amount was \$182,683. The entire balance was covered by FDIC insurance.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at June 30, 2022, are as follows:

Primary Government- Lawton Housing Authority

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total</u>
<u>Local sources:</u>			
HUD	\$ 17,886	\$ 3,635	\$ 21,521
Tenants	28,227	0	28,227
Ports	0	37,245	37,245
Other	18,239	0	18,239
	<hr/>	<hr/>	<hr/>
Total	\$ 64,352	\$ 40,880	\$ 105,232
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The tenants account receivable is net of an allowance for doubtful accounts of \$18,651.

The Component Unit's total accounts receivable is \$465,625. \$347,710 is due from HUD for the HOME program. \$114,047 is due from HUD for the CDBG program. Both are pass through from the City of Lawton. \$3,868 is due from Old Towne Square.

NOTE 4 – OTHER ASSETS The General Fund includes a Home Ownership Program. The program has three houses for sale that have a June 30, 2022 carrying value of \$115,139. In addition, the program has mortgage notes receivable due from five individuals that result from the sale of houses previously owned by the program. At June 30, 2022, the current balance due is \$6,232. The long-term amount due is \$53,027.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – CAPITAL ASSETS The changes in capital assets are as follows:

Primary Government- Lawton Housing Authority

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 271,767	\$ 0	\$ 0	\$ 271,767
Construction in progress	1,750	0	0	1,750
Depreciable assets:				
Buildings	16,496,943	346,656	0	16,843,599
Furniture and equipment	538,388	0	0	538,388
Total capital assets	17,308,848	346,656	0	17,655,504
Less: accumulated depreciation				
Buildings	13,541,543	395,591	0	13,937,134
Furniture and equipment	448,614	28,242	0	476,856
Total accumulated depreciation	13,990,157	423,833	0	14,413,990
Total capital assets, net	\$ 3,318,691	\$ (77,177)	\$ 0	\$ 3,241,514

Component Unit

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 1,150	\$ 40,000	\$ 0	\$ 41,150
Construction in progress	80,000	623,534	0	703,534
Depreciable assets:				
Buildings	158,960	110,000	0	268,960
Furniture and equipment	19,343	0	0	19,343
Total capital assets	259,453	773,534	0	1,032,987
Less: accumulated depreciation				
Buildings	80,039	11,430	0	91,469
Furniture and equipment	19,343	0	0	19,343
Total accumulated depreciation	99,382	11,430	0	110,812
Total capital assets, net	\$ 160,071	\$ 762,104	\$ 0	\$ 922,175

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 6 – ACCOUNTS PAYABLE The payables at June 30, 2022 are as follows:

	General	Housing Choice Voucher	Total	Component Unit
Vendors	\$ 30,200	\$ 9,445	\$ 39,645	\$ 85,161
Accrued wages/payroll taxes	43,793	891	44,684	917
Utilities	32,393	0	32,393	501
Total	\$ 106,386	\$ 10,336	\$ 116,722	\$ 86,579

NOTE 7 – COMPENSATED ABSENCES At June 30, 2022, employees of the Housing Authority have accumulated and vested \$68,089 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 8 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended June 30, 2022.

	Primary Government Compensated Absences	Primary Government Energy Contract	Component Unit Compensated Absences
Balance, beginning	\$ 62,636	\$ 554,127	\$ 669
Additions	34,141	0	556
Deletions	(28,688)	(110,450)	(127)
Balance, ending	68,089	443,677	1,098
Amounts due in one year	\$ 56,963	\$ 116,097	\$ 408

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

The Housing Authority owes a balance under a capital leasing program to PNCEF, LLC dba PNC Equipment Finance, payable in varying monthly payments. The amount remaining on the capital lease at June 30, 2022 is \$443,677. The current portion of this debt is \$116,097 and the long-term portion is \$446,000 with the final payment to be made in 2025.

Future maturities are:

Year Ended	June 30, 2023	\$116,097
	June 30, 2024	\$126,758
	June 30, 2025	\$138,024
	June 30, 2026	\$62,798

NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES At June 30, 2022, the General Fund and the Component Unit owed \$19,773 and \$27,951, respectively, to the Housing Choice Voucher Fund.

NOTE 10 – OTHER INCOME The Authority received \$364,732 as a settlement in a lawsuit for money damages that many PHAs participated in. The suit was against the United States for breach of contract regarding reduction of public operating subsidy for 2012. This is reflected in the General Fund.

NOTE 11 – RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan, 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 from the first day of the month after completing six months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 6% of each participant’s effective compensation. Each participant may contribute up to 6% of their compensation.

The Housing Authority’s contribution for each employee and income allocated to the employee’s account is fully vested after 5 years of continuous service. The Housing Authority’s contributions and interest forfeited by employees who leave employment before 5 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.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

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 \$73,794 for the year ended June 30, 2022, of which \$48,813 was paid by the Housing Authority and \$24,981 was paid by employees. No payments were made out of the forfeiture account

NOTE 12 – 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 June 30, 2022. 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, and auto. 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 Housing Authority Risk Retention Group 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.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 13– ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$3,311,249 to the Housing Authority, which represents approximately 67% of the Housing Authority’s total revenue and capital contributions for the year.

NOTE 14 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, March 30, 2023, of the independent auditor's report for potential recognition or disclosure in the financial statements.



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD – SUITE 100
FORT WORTH, OKLAHOMA 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

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 Lawton
Lawton, 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 each major fund, of the Housing Authority of the City of Lawton, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Lawton, Oklahoma's basic financial statements, and have issued our report thereon dated March 30, 2023.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Lawton, 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 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items Audit Findings 2022-001.

The Housing Authority of the City of Lawton, Oklahoma's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control 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
March 30, 2023



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD – SUITE 100
FORT WORTH, OKLAHOMA 76137

Phone (817) 831-3556
Fax (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

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

Report on Compliance For Each Major Federal Program; Report on Internal
Control Over Compliance; and Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Housing Authority of Lawton
Lawton, Oklahoma

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Housing Authority of the City of Lawton, Oklahoma's 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 Housing Authority of the City of Lawton, Oklahoma's major federal programs for the year ended June 30, 2022. The Housing Authority of the City of Lawton, Oklahoma'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 Component Unit-HOME Funds

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Housing Authority of the City of Lawton, Oklahoma complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Component Unit-HOME Funds for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Housing Authority of the City of Lawton, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

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 Housing Authority of the City of Lawton, Oklahoma and to meet our 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 Housing Authority of the City of Lawton, Oklahoma's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Component Unit-HOME Funds

As described in the accompanying schedule of findings and questioned costs, the Housing Authority of the City of Lawton, Oklahoma did not comply with requirements regarding Component Units-HOME Funds as described in Audit Finding 2022-001 for Special Tests.

Responsibilities of Management for Compliance

Management is responsible 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 Housing Authority of the City of Lawton, Oklahoma'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 Housing Authority of the City of Lawton, Oklahoma'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 Housing Authority of the City of Lawton, Oklahoma'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 Housing Authority of the City of Lawton, Oklahoma'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 Housing Authority of the City of Lawton, Oklahoma’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 Housing Authority of the City of Lawton, Oklahoma’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 Audit Finding 2022-001. 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 Housing Authority of the City of Lawton, Oklahoma’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Lawton, Oklahoma’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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Audit Finding 2022-001.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the City of Lawton, Oklahoma's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Lawton, Oklahoma'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.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Housing Authority of each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Lawton, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Lawton, Oklahoma's basic financial statements. We issued our report thereon dated March 30, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
March 30, 2023

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR PROGRAM TITLE	CFDA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 1,247,435
Capital Fund Program	14.872	493,304
<i>Housing Choice Voucher Cluster:</i>		
Housing Choice Voucher	14.871	599,787
Shelter Plus Care	14.238	1,948
Sub-total Direct Programs		2,342,474
<i>Pass-thru Programs thru City of Lawton</i>		
HOME Investment Partnerships Program	14.239	704,173
<i>CDBG Entitlement Grants Cluster:</i>		
Community Development Block Grant	14.218	264,602
Total United States Department of Housing and Urban Development		\$ 3,311,249
Total Expenditures of Federal Awards		\$ 3,311,249

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED JUNE 30, 2022

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 Lawton, Oklahoma (the “Housing Authority”) under programs of the federal government for the year ended June 30, 2022. 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.

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	\$ 2,964,593
Capital contributions	346,656
	3,311,249
Total	\$ 3,311,249

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.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

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

Audit of Federal Awards

1. Internal Control Over Major Programs:
 - a. Material weakness(es) identified? yes no
 - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
2. Type of Auditor’s Report Issued on Compliance For Major Programs –
Unmodified – Housing Choice Voucher Cluster
Qualified – HOME Investment Partnership Program
3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (2 CFR 200)?? yes no
4. The programs tested as major programs include:

CFDA# 14.871	Section 8 Housing Choice Voucher Cluster
CFDA# 14.239	HOME Investment Partnership Program
5. Dollar threshold used to distinguish between Type A and Type B Programs as described in the Uniform Guidance (2 CFR 200): \$ 750,000
6. Auditee qualified as low-risk auditee under Uniform Guidance (2 CFR 200)? yes no
7. Nonstatistical sampling was used. To determine sample sizes, the AICPA Audit Guide *Audit Sampling* was used.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

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:

Component Unit-HOME Investment Partnerships Program-CDFA#-14.239

Finding 2022-001-Procurement and Davis Bacon-Special Tests

Criteria and Condition

During the year, the Authority expended \$700,000 of federal HOME funds passed through the City of Lawton on a construction project. The HOME funds were received and the construction in progress was expended in a Component Unit, Lawton Support Services, Inc., which is explained on page 17 of the financial statements. Since the Component Unit does not have its own Procurement Policy, required procedures default to the Housing Authority's policy. For a construction project that will approximate \$700,000, The Authority's policy calls for competitive sealed bidding procedures. Federal and state requirements also call for these type of bidding procedures, for a project this size. Competitive bids were not sought.

For all federal programs, including HOME grants, Davis-Compliance testing must be done, as required by the Wage Rate Requirements (42 USC 12836).

Context

The Authority obtained ownership of an old USO building in downtown Lawton. With various federal funds, donations and grants, the property was renovated and is now a Veteran's Resource Center.

Management, using in-house experience with renovation costs, determined that a projected renovation cost of \$700,000 was reasonable. The contract was awarded to a licensed architect to be the general contractor. The Authority and the City of Lawton are very familiar with the architect's work. In addition, the architect was instrumental (if not solely responsible) in assisting the Authority in receiving a substantial foundation grant that was also used by the Component Unit.

The architect asserts to Management, as a result of this finding, that with the current labor shortage in Lawton, that sub-contractors are all paying above the Davis Bacon minimum wage rate. Therefore, he did not believe it necessary to test the sub-contractor payrolls for compliance.

Cause

See above

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

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:

Effect

Federal procurement regulations were not complied with. We note, however, that the Authority's Procurement Policy notes the "award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the invitation for bids." In other words, the award would not be made solely on the low bid.

Federal regulations require that the responsible party review and test payrolls for Davis Bacon compliance.

Questioned Costs

None

Recommendation

In the future, the Authority should comply with its Procurement Policy. Regarding Davis Bacon, we recommend a sampling of sub-contractor payrolls be obtained by the Authority. If any compliance exceptions should be noted by Authority personnel, the sample should be expanded. The testing documentation should be kept for possible third- party review. If there are any compliance exceptions, the Authority should contact the Wage and Hour Division.

View of Responsible Official

I am Rita Love, Executive Director and Designated Person to answer this finding. We will follow the auditor's recommendations.

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

Section III – Findings and questioned costs for federal awards which are required to be reported under Uniform Guidance

Finding 2022-001 is repeated here.

LAWTON HOUSING AUTHORITY
609 SW F Avenue
Lawton, OK 73501
Phone No. (580) 353-7392 Fax No. (580) 353-6111

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2022

Finding 2022-001-Procurement and Davis Bacon-Special Tests

Condition During the year, the Authority expended \$700,000 of federal HOME funds passed through the City of Lawton on a construction project. The HOME funds were received and the construction in progress was expended in a Component Unit, Lawton Support Services, Inc., which is explained on page 17 of the financial statements. Since the Component Unit does not have its own Procurement Policy, required procedures default to the Housing Authority's policy. For a construction project that will approximate \$700,000, The Authority's policy calls for competitive sealed bidding procedures. Federal and state requirements also call for these type of bidding procedures, for a project this size. Competitive bids were not sought.

For all federal programs, including HOME grants, Davis-Compliance testing must be done, as required by the Wage Rate Requirements (42 USC 12836).

Corrective Action Planned: I am Rita Love, Executive Director and Designated Person to answer this finding. We will follow the auditor's recommendations.

Person Responsible for Corrective Action:

Rita Love, Executive Director	Telephone: (580) 353-7392
Housing Authority of Lawton	Fax: (580) 353-6111
609 SW F Avenue	
Lawton, OK 73501	

Anticipated Completion Date- June 30, 2023

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:

There were no prior audit findings.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2022

CASH BASIS

	2017 Capital Fund	2018 Capital Fund	2019 Capital Fund	2020 Capital Fund	2021 Capital Fund
Funds approved	\$ 379,157	\$ 544,031	\$ 608,021	\$ 608,764	\$ 638,248
Funds expended	376,919	521,693	583,458	429,889	0
Excess of funds approved	<u>\$ 2,238</u>	<u>\$ 22,338</u>	<u>\$ 24,563</u>	<u>\$ 178,875</u>	<u>\$ 638,248</u>
Funds advanced	\$ 376,919	\$ 521,693	\$ 582,257	\$ 413,205	\$ 0
Funds expended	376,919	521,693	583,458	429,890	0
Excess (Deficiency) of funds advanced	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,201)</u>	<u>\$ (16,685)</u>	<u>\$ 0</u>

See accountant's report

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Entity Wide Balance Sheet Summary											
	Project Total	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	2 State/Local	8 Other Federal Program 1	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$353,217	\$179,535		\$119,971	\$438,639	\$220,839			\$1,312,201	\$0	\$1,312,201
112 Cash - Restricted - Modernization and Development	\$4,785	\$0							\$4,785	\$0	\$4,785
113 Cash - Other Restricted	\$0	\$0							\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$52,020	\$0		\$2,700		\$650			\$55,370	\$0	\$55,370
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0							\$0	\$0	\$0
100 Total Cash	\$410,022	\$179,535	\$0	\$122,671	\$438,639	\$221,489	\$0	\$0	\$1,372,356	\$0	\$1,372,356
121 Accounts Receivable - PHA Projects	\$0	\$37,245							\$37,245	\$0	\$37,245
122 Accounts Receivable - HUD Other Projects	\$17,886	\$3,635							\$21,521	\$0	\$21,521
124 Accounts Receivable - Other Government	\$0	\$0	\$114,047	\$344,035			\$3,675		\$461,757	\$0	\$461,757
125 Accounts Receivable - Miscellaneous	\$18,239	\$0		\$3,868					\$22,107	\$0	\$22,107
126 Accounts Receivable - Tenants	\$46,878	\$0							\$46,878	\$0	\$46,878
126.1 Allowance for Doubtful Accounts - Tenants	-\$18,651	\$0							-\$18,651	\$0	-\$18,651
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0			\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0				\$6,232			\$6,232	\$0	\$6,232
128 Fraud Recovery	\$0	\$0							\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0							\$0	\$0	\$0
129 Accrued Interest Receivable	\$366	\$0							\$366	\$0	\$366
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$64,718	\$40,880	\$114,047	\$347,903	\$0	\$6,232	\$3,675	\$0	\$577,455	\$0	\$577,455
131 Investments - Unrestricted	\$543,112	\$0							\$543,112	\$0	\$543,112
132 Investments - Restricted	\$0	\$0							\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0							\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$105,157	\$1,881		\$4,816					\$111,854	\$0	\$111,854
143 Inventories	\$57,511	\$0							\$57,511	\$0	\$57,511
143.1 Allowance for Obsolete Inventories	-\$5,751	\$0							-\$5,751	\$0	-\$5,751
144 Inter Program Due From	\$0	\$47,724		\$30,820		\$17,742			\$96,286	-\$48,562	\$47,724
145 Assets Held for Sale	\$0	\$0				\$115,139			\$115,139	\$0	\$115,139
150 Total Current Assets	\$1,174,769	\$270,020	\$114,047	\$506,210	\$438,639	\$360,602	\$3,675	\$0	\$2,867,962	-\$48,562	\$2,819,400

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Entity Wide Balance Sheet Summary											
	Project Total	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	2 State/Local	8 Other Federal Program 1	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	Subtotal	ELIM	Total
161 Land	\$246,991	\$0		\$41,150		\$24,776			\$312,917	\$0	\$312,917
162 Buildings	\$16,407,189	\$0		\$268,960		\$436,410			\$17,112,559	\$0	\$17,112,559
163 Furniture, Equipment & Machinery - Dwellings	\$71,436	\$0							\$71,436	\$0	\$71,436
164 Furniture, Equipment & Machinery - Administration	\$459,101	\$7,851		\$15,163				\$4,180	\$486,295	\$0	\$486,295
165 Leasehold Improvements	\$0	\$0							\$0	\$0	\$0
166 Accumulated Depreciation	-\$14,312,598	-\$7,851		-\$106,632		-\$93,541		-\$4,180	-\$14,524,802	\$0	-\$14,524,802
167 Construction in Progress	\$0	\$0		\$703,534		\$1,750			\$705,284	\$0	\$705,284
168 Infrastructure	\$0	\$0							\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,872,119	\$0	\$0	\$922,175	\$0	\$369,395	\$0	\$0	\$4,163,689	\$0	\$4,163,689
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0				\$59,259			\$59,259	\$0	\$59,259
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0							\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0							\$0	\$0	\$0
174 Other Assets	\$0	\$0							\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0							\$0	\$0	\$0
180 Total Non-Current Assets	\$2,872,119	\$0	\$0	\$922,175	\$0	\$428,654	\$0	\$0	\$4,222,948	\$0	\$4,222,948
200 Deferred Outflow of Resources	\$0	\$0							\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$4,046,888	\$270,020	\$114,047	\$1,428,385	\$438,639	\$789,256	\$3,675	\$0	\$7,090,910	-\$48,562	\$7,042,348
311 Bank Overdraft	\$0	\$0							\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$30,220	\$9,445	\$83,227	\$1,934					\$124,826	\$0	\$124,826
313 Accounts Payable >90 Days Past Due	\$0	\$0							\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$38,968	\$891		\$917					\$40,776	\$0	\$40,776
322 Accrued Compensated Absences - Current Portion	\$53,989	\$2,974		\$408					\$57,371	\$0	\$57,371
324 Accrued Contingency Liability	\$0	\$0							\$0	\$0	\$0
325 Accrued Interest Payable	\$2,022	\$0							\$2,022	\$0	\$2,022
331 Accounts Payable - HUD PHA Programs	\$0	\$0							\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0							\$0	\$0	\$0

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Entity Wide Balance Sheet Summary											
	Project Total	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	2 State/Local	8 Other Federal Program 1	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	Subtotal	ELIM	Total
333 Accounts Payable - Other Government	\$20	\$0							\$20	\$0	\$20
341 Tenant Security Deposits	\$52,020	\$0		\$2,700		\$650			\$55,370	\$0	\$55,370
342 Unearned Revenue	\$25,165	\$0							\$25,165	\$0	\$25,165
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$116,097	\$0							\$116,097	\$0	\$116,097
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0							\$0	\$0	\$0
345 Other Current Liabilities	\$4,785	\$0							\$4,785	\$0	\$4,785
346 Accrued Liabilities - Other	\$32,393	\$0		\$501					\$32,894	\$0	\$32,894
347 Inter Program - Due To	\$37,515	\$0	\$30,820	\$24,551			\$3,400		\$96,286	-\$48,562	\$47,724
348 Loan Liability - Current	\$0	\$0							\$0	\$0	\$0
310 Total Current Liabilities	\$393,194	\$13,310	\$114,047	\$31,011	\$0	\$650	\$3,400	\$0	\$555,612	-\$48,562	\$507,050
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$327,580	\$0							\$327,580	\$0	\$327,580
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0							\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0							\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$10,713	\$413		\$690					\$11,816	\$0	\$11,816
355 Loan Liability - Non Current	\$0	\$0							\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0							\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0							\$0	\$0	\$0
350 Total Non-Current Liabilities	\$338,293	\$413	\$0	\$690	\$0	\$0	\$0	\$0	\$339,396	\$0	\$339,396
300 Total Liabilities	\$731,487	\$13,723	\$114,047	\$31,701	\$0	\$650	\$3,400	\$0	\$895,008	-\$48,562	\$846,446
400 Deferred Inflow of Resources	\$105,420								\$105,420		\$105,420
508.4 Net Investment in Capital Assets	\$2,428,442	\$0	\$0	\$922,175	\$0	\$369,395	\$0	\$0	\$3,720,012		\$3,720,012
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
512.4 Unrestricted Net Position	\$781,539	\$256,297	\$0	\$474,509	\$438,639	\$419,211	\$275	\$0	\$2,370,470		\$2,370,470
513 Total Equity - Net Assets / Position	\$3,209,981	\$256,297	\$0	\$1,396,684	\$438,639	\$788,606	\$275	\$0	\$6,090,482	\$0	\$6,090,482
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,046,888	\$270,020	\$114,047	\$1,428,385	\$438,639	\$789,256	\$3,675	\$0	\$7,090,910	-\$48,562	\$7,042,348

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$579,399	\$0	\$579,399
70400 Tenant Revenue - Other	\$15,284	\$0	\$15,284
70500 Total Tenant Revenue	\$594,683	\$0	\$594,683
70600 HUD PHA Operating Grants	\$1,247,435	\$146,648	\$1,394,083
70610 Capital Grants	\$0	\$346,656	\$346,656
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	\$1,885	\$0	\$1,885
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	\$87,863	\$0	\$87,863
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$1,931,866	\$493,304	\$2,425,170
91100 Administrative Salaries	\$386,628	\$0	\$386,628
91200 Auditing Fees	\$19,350	\$0	\$19,350
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$120	\$0	\$120
91500 Employee Benefit contributions - Administrative	\$188,808	\$0	\$188,808
91600 Office Expenses	\$57,404	\$0	\$57,404
91700 Legal Expense	\$0	\$0	\$0
91800 Travel	\$4,852	\$0	\$4,852
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$49,542	\$0	\$49,542
91000 Total Operating - Administrative	\$706,704	\$0	\$706,704
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$1,259	\$0	\$1,259
92500 Total Tenant Services	\$1,259	\$0	\$1,259
93100 Water	\$74,748	\$0	\$74,748
93200 Electricity	\$111,139	\$0	\$111,139
93300 Gas	\$35,131	\$0	\$35,131
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$46,037	\$0	\$46,037

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

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	\$267,055	\$0	\$267,055
94100 Ordinary Maintenance and Operations - Labor	\$194,653	\$0	\$194,653
94200 Ordinary Maintenance and Operations - Materials and Other	\$116,921	\$0	\$116,921
94300 Ordinary Maintenance and Operations Contracts	\$400,168	\$0	\$400,168
94500 Employee Benefit Contributions - Ordinary Maintenance	\$70,526	\$0	\$70,526
94000 Total Maintenance	\$782,268	\$0	\$782,268
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0
95300 Protective Services - Other	\$19,208	\$0	\$19,208
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$19,208	\$0	\$19,208
96110 Property Insurance	\$77,604	\$0	\$77,604
96120 Liability Insurance	\$14,908	\$0	\$14,908
96130 Workmen's Compensation	\$15,146	\$0	\$15,146
96140 All Other Insurance	\$21,916	\$0	\$21,916
96100 Total insurance Premiums	\$129,574	\$0	\$129,574
96200 Other General Expenses	\$0	\$0	\$0
96210 Compensated Absences	\$31,608	\$0	\$31,608
96300 Payments in Lieu of Taxes	\$31,244	\$0	\$31,244
96400 Bad debt - Tenant Rents	\$11,923	\$0	\$11,923
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	\$74,775	\$0	\$74,775
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$23,060	\$0	\$23,060
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$23,060	\$0	\$23,060
96900 Total Operating Expenses	\$2,003,903	\$0	\$2,003,903
97000 Excess of Operating Revenue over Operating Expenses	-\$72,037	\$493,304	\$421,267
97100 Extraordinary Maintenance	\$28,861	\$0	\$28,861
97200 Casualty Losses - Non-capitalized	\$928	\$0	\$928
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$348,662	\$64,123	\$412,785
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	\$2,382,354	\$64,123	\$2,446,477

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$146,648	\$0	\$146,648
10020 Operating transfer Out	\$0	-\$146,648	-\$146,648
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)	\$146,648	-\$146,648	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$303,840	\$282,533	-\$21,307
11020 Required Annual Debt Principal Payments	\$110,450	\$0	\$110,450
11030 Beginning Equity	\$2,476,411	\$754,877	\$3,231,288
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	3532		3532
11210 Number of Unit Months Leased	3233		3233
11270 Excess Cash	\$454,803		\$454,803
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$346,656	\$346,656
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 LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Entity Wide Revenue and Expense Summary											
	Project Total	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	2 State/Local	8 Other Federal Program 1	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$579,399	\$0		\$58,269		\$800			\$638,468	\$0	\$638,468
70400 Tenant Revenue - Other	\$15,284	\$0							\$15,284	\$0	\$15,284
70500 Total Tenant Revenue	\$594,683	\$0	\$0	\$58,269	\$0	\$800	\$0	\$0	\$653,752	\$0	\$653,752
70600 HUD PHA Operating Grants	\$1,394,083	\$599,787						\$1,948	\$1,995,818	\$0	\$1,995,818
70610 Capital Grants	\$346,656	\$0							\$346,656	\$0	\$346,656
70710 Management Fee									\$0	\$0	\$0
70720 Asset Management Fee									\$0	\$0	\$0
70730 Book Keeping Fee									\$0	\$0	\$0
70740 Front Line Service Fee									\$0	\$0	\$0
70750 Other Fees									\$0	\$0	\$0
70700 Total Fee Revenue									\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$261,068	\$703,534			\$4,173		\$968,775	\$0	\$968,775
71100 Investment Income - Unrestricted	\$1,885	\$324		\$118	\$96	\$223			\$2,646	\$0	\$2,646
71200 Mortgage Interest Income	\$0	\$0				\$3,901			\$3,901	\$0	\$3,901
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0							\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0							\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0							\$0	\$0	\$0
71500 Other Revenue	\$87,863	\$149,002		\$350,815	\$364,732		\$275		\$952,687	\$0	\$952,687
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0							\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0							\$0	\$0	\$0
70000 Total Revenue	\$2,425,170	\$749,113	\$261,068	\$1,112,736	\$364,828	\$4,924	\$4,448	\$1,948	\$4,924,235	\$0	\$4,924,235
91100 Administrative Salaries	\$386,628	\$85,314	\$38,669	\$5,197		\$3,006	\$578	\$1,810	\$521,202	\$0	\$521,202
91200 Auditing Fees	\$19,350	\$1,720		\$430					\$21,500	\$0	\$21,500
91300 Management Fee	\$0	\$0							\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0							\$0	\$0	\$0
91400 Advertising and Marketing	\$120	\$0							\$120	\$0	\$120
91500 Employee Benefit contributions - Administrative	\$188,808	\$24,786	\$2,958	\$4,986		\$230	\$58	\$138	\$221,964	\$0	\$221,964
91600 Office Expenses	\$57,404	\$4,398		\$1,588					\$63,390	\$0	\$63,390

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Entity Wide Revenue and Expense Summary											
	Project Total	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	2 State/Local	8 Other Federal Program 1	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	Subtotal	ELIM	Total
91700 Legal Expense	\$0	\$0							\$0	\$0	\$0
91800 Travel	\$4,852	\$0							\$4,852	\$0	\$4,852
91810 Allocated Overhead	\$0	\$0							\$0	\$0	\$0
91900 Other	\$49,542	\$3,798		\$11,615		\$5,299			\$70,254	\$0	\$70,254
91000 Total Operating - Administrative	\$706,704	\$120,016	\$41,627	\$23,816	\$0	\$8,535	\$636	\$1,948	\$903,282	\$0	\$903,282
92000 Asset Management Fee	\$0	\$0							\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0							\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0							\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0							\$0	\$0	\$0
92400 Tenant Services - Other	\$1,259	\$0	\$209,383	\$201					\$210,843	\$0	\$210,843
92500 Total Tenant Services	\$1,259	\$0	\$209,383	\$201	\$0	\$0	\$0	\$0	\$210,843	\$0	\$210,843
93100 Water	\$74,748	\$0		\$227		\$107			\$75,082	\$0	\$75,082
93200 Electricity	\$111,139	\$0		\$3,204		\$249			\$114,592	\$0	\$114,592
93300 Gas	\$35,131	\$0							\$35,131	\$0	\$35,131
93400 Fuel	\$0	\$0							\$0	\$0	\$0
93500 Labor	\$0	\$0							\$0	\$0	\$0
93600 Sewer	\$46,037	\$0		\$118		\$101			\$46,256	\$0	\$46,256
93700 Employee Benefit Contributions - Utilities	\$0	\$0							\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0							\$0	\$0	\$0
93000 Total Utilities	\$267,055	\$0	\$0	\$3,549	\$0	\$457	\$0	\$0	\$271,061	\$0	\$271,061
94100 Ordinary Maintenance and Operations - Labor	\$194,653	\$0							\$194,653	\$0	\$194,653
94200 Ordinary Maintenance and Operations - Materials and Other	\$116,921	\$186		\$59,746					\$176,853	\$0	\$176,853
94300 Ordinary Maintenance and Operations Contracts	\$400,168	\$915		\$14,640		\$1,369			\$417,092	\$0	\$417,092
94500 Employee Benefit Contributions - Ordinary Maintenance	\$70,526	\$687		\$332					\$71,545	\$0	\$71,545
94000 Total Maintenance	\$782,268	\$1,788	\$0	\$74,718	\$0	\$1,369	\$0	\$0	\$860,143	\$0	\$860,143
95100 Protective Services - Labor	\$0	\$0							\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0							\$0	\$0	\$0

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Entity Wide Revenue and Expense Summary											
	Project Total	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	2 State/Local	8 Other Federal Program 1	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	Subtotal	ELIM	Total
95300 Protective Services - Other	\$19,208	\$0		\$40					\$19,248	\$0	\$19,248
95500 Employee Benefit Contributions - Protective Services	\$0	\$0							\$0	\$0	\$0
95000 Total Protective Services	\$19,208	\$0	\$0	\$40	\$0	\$0	\$0	\$0	\$19,248	\$0	\$19,248
96110 Property Insurance	\$77,604	\$0		\$5,758					\$83,362	\$0	\$83,362
96120 Liability Insurance	\$14,908	\$1,493		\$1,437					\$17,838	\$0	\$17,838
96130 Workmen's Compensation	\$15,146	\$1,404		\$351					\$16,901	\$0	\$16,901
96140 All Other Insurance	\$21,916	\$1,780		\$472					\$24,168	\$0	\$24,168
96100 Total insurance Premiums	\$129,574	\$4,677	\$0	\$8,018	\$0	\$0	\$0	\$0	\$142,269	\$0	\$142,269
96200 Other General Expenses	\$0	\$0	\$10,058	\$8,576		\$7,033			\$25,667	\$0	\$25,667
96210 Compensated Absences	\$31,608	\$2,533		\$1,077					\$35,218	\$0	\$35,218
96300 Payments in Lieu of Taxes	\$31,244	\$0		\$65					\$31,309	\$0	\$31,309
96400 Bad debt - Tenant Rents	\$11,923	\$0							\$11,923	\$0	\$11,923
96500 Bad debt - Mortgages	\$0	\$0							\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$3,040							\$3,040	\$0	\$3,040
96800 Severance Expense	\$0	\$0							\$0	\$0	\$0
96000 Total Other General Expenses	\$74,775	\$5,573	\$10,058	\$9,718	\$0	\$7,033	\$0	\$0	\$107,157	\$0	\$107,157
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0							\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$23,060	\$0							\$23,060	\$0	\$23,060
96730 Amortization of Bond Issue Costs	\$0	\$0							\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$23,060	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,060	\$0	\$23,060
96900 Total Operating Expenses	\$2,003,903	\$132,054	\$261,068	\$120,060	\$0	\$17,394	\$636	\$1,948	\$2,537,063	\$0	\$2,537,063
97000 Excess of Operating Revenue over Operating Expenses	\$421,267	\$617,059	\$0	\$992,676	\$364,828	-\$12,470	\$3,812	\$0	\$2,387,172	\$0	\$2,387,172
97100 Extraordinary Maintenance	\$28,861	\$0							\$28,861	\$0	\$28,861
97200 Casualty Losses - Non-capitalized	\$928	\$0							\$928	\$0	\$928
97300 Housing Assistance Payments	\$0	\$551,860					\$3,537		\$555,397	\$0	\$555,397
97350 HAP Portability-In	\$0	\$134,679							\$134,679	\$0	\$134,679

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Entity Wide Revenue and Expense Summary											
	Project Total	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	2 State/Local	8 Other Federal Program 1	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	Subtotal	ELIM	Total
97400 Depreciation Expense	\$412,785	\$0		\$11,430		\$11,047			\$435,262	\$0	\$435,262
97500 Fraud Losses	\$0	\$0							\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds											
97700 Debt Principal Payment - Governmental Funds											
97800 Dwelling Units Rent Expense	\$0	\$0							\$0	\$0	\$0
90000 Total Expenses	\$2,446,477	\$818,593	\$261,068	\$131,490	\$0	\$28,441	\$4,173	\$1,948	\$3,692,190	\$0	\$3,692,190
10010 Operating Transfer In	\$146,648	\$0							\$146,648	-\$146,648	\$0
10020 Operating transfer Out	-\$146,648	\$0							-\$146,648	\$146,648	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0							\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0							\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds											
10060 Proceeds from Property Sales											
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0							\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0							\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0								\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0								\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0							\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0							\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$21,307	-\$69,480	\$0	\$981,246	\$364,828	-\$23,517	\$275	\$0	\$1,232,045	\$0	\$1,232,045
11020 Required Annual Debt Principal Payments	\$110,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$110,450		\$110,450
11030 Beginning Equity	\$3,231,288	\$325,777	\$0	\$415,259	\$73,811	\$812,123	\$0	\$179	\$4,858,437	\$0	\$4,858,437
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0		\$179				-\$179	\$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											

HOUSING AUTHORITY OF LAWTON, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2022

Entity Wide Revenue and Expense Summary											
	Project Total	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	2 State/Local	8 Other Federal Program 1	14.239 HOME Investment Partnerships Program	14.238 Shelter Plus Care	Subtotal	ELIM	Total
11100 Changes in Allowance for Doubtful Accounts - Other											
11170 Administrative Fee Equity		\$256,297							\$256,297		\$256,297
11180 Housing Assistance Payments Equity		\$0							\$0		\$0
11190 Unit Months Available	3532	1260		107		1	7		4907	0	4907
11210 Number of Unit Months Leased	3233	1198		107		1	7		4546	0	4546
11270 Excess Cash	\$454,803								\$454,803		\$454,803
11610 Land Purchases	\$0								\$0		\$0
11620 Building Purchases	\$346,656								\$346,656		\$346,656
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