

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**MANAGEMENT'S DISCUSSION & ANALYSIS  
AND AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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**HOUSING AUTHORITY OF THE CITY OF FORT SMITH  
Fort Smith, Arkansas**

**REPORT ON EXAMINATION  
OF FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**DECEMBER 31, 2021**



## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas 72904

Fort Worth Regional Office  
Public Housing Division  
801 Cherry Street, Unit #45, Suite 2500  
Fort Worth, Texas 76102

### Report on the Audit of Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Fort Smith as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise the Housing Authority of the City of Fort Smith's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Housing Authority of the City of Fort Smith, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (*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 the City of Fort Smith 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 Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Fort Smith'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 GAAS 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 GAAS 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 Fort Smith'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 Fort Smith's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Fort Smith's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as well as the Financial Data Schedules required by the U.S. Department of Housing and Urban Development, 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 Schedule of Expenditures of Federal Awards, the Financial Data Schedules, and the Special Reports 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 April 5, 2022, on our consideration of the Housing Authority of the City of Fort Smith'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 Fort Smith's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Housing Authority of the City of Fort Smith's internal control over financial reporting and compliance.

*Rector, Reeder & Lofton, P.C.*  
Certified Public Accountants

Loganville, Georgia  
April 5, 2022

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**DECEMBER 31, 2021**

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH  
FORT SMITH, ARKANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FYE: DECEMBER 31, 2021**

**Management's Discussion and Analysis**

The management of the Housing Authority of the City of Fort Smith offers the readers of the Authority's financial statements this narrative overview and analysis of the Authority's financial activities for the year ended December 31, 2021. This discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the Authority's financial activity, identify changes in the Authority's financial position, and identify individual fund issues or concerns. Readers should consider the information presented here in conjunction with the Authority's financial statements to obtain a full understanding of its financial position.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 (GASB 34). We have made every effort to provide current and prior year data that allows the reader to gain an adequate understanding of the Authority's annual operating results and financial position as of December 31, 2021.

Questions concerning the information provided in this discussion or requests for additional information should be addressed to the Authority's Executive Director.

**Financial Highlights**

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$14,862,619 (net position) as opposed to \$14,854,325 for the prior fiscal year.
- The Authority's cash and investments as of December 31, 2021 totaled \$4,808,863 representing a decrease of \$349,006 or 6.77% from December 31, 2020.
- The Authority had total revenues of \$10,689,198 and total expenses of \$10,680,904 for the year ended December 31, 2021.

**Authority-Wide Financial Statements**

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columns that add to a total for the entire Authority.

These financial statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The Statement of Net Position is presented in a format where assets, minus liabilities, equal "Net Position," formerly



known as equity. Assets and liabilities are presented in order of liquidity, and are classified as “Current” (convertible into cash within one year), and “Non-current.”

The Statement of Net Position represents the available liquid (non-capital) assets minus liabilities for the entire Authority. Net Position is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: This component consists of Net Position that does not meet the definition of “Net Investment in Capital Assets,” or “Restricted Net Position.”

The Authority-wide financial statements also include a Statement of Revenues, Expenses, and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Net Position is the “Change in Net Position,” which is similar to Net Income or Loss.

Finally, a Statement of Cash Flow is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

### **Program Financial Statements**

The Authority is engaged in several different business type activities. A description of those activities follows.

Rental Assistance Demonstration (RAD): On August 1, 2014, the Authority completed the Rental Assistance Demonstration (RAD) closing, converting 288 public housing units into a Section 8 Project-Based Rental Assistance Program funded development. This program allows for local ownership and management with project-based Housing Choice Voucher subsidies. The Authority expects that this conversion will allow for the continued preservation and improved flexibility of managing these units.

Housing Choice Voucher Program: Under the Housing Choice Voucher Program, the Authority administers contracts with landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions

Funding to enable the Authority to structure a lease that sets the participants' rents at 30% of household income.

Moderate Rehabilitation Program (Mod Rehab): Under the Mod Rehab program, the Authority administers a project-based contract with an independent landlord to assist low-income families with Section 8 Project based vouchers. We have an ACC Contract with HUD for 63 units of Mod Rehab. We have been involved with this program since 1983.

Other Federal Programs: The Housing Authority maintains other federal programs which are primarily designed to facilitate the mission of providing affordable housing in the Fort Smith area. This historically included a community development block grant which was funded from the City on certain properties. Currently the Housing Authority operates a Home Investment Partnership program as granted through the City of Fort Smith. Various properties are acquired and then sold to qualified recipients.

Home Investment Partnership (HOME): Our affordable housing program began in 1996 with a contribution of \$150,000 from Low Rent reserves which has now been reimbursed. To date we have constructed over 100 homes with all of those being sold. Our goal is to assist as many low- to median-income families as possible to achieve self-sufficiency through homeownership. We do not currently receive HOME funds directly. We are a sub-recipient of funds as a result of a partnership agreement with Crawford Sebastian Community Development Council for the construction and sale of affordable housing.

Component Units: The Authority operates three 501(c)(3) nonprofit corporations to assist with its mission of furthering affordable housing. 1) Nelson Hall Homes was formed in 2014 and became the owner of our previous Low Rent Public Housing units, effective July 29, 2014. The Authority has a management agreement in place and continues to operate the 288 units affected by the ownership change. 2) Compass Realty & Construction Group was created to assist the Authority in better carrying out its real estate and construction services activities. Prior to July 2016 real estate and construction activities were accounted for under the Authority's HOME program. 3) Strategic Community Investments (SCI) provides development, incentive, and supervisory management services to aide in the furtherance of affordable housing and any other community or economic development initiative. Internally these activities are accounted for separately, but for the purposes of this audit are included as part of the Authority's blended component unit. The Authority also has three development corporations, known as North Pointe, Inc., North Pointe II, Inc., and Clayton Heights, Inc. These entities act as conduits for financing agreements between the Authority and various development partners to provide affordable housing to residents of the Fort Smith area and serve as the general and managing partners of the Authority's limited partnerships.

Discrete Component Units: The Authority owns, along with investor limited partners, three limited partnerships known as North Pointe LP (Investor: Alliant Capital), North Pointe II LP (Investor: First National Bank of Fort Smith), and Clayton Heights Development LP (Investor: Alliant Capital). These entities were created to develop and own affordable housing developments financed partly by IRS Section 42 Low-Income Housing Tax Credits.

### Analysis of Authority-wide Net Position (Statement of Net Position)

	2021	2020	Change	
<b>ASSETS</b>				
Cash and Investments	\$ 4,808,863	\$ 5,157,869	\$ (349,006)	-6.77%
Other Current Assets	638,780	425,008	213,772	50.30%
Assets Held for Sale	677,653	656,687	20,966	3.19%
Other Noncurrent Assets	1,862,556	2,070,046	(207,490)	-10.02%
Capital Assets	8,910,848	8,477,494	433,354	5.11%
Total Assets	<u>\$ 16,898,700</u>	<u>\$ 16,787,104</u>	<u>\$ 111,596</u>	0.66%
<b>LIABILITIES</b>				
Current Liabilities	\$ 615,567	\$ 758,506	\$ (142,939)	-18.84%
Noncurrent Liabilities	1,420,514	1,174,273	246,241	20.97%
Total Liabilities	<u>2,036,081</u>	<u>1,932,779</u>	<u>103,302</u>	5.34%
<b>NET POSITION</b>				
Invested in Capital Assets	7,200,392	7,359,315	(158,923)	-2.16%
Restricted	663,439	528,360	135,079	25.57%
Unrestricted	6,998,788	6,966,650	32,138	0.46%
Total Net Position	<u>14,862,619</u>	<u>14,854,325</u>	<u>8,294</u>	0.06%
Total Liabilities and Net Position	<u>\$ 16,898,700</u>	<u>\$ 16,787,104</u>	<u>\$ 111,596</u>	0.66%

Total Assets increased by \$111,596 or 0.66% from the prior year. Cash and Investments decreased by \$349,006 or 6.77%, which is detailed in the accompanying statement of cash flows. Assets Held for Sale increased by \$20,966 or 3.19% due to additions in the current year. Other current assets increased by \$213,772 or 50.30% due to increases in accrued interest receivable of \$177,684 and accounts receivable – miscellaneous of \$28,066 or 7.23%. Capital assets increased by \$433,354 or 5.11% due to additions exceeding depreciation expense for the year. Other noncurrent assets decreased by \$207,490 or 10.02% due to the repayment of notes receivable.

Total Liabilities increased by \$103,302 or 5.34%. Current liabilities decreased by \$142,939 or 18.84%. The majority of this decrease was due to a decrease in accounts payable to other governments of \$156,900, related to the COVID-19 Payroll Protection Program forgivable loan obtained by Compass Realty & Construction Group in the prior year. Noncurrent liabilities increased by \$246,241 or 20.97% due an increase in loan liability of \$265,643 or 25.58%.

Total Net Position increased by \$8,294 or 0.06%. Investment in Capital Assets decreased slightly by \$158,923 or 2.16%. Restricted Net Position increased by \$135,079 or 25.57% due to an increase in HAP equity. Unrestricted Net Position increased by \$32,138 or 0.46% as a result of operations. These changes are outlined in further detail on the Statement of Revenues, Expenses, and Changes in Net Position.

**Analysis of Entity-Wide Revenue and Expenses (Statement of Revenues, Expenses, and Changes in Net Position)**

The following table illustrates changes in revenue from FY 2020 to FY 2021.

	<u>2021</u>	<u>2020</u>	<u>Change</u>	
REVENUE				
Tenant Revenue	\$ 921,501	\$ 855,329	\$ 66,172	7.74%
HUD Operating Grants	8,629,768	9,317,335	(687,567)	-7.38%
Proceeds from Disposition of Assets	1,832,921	2,173,869	(340,948)	-15.68%
Costs of Sale of Assets	(1,619,704)	(1,959,566)	339,862	-17.34%
Gain/(Loss) on Sale of Fixed Assets	162,707	11,387	151,320	1328.88%
Investment Income	19,634	30,005	(10,371)	-34.56%
Other Revenue	<u>742,371</u>	<u>583,233</u>	<u>159,138</u>	27.29%
Total Revenue	\$ <u>10,689,198</u>	\$ <u>11,011,592</u>	\$ <u>(322,394)</u>	-2.93%

Total Revenue decreased by \$322,394 or 2.93% to \$10,689,198 during FY 2021. This decrease was due primarily to a decrease in HUD operating grants of \$687,567 or 7.38%. This was offset by increases in tenant rent of \$66,172 or 7.74% and other revenue of \$159,138 or 27.29%.

The following table illustrates changes in expenses from FY 2020 to FY 2021.

	<u>2021</u>	<u>2020</u>	<u>Change</u>	
EXPENSES				
Administration	\$ 1,877,962	\$ 1,933,065	\$ (55,103)	-2.85%
Tenant Services	6,356	144,502	(138,146)	-95.60%
Utilities	302,777	280,265	22,512	8.03%
Maintenance	631,123	448,078	183,045	40.85%
General	485,327	410,265	75,062	18.30%
Housing Assistance Payments	6,797,643	6,945,717	(148,074)	-2.13%
Depreciation	<u>579,716</u>	<u>546,330</u>	<u>33,386</u>	6.11%
Total Expenses	\$ <u>10,680,904</u>	\$ <u>10,708,222</u>	\$ <u>(27,318)</u>	-0.26%

Total Expenses, across all Authority programs decreased by \$27,318 or 0.26%.

Administrative expenses decreased by \$55,103 or 2.85%.

Tenant services decreased by \$138,146 or 95.60%. This was due to increased activities funded by the CARES Act for COVID-19 related expenses in FY2021.

Utilities increased by \$22,512 or 8.03% due to normal fluctuations in rates and consumption.

Maintenance expense increased by \$183,045 or 40.85%, which was due mainly to an increase in salaries and benefits of \$108,177 or 60.73%. The increase in salary and benefits is largely attributed to three factors: 1. In FY2020, due to unexpected turnover, \$35,400 was paid to temporary maintenance workers and classified as temporary labor, rather than salary and benefits; 2. An additional employee was hired in FY 2021; and 3. A salary study was completed in FY2021 and maintenance salaries were increased as a result of the study in order to keep salaries aligned and competitive with others in the region.

General expenses increased by \$75,062 or 18.30% due to increase in insurance premiums of \$44,336 or 26.22% and compensated absences expense of \$29,906 or 70.04%.

HAP expense decreased by \$148,074 or 2.13%.

Depreciation expenses increased by \$33,386 or 6.11%.

### **Capital Assets**

	<u>2021</u>	<u>2020</u>	<u>Change</u>	
Land	\$ 922,230	\$ 937,906	\$ (15,676)	-1.67%
Buildings	13,384,394	13,379,116	5,278	0.04%
Equipment	1,692,318	1,573,453	118,865	7.55%
Construction in Progress	807,688	67,987	739,701	1088.00%
Accumulated Depreciation	<u>(7,895,782)</u>	<u>(7,480,968)</u>	<u>(414,814)</u>	5.54%
Net Capital Assets	\$ <u>8,910,848</u>	\$ <u>8,477,494</u>	\$ <u>433,354</u>	5.11%

Total Capital assets increased during the year to \$8,910,848, an increase of \$433,354 or 5.11%.

The following reconciliation summarizes changes in capital asset balances during FY 2021.

Balance as of January 1, 2021	\$ 8,477,494
Capital additions – Blended Component Units	103,358
Capital additions – Business Activities, HCV	952,852
Net disposition of assets	(43,140)
Depreciation expense	<u>(579,716)</u>
Balance as of December 31, 2021	<u>\$ 8,910,848</u>

### **Debt Outstanding**

During FY2019, the Authority acquired a promissory note in the amount of \$1,198,049 for the purchase of Cedar Court. The loan bears 0.00% interest and is due in 15 equal installments of \$79,869. In FY2021, the Authority acquired an additional \$345,512 from ADFA for additional cottages. As of December 31, 2021, the loan balance was \$1,383,822.

### **Economic Factors**

Several significant economic and regulator factors are present that may impact the Authority in the future:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and; therefore, the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs
- The spread of a novel strain of COVID-19 in 2020 and 2021 has caused significant volatility in the U.S. Markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the financial performance, including unemployment rates and the ability for tenants to pay their rent, will depend on certain developments, including the duration and spread of the outbreak, which is uncertain and cannot be determined at this time.

### **Financial Contact**

Questions concerning any of the information provided in this Management's Discussion & Analysis should be addressed to:

Executive Director  
Housing Authority of the City of Fort Smith  
2100 North 31<sup>st</sup> Street  
Fort Smith, AR 72904  
479-782-4991 ext. 115

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**STATEMENT OF NET POSITION**

**December 31, 2021**

	<b>ASSETS</b>		
	<b>Primary</b>	<b>Discrete</b>	<b>Total</b>
	<b>Government</b>	<b>Component</b>	<b>(Memorandum</b>
		<b>Units</b>	<b>Only)</b>
<b><u>Current Assets</u></b>			
Cash & cash equivalents - unrestricted	\$ 4,052,451	\$ 208,820	\$ 4,261,271
Cash & cash equivalents - restricted	756,412	1,212,135	1,968,547
Accounts receivable, net	600,254	27,146	627,400
Prepaid expenses	38,526	57,915	96,441
Assets held for sale	677,653	-	677,653
	<hr/>	<hr/>	<hr/>
Total Current Assets	6,125,296	1,506,016	7,631,312
	<hr/>	<hr/>	<hr/>
<b><u>Noncurrent Assets</u></b>			
Capital Assets:			
Land & improvements	922,230	281,897	1,204,127
Buildings	13,384,394	22,690,494	36,074,888
Construction in progress	807,688	-	807,688
Furniture & equipment	1,692,318	840,296	2,532,614
	<hr/>	<hr/>	<hr/>
	16,806,630	23,812,687	40,619,317
Less: Accumulated depreciation	(7,895,782)	(8,698,065)	(16,593,847)
	<hr/>	<hr/>	<hr/>
Total Capital Assets	8,910,848	15,114,622	24,025,470
	<hr/>	<hr/>	<hr/>
Other Noncurrent Assets:			
Notes receivable	881,431	-	881,431
Other assets	-	163,795	163,795
Investment in joint venture	981,125	-	981,125
	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	10,773,404	15,278,417	26,051,821
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 16,898,700</b>	<b>\$ 16,784,433</b>	<b>\$ 33,683,133</b>
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The accompanying notes are an integral part of the financial statements.



# **LIABILITIES & NET POSITION**

	<b>Primary Government</b>	<b>Discrete Component Units</b>	<b>Total (Memorandum Only)</b>
<b><u>Current Liabilities</u></b>			
Accounts payable	\$ 343,308	\$ 12,970	\$ 356,278
Accrued liabilities	108,812	176,159	284,971
Other current liabilities	41,199	43,677	84,876
Noncurrent debt - current portion	79,869	209,350	289,219
Unearned revenue	4,638	8,745	13,383
Tenant security deposits/escrow deposits	<u>37,741</u>	<u>54,950</u>	<u>92,691</u>
 Total Current Liabilities	 <u>615,567</u>	 <u>505,851</u>	 <u>1,121,418</u>
 <b><u>Noncurrent Liabilities</u></b>			
Long-term debt, net of current - capital projects	-	8,347,347	8,347,347
Accrued compensated absences	61,329	-	61,329
Loan liability - noncurrent	1,303,953	-	1,303,953
Trust deposits	<u>55,232</u>	<u>-</u>	<u>55,232</u>
 Total Noncurrent Liabilities	 <u>1,420,514</u>	 <u>8,347,347</u>	 <u>9,767,861</u>
 TOTAL LIABILITIES	 <u>2,036,081</u>	 <u>8,853,198</u>	 <u>10,889,279</u>
 <b><u>NET POSITION</u></b>			
Investment in Capital Assets	7,200,392	6,557,925	13,758,317
Restricted	663,439	1,157,185	1,820,624
Unrestricted	<u>6,998,788</u>	<u>216,125</u>	<u>7,214,913</u>
 TOTAL NET POSITION	 <u>14,862,619</u>	 <u>7,931,235</u>	 <u>22,793,854</u>
 <b>TOTAL LIABILITIES &amp; NET POSITION</b>	 <u>\$ 16,898,700</u>	 <u>\$ 16,784,433</u>	 <u>\$ 33,683,133</u>

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

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

	Primary Government	Discrete Component Units	Total (Memorandum Only)
<b><u>Operating Revenues</u></b>			
Dwelling rent	\$ 921,501	\$ 1,602,929	\$ 2,524,430
Governmental grants & subsidy	8,629,768	-	8,629,768
Other income	955,588	-	955,588
<b>Total Operating Revenues</b>	<u>10,506,857</u>	<u>1,602,929</u>	<u>12,109,786</u>
<b><u>Operating Expenses</u></b>			
Administration	1,877,962	300,791	2,178,753
Tenant services	6,356	-	6,356
Utilities	302,777	18,002	320,779
Maintenance & operations	631,123	388,721	1,019,844
General expense	485,327	243,894	729,221
Housing assistance payments	6,797,643	-	6,797,643
Depreciation and amortization expense	579,716	759,478	1,339,194
<b>Total Operating Expense</b>	<u>10,680,904</u>	<u>1,710,886</u>	<u>12,391,790</u>
<b>Net Operating Income/(Loss)</b>	<u>(174,047)</u>	<u>(107,957)</u>	<u>(282,004)</u>
<b><u>Nonoperating Revenues/(Expenses)</u></b>			
Investment income	15,229	809	16,038
Notes Receivable - interest income	4,405	-	4,405
Gain/(Loss) on disposition of assets	162,707	-	162,707
Interest expense	-	(410,922)	(410,922)
<b>Net Nonoperating Revenues/(Expenses)</b>	<u>182,341</u>	<u>(410,113)</u>	<u>(227,772)</u>
<b>Increase/(Decrease) in Net Position</b>	8,294	(518,070)	(509,776)
Total Net Position - beginning	14,854,325	8,534,621	23,388,946
Equity distribution	-	(85,316)	(85,316)
<b>Total Net Position - ending</b>	<u>\$ 14,862,619</u>	<u>\$ 7,931,235</u>	<u>\$ 22,793,854</u>

The accompanying notes are an integral part of the financial statements.

HOUSING AUTHORITY OF THE CITY OF FORT SMITH  
Fort Smith, Arkansas

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

	Primary Government	Discrete Component Units	Total (Memorandum Only)
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers and users	\$ 1,877,089	\$ 1,602,929	\$ 3,480,018
Governmental grants & subsidy - operations	8,629,768	-	8,629,768
Payments to suppliers	(1,271,351)	(567,703)	(1,839,054)
Payments for housing assistance	(6,797,643)	-	(6,797,643)
Payments to employees	(2,408,310)	(337,421)	(2,745,731)
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>29,553</u>	<u>697,805</u>	<u>727,358</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest received	19,634	809	20,443
Proceeds from notes receivable	207,455	-	207,455
Investment in joint venture - net	35	-	35
Invested in assets held for sale - net	(20,966)	-	(20,966)
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	<u>206,158</u>	<u>809</u>	<u>206,967</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition of capital assets	(1,056,210)	-	(1,056,210)
Payments on mortgage/notes payable	265,643	(199,150)	66,493
Interest expense	-	(410,922)	(410,922)
Distribution to partners	-	(85,316)	(85,316)
Proceeds from disposition of capital assets	205,850	-	205,850
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(584,717)</u>	<u>(695,388)</u>	<u>(1,280,105)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(349,006)	3,226	(345,780)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>5,157,869</u>	<u>1,417,729</u>	<u>6,575,598</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 4,808,863</u>	<u>\$ 1,420,955</u>	<u>\$ 6,229,818</u>

The accompanying notes are an integral part of the financial statements.

HOUSING AUTHORITY OF THE CITY OF FORT SMITH  
Fort Smith, Arkansas

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

	Primary Government	Discrete Component Units	Total (Memorandum Only)
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net Income/(Loss) from operations	\$ (174,047)	\$ (107,957)	\$ (282,004)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation & amortization	579,716	759,478	1,339,194
Decrease (Increase) in accounts receivable, net	(204,925)	16,945	(187,980)
Decrease (Increase) in prepaid expenses	(8,850)	(7,458)	(16,308)
Increase (Decrease) in accounts payable	(122,191)	(3,995)	(126,186)
Increase (Decrease) in accrued liabilities	8,839	18,347	27,186
Increase (Decrease) in other current liabilities	(27,987)	19,895	(8,092)
Increase (Decrease) in security/trust deposits	(21,002)	2,550	(18,452)
 NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	 <u>\$ 29,553</u>	 <u>\$ 697,805</u>	 <u>\$ 727,358</u>

The accompanying notes are an integral part of the financial statements.

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:**

**1. Introduction:**

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). The following summary of the more significant accounting policies is presented to assist the reader in interpreting these financial statements, and should be viewed as an integral part of this report.

**2. Organization:**

The Housing Authority of the City of Fort Smith ("The Authority") is a public body and a body corporate and politic organized under the laws of the State of Arkansas for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the Mayor appoints a Governing Board, the Board of Commissioners, to designate its own management. The Board also appoints members to the Commission subject to the confirmation of the City Board of Directors. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development ("HUD") to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

**3. Reporting Entity:**

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 and 61 of the Government Accounting Standards Board, the Financial Reporting Entity*.

Financial Accountability - The Authority is responsible for its debts, does not impose a financial burden on the City of Fort Smith and is entitled to all surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

Appointment of a Voting Majority - The Authority is governed by a Board of Commissioners with governance responsibilities over all activities related to all housing activities within the City of Fort Smith. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the City; i.e., they can be removed only for cause. The Authority's Board elects its own chairperson.

Imposition of Will - The City has no influence over the management, budget, or policies of the Authority. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided.

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
Fort Smith, Arkansas

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**3. Reporting Entity: (Cont'd)**

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority, except as stated below, nor should the Authority be included in the City's financial reports therefore, the Authority reports independently. During the review of the Authority's budgets, Annual Contributions Contract (ACC), minutes of the Board of Commissioner's meetings, cash receipts and cash disbursements for the reporting period disclosed that the Authority operated the following programs under ACC:

***Rental Assistance Demonstration (RAD) Program*** – As a result of the Authority's participation in the Congressionally-authorized Rental Assistance Demonstration program, the Low Rent Public Housing Program converted to private non-profit ownership by Nelson Hall Homes, the board of directors of which are also the Commissioners of the Fort Smith Housing Authority. The closing of that transaction was completed on July 29, 2014. Effective August 1, 2014 rental assistance to maintain the units' affordability was provided by 288 Project Based Vouchers to be managed by the Fort Smith Housing Authority. Accordingly, participation in the Capital Fund Program ended on July 29, 2014 and receipt of Operating Subsidy ended on December 31, 2014.

***Section 8 Housing Choice Voucher Program*** – This program provides rental assistance to help low-income families afford decent, safe and sanitary rental housing. The Authority provides rental assistance in the form of a Housing Assistance Payment to a landlord on behalf of the tenant. This program consists of 1,624 units.

***Section 8 Moderate Rehabilitation Program*** – This program is a rental assistance program whereby rental assistance payments are restricted to particular units. The Authority has 67 units in this program.

***Home Investment Partnership*** – This program provides formula grants to States and localities that communities use to fund the purchase and rehabilitation of low-income affordable housing.

***Component Units*** – The Authority operates three 501(c)(3) nonprofit corporations to assist with its mission of furthering affordable housing. Nelson Hall Homes was formed in 2014 and became the owner of our previous Low Rent Public Housing units, effective July 29, 2014. The Authority has a management agreement in place and continues to operate the 288 units affected by the ownership change. Compass Realty & Construction Group was created to assist the Authority in better carrying out its real estate and construction services activities. Prior to July 2016 construction activities were accounted for under the Authority's HOME program. Strategic Community Investments (SCI) provides development, incentive, and supervisory management services to aide in the furtherance of affordable housing and any other community or economic development initiative. Internally these activities are accounted for separately, but for the purposes of this audit are included as part of the Authority's blended component unit.

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**3. Reporting Entity: (Cont'd)**

The Authority also has three development corporations, known as North Pointe, Inc., North Pointe II, Inc., and Clayton Heights, Inc. These entities act as conduits for financing agreements between the Authority and various development partners to provide affordable housing to residents of the Fort Smith area and serve as the general and managing partners of the Authority's limited partnerships.

**Discrete Component Units** – The Authority owns, along with investor limited partners, three limited partnerships known as North Pointe LP (Investor: Alliant Capital), North Pointe II LP (Investor: First National Bank of Fort Smith), and Clayton Heights Development LP (Investor: Alliant Capital). These entities were created to develop and own affordable housing developments financed partly by IRS Section 42 Low-Income Housing Tax Credits. These are included in the consolidated financial statements of the Housing Authority due to economic benefits, first right of refusal on the property, and financing debt.

**4. Basis of Presentation, Basis of Accounting and Measurement Focus:**

**Basis of Accounting** - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

**Basis of Presentation** - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the Statement of Net Position. Proprietary fund equity is segregated into three broad components: Net Investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. The Authority uses the following fund:

**Enterprise fund** - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided.

**5. Revenues and Expenses:**

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority's operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for capital and operating expenses.

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**6. Encumbrances:**

Encumbrances represent commitments related to unperformed contracts for goods or services. The Authority does not utilize encumbrance accounting.

**7. Budgets:**

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD.

**8. Inventories:**

Inventories are recorded at average cost. The consumption method is used to account for inventories. Under the consumption method, inventories are charged to expense when consumed.

**9. Capital Assets and Depreciation:**

Capital assets are stated at historical cost. Donated capital assets are stated at their market value on the date donated. This includes site acquisition and improvement, structures and equipment. All infrastructure assets were capitalized at the conclusion of development then dedicated to the City for maintenance and repairs. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. A minimum value of \$5,000 per item is assigned for asset capitalization. The Authority uses the straight-line method for depreciation.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings & improvements	15-30 years
Furniture, fixtures & equipment	5-7 years
Vehicles	5 years

**10. Collection Losses:**

Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.



**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**11. Insurance:**

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. The Authority secures required insurance coverage through the competitive bid process. As of the date of the fieldwork, the Authority had the required coverage in force.

**12. Cash and Investments:**

1. The Authority cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.
2. Investments are stated at market value, except for U. S. Treasury Bills, which are reported at amortized cost. Investment securities are normally held to mature at par value and adjustments are made to the investment portfolio to reflect increases/(decreases) in gains made.

**13. Compensated Absences:**

Compensated absences are absences for which employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No.16, ***Accounting for Compensated Absences***, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay is recorded as an expense and related liability in the year earned by employees.

**14. Operating Revenue:**

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 fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to net position below the nonoperating revenue and expense.

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)**

**15. The terms of the Board are as follows:**

Richard Griffin, Chair	March 2022
Rick Foti, Vice-Chair	March 2023
Alex Sanchez	March 2026
Barbara Meadows	March 2024
Rex Terry	March 2025

In addition to the above Commissioners, the Administrator of the Housing Authority is Mitch Minnick, who serves on the Board as Secretary and is the Executive Director. Based upon the above criteria, all the operations of the Authority are included in these financial statements and there are no operations or component units that have been excluded from this report.

**16. New Pronouncements:**

No new pronouncements were implemented in the current fiscal year that would have a material effect on the financial statements.

**NOTE B - CASH AND INVESTMENTS:**

All the deposits of the Housing Authority of the City of Fort Smith are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Authority's agents in these units' names.

At December 31, 2021, the Authority's primary government cash deposits had a carrying amount of \$4,808,863 and a bank balance of \$4,832,170. Of the bank balances held, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method.

**Interest rate risk** - As a means of limiting its exposure to market value losses arising from rising interest rates, the Authority typically limits its investment portfolio to Federal Securities with maturities of 12 months or less. The Housing Authority of the City of Fort Smith has no specific policy regarding interest rate risk.

**Credit risk** - The Authority has no policy regarding credit risk.

**Custodial credit risk** - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the PHA's deposits are in First National Bank of Fort Smith. The Authority has no policy on custodial credit risk.

**Concentration of credit risk** - The Authority places no limit on the amount that it may invest in any one issuer. All of the Authority's investments are in one-year maturity CD's with First National Bank of Fort Smith and Simmons First National Bank.

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
Fort Smith, Arkansas

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE B - CASH AND INVESTMENTS: (Cont'd)**

***Restricted cash:***

Reserve for Replacement – Nelson Hall	\$ 469,285
Restricted for modernization	61,595
Mainstream equity	8,659
HAP equity	123,900
Tenant security deposits	37,741
FSS Escrow	<u>55,232</u>
	<u>\$ 756,412</u>

The Restricted Net Position at December 31, 2021 was \$663,439 and is made up of the Reserve for Replacement for Nelson Hall Homes of \$469,285, the HAP equity amount of \$123,900 for HCV, \$8,659 for Mainstream Vouchers, and \$61,595 for modernization in Business Activities.

**COLLATERALIZATION:**

<u>Security</u>	<u>Cusip</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Market Value</u>
<b>Federal Reserve Bank</b>				
US Treasury	91282CBD2	12/31/22	0.125%	119,672
US Treasury	91282CBD2	12/31/22	0.125%	149,590
US Treasury	91282CCU3	08/31/23	0.125%	292,327
FHLMC	31307PUK3	11/01/25	2.500%	217,396
GNMA	36179NLP1	08/20/43	1.625%	72,907
GNMA	36179SZD2	03/20/47	1.625%	168,487
GNMA	3617B4WL7	08/20/47	1.625%	136,247
FNBB	352620AE8	12/01/24	2.375%	5,067
FNBB	512817GL5	06/01/22	1.850%	295,277
FNBB	890326BQ3	02/01/27	2.750%	50,618
FNR	3136B1KD5	03/25/47	3.000%	190,268
FNR	3136B4NN4	05/25/49	2.500%	55,228
FHR	3137B9D44	09/15/39	3.000%	30,578
FNR	31398S4S9	01/26/26	3.500%	73,121
GNMA	38377X4E9	02/20/41	1.500%	113,630
GNR	38380WWM7	12/20/47	3.000%	101,210
GNR	38383FFZ1	10/20/51	1.500%	748,126
FGPC	31307PUK3	11/01/25	2.500%	210,100

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
Fort Smith, Arkansas

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE B - CASH AND INVESTMENTS: (Cont'd)**

**COLLATERALIZATION: (Cont'd)**

<u>Security</u>	<u>Cusip</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Market Value</u>
<b>Federal Reserve Bank</b>				
FNRM	3136B1KD5	03/25/47	2.500%	184,884
FNRM	3136B4NN4	05/25/49	2.500%	54,230
FGRM	3137B9D44	09/15/39	2.500%	30,550
FNRM	31398S4S9	01/25/26	2.500%	70,246
GNAR	3617B4WL7	08/20/47	2.500%	132,142
GNAR	36179NLP1	08/20/43	2.500%	70,473
GNAR	36179SZD2	03/20/47	2.500%	163,275
GARM	38377X4E9	02/20/41	2.500%	112,717
GARM	38380WWM7	12/20/47	2.500%	97,975
GARM	38383DGL6	11/20/51	2.500%	498,731
GNRA	38383FFZ1	10/20/51	2.500%	750,000
1/8 Note BL 22	91282CBD2	12/31/22	2.500%	270,000
1/8 Note BF 23	91282CCU3	08/31/23	2.500%	295,000
				<u>\$ 5,760,072</u>

***Discrete Component Units:***

Cash and cash equivalents as of December 31, 2021, consisted of the following:

Unrestricted cash	\$ 208,820
Restricted for reserves	1,157,185
Restricted for tenant security deposits	<u>54,950</u>
	<u>\$ 1,420,955</u>

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE C - ACCOUNTS & ACCRUED RECEIVABLES:**

Accounts and accrued receivable at December 31, 2021, consisted of the following:

Tenants (net of allowance of \$79,769)	\$ 6,103
Accounts receivable – Hope Campus	37,897
Accounts receivable – DCU	37,829
Accounts receivable – employee	5,606
Accounts receivable – ADFA Funding	332,850
Accrued interest receivable	177,684
Accounts receivable – miscellaneous	<u>2,285</u>
	<u>\$ 600,254</u>

The above payable balance excludes \$271,536 of interfund balances that have been eliminated as a result of financial statement consolidation. Additional details on the composition of these balances are included in Note J.

***Discrete Component Units:***

Accounts receivable as of December 31, 2021, consisted of the following:

Tenants (net of allowance of \$148,647)	\$ 18,241
Miscellaneous	<u>8,905</u>
	<u>\$ 27,146</u>

**NOTE D - PREPAID CHARGES & OTHER ASSETS:**

Prepaid charges and other assets at December 31, 2021, consisted of the following:

Prepaid insurance and other assets	\$ 38,526
Assets Held for Sale – Strategic Community Investments	333,325
Assets Held for Sale – Business Activities	<u>344,328</u>
	<u>\$ 716,179</u>

***Discrete Component Units:***

Prepaid charges as of December 31, 2021, consisted of the following:

Prepaid insurance	<u>\$ 57,915</u>
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**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
Fort Smith, Arkansas

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE E - CAPITAL ASSETS:**

The following is a summary of changes in capital assets during the year ended December 31, 2021:

<b>Enterprise Activities:</b>	<u>Balance at 12/31/20</u>	<u>Transfers/ Additions</u>	<u>Dispositions / Transfers</u>	<u>Depreciation</u>	<u>Balance at 12/31/2021</u>
<b>Capital Assets:</b>					
Land	\$ 937,906	\$ -	\$ (15,676)	\$ -	\$ 922,230
Buildings	13,379,116	5,278	-	-	13,384,394
Furniture & Equipment	1,573,453	326,907	(208,042)	-	1,692,318
Construction in Process	<u>67,987</u>	<u>724,025</u>	<u>15,676</u>	<u>-</u>	<u>807,688</u>
<b>Total Capital Assets</b>	15,958,462	1,056,210	(208,042)	-	16,806,630
<b>Accumulated Depreciation:</b>					
Buildings	(6,930,906)	-	-	(318,883)	(7,249,789)
Furniture & Equipment	<u>(550,062)</u>	<u>-</u>	<u>164,902</u>	<u>(260,833)</u>	<u>(645,993)</u>
	(7,480,968)	-	164,902	(579,716)	(7,895,782)
<b>Net Capital Assets</b>	<u>\$ 8,477,494</u>	<u>\$ 1,056,210</u>	<u>\$ (43,140)</u>	<u>\$ (579,716)</u>	<u>\$ 8,910,848</u>

The following activities affected capital assets during the audit period:

Balance as of December 31, 2020	\$ 8,477,494
Capital additions – Blended Component Units	103,358
Capital additions – Business Activities, HCV	952,852
Net disposition of assets	(43,140)
Depreciation expense	<u>(579,716)</u>
Balance as of December 31, 2021	<u>\$ 8,910,848</u>

<b>Discrete Component Units:</b>	<u>Balance at 12/31/20</u>	<u>Transfers/ Additions</u>	<u>Dispositions / Transfers</u>	<u>Depreciation</u>	<u>Balance at 12/31/2021</u>
<b>Capital Assets:</b>					
Land	\$ 281,897	\$ -	\$ -	\$ -	\$ 281,897
Buildings & Improvements	22,690,494	-	-	-	22,690,494
Furniture & Equipment	840,296	-	-	-	840,296
Construction in Process	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Capital Assets</b>	23,812,687	-	-	-	23,812,687
Accumulated Depreciation	<u>(7,958,559)</u>	<u>-</u>	<u>-</u>	<u>(739,506)</u>	<u>(8,698,065)</u>
<b>Net Capital Assets</b>	<u>\$15,854,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (739,506)</u>	<u>\$15,114,622</u>

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
Fort Smith, Arkansas

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE F - NOTES RECEIVABLE:**

The Home Investment Partnership Program and the Community Development Block Grant participate in granting notes receivable consisting of "soft" second mortgages to provide down payment assistance. These notes are allocated according to which program built the home. The note is amortized over a ten-year term contingent on the homebuyer's continued ownership and occupation of the home. At December 31, 2021, \$149,267 was remaining in the HOME program.

On December 5, 2012, the Authority entered into a 35-year mortgage agreement with the Clayton Heights Development, LP for Phase II of the Clayton Heights project. The total principal amount of the loan was \$332,339, and it accrues interest at an annual rate of 5.00%. All accrued and unpaid principal and interest are due at the maturity date of December 5, 2047. At December 31, 2021, the outstanding principal balance is \$87,881 with \$15,214 in accrued interest outstanding.

On April 3, 2007, the Authority entered into a 30-year loan agreement with North Pointe, Inc. for Phase I of the North Pointe project. The total principal amount of the loan was \$56,818, and it accrues interest at an annual rate of 4.81%. All accrued and unpaid principal and interest are due at the maturity date of April 3, 2037. During the fiscal year, accrued interest earned was \$2,742. At December 31, 2021, the full principal balance and \$25,438 in accrued interest was outstanding.

On April 7, 2010, the Authority entered into a loan agreement with North Pointe II, Inc. for Phase II of the North Pointe project. The total principal amount of the loan was \$251,070, and it accrues interest at an annual rate of 4.35%. All accrued and unpaid principal and interest are due at the maturity date of April 7, 2051. At December 31, 2021, the full principal balance and \$128,598 in accrued interest was outstanding.

During FY2019, the Authority recorded a receivable from Riverview Hope Campus as a miscellaneous receivable in the amount of \$392,586. During FY2020, this receivable was reclassified to a long-term note receivable. At December 31, 2021, the outstanding balance is \$344,829 and is considered noncurrent.

Notes receivable consisted of the following at December 31, 2021:

	Balance as of 12/31/20	Change in Notes & (Forgiven) in FY2021	Accrued Interest	Balance as of 12/31/21	Current
HOME	\$ 199,945	\$ (50,678)	\$ -	\$ 149,267	\$ -
Clayton Heights Development, LP	98,690	-	4,405	103,095	-
North Pointe, Inc.	79,514	-	2,742	82,256	-
North Pointe II, Inc.	368,718	-	10,950	379,668	-
Riverview Hope Campus	<u>342,019</u>	<u>-</u>	<u>2,810</u>	<u>344,829</u>	<u>-</u>
	<u>\$ 1,088,886</u>	<u>\$ (50,678)</u>	<u>\$ 20,907</u>	<u>\$ 1,059,115</u>	<u>\$ -</u>

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE G - INVESTMENT IN JOINT VENTURES:**

Investments in joint ventures at December 31, 2021, consisted of the following:

North Pointe Limited Partnership	\$ 73,410
North Pointe II Limited Partnership	907,766
Clayton Heights Development Limited Partnership	<u>(51)</u>
	<u>\$ 981,125</u>

**NOTE H - OTHER ASSETS:**

Other assets held by the Discrete Component Units as of December 31, 2021, consisted of the following:

***Discrete Component Units:***

Deferred fees, net of amortization	\$ 53,107
Tax credit monitoring fees, net of amortization	21,866
Loan issuance costs, net of amortization	<u>88,822</u>
	<u>\$ 163,795</u>

**NOTE I - ACCOUNTS PAYABLE:**

Accounts payable consisted of the following at December 31, 2021:

Vendors and contractors payable	\$ 198,088
A/P – HUD	145,221
Tenant security deposits	<u>37,741</u>
	<u>\$ 381,050</u>

The above payable balance excludes \$271,536 of interfund balances that have been eliminated as a result of financial statement consolidation. Additional details on the composition of these balances are included in Note J.

***Discrete Component Units:***

Accounts payable as of December 31, 2021, consisted of the following:

Vendors and contractors payable	\$ 12,970
Accrued interest payable	169,251
Tenant security deposits	<u>54,950</u>
	<u>\$ 237,171</u>



**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE J - OTHER CURRENT LIABILITIES:**

Other current liabilities consisted of the following at December 31, 2021:

Accrued compensated absences - current portion	\$ 76,958
Accrued wages/taxes payable	31,853
Current portion of long-term debt	79,869
Other current liabilities	41,199
Unearned revenue	<u>4,638</u>
	<u>\$ 234,517</u>

***Discrete Component Units:***

Accrued compensated absences - current portion	\$ 2,177
Accrued wages/taxes payable	4,731
Current portion of long-term debt	209,350
Other current liabilities	43,677
Unearned revenue	<u>8,745</u>
	<u>\$ 268,680</u>

**NOTE K - INTERFUND ACCOUNTS:**

As of December 31, 2021, the following interfund activities existed and have been eliminated as part of the consolidation of the financial statements.

	<u>Due To</u>	<u>Due From</u>
Business Activities	\$ 63,910	\$ 102,106
Low Rent	0	0
HCV	26,307	31,050
Mod Rehab	0	4,112
Blended Component Unit	181,319	109,909
Mainstream	<u>0</u>	<u>24,359</u>
	<u>\$ 271,536</u>	<u>\$ 271,536</u>

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
Fort Smith, Arkansas

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE L - NONCURRENT LIABILITIES:**

Noncurrent liabilities consisted of the following at December 31, 2021:

FSS Escrow deposits	\$ 55,232
Accrued compensated absences - noncurrent portion	<u>61,329</u>
	<u>\$ 116,561</u>

	Balance at 1/1/2021	Adjustments/ Increases	Decreases	Balance at 12/31/2021	Current Portion of Balance
Compensated absences	\$ 136,340	\$ 72,604	\$ (70,657)	\$ 138,287	\$ 76,958
FSS Escrow Deposits	<u>79,454</u>	<u>54,971</u>	<u>(79,193)</u>	<u>55,232</u>	<u>-</u>
	<u>\$ 215,794</u>	<u>\$ 127,575</u>	<u>\$ (149,850)</u>	<u>\$ 193,519</u>	<u>\$ 76,958</u>

**NOTE M - LONG TERM DEBT:**

During FY2019, the Authority acquired a promissory note in the amount of \$1,198,049 for the purchase of Cedar Court. The loan bears 0.00% interest and is due in 15 equal annual installments of \$79,869. In FY2021, the Authority acquired an additional \$345,512 from ADFA for additional cottages. The balance of the note at December 31, 2021 was \$1,383,822 with the current portion due of \$79,869.

***Discrete Component Units:***

As of December 31, 2021, long-term debt consisted of the following:

First mortgage construction loan, First National Bank of Fort Smith	\$ 2,599,970
HOME loan, Arkansas Development Finance Authority	222,598
Mortgage loan, Arkansas Development Finance Authority	93,632
Mortgage loan, Housing Authority of the City of Fort Smith	87,881
Mortgage loan, Greystone Servicing Corporation	1,204,362
HOME loan, Arkansas Development Finance Authority	340,053
CDBG loan, North Pointe, Inc.	56,818
Mortgage loan, Prudential Huntoon Paige Associates	3,368,055
HOME loan, Arkansas Development Authority	332,258
Mortgage loan, North Pointe II, Inc.	<u>251,070</u>
Total	\$ 8,556,697
Less current maturities	<u>(209,350)</u>
Net long-term portion	<u>\$ 8,347,347</u>

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE N - PENSION PLAN:**

The Authority has a defined contribution plan covering all eligible employees who elect to participate. The Executive Director is responsible for establishing and amending the plan's provisions. An employee becomes eligible on the first day of the month after completing six months of continuous employment. As of December 31, 2021, there were 32 employees enrolled. The Authority is required to contribute 8.5% of a participating employee's compensation to the plan, while the employee contributes 5.5%. Vesting occurs over a period of 5 years at 20% per year. Covered payroll for the year was \$1,367,304. The Authority's contributions to the plan were \$116,221 and the employees' contributions were \$75,202.

Other than the pension information listed above, the Authority does not participate in postemployment or any other employee benefit plans.

**NOTE O - RELATED PARTY TRANSACTIONS:**

The Housing Authority had amounts advanced to tax credit partnerships as noted in Note F & G to the financial statements for Clayton Heights Development, L.P., North Pointe, L.P., and North Pointe II, L.P.

Strategic Community Investments has paid for certain operating activities and common space owned by the Housing Authority. All transactions for this entity are kept in a separate balancing set of accounts and are managed by the Housing Authority. During the year, the Housing Authority has paid the Strategic Community Investments, Inc. an incentive and supervisory fee in the amount of \$259,470 as a result of surplus cash on the Nelson Hall Homes, North Pointe, Inc, and North Pointe II, Inc.

**NOTE P - ANNUAL CONTRIBUTIONS BY FEDERAL AGENCIES:**

***Housing Choice Voucher Program*** - Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments with respect to existing and moderately rehabilitated housing covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. HUD contributions for the year ended December 31, 2021 were as follows:

Housing Choice Vouchers	<u>\$ 7,836,203</u>
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**NOTE Q - ECONOMIC DEPENDENCY:**

Both the PHA Owned Housing Program and the Housing Choice Voucher Program are economically dependent on annual contributions and grants from HUD. Both programs operate at a loss prior to receiving the contributions and grants.

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
(Continued)

**NOTE R - RISK MANAGEMENT:**

The Authority is exposed to all common perils associated with the ownership and rental of real estate properties. A risk management program has been established to minimize loss occurrence and to transfer risk through various levels of insurance. Property, casualty, employee dishonesty and public officials' liability forms are used to cover the respective perils. Commercial carriers insure all common perils such as business auto, computer and other miscellaneous policies.

**NOTE S - COMMITMENTS & CONTINGENCIES:**

**Legal:**

The Authority may be party to various pending or threatened legal actions arising from the normal course of operations. It is the Authority's opinion that any resulting liability is not expected to have a material effect on the Authority's financial position.

**Grants and contracts:**

The Authority participates in various federally-assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of December 31, 2021.

**NOTE T - IMPAIRMENT OF CAPITAL ASSETS:**

In accordance with new financial reporting standards issued by the Government Accounting Standards Board's, Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" requires certain note disclosures. There were no permanent impairments experienced by the Housing Authority that required material adjustments to the Statement of Net Position.

**NOTE U - SUBSEQUENT EVENTS:**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through April 5, 2022 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

The spread of a novel strain of coronavirus (COVID-19) in 2020 & 2021 has caused significant volatility in the U.S. Markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on residents, employees and vendors, all of which are uncertain and cannot be determined at this time.

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**COMBINING STATEMENTS**

**DECEMBER 31, 2021**

Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS**  
**December 31, 2021**

FDS Line#	Account Description	Nelson Hall Homes	Compass Realty & Construction Group	Strategic Community Investments	North Pointe, Inc.	North Pointe II, Inc.	Clayton Heights Inc.	TOTAL
<b>ASSETS:</b>								
<b>CURRENT ASSETS:</b>								
Cash:								
111	Cash - unrestricted	\$ 222,594	\$ 281,364	\$ 712,661	\$ 22,290	\$ 69,006	\$ 37,648	\$ 1,345,563
112	Cash - restricted - modernization	0	0	0	0	0	0	0
113	Cash - other restricted	469,285	0	0	0	0	0	469,285
114	Cash - tenant security deposits	32,941	0	2,000	0	0	0	34,941
115	Cash - restricted for payment of current liabilities	0	0	0	0	0	0	0
100	Total Cash	<u>724,820</u>	<u>281,364</u>	<u>714,661</u>	<u>22,290</u>	<u>69,006</u>	<u>37,648</u>	<u>1,849,789</u>
Accounts and notes receivables:								
121	Accounts receivable - PHA projects	0	0	0	0	0	0	0
122	Accounts receivable - HUD	0	0	0	0	0	0	0
124	Accounts receivable - other government	0	0	0	0	0	0	0
125	Accounts receivable - miscellaneous	616	169,649	47,846	1,968	0	19,744	239,823
126	Accounts receivable - tenants rents	80,645	0	0	0	0	0	80,645
126.1	Allowance for doubtful accounts - tenants	(76,025)	0	0	0	0	0	(76,025)
126.2	Allowance for doubtful accounts - other	0	0	0	0	0	0	0
127	Notes receivable - current	0	0	0	0	0	0	0
128	Fraud recovery	0	0	0	0	0	0	0
128.1	Allowance for doubtful accounts - fraud	0	0	0	0	0	0	0
129	Accrued interest receivable	0	0	3,053	25,439	128,598	0	157,090
120	Total receivables - net	<u>5,236</u>	<u>169,649</u>	<u>50,899</u>	<u>27,407</u>	<u>128,598</u>	<u>19,744</u>	<u>401,533</u>
Current investments:								
131	Investments - unrestricted	0	0	0	0	0	0	0
132	Investments - restricted	0	0	0	0	0	0	0
135	Investments - restricted for payment current liability	0	0	0	0	0	0	0
142	Prepaid expenses and other assets	5,735	4,402	4,647	0	1,749	1,793	18,326
143	Inventories	0	0	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0	0	0
144	Interprogram due from	542	81,370	99,407	0	0	0	181,319
145	Assets held for sale	0	0	333,325	0	0	0	333,325
150	TOTAL CURRENT ASSETS	<u>736,333</u>	<u>536,785</u>	<u>1,202,939</u>	<u>49,697</u>	<u>199,353</u>	<u>59,185</u>	<u>2,784,292</u>
<b>NONCURRENT ASSETS:</b>								
Capital Assets:								
161	Land	29,030	0	200,854	0	0	0	229,884
162	Buildings	12,131,297	0	286,268	0	0	0	12,417,565
163	Furniture & equipment - dwelling	1,019,010	0	0	0	0	0	1,019,010
164	Furniture & equipment - admin	228,714	36,642	10,300	0	0	0	275,656
165	Improvements	0	0	0	0	0	0	0
166	Accumulated depreciation	(7,509,563)	(18,347)	(105,085)	0	0	0	(7,632,995)
167	Construction in progress	12,357	0	0	0	0	0	12,357
168	Infrastructure	0	0	0	0	0	0	0
160	Total capital assets - net	<u>5,910,845</u>	<u>18,295</u>	<u>392,337</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,321,477</u>
171	Notes receivable - noncurrent	0	0	171,060	56,818	251,070	0	478,948
172	Notes receivable - noncurrent past due	0	0	0	0	0	0	0
173	Grant receivable - noncurrent	0	0	0	0	0	0	0
174	Other assets	0	0	0	0	0	0	0
176	Investment in joint ventures	0	0	0	73,410	907,766	(51)	981,125
180	TOTAL NONCURRENT ASSETS	<u>5,910,845</u>	<u>18,295</u>	<u>563,397</u>	<u>130,228</u>	<u>1,158,836</u>	<u>(51)</u>	<u>7,781,550</u>
200	DEFERRED OUFLOW OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
290	TOTAL ASSETS & DEFERRED OUFLOW OF RESOURCES	<u>\$ 6,647,178</u>	<u>\$ 555,080</u>	<u>\$ 1,766,336</u>	<u>\$ 179,925</u>	<u>\$ 1,358,189</u>	<u>\$ 59,134</u>	<u>\$ 10,565,842</u>

Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS**  
**December 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	Nelson Hall Homes	Compass Realty & Construction Group	Strategic Community Investments	North Pointe, Inc.	North Pointe II, Inc.	Clayton Heights Inc.	TOTAL
<b>LIABILITIES AND NET POSITION:</b>								
<b>LIABILITIES:</b>								
CURRENT LIABILITIES:								
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable < 90 days	8,046	183,844	0	0	0	0	191,890
313	Accounts payable > 90 days	0	0	0	0	0	0	0
321	Accrued salaries/payroll withholding	5,643	4,280	0	0	0	0	9,923
322	Accrued compensated absences	10,356	20,628	0	0	0	0	30,984
324	Accrued contingency liability	0	0	0	0	0	0	0
325	Accrued interest payable	0	0	0	25,439	128,598	0	154,037
331	Accounts payable - HUD PHA programs	0	0	0	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0	0	0	0
333	Accounts payable - other gov.	0	0	0	0	0	0	0
341	Tenant security deposits	32,941	0	2,000	0	0	0	34,941
342	Unearned revenue	4,296	0	0	0	0	0	4,296
343	Current portion of L-T debt - capital projects	0	0	0	0	0	0	0
344	Current portion of L-T debt - operating	0	0	0	0	0	0	0
345	Other current liabilities	4,462	1,674	0	0	0	0	6,136
346	Accrued liabilities - other	0	0	0	0	0	0	0
347	Interprogram (due to)	79,994	0	10,375	1,771	0	17,769	109,909
348	Loan liability - current	0	0	0	0	0	0	0
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>145,738</b>	<b>210,426</b>	<b>12,375</b>	<b>27,210</b>	<b>128,598</b>	<b>17,769</b>	<b>542,116</b>
NONCURRENT LIABILITIES:								
351	Long-term debt, net of current - operating	0	0	0	56,818	251,070	0	307,888
352	Long-term debt, net of current - capital	0	0	0	0	0	0	0
353	Noncurrent liabilities - other	0	0	0	0	0	0	0
354	Accrued comp. absences - long term	0	23,551	0	0	0	0	23,551
355	Loan liability - noncurrent	0	0	0	0	0	0	0
356	FASB 5 liabilities	0	0	0	0	0	0	0
357	Accrued pension and OPEB liabilities	0	0	0	0	0	0	0
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>0</b>	<b>23,551</b>	<b>0</b>	<b>56,818</b>	<b>251,070</b>	<b>0</b>	<b>331,439</b>
300	<b>TOTAL LIABILITIES</b>	<b>145,738</b>	<b>233,977</b>	<b>12,375</b>	<b>84,028</b>	<b>379,668</b>	<b>17,769</b>	<b>873,555</b>
400	DEFERRED INFLOW OF RESOURCES	0	0	0	0	0	0	0
<b>NET POSITION:</b>								
508.4	Net Investment in Capital Assets	5,910,845	18,295	392,337	0	0	0	6,321,477
511.4	Restricted	469,285	0	0	0	0	0	469,285
512.4	Unrestricted	121,310	302,808	1,361,624	95,897	978,521	41,365	2,901,525
513	<b>TOTAL NET POSITION</b>	<b>6,501,440</b>	<b>321,103</b>	<b>1,753,961</b>	<b>95,897</b>	<b>978,521</b>	<b>41,365</b>	<b>9,692,287</b>
600	<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 6,647,178</b>	<b>\$ 555,080</b>	<b>\$ 1,766,336</b>	<b>\$ 179,925</b>	<b>\$ 1,358,189</b>	<b>\$ 59,134</b>	<b>\$ 10,565,842</b>

Housing Authority of the City of Fort Smith  
Fort Smith Arkansas

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

FDS Line#	Account Description	Nelson Hall Homes	Compass Realty & Construction Group	Strategic Community Investments	North Pointe, Inc.	North Pointe II, Inc.	Clayton Heights Inc.	TOTAL
<b>REVENUES:</b>								
70300	Net tenant rental revenue	\$ 1,490,801	\$ 0	\$ 43,920	\$ 0	\$ 0	\$ 0	\$ 1,534,721
70400	Tenant revenue - other	122,568	0	0	0	0	0	122,568
70500	Total tenant revenue	1,613,369	0	43,920	0	0	0	1,657,289
70600	HUD PHA grants - operating	0	0	0	0	0	0	0
70610	HUD PHA grants - capital	0	0	0	0	0	0	0
70710	Management fee	0	0	0	0	0	0	0
70720	Asset management fee	0	0	0	0	0	0	0
70730	Bookkeeping fee	0	0	0	0	0	0	0
70740	Front line service fee	0	0	0	0	0	0	0
70750	Other fees	0	0	0	0	0	0	0
70700	Total fee revenue	0	0	0	0	0	0	0
70800	Other government grants	0	0	0	0	0	0	0
71100	Investment income - unrestricted	169	128	626	11	46	22	1,002
71200	Mortgage interest income	0	0	3,053	2,740	10,952	0	16,745
71300	Proceeds from disposition of assets held for sale	0	1,832,921	0	0	0	0	1,832,921
71310	Cost of sale of assets	0	(1,619,704)	0	0	0	0	(1,619,704)
71400	Fraud income	0	0	0	0	0	0	0
71500	Other revenue	18,300	364,379	146,443	7,355	81,961	25,456	643,894
71600	Gain/(loss) on disposition	1,000	0	0	0	0	0	1,000
72000	Investment income - restricted	256	0	0	0	0	0	256
70000	TOTAL REVENUES	\$ 1,633,094	\$ 577,724	\$ 194,042	\$ 10,106	\$ 92,959	\$ 25,478	\$ 2,533,403
<b>EXPENSES:</b>								
<b>Administrative</b>								
91100	Administrative salaries	\$ 95,861	\$ 196,592	\$ 0	\$ 0	\$ 0	\$ 0	\$ 292,453
91200	Auditing fees	4,750	2,470	0	0	0	0	7,220
91300	Management fees	226,491	55,134	124,500	0	0	0	406,125
91310	Bookkeeping fees	0	0	0	0	0	0	0
91400	Advertising & marketing	2,196	5,695	0	0	0	0	7,891
91500	Employee benefits - administrative	31,601	83,080	0	0	0	0	114,681
91600	Office expense	29,394	11,956	20	1	2	1	41,374
91700	Legal expense	1,966	0	144	0	0	0	2,110
91800	Travel expense	0	0	0	0	0	0	0
91810	Allocated Overhead	0	0	0	0	0	0	0
91900	Other operating - administrative	17,886	29,152	1,500	614	617	617	50,386
91000	Total Administrative Expense	410,145	384,079	126,164	615	619	618	922,240
92000	Asset management fee	0	0	0	0	0	0	0
<b>Tenant Services</b>								
92100	Tenant services - salaries	0	0	0	0	0	0	0
92200	Relocation costs	0	0	0	0	0	0	0
92300	Employee benefits - tenant services	0	0	0	0	0	0	0
92400	Other tenant services	5,006	0	0	0	0	0	5,006
92500	Total Tenant Services	5,006	0	0	0	0	0	5,006
<b>Utilities</b>								
93100	Water	122,511	129	0	0	0	0	122,640
93200	Electricity	123,695	829	0	0	0	0	124,524
93300	Gas	8,783	0	0	0	0	0	8,783
93400	Fuel	0	0	0	0	0	0	0
93500	Labor	0	0	0	0	0	0	0
93600	Sewer	0	0	0	0	0	0	0
93700	Employee benefits - utilities	0	0	0	0	0	0	0
93800	Other utilities expense	43,328	1,977	32	0	0	0	45,337
93000	Total Utilities Expense	298,317	2,935	32	0	0	0	301,284



Housing Authority of the City of Fort Smith  
Fort Smith Arkansas

**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

FDS Line#	Account Description	Nelson Hall Homes	Compass Realty & Construction Group	Strategic Community Investments	North Pointe, Inc.	North Pointe II, Inc.	Clayton Heights Inc.	TOTAL
	Ordinary Maintenance & Operation							
94100	Labor	179,125	8,048	0	0	0	0	187,173
94200	Materials	117,125	7,024	390	0	0	0	124,539
94300	Contracts	150,237	1,440	23,400	0	0	0	175,077
94300-010	Garbage & trash removal contracts	0	0	0	0	0	0	0
94300-020	Heating & cooling contracts	0	0	0	0	0	0	0
94300-030	Snow Removal contracts	0	0	0	0	0	0	0
94300-040	Elevator maintenance contracts	0	0	0	0	0	0	0
94300-050	Landscape & grounds contracts	0	0	0	0	0	0	0
94300-060	Unit turnaround contracts	0	0	0	0	0	0	0
94300-070	Electrical contracts	0	0	0	0	0	0	0
94300-080	Plumbing contracts	0	0	0	0	0	0	0
94300-090	Extermination contracts	0	0	0	0	0	0	0
94300-100	Janitorial contracts	0	0	0	0	0	0	0
94300-110	Routine maintenance contracts	0	0	0	0	0	0	0
94300-120	Contract costs - other	0	0	0	0	0	0	0
94500	Employee benefit contributions	80,506	642	0	0	0	0	81,148
94000	Total Ordinary Maintenance & Operation	526,993	17,154	23,790	0	0	0	567,937
	Protective Services							
95100	Protective services - salaries	0	0	0	0	0	0	0
95200	Other protective services - contract costs	0	0	0	0	0	0	0
95300	Protective services - other	0	0	0	0	0	0	0
95500	Employee benefits - protective services	0	0	0	0	0	0	0
95000	Total Protective Services	0	0	0	0	0	0	0
	Insurance Premiums							
96110	Property insurance	59,271	0	3,628	0	0	0	62,899
96120	Liability insurance	5,488	38,789	1,093	0	0	0	45,370
96130	Workmen's compensation	0	0	0	0	0	0	0
96140	Insurance - other	8,517	4,208	1,697	0	0	0	14,422
96100	Total Insurance Premiums	73,276	42,997	6,418	0	0	0	122,691
	General Expenses							
96200	Other general expense	49,944	31,368	104,548	7,002	72,193	18,821	283,876
96210	Compensated absences	15,483	11,535	0	0	0	0	27,018
96300	Payments in lieu of taxes	0	0	0	0	0	0	0
96400	Bad debt - tenant rents	9,842	0	0	0	0	0	9,842
96500	Bad debt - mortgages	0	0	0	0	0	0	0
96600	Bad debt - other	0	0	0	0	0	0	0
96800	Severance expense	0	0	0	0	0	0	0
96000	Total General Expenses	75,269	42,903	104,548	7,002	72,193	18,821	320,736
	Financial Expenses							
96710	Interest expense - mortgage payable	0	0	0	2,740	10,952	0	13,692
96720	Interest expense - notes payable	0	0	0	0	0	0	0
96730	Amortization - issuance costs	0	0	0	0	0	0	0
96700	Total Financial Expenses	0	0	0	2,740	10,952	0	13,692
96900	TOTAL OPERATING EXPENSE	1,389,006	490,068	260,952	10,357	83,764	19,439	2,253,586
97000	EXCESS OPERATING REVENUE	244,088	87,656	(66,910)	(251)	9,195	6,039	279,817
	Other Expenses							
97100	Extraordinary maintenance	0	0	0	0	0	0	0
97200	Casualty losses	0	0	0	0	0	0	0
97300	Housing assistance payments	0	0	0	0	0	0	0
97350	Portability HAP expense	0	0	0	0	0	0	0
97400	Depreciation expense	452,798	4,394	9,781	0	0	0	466,973
	Total Other Expenses	452,798	4,394	9,781	0	0	0	466,973
90000	TOTAL EXPENSES	\$ 1,841,804	\$ 494,462	\$ 270,733	\$ 10,357	\$ 83,764	\$ 19,439	\$ 2,720,559
10000	EXCESS OF REVENUE OVER EXPENSES	\$ (208,710)	\$ 83,262	\$ (76,691)	\$ (251)	\$ 9,195	\$ 6,039	\$ (187,156)
11020	Required annual debt principal payments	0	0	0	0	0	0	0
11030	Beginning Net Position	6,710,150	237,841	1,830,652	96,148	969,326	35,326	9,879,443
11040-010	Prior period adjustments	0	0	0	0	0	0	0
11040-070	Equity transfers	0	0	0	0	0	0	0
	Ending Net Position	\$ 6,501,440	\$ 321,103	\$ 1,753,961	\$ 95,897	\$ 978,521	\$ 41,365	\$ 9,692,287

**Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS  
December 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>North Pointe, LP</u>	<u>North Pointe II, LP</u>	<u>Clayton Heights Development, LP</u>	<u>TOTAL</u>
<b>ASSETS:</b>					
CURRENT ASSETS:					
Cash:					
111	Cash - unrestricted	\$ 37,128	\$ 125,285	\$ 46,407	\$ 208,820
112	Cash - restricted - modernization	0	0	0	0
113	Cash - other restricted	327,456	424,536	405,193	1,157,185
114	Cash - tenant security deposits	16,150	19,200	19,600	54,950
115	Cash - restricted for payment of current liabilities	0	0	0	0
100	Total Cash	380,734	569,021	471,200	1,420,955
Accounts and notes receivables:					
121	Accounts receivable - PHA projects	0	0	0	0
122	Accounts receivable - HUD	0	0	0	0
124	Accounts receivable - other government	0	0	0	0
125	Accounts receivable - miscellaneous	2,700	829	5,376	8,905
126	Accounts receivable - tenants rents	51,937	72,878	42,073	166,888
126.1	Allowance for doubtful accounts - tenants	(45,674)	(64,982)	(37,991)	(148,647)
126.2	Allowance for doubtful accounts - other	0	0	0	0
127	Notes receivable - current	0	0	0	0
128	Fraud recovery	0	0	0	0
128.1	Allowance for doubtful accounts - fraud	0	0	0	0
129	Accrued interest receivable	0	0	0	0
120	Total receivables - net	8,963	8,725	9,458	27,146
Current investments:					
131	Investments - unrestricted	0	0	0	0
132	Investments - restricted	0	0	0	0
135	Investments - restricted for payment current liability	0	0	0	0
142	Prepaid expenses and other assets	18,390	23,979	15,546	57,915
143	Inventories	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0
144	Interprogram due from	0	0	0	0
145	Assets held for sale	0	0	0	0
150	TOTAL CURRENT ASSETS	408,087	601,725	496,204	1,506,016
NONCURRENT ASSETS:					
Capital Assets:					
161	Land	40,000	93,985	147,912	281,897
162	Buildings	5,715,593	8,863,882	8,111,019	22,690,494
163	Furniture & equipment - dwelling	0	0	0	0
164	Furniture & equipment - admin	86,598	594,398	159,300	840,296
165	Improvements	0	0	0	0
166	Accumulated depreciation	(2,312,023)	(3,942,473)	(2,443,569)	(8,698,065)
167	Construction in progress	0	0	0	0
168	Infrastructure	0	0	0	0
160	Total capital assets - net	3,530,168	5,609,792	5,974,662	15,114,622
171	Notes receivable - noncurrent	0	0	0	0
172	Notes receivable - noncurrent past due	0	0	0	0
173	Grant receivable - noncurrent	0	0	0	0
174	Other assets	50,632	88,822	24,341	163,795
176	Investment in joint ventures	0	0	0	0
180	TOTAL NONCURRENT ASSETS	3,580,800	5,698,614	5,999,003	15,278,417
200	DEFERRED OUFLOW OF RESOURCES	0	0	0	0
290	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 3,988,887	\$ 6,300,339	\$ 6,495,207	\$ 16,784,433

**Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS  
December 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>North Pointe, LP</u>	<u>North Pointe II, LP</u>	<u>Clayton Heights Development, LP</u>	<u>TOTAL</u>
<b>LIABILITIES AND NET POSITION:</b>					
<b>LIABILITIES:</b>					
CURRENT LIABILITIES:					
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable < 90 days	2,771	8,639	1,560	12,970
313	Accounts payable > 90 days	0	0	0	0
321	Accrued salaries/payroll withholding	1,381	1,799	1,551	4,731
322	Accrued compensated absences	631	827	719	2,177
324	Accrued contingency liability	0	0	0	0
325	Accrued interest payable	25,439	128,598	15,214	169,251
331	Accounts payable - HUD PHA programs	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0
333	Accounts payable - other gov.	0	0	0	0
341	Tenant security deposits	16,150	19,200	19,600	54,950
342	Unearned revenue	1,956	3,260	3,529	8,745
343	Current portion of L-T debt - capital projects	47,234	66,973	95,143	209,350
344	Current portion of L-T debt - operating	0	0	0	0
345	Other current liabilities	7,462	7,157	29,058	43,677
346	Accrued liabilities - other	0	0	0	0
347	Interprogram (due to)	0	0	0	0
348	Loan liability - current	0	0	0	0
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>103,024</b>	<b>236,453</b>	<b>166,374</b>	<b>505,851</b>
NONCURRENT LIABILITIES:					
351	Long-term debt, net of current - capital	1,553,999	3,884,410	2,908,938	8,347,347
352	Long-term debt, net of current - operating	0	0	0	0
353	Noncurrent liabilities - other	0	0	0	0
354	Accrued comp. absences - long term	0	0	0	0
355	Loan liability - noncurrent	0	0	0	0
356	FASB 5 liabilities	0	0	0	0
357	Accrued pension and OPEB liabilities	0	0	0	0
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,553,999</b>	<b>3,884,410</b>	<b>2,908,938</b>	<b>8,347,347</b>
300	<b>TOTAL LIABILITIES</b>	<b>1,657,023</b>	<b>4,120,863</b>	<b>3,075,312</b>	<b>8,853,198</b>
400	DEFERRED INFLOW OF RESOURCES	0	0	0	0
<b>NET POSITION:</b>					
508.4	Net Investment in Capital Assets	1,928,935	1,658,409	2,970,581	6,557,925
511.4	Restricted	327,456	424,536	405,193	1,157,185
512.4	Unrestricted	75,473	96,531	44,121	216,125
513	<b>TOTAL NET POSITION</b>	<b>2,331,864</b>	<b>2,179,476</b>	<b>3,419,895</b>	<b>7,931,235</b>
600	<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 3,988,887</b>	<b>\$ 6,300,339</b>	<b>\$ 6,495,207</b>	<b>\$ 16,784,433</b>

**Housing Authority of the City of Fort Smith  
Fort Smith Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>North Pointe, LP</u>	<u>North Pointe II, LP</u>	<u>Clayton Heights Development, LP</u>	<u>TOTAL</u>
<b>REVENUES:</b>					
70300	Net tenant rental revenue	\$ 443,879	\$ 605,001	\$ 530,788	\$ 1,579,668
70400	Tenant revenue - other	4,832	7,057	11,372	23,261
70500	Total tenant revenue	448,711	612,058	542,160	1,602,929
70600	HUD PHA grants - operating	0	0	0	0
70610	HUD PHA grants - capital	0	0	0	0
70710	Management fee	0	0	0	0
70720	Asset management fee	0	0	0	0
70730	Bookkeeping fee	0	0	0	0
70740	Front line service fee	0	0	0	0
70750	Other fees	0	0	0	0
70700	Total fee revenue	0	0	0	0
70800	Other government grants	0	0	0	0
71100	Investment income - unrestricted	193	90	78	361
71200	Mortgage interest income	0	0	0	0
71300	Proceeds from disposition of assets held for sale	0	0	0	0
71310	Cost of sale of assets	0	0	0	0
71400	Fraud income	0	0	0	0
71500	Other revenue	0	0	0	0
71600	Gain/(loss) on disposition	0	0	0	0
72000	Investment income - restricted	48	149	251	448
70000	<b>TOTAL REVENUES</b>	<b>\$ 448,952</b>	<b>\$ 612,297</b>	<b>\$ 542,489</b>	<b>\$ 1,603,738</b>
<b>EXPENSES:</b>					
Administrative					
91100	Administrative salaries	\$ 29,485	\$ 39,484	\$ 34,139	\$ 103,108
91200	Auditing fees	5,000	6,500	5,000	16,500
91300	Management fees	22,287	36,138	26,573	84,998
91310	Bookkeeping fees	0	0	0	0
91400	Advertising & marketing	1,259	1,563	1,486	4,308
91500	Employee benefits - administrative	6,221	8,219	7,125	21,565
91600	Office expense	11,795	15,321	13,551	40,667
91700	Legal expense	836	985	1,183	3,004
91800	Travel expense	0	0	0	0
91810	Allocated Overhead	0	0	0	0
91900	Other operating - administrative	3,765	3,942	4,739	12,446
91000	Total Administrative Expense	80,648	112,152	93,796	286,596
92000	Asset management fee	5,123	3,360	5,712	14,195
Utilities					
93100	Water	2,206	573	445	3,224
93200	Electricity	2,805	2,021	2,921	7,747
93300	Gas	1,878	1,343	1,495	4,716
93400	Fuel	0	0	0	0
93500	Labor	0	0	0	0
93600	Sewer	0	0	0	0
93700	Employee benefits - utilities	0	0	0	0
93800	Other utilities expense	1,048	648	619	2,315
93000	Total Utilities Expense	7,937	4,585	5,480	18,002

**Housing Authority of the City of Fort Smith  
Fort Smith Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>North Pointe, LP</u>	<u>North Pointe II, LP</u>	<u>Clayton Heights Development, LP</u>	<u>TOTAL</u>
	Ordinary Maintenance & Operation				
94100	Labor	30,973	39,254	33,734	103,961
94200	Materials	55,874	57,580	54,798	168,252
94300	Contracts	32,806	32,981	43,000	108,787
94300-010	Garbage & trash removal contracts	0	0	0	0
94300-020	Heating & cooling contracts	0	0	0	0
94300-030	Snow Removal contracts	0	0	0	0
94300-040	Elevator maintenance contracts	0	0	0	0
94300-050	Landscape & grounds contracts	0	0	0	0
94300-060	Unit turnaround contracts	0	0	0	0
94300-070	Electrical contracts	0	0	0	0
94300-080	Plumbing contracts	0	0	0	0
94300-090	Extermination contracts	0	0	0	0
94300-100	Janitorial contracts	0	0	0	0
94300-110	Routine maintenance contracts	0	0	0	0
94300-120	Contract costs - other	0	0	0	0
94500	Employee benefit contributions	2,301	2,915	2,505	7,721
94000	Total Ordinary Maintenance & Operation	121,954	132,730	134,037	388,721
	Protective Services				
95100	Protective services - salaries	0	0	0	0
95200	Other protective services - contract costs	0	0	0	0
95300	Protective services - other	0	0	0	0
95500	Employee benefits - protective services	0	0	0	0
95000	Total Protective Services	0	0	0	0
	Insurance Premiums				
96110	Property insurance	20,489	22,258	17,054	59,801
96120	Liability insurance	8,819	10,580	7,688	27,087
96130	Workmen's compensation	0	0	0	0
96140	Insurance - other	445	17,406	502	18,353
96100	Total Insurance Premiums	29,753	50,244	25,244	105,241
	General Expenses				
96200	Other general expense	7,349	80,214	25,456	113,019
96210	Compensated absences	0	0	0	0
96300	Payments in lieu of taxes	0	0	0	0
96400	Bad debt - tenant rents	1,177	11,490	12,967	25,634
96500	Bad debt - mortgages	0	0	0	0
96600	Bad debt - other	0	0	0	0
96800	Severance expense	0	0	0	0
96000	Total General Expenses	8,526	91,704	38,423	138,653

**Housing Authority of the City of Fort Smith  
Fort Smith Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>North Pointe, LP</u>	<u>North Pointe II, LP</u>	<u>Clayton Heights Development, LP</u>	<u>TOTAL</u>
	Financial Expenses				
96710	Interest expense - mortgage payable	105,509	132,593	172,820	410,922
96720	Interest expense - notes payable	0	0	0	0
96730	Amortization - issuance costs	3,154	12,268	4,550	19,972
96700	Total Financial Expenses	108,663	144,861	177,370	430,894
96900	<b>TOTAL OPERATING EXPENSE</b>	362,604	539,636	480,062	1,382,302
97000	<b>EXCESS OPERATING REVENUE</b>	86,348	72,661	62,427	221,436
	Other Expenses				
97100	Extraordinary maintenance	0	0	0	0
97200	Casualty losses	0	0	0	0
97300	Housing assistance payments	0	0	0	0
97350	Portability HAP expense	0	0	0	0
97400	Depreciation expense	159,417	307,531	272,558	739,506
97500	Fraud losses	0	0	0	0
97600	Capital outlays - gov't funds	0	0	0	0
97700	Debt principal payment - gov't funds	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0
	Total Other Expenses	159,417	307,531	272,558	739,506
90000	<b>TOTAL EXPENSES</b>	\$ 522,021	\$ 847,167	\$ 752,620	\$ 2,121,808
10000	<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ (73,069)	\$ (234,870)	\$ (210,131)	\$ (518,070)
11020	Required annual debt principal payments	0	0	0	0
11030	<b>Beginning Net Position</b>	2,466,709	2,434,400	3,633,512	8,534,621
11040-010	Prior period adjustments	0	0	0	0
11040-070	Equity transfers	(61,776)	(20,054)	(3,486)	(85,316)
	<b>Ending Net Position</b>	\$ 2,331,864	\$ 2,179,476	\$ 3,419,895	\$ 7,931,235

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH  
Fort Smith, Arkansas**

**SINGLE AUDIT SECTION**

**DECEMBER 31, 2021**



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

Board of Commissioners  
Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas 72904

Fort Worth Regional Office  
Public Housing Division  
801 Cherry Street, Unit #45, Suite 2500  
Fort Worth, Texas 76102

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Fort Smith, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Fort Smith's basic financial statements, and have issued our report thereon dated April 5, 2022.

**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 Fort Smith'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 Fort Smith's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Fort Smith'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 Housing Authority of the City of Fort Smith'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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Fort Smith'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

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

*Rector, Reeder & Lofton, PC*  
Certified Public Accountants

Loganville, Georgia  
April 5, 2022



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

Board of Commissioners  
Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas 72904

Fort Worth Regional Office  
Public Housing Division  
801 Cherry Street, Unit #45, Suite 2500  
Fort Worth, Texas 76102

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

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

We have audited the Housing Authority of the City of Fort Smith'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 Fort Smith's major federal programs for the year ended December 31, 2021. The Housing Authority of the City of Fort Smith's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than

for that resulting from error; as fraud may involve override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Rector, Reeder & Lofton, PC*  
Certified Public Accountants

Loganville, Georgia  
April 5, 2022

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH  
Fort Smith, Arkansas**

**STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended December 31, 2020, contained no formal audit findings.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

***Section I – Summary of Auditor's Results:***

***Financial Statements***

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

**Unmodified**

Internal control over financial reporting:

Material weakness(es) identified?

**No**

Significant Deficiency(ies) identified not considered to be material weaknesses?

**None reported**

Noncompliance material to the financial statements noted?

**No**

***Federal Awards***

Internal controls over major federal programs:

Material weakness(es) identified?

**No**

Significant Deficiency(ies) identified not considered to be material weaknesses?

**None reported**

Type of auditor's report issued on the compliance for major federal programs:

**Unmodified**

Any audit findings disclosed that are required to be reported under 2 CFR §200.516(a)?

**No**

Identification of major federal programs:

- Section 8 Housing Choice Vouchers Program                      CFDA #14.871
- Mainstream Vouchers    CFDA #14.879

Dollar threshold used to distinguish between Type A and Type B programs:

**\$750,000**

Did the Authority qualify as a low-risk auditee?

**Yes**

***Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS:***

NONE REPORTED

***Section III – Federal Award Findings and Questioned Costs for Federal Awards:***

NONE REPORTED

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

**SUPPLEMENTAL INFORMATION**

**DECEMBER 31, 2021**

**Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS  
December 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Blended Component Unit</u>	<u>Home Investment Partnership Program 14.258</u>	<u>Section 8 Moderate Housing Assistance 14.856</u>	<u>Section 8 Housing Choice Vouchers 14.871</u>
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
Cash:					
111	Cash - unrestricted	\$ 1,345,563	\$ 0	\$ 357,267	\$ 1,694,072
112	Cash - restricted modernization and development	0	0	0	0
113	Cash - other restricted	469,285	0	0	179,132
114	Cash - tenant security deposits	34,941	0	0	0
115	Cash - restricted for payment of current liabilities	0	0	0	0
100	Total Cash	1,849,789	0	357,267	1,873,204
Accounts and notes receivables:					
121	Accounts receivable - PHA projects	0	0	0	0
122	Accounts receivable - HUD	0	0	0	0
124	Accounts receivable - other government	0	0	0	0
125	Accounts receivable - miscellaneous	239,823	0	0	2,285
126	Accounts receivable - tenants rents	80,645	0	0	0
126.1	Allowance for doubtful accounts - tenants	(76,025)	0	0	0
126.2	Allowance for doubtful accounts - other	0	0	0	0
127	Notes Receivable - current	0	0	0	0
128	Fraud Recovery	0	0	0	0
128.1	Allowance for doubtful accounts - fraud	0	0	0	0
129	Accrued interest receivable	157,090	0	0	2,520
120	Total receivables - net	401,533	0	0	4,805
Current investments:					
131	Investments - unrestricted	0	0	0	0
132	Investments - restricted	0	0	0	0
135	investments - restricted for payment of current liabilities	0	0	0	0
142	Prepaid expenses and other assets	18,326	0	0	14,908
143	Inventories	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0
144	Interprogram due from	181,319	0	0	26,307
145	Assets held for sale	333,325	0	0	0
150	TOTAL CURRENT ASSETS	2,784,292	0	357,267	1,919,224
<b>NONCURRENT ASSETS:</b>					
Capital Assets:					
161	Land	229,884	0	0	0
162	Buildings	12,417,565	0	0	0
163	Furniture & equipment - dwellings	1,019,010	0	0	0
164	Furniture & equipment - administration	275,656	0	0	370,331
165	Improvements	0	0	0	0
166	Accumulated depreciation	(7,632,995)	0	0	(145,562)
167	Construction in progress	12,357	0	0	0
168	Infrastructure	0	0	0	0
160	Total capital assets - net	6,321,477	0	0	224,769
171	Notes receivable - noncurrent	478,948	149,267	0	133,688
172	Notes receivable - noncurrent past due	0	0	0	0
173	Grants receivable	0	0	0	0
174	Other assets	0	0	0	0
176	Investment in joint ventures	981,125	0	0	0
180	TOTAL NONCURRENT ASSETS	7,781,550	149,267	0	358,457
200	DEFERRED OUTFLOW OF RESOURCES	0	0	0	0
290	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 10,565,842	\$ 149,267	\$ 357,267	\$ 2,277,681

Mainstream Vouchers 14.879	Business Activities	Discrete Component Unit	Elimination	TOTAL
\$ 24,396	\$ 631,153	\$ 208,820	\$ 0	\$ 4,261,271
0	0	0	0	0
8,659	61,595	1,157,185	0	1,875,856
0	2,800	54,950	0	92,691
0	0	0	0	0
33,055	695,548	1,420,955	0	6,229,818
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	174,359	8,905	0	425,372
0	5,227	166,888	0	252,760
0	(3,744)	(148,647)	0	(228,416)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	177,684	0	(159,610)	177,684
0	353,526	27,146	(159,610)	627,400
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	5,292	57,915	0	96,441
0	0	0	0	0
0	0	0	0	0
0	63,910	0	(271,536)	0
0	344,328	0	0	677,653
33,055	1,462,604	1,506,016	(431,146)	7,631,312
0	692,346	281,897	0	1,204,127
0	966,829	22,690,494	0	36,074,888
0	0	0	0	1,019,010
0	27,321	840,296	0	1,513,604
0	0	0	0	0
0	(117,225)	(8,698,065)	0	(16,593,847)
0	795,331	0	0	807,688
0	0	0	0	0
0	2,364,602	15,114,622	0	24,025,470
0	732,164	0	(612,636)	881,431
0	0	0	0	0
0	0	0	0	0
0	0	163,795	0	163,795
0	0	0	0	981,125
0	3,096,766	15,278,417	(612,636)	26,051,821
0	0	0	0	0
\$ 33,055	\$ 4,559,370	\$ 16,784,433	\$ (1,043,782)	\$ 33,683,133

**Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS  
December 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Blended Component Unit</u>	<u>Home Investment Partnership Program 14.258</u>	<u>Section 8 Moderate Housing Assistance 14.856</u>	<u>Section 8 Housing Choice Vouchers 14.871</u>
<b>LIABILITIES AND NET POSITION:</b>					
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES:</b>					
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable < = 90 days	191,890	0	0	5,688
313	Accounts payable > 90 days	0	0	0	0
321	Accrued salaries/payroll withholding	9,923	0	0	11,070
322	Accrued compensated absences	30,984	0	0	19,367
324	Accrued contingency liability	0	0	0	0
325	Accrued interest payable	154,037	0	0	0
331	Accounts payable - HUD PHA programs	0	0	145,221	0
332	Accounts payable - PHA projects	0	0	0	0
333	Accounts payable - other gov.	0	0	0	0
341	Tenant security deposits	34,941	0	0	0
342	Unearned revenue	4,296	0	0	0
343	Current portion of L-T debt - capital projects	0	0	0	0
344	Current portion of L-T debt - operating	0	0	0	0
345	Other current liabilities	6,136	0	0	193
346	Accrued liabilities - other	0	0	0	0
347	Interprogram (due to)	109,909	0	4,112	31,050
348	Loan liability - current	0	0	0	0
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>542,116</b>	<b>0</b>	<b>149,333</b>	<b>67,368</b>
<b>NONCURRENT LIABILITIES:</b>					
351	Long-term debt, net of current - operating	307,888	0	0	0
352	Long-term debt, net of current - capital	0	0	0	0
353	Noncurrent liabilities - other	0	0	0	55,232
354	Accrued comp. absences - long term	23,551	0	0	29,852
355	Loan liability - noncurrent	0	0	0	0
356	FASB 5 liabilities	0	0	0	0
357	Accrued pension and OPEB liabilities	0	0	0	0
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>331,439</b>	<b>0</b>	<b>0</b>	<b>85,084</b>
300	<b>TOTAL LIABILITIES</b>	<b>873,555</b>	<b>0</b>	<b>149,333</b>	<b>152,452</b>
400	<b>DEFERRED INFLOW OF RESOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET POSITION:</b>					
508.4	Investment in Capital Assets	6,321,477	0	0	224,768
511.4	Restricted - Net Position	469,285	0	0	123,900
512.4	Unrestricted - Net Position	2,901,525	149,267	207,934	1,776,561
513	<b>TOTAL NET POSITION</b>	<b>9,692,287</b>	<b>149,267</b>	<b>207,934</b>	<b>2,125,229</b>
600	<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<b>\$ 10,565,842</b>	<b>\$ 149,267</b>	<b>\$ 357,267</b>	<b>\$ 2,277,681</b>



Mainstream Vouchers 14.879	Business Activities	Discrete Component Unit	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	509	12,970	0	211,057
0	0	0	0	0
0	10,860	4,731	0	36,584
0	26,607	2,177	0	79,135
0	0	0	0	0
0	5,574	169,251	(159,610)	169,252
0	0	0	0	145,221
0	0	0	0	0
0	0	0	0	0
0	2,800	54,950	0	92,691
0	342	8,745	0	13,383
0	79,869	209,350	0	289,219
0	0	0	0	0
0	34,870	43,677	0	84,876
0	0	0	0	0
24,359	102,106	0	(271,536)	0
0	0	0	0	0
24,359	263,537	505,851	(431,146)	1,121,418
0	304,748	8,347,347	(612,636)	8,347,347
0	0	0	0	0
0	0	0	0	55,232
0	7,926	0	0	61,329
0	1,303,953	0	0	1,303,953
0	0	0	0	0
0	0	0	0	0
0	1,616,627	8,347,347	(612,636)	9,767,861
24,359	1,880,164	8,853,198	(1,043,782)	10,889,279
0	0	0	0	0
0	654,147	6,557,925	0	13,758,317
8,659	61,595	1,157,185	0	1,820,624
37	1,963,464	216,125	0	7,214,913
8,696	2,679,206	7,931,235	0	22,793,854
\$ 33,055	\$ 4,559,370	\$ 16,784,433	\$ (1,043,782)	\$ 33,683,133

**Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Blended Component Unit</u>	<u>Home Investment Partnership 14.258</u>	<u>Section 8 Moderate Housing Assistance 14.856</u>	<u>Section 8 Housing Choice Vouchers 14.871</u>
<b>REVENUES:</b>					
70300	Net tenant rental revenue	\$ 1,534,721	\$ 0	\$ 0	\$ 0
70400	Tenant revenue - other	122,568	0	0	0
70500	Total tenant revenue	1,657,289	0	0	0
70600	HUD PHA grants - operating	0	0	391,911	7,836,203
70610	HUD PHA grants - capital	0	0	0	0
70710	Management fee	0	0	0	0
70720	Asset management fee	0	0	0	0
70730	Bookkeeping fee	0	0	0	0
70740	Front line service fee	0	0	0	0
70750	Other fees	0	0	0	0
70700	Total fee revenue	0	0	0	0
70800	Other government grants	0	0	0	0
71100	Investment income - unrestricted	1,002	0	32	163
71200	Mortgage interest income	16,745	0	0	2,520
71300	Proceeds from disposition of assets	1,832,921	0	0	0
71310	Cost of assets held for sale	(1,619,704)	0	0	0
71400	Fraud income	0	0	0	52,574
71500	Other revenue	643,894	0	0	52,041
71600	Gain/(loss) on disposition	1,000	0	0	161,707
72000	Investment income - restricted	256	0	0	20
70000	<b>TOTAL REVENUES</b>	<b>\$ 2,533,403</b>	<b>\$ 0</b>	<b>\$ 391,943</b>	<b>\$ 8,105,228</b>
<b>EXPENSES:</b>					
<b>Administrative</b>					
91100	Administrative salaries	\$ 292,453	\$ 0	\$ 38,365	\$ 344,882
91200	Auditing fees	7,220	0	1,520	4,750
91300	Management fees	406,125	0	6,756	219,216
91310	Bookkeeping fees	0	0	4,223	139,205
91400	Advertising & marketing	7,891	0	0	0
91500	Employee benefits - administrative	114,681	0	0	132,089
91600	Office expense	41,374	0	0	94,782
91700	Legal expense	2,110	0	0	10,641
91800	Travel expense	0	0	0	0
91810	Allocated overhead	0	0	0	0
91900	Other operating - administrative	50,386	0	0	13,183
91000	Total Administrative Expense	922,240	0	50,864	958,748
92000	Asset management fee	0	0	0	0
<b>Tenant services</b>					
92100	Tenant services - salaries	0	0	0	0
92200	Relocation costs	0	0	0	0
92300	Employee benefits - tenant services	0	0	0	0
92400	Other tenant services	5,006	0	0	0
92500	Total Tenant Services	5,006	0	0	0
<b>Utilities</b>					
93100	Water	122,640	0	0	0
93200	Electricity	124,524	0	0	0
93300	Gas	8,783	0	0	0
93400	Fuel	0	0	0	0
93500	Labor	0	0	0	0
93600	Sewer	0	0	0	0
93700	Employee benefits - utilities	0	0	0	0
93800	Other utilities expense	45,337	0	0	0
93000	Total Utilities Expense	301,284	0	0	0

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Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Blended Component Unit</u>	<u>Home Investment Partnership 14.258</u>	<u>Section 8 Moderate Housing Assistance 14.856</u>	<u>Section 8 Housing Choice Vouchers 14.871</u>
	Ordinary Maintenance & Operation				
94100	Labor	187,173	0	0	0
94200	Materials	124,539	0	0	10,837
94300	Contracts	175,077	0	0	29,966
94300-010	Contract costs - garbage removal	0	0	0	0
94300-020	Contract costs - heating & cooling	0	0	0	0
94300-030	Contract costs - snow removal	0	0	0	0
94300-040	Contract costs - elevator maintenance	0	0	0	0
94300-050	Contract costs - landscape maintenance	0	0	0	0
94300-060	Contract costs - unit turnaround	0	0	0	0
94300-070	Contract costs - electrical	0	0	0	0
94300-080	Contract costs - plumbing	0	0	0	0
94300-090	Contract costs - extermination	0	0	0	0
94300-100	Contract costs - janitorial	0	0	0	0
94300-110	Contract costs - routine maintenance	0	0	0	0
94300-120	Contract costs - other	175,077	0	0	29,966
94500	Employee benefit contributions	81,148	0	0	0
94000	Total Ordinary Maintenance & Operation	567,937	0	0	40,803
	Protective services				
95100	Protective services - salaries	0	0	0	0
95200	Protective services - other contract costs	0	0	0	0
95300	Other protective services	0	0	0	0
95500	Employee benefits - protective services	0	0	0	0
95000	Total Protective Services	0	0	0	0
	Insurance Premiums				
96110	Property insurance	62,899	0	0	0
96120	Liability insurance	45,370	0	0	28,180
96130	Workmen's compensation	0	0	0	0
96140	Insurance - other	14,422	0	0	25,490
96100	Total Insurance Premiums	122,691	0	0	53,670
96200	Other general expense	283,876	0	0	0
96210	Compensated absences	27,018	0	0	19,079
96300	Payments in lieu of taxes	0	0	0	0
96400	Bad debt - tenant rents	9,842	0	0	0
96500	Bad debt - mortgages	0	50,678	0	0
96600	Bad debt - other	0	0	0	0
96800	Severance expense	0	0	0	0
96000	Total General Expenses	320,736	50,678	0	19,079
	Financial Expenses				
96710	Interest expense - mortgage payable	13,692	0	0	0
96720	Interest expense - notes payable	0	0	0	0
96730	Amortization - issuance costs	0	0	0	0
96700	Total Financial Expenses	13,692	0	0	0
96900	<b>TOTAL OPERATING EXPENSE</b>	<b>2,253,586</b>	<b>50,678</b>	<b>50,864</b>	<b>1,072,300</b>
97000	<b>EXCESS OPERATING REVENUE</b>	<b>279,817</b>	<b>(50,678)</b>	<b>341,079</b>	<b>7,032,928</b>

Mainstream Vouchers 14,879	Business Activities	Family Self Sufficiency Grant 14,896	Discrete Component Unit	Elimination	TOTAL
0	16,784	0	103,961	0	307,918
0	5,211	0	168,252	0	308,839
0	61,623	0	108,787	(62,431)	313,022
0	0	0	0	0	0
0	970	0	0	0	970
0	0	0	0	0	0
0	0	0	0	0	0
0	43,075	0	0	0	43,075
0	0	0	0	0	0
0	55	0	0	0	55
0	0	0	0	0	0
0	1,350	0	0	0	1,350
0	375	0	0	0	375
0	9,682	0	0	0	9,682
0	6,116	0	0	(62,431)	148,728
0	1,196	0	7,721	0	90,065
0	84,814	0	388,721	(62,431)	1,019,844
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	12,189	0	59,801	0	134,889
0	5,597	0	27,087	0	106,234
0	0	0	0	0	0
0	19,261	0	18,353	0	77,526
0	37,047	0	105,241	0	318,649
0	0	0	113,019	(146,442)	250,453
0	26,507	0	0	0	72,604
0	0	0	0	0	0
0	1,361	0	25,634	0	36,837
0	0	0	0	0	50,678
0	0	0	0	0	0
0	0	0	0	0	0
0	27,868	0	138,653	(146,442)	410,572
0	5,574	0	410,922	(19,266)	410,922
0	0	0	0	0	0
0	0	0	19,972	0	19,972
0	5,574	0	430,894	(19,266)	430,894
53,908	868,881	58,793	1,382,302	(1,105,465)	4,685,847
288,955	240,253	0	221,436	(746,701)	7,607,089

**Housing Authority of the City of Fort Smith  
Fort Smith, Arkansas**

**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES, AND CHANGES IN NET POSITION ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Blended Component Unit</u>	<u>Home Investment Partnership 14.258</u>	<u>Section 8 Moderate Housing Assistance 14.856</u>	<u>Section 8 Housing Choice Vouchers 14.871</u>
	Other Expenses				
97100	Extraordinary maintenance	0	0	0	0
97200	Casualty losses	0	0	0	0
97300	Housing assistance payments	0	0	342,567	6,904,743
97350	HAP portability-in	0	0	0	0
97400	Depreciation expense	466,973	0	0	69,462
97500	Fraud losses	0	0	0	0
97600	Capital outlays - gov't funds	0	0	0	0
97700	Debt principal payment - gov't funds	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0
	Total Other Expenses	<u>466,973</u>	<u>0</u>	<u>342,567</u>	<u>6,974,205</u>
	<b>TOTAL EXPENSES</b>	<b>\$ <u>2,720,559</u></b>	<b>\$ <u>50,678</u></b>	<b>\$ <u>393,431</u></b>	<b>\$ <u>8,046,505</u></b>
10010	Operating transfer in	0	0	0	0
10020	Operating transfer out	0	0	0	0
10030	Operating transfers from/to primary gov't	0	0	0	0
10040	Operating transfers from/to comp. unit	0	0	0	0
10050	Proceeds from notes, loans & bonds	0	0	0	0
10060	Proceeds from property sales	0	0	0	0
10070	Extraordinary items, net gain/loss	0	0	0	0
10080	Special items, net gain/loss	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 project & program - in	0	0	0	0
10094	Transfers between project & program - out	0	0	0	0
10100	Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ <u>(187,156)</u></b>	<b>\$ <u>(50,678)</u></b>	<b>\$ <u>(1,488)</u></b>	<b>\$ <u>58,723</u></b>
11020	Prior period adjustments	0	0	0	0
11030	<b>Beginning Net Position</b>	<b>9,879,443</b>	<b>199,945</b>	<b>209,422</b>	<b>2,066,506</b>
11040-010	Prior period adjustments	0	0	0	0
11040-070	Equity transfers	0	0	0	0
	<b>Ending Net Position</b>	<b>\$ <u>9,692,287</u></b>	<b>\$ <u>149,267</u></b>	<b>\$ <u>207,934</u></b>	<b>\$ <u>2,125,229</u></b>
11170	<b>Administrative Fund Equity</b>	-	-	-	2,001,329
11180	<b>Housing Choice Voucher Equity</b>	-	-	-	123,900
11190	<b>Units Available</b>	3,456	-	756	20,088
11210	<b>Units Leased</b>	3,227	-	563	18,576

Mainstream Vouchers 14.879	Business Activities	Family Self Sufficiency Grant 14.896	Discrete Component Unit	Elimination	TOTAL
0	0	0	0	0	0
0	0	0	0	0	0
297,034	0	0	0	(746,701)	6,797,643
0	0	0	0	0	0
0	43,281	0	739,506	0	1,319,222
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
297,034	43,281	0	739,506	(746,701)	8,116,865
<u>\$ 350,942</u>	<u>\$ 912,162</u>	<u>\$ 58,793</u>	<u>\$ 2,121,808</u>	<u>\$ (1,852,166)</u>	<u>\$ 12,802,712</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ (8,079)</u>	<u>\$ 196,972</u>	<u>\$ 0</u>	<u>\$ (518,070)</u>	<u>\$ 0</u>	<u>\$ (509,776)</u>
0	0	0	0	0	0
16,775	2,482,234	0	8,534,621	0	23,388,946
0	0	0	0	0	0
0	0	0	(85,316)	0	(85,316)
<u>\$ 8,696</u>	<u>\$ 2,679,206</u>	<u>\$ 0</u>	<u>\$ 7,931,235</u>	<u>\$ 0</u>	<u>\$ 22,793,854</u>
-	-	-	-	-	2,001,329
-	-	-	-	-	123,900
984	120	-	2,064	(3,456)	24,012
878	102	-	1,960	(3,227)	22,079

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH  
Fort Smith, Arkansas**

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

	<u>Type</u>	<u>Federal CFDA #</u>	<u>Expenditures</u>
<b><u>FEDERAL GRANTOR</u></b>			
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT:</u></b>			
<b>Section 8 Housing Assistance Program:</b>			
Section 8 Housing Choice Vouchers (Cluster)	A - Major	14.871	\$ 7,836,203
Mainstream Vouchers (Cluster)	A - Major	14.879	<u>342,861</u>
			8,179,064
Section 8 Moderate Rehabilitation Program	B - Nonmajor	14.856	391,911
Family Self Sufficiency Grant Program	B - Nonmajor	14.896	<u>58,793</u>
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ <u>8,629,768</u></b>
<b>Threshold for Type A &amp; Type B</b>			<b>\$ <u>750,000</u></b>

The accompanying notes to the schedule of federal financial awards is an integral part of this schedule.



**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**  
**Fort Smith, Arkansas**

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

**NOTE A - BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

**NOTE B - 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE C - INDIRECT COST RATE:**

The Authority did not elect to use the 10% de minimis cost rate.

**NOTE D - SUBRECIPIENTS:**

The Authority provided no federal awards to subrecipients during the fiscal year ending December 31, 2021.

**NOTE E - DISCLOSURE OF OTHER FORMS OF ASSISTANCE:**

- The Housing Authority of the City of Fort Smith received no federal awards of non-monetary assistance that are required to be disclosed for the year ended December 31, 2021.
- The Housing Authority of the City of Fort Smith had no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the year ended December 31, 2021.
- The Housing Authority of the City of Fort Smith maintains the following limits of insurance as of December 31, 2021:

Property	\$	28,055,512
Liability	\$	1,000,000
Director and Officers	\$	1,000,000
Commercial Auto	\$	1,000,000
Workers Compensation		Statutory
Crime	\$	50,000

Settled claims have not exceeded the above commercial insurance coverage limits over the past three years.