

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

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

**DECEMBER 31, 2023**

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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, 2023**



## 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, 2023, 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, 2023, 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 March 20, 2024, 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  
March 20, 2024

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

**MANAGEMENT'S DISCUSSION & ANALYSIS**

**DECEMBER 31, 2023**

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH  
FORT SMITH, ARKANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FYE: DECEMBER 31, 2023**

**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, 2023. 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, 2023.

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

**Financial Highlights**

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$15,942,395 (net position) as opposed to \$14,394,332 for the prior fiscal year.
- The Authority's cash and investments as of December 31, 2023, totaled \$5,736,052 representing an increase of \$2,012,477 or 54.05% from December 31, 2022.
- The Authority had total revenues of \$13,373,804 and total expenses of \$11,825,741 for the year ended December 31, 2023.

**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 four (4) 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. 4) HACFS Properties was formed in 2023 to hold all current and future housing developments wholly-owned by the Authority. Internally these activities are all 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)**

	<u>2023</u>	<u>2022</u>	<u>Change</u>	
<b>ASSETS</b>				
Cash and Investments	\$ 5,736,052	\$ 3,723,575	\$ 2,012,477	54.05%
Other Current Assets	996,576	1,074,893	(78,317)	-7.29%
Assets Held for Sale	584,098	765,933	(181,835)	-23.74%
Other Noncurrent Assets	1,649,442	1,747,481	(98,039)	-5.61%
Capital Assets	<u>8,729,548</u>	<u>8,920,795</u>	<u>(191,247)</u>	-2.14%
Total Assets	<u>\$ 17,695,716</u>	<u>\$ 16,232,677</u>	<u>\$ 1,463,039</u>	9.01%
<b>LIABILITIES</b>				
Current Liabilities	\$ 436,326	\$ 428,324	\$ 8,002	1.87%
Noncurrent Liabilities	<u>1,316,995</u>	<u>1,410,021</u>	<u>(93,026)</u>	-6.60%
Total Liabilities	<u>1,753,321</u>	<u>1,838,345</u>	<u>(85,024)</u>	-4.63%
<b>NET POSITION</b>				
Invested in Capital Assets	7,452,633	7,556,352	(103,719)	-1.37%
Restricted	2,741,400	799,304	1,942,096	242.97%
Unrestricted	<u>5,748,362</u>	<u>6,038,676</u>	<u>(290,314)</u>	-4.81%
Total Net Position	<u>15,942,395</u>	<u>14,394,332</u>	<u>1,548,063</u>	10.75%
Total Liabilities and Net Position	<u>\$ 17,695,716</u>	<u>\$ 16,232,677</u>	<u>\$ 1,463,039</u>	9.01%

Total Assets increased by \$1,463,039 or 9.01% from the prior year. Cash and Investments increased by \$2,012,477 or 54.05%, which is detailed in the accompanying statement of cash flows. Accounts receivable decreased by \$76,916 or 7.49%, prepaid expenses also decreased by \$1,401 or 2.91%, as well as Assets Held for Sale of \$181,835 or 23.74%. Capital assets decreased by \$191,247 or 2.14% due to depreciation expense exceeding additions for the year. Other noncurrent assets decreased by \$98,039 or 5.61% due primarily to the forgiveness of notes receivable, which is detailed in the accompanying Notes to the Financial Statements.

Total Liabilities decreased by \$85,024 or 4.63%. Current liabilities increased slightly by \$8,002 or 1.87%. Noncurrent liabilities decreased by \$93,026 or 6.60%, primarily due to the amortization of long-term debt.

Total Net Position increased by \$1,548,063 or 10.75%. Investment in Capital Assets decreased by \$103,719 or 1.37%. Restricted Net Position increased by \$1,942,096 or 242.97% due to an increase restricted reserves. Unrestricted Net Position decreased by \$290,314 or 4.81% 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 2022 to FY 2023.

	2023	2022	Change	
REVENUE				
Tenant Revenue	\$ 1,141,486	\$ 993,651	\$ 147,835	14.88%
HUD Operating Grants	9,297,937	8,534,459	763,478	8.95%
Proceeds from Disposition of Assets	1,365,709	1,953,900	(588,191)	-30.10%
Costs of Sale of Assets	(976,254)	(1,674,849)	698,595	-41.71%
Gain/(Loss) on Sale of Fixed Assets	15,338	(74,920)	90,258	-120.47%
Investment Income	75,147	41,512	33,635	81.02%
Other Revenue	2,454,441	823,404	1,631,037	198.08%
Total Revenue	\$ 13,373,804	\$ 10,597,157	\$ 2,776,647	26.20%

Total Revenue increased by \$2,776,647 or 26.20% to \$13,373,804 during FY 2023. This increase was due primarily to an increase in other revenue of \$1,631,037 from insurance proceeds received at year-end for storm damage that occurred during the fiscal year.

The following table illustrates changes in expenses from FY 2022 to FY 2023.

	2023	2022	Change	
EXPENSES				
Administration	\$ 2,451,985	\$ 2,112,304	\$ 339,681	16.08%
Tenant Services	798	1,025	(227)	-22.15%
Utilities	377,255	362,233	15,022	4.15%
Maintenance	807,539	691,871	115,668	16.72%
General	441,731	549,701	(107,970)	-19.64%
Financial	1,679	0	1,679	100.00%
Housing Assistance Payments	7,096,400	6,526,624	569,776	8.73%
Depreciation	648,354	591,520	56,834	9.61%
Total Expenses	\$ 11,825,741	\$ 10,835,278	\$ 990,463	9.14%

Total Expenses, across all Authority programs increased by \$990,463 or 9.14%.

Administrative expenses increased by \$339,681 or 16.08% due mainly to increases in salaries and benefits. Tenant services decreased slightly by \$227 or 22.15%. Utilities increased by \$15,022 or 4.15% due to increase in rates and consumption. Maintenance expense increased by \$115,668 or 16.72%, which was due to an increase in labor and benefits of \$40,166 or 11.47% as well as increased contract costs of \$51,195. General expenses decreased by \$107,970 or 19.64% due to decreases in other general expenses of \$118,871, which was caused by expenses associated with



the Newlon Springs Development LP project in the prior year. HAP expense increased by \$569,776 or 8.73%. Depreciation expenses increased by \$56,834 or 9.61%.

### **Capital Assets**

	<u>2023</u>	<u>2022</u>	<u>Change</u>	
Land	\$ 822,738	\$ 726,693	\$ 96,045	13.22%
Buildings	15,074,020	14,863,369	210,651	1.42%
Equipment	1,866,874	1,756,665	110,209	6.27%
Construction in Progress	92,241	61,371	30,870	50.30%
Accumulated Depreciation	<u>(9,126,325)</u>	<u>(8,487,303)</u>	<u>(639,022)</u>	7.53%
Net Capital Assets	\$ <u>8,729,548</u>	\$ <u>8,920,795</u>	\$ <u>(191,247)</u>	-2.14%

Total Capital assets decreased during the year to \$8,729,548, a decrease of \$191,247 or 2.14%.

The following reconciliation summarizes changes in capital asset balances during FY 2023.

Balance as of January 1, 2023	\$ 8,920,795
Capital additions	457,108
Adjustments	(1)
Depreciation expense	<u>(648,354)</u>
Balance as of December 31, 2023	<u>\$ 8,729,548</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 forgiven in 15 equal installments of \$79,869. In FY2022, the Authority acquired an additional note in the amount of \$406,000 from ADFA to build 9<sup>th</sup> Street Cottages. The loan bears 1.00% interest with payments to begin one year after affordability period commences. As of December 31, 2023, the total loan balances were \$1,276,915.

### **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, insurance rates, wages, supplies, and other costs

### **Financial Contact**

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

President & CEO  
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, 2023**

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH**

Fort Smith, Arkansas

**STATEMENT OF NET POSITION**

**December 31, 2023**

	<b>ASSETS</b>		
	<b>Primary</b>	<b>Discrete</b>	<b>Total</b>
	<b>Government</b>	<b>Component</b>	<b>(Memorandum</b>
<b><u>Current Assets</u></b>	<b>Units</b>	<b>Only)</b>	
Cash & cash equivalents - unrestricted	\$ 2,884,745	\$ 146,573	\$ 3,031,318
Cash & cash equivalents - restricted	2,851,307	1,598,384	4,449,691
Accounts receivable, net	949,833	20,980	970,813
Prepaid expenses	46,743	128,405	175,148
Assets held for sale	584,098	-	584,098
	<hr/>	<hr/>	<hr/>
Total Current Assets	7,316,726	1,894,342	9,211,068
	<hr/>	<hr/>	<hr/>
<b><u>Noncurrent Assets</u></b>			
Capital Assets:			
Land & improvements	822,738	281,897	1,104,635
Buildings	15,074,020	22,716,804	37,790,824
Construction in progress	92,241	-	92,241
Furniture & equipment	1,866,874	840,296	2,707,170
	<hr/>	<hr/>	<hr/>
	17,855,873	23,838,997	41,694,870
Less: Accumulated depreciation	(9,126,325)	(10,165,373)	(19,291,698)
	<hr/>	<hr/>	<hr/>
Total Capital Assets	8,729,548	13,673,624	22,403,172
	<hr/>	<hr/>	<hr/>
Other Noncurrent Assets:			
Notes receivable	668,429	-	668,429
Other assets	-	127,077	127,077
Investment in joint venture	981,013	-	981,013
	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	10,378,990	13,800,701	24,179,691
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	\$ 17,695,716	\$ 15,695,043	\$ 33,390,759
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The accompanying notes are an integral part of the financial statements.

# **LIABILITIES & NET POSITION**

	Primary Government	Discrete Component Units	Total (Memorandum Only)
<b><u>Current Liabilities</u></b>			
Accounts payable	\$ 108,637	\$ 37,094	\$ 145,731
Accrued liabilities	123,821	210,424	334,245
Other current liabilities	51,223	190,000	241,223
Noncurrent debt - current portion	98,377	227,814	326,191
Unearned revenue	10,337	297,978	308,315
Tenant security deposits/escrow deposits	43,931	55,550	99,481
	<u>436,326</u>	<u>1,018,860</u>	<u>1,455,186</u>
<b><u>Noncurrent Liabilities</u></b>			
Long-term debt, net of current - capital projects	1,178,538	7,898,560	9,077,098
Accrued compensated absences	72,481	-	72,481
Trust deposits	65,976	-	65,976
	<u>1,316,995</u>	<u>7,898,560</u>	<u>9,215,555</u>
<b>TOTAL LIABILITIES</b>	<u>1,753,321</u>	<u>8,917,420</u>	<u>10,670,741</u>
<b><u>NET POSITION</u></b>			
Investment in Capital Assets	7,452,633	5,547,250	12,999,883
Restricted	2,741,400	1,542,834	4,284,234
Unrestricted	5,748,362	(312,461)	5,435,901
	<u>15,942,395</u>	<u>6,777,623</u>	<u>22,720,018</u>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<u>\$ 17,695,716</u>	<u>\$ 15,695,043</u>	<u>\$ 33,390,759</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, 2023**

	Primary Government	Discrete Component Units	Total (Memorandum Only)
<b><u>Operating Revenues</u></b>			
Dwelling rent	\$ 1,141,486	\$ 1,775,745	\$ 2,917,231
Governmental grants & subsidy	9,297,937	-	9,297,937
Other income	2,843,896	-	2,843,896
<b>Total Operating Revenues</b>	<u>13,283,319</u>	<u>1,775,745</u>	<u>15,059,064</u>
<b><u>Operating Expenses</u></b>			
Administration	2,451,985	342,914	2,794,899
Tenant services	798	-	798
Utilities	377,255	21,044	398,299
Maintenance & operations	807,539	658,941	1,466,480
General expense	441,731	236,900	678,631
Housing assistance payments	7,096,400	-	7,096,400
Depreciation and amortization expense	648,354	747,603	1,395,957
<b>Total Operating Expense</b>	<u>11,824,062</u>	<u>2,007,402</u>	<u>13,831,464</u>
<b>Net Operating Income/(Loss)</b>	<u>1,459,257</u>	<u>(231,657)</u>	<u>1,227,600</u>
<b><u>Nonoperating Revenues/(Expenses)</u></b>			
Investment income	70,741	18,155	88,896
Notes Receivable - interest income	4,406	-	4,406
Gain/(Loss) on disposition of assets	15,338	-	15,338
Interest expense	(1,679)	(397,559)	(399,238)
<b>Net Nonoperating Revenues/(Expenses)</b>	<u>88,806</u>	<u>(379,404)</u>	<u>(290,598)</u>
<b>Increase/(Decrease) in Net Position</b>	1,548,063	(611,061)	937,002
Total Net Position - beginning	14,394,332	7,395,326	21,789,658
Equity distribution/transfer	<u>-</u>	<u>(6,642)</u>	<u>(6,642)</u>
<b>Total Net Position - ending</b>	<u>\$ 15,942,395</u>	<u>\$ 6,777,623</u>	<u>\$ 22,720,018</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, 2023**

	Primary Government	Discrete Component Units	Total (Memorandum Only)
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers and users	\$ 3,985,382	\$ 1,775,745	\$ 5,761,127
Governmental grants & subsidy - operations	9,297,937	-	9,297,937
Payments to suppliers	(1,382,502)	(489,908)	(1,872,410)
Payments for housing assistance	(7,096,400)	-	(7,096,400)
Payments to employees	(2,532,029)	(322,762)	(2,854,791)
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>2,272,388</u>	<u>963,075</u>	<u>3,235,463</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest received	75,147	18,155	93,302
Proceeds from notes receivable	97,986	-	97,986
Investment in joint venture - net	53	-	53
Invested in assets held for sale - net	181,835	-	181,835
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	<u>355,021</u>	<u>18,155</u>	<u>373,176</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>			
Acquisition of capital assets	(457,108)	-	(457,108)
Payments on mortgage/notes payable	(171,484)	(212,512)	(383,996)
Proceeds from mortgage notes payable	-	-	-
Interest expense	(1,679)	(397,559)	(399,238)
Distribution to partners	-	(6,642)	(6,642)
Proceeds from disposition of capital assets	15,339	-	15,339
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(614,932)</u>	<u>(616,713)</u>	<u>(1,231,645)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,012,477	364,517	2,376,994
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>3,723,575</u>	<u>1,380,440</u>	<u>5,104,015</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ <u>5,736,052</u>	\$ <u>1,744,957</u>	\$ <u>7,481,009</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Net Income/(Loss) from operations	\$ 1,459,257	\$ (231,657)	\$ 1,227,600
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation & amortization	648,354	747,603	1,395,957
Decrease (Increase) in accounts receivable, net	76,916	(4,131)	72,785
Decrease (Increase) in prepaid expenses	1,401	(45,635)	(44,234)
Increase (Decrease) in accounts payable	59,393	27,489	86,882
Increase (Decrease) in accrued liabilities	4,701	9,319	14,020
Increase (Decrease) in other current liabilities	777	458,887	459,664
Increase (Decrease) in security/trust deposits	21,589	1,200	22,789
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>\$ 2,272,388</u>	<u>\$ 963,075</u>	<u>\$ 3,235,463</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, 2023**

**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, 2023**  
(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 1,662 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 63 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 four (4) 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. 4) HACFS Properties was formed in 2023 to hold all current and future housing developments wholly-owned by the Authority. Internally these activities are all 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, 2023**  
(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, 2023**  
(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, 2023**  
(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, 2023**  
(Continued)

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

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

Rick Foti, Chair	March 2028
Alex Sanchez	March 2026
Barbara Meadows	March 2024
Rex Terry	March 2025
Jackie Flake	March 2027

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 President & CEO. 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:**

During FY 2023, the Authority did not implement any new pronouncements 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, 2023, the Authority's primary government cash deposits had a carrying amount of \$5,736,052 and bank balances of \$5,785,242. Of the bank balances held, \$805,000 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's 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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**  
(Continued)

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

***Restricted cash:***

Reserve for Replacement – BCU	\$ 2,737,155
FSS Forfeiture Account	3,523
Tenant security deposits	43,931
Mainstream Vouchers	722
FSS Escrow	<u>65,976</u>
	<u>\$ 2,851,307</u>

The Restricted Net Position on December 31, 2023, was \$2,741,400 and is made up of the Reserve for Replacement for Blended Component Unit of \$2,737,155, Mainstream Voucher equity of \$722, and \$3,523 for the FSS Forfeiture Account.

**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	9128286L9	03/31/26	2.250%	\$ 977,407
US Treasury	912828CET4	05/31/27	2.625%	281,863
US Treasury	912828YG9	09/30/26	1.625%	1,404,433
FHLMC	31307PUK3	11/01/25	2.500%	68,713
GNMA	36179NLP1	08/20/43	2.625%	46,628
GNMA	36179SZD2	03/20/47	2.500%	78,529
GNMA	3617B4WL7	08/20/47	2.625%	122,942
FNBB	352620AE8	12/01/24	2.375%	4,904
FNBB	890326BQ3	02/01/27	2.750%	48,678
FNR	3136B1KD5	03/25/47	3.000%	74,045
FNR	3136B4NN4	05/25/49	2.500%	34,091
FNR	31398S4S9	01/26/26	3.500%	20,677
GNMA	38377X4E9	02/20/41	1.500%	56,271
GNR	38380WWM7	12/20/47	3.000%	46,353
GNR	38383FFZ1	11/20/51	1.500%	577,593
FGPC	38383DGL6	11/20/51	1.500%	377,343
FGPC	31307PUK3	11/01/25	2.500%	70,394
FNRM	3136B1KD5	03/25/47	2.500%	79,654
FNRM	3136B4NN4	05/25/49	2.500%	40,739
FNRM	31398S4S9	01/25/26	2.500%	21,087
GNAR	3617B4WL7	08/20/47	2.500%	124,887
GNAR	36179NLP1	08/20/43	2.500%	46,910
GNAR	36179SZD2	03/20/47	2.500%	78,729
GNRM	38377X4E9	02/20/41	2.500%	59,946
GNRM	38380WWM7	12/20/47	2.500%	49,291
GNRM	38383DGL6	11/20/51	2.500%	451,092
GNRA	38383FFZ1	10/20/51	2.500%	686,062
2 1/4 Note J 26	9128286L9	03/31/26	1.000%	1,020,000
2 5/8 Note Z 27	91282CET4	05/31/27	1.000%	295,000
1 5/8 Note Q26	912828YG9	09/30/26	1.000%	<u>1,500,000</u>
				<u>\$ 8,744,261</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**  
(Continued)

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

***Discrete Component Units:***

Cash and cash equivalents as of December 31, 2023, consisted of the following:

Unrestricted cash	\$ 146,573
Restricted for reserves	1,542,834
Restricted for tenant security deposits	<u>55,550</u>
	<u>\$ 1,744,957</u>

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

Accounts and accrued receivable at December 31, 2023, consisted of the following:

Tenants (net of allowance of \$116,274)	\$ 9,289
Accounts receivable - HUD	102,702
Accounts receivable - Hope Campus	31,304
Accounts receivable - DCU	16,231
Accounts receivable - employee	8,969
Accrued interest receivable	205,446
Accounts receivable - other	<u>575,892</u>
	<u>\$ 949,833</u>

The above receivable balance excludes \$457,220 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, 2023, consisted of the following:

Tenants (net of allowance of \$204,643)	<u>\$ 20,980</u>
---	------------------

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

Prepaid charges and other assets at December 31, 2023, consisted of the following:

Prepaid insurance and other assets	\$ 46,743
Assets Held for Sale – Strategic Community Investments	215,361
Assets Held for Sale – Business Activities	<u>368,737</u>
	<u>\$ 630,841</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**  
(Continued)

**NOTE D - PREPAID CHARGES & OTHER ASSETS: (Cont'd)**

*Discrete Component Units:*

Prepaid charges as of December 31, 2023, consisted of the following:

Prepaid insurance \$ 128,405

**NOTE E - CAPITAL ASSETS:**

The following is a summary of changes in capital assets during the year ended December 31, 2023:

Enterprise Activities:	Balance at 12/31/2022	Additions	Dispositions/ Transfers	Depreciation	Balance at 12/31/2023
<b>Capital Assets:</b>					
Land	\$ 726,693	\$ 96,045	\$ -	\$ -	\$ 822,738
Buildings	14,863,369	187,094	23,557	-	15,074,020
Furniture & Equipment	1,756,665	110,209	-	-	1,866,874
Construction in Process	61,371	63,760	(32,890)	-	92,241
<b>Total Capital Assets</b>	17,408,098	457,108	(9,333)	-	17,855,873
<b>Accumulated Depreciation:</b>					
Buildings	(7,673,468)	-	9,332	(585,115)	(8,249,251)
Furniture & Equipment	(813,835)	-	-	(63,239)	(877,074)
	(8,487,303)	-	9,332	(648,354)	(9,126,325)
<b>Net Capital Assets</b>	<u>\$ 8,920,795</u>	<u>\$ 457,108</u>	<u>\$ (1)</u>	<u>\$ (648,354)</u>	<u>\$ 8,729,548</u>

The following activities affected capital assets during the audit period:

Balance as of December 31, 2022	\$ 8,920,795
Capital additions – Blended Component Units	297,305
Capital additions – Business Activities, HCV	159,803
Net disposition/transfer of assets	(1)
Depreciation expense	<u>(648,354)</u>
Balance as of December 31, 2023	<u>\$ 8,729,548</u>



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

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**  
(Continued)

**NOTE E - CAPITAL ASSETS: (Cont'd)**

Discrete Component Units:	Balance at 12/31/2022	Transfers/ Additions	Dispositions/ Transfers	Depreciation	Balance at 12/31/2023
<b>Capital Assets:</b>					
Land	\$ 281,897	\$ -	\$ -	\$ -	\$ 281,897
Buildings & Improvements	22,716,803	-	1	-	22,716,804
Furniture & Equipment	840,296	-	-	-	840,296
Construction in Process	-	-	-	-	-
<b>Total Capital Assets</b>	23,838,996	-	1	-	23,838,997
Accumulated Depreciation	(9,436,017)	-	-	(729,356)	(10,165,373)
<b>Net Capital Assets</b>	<u>\$ 14,402,979</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (729,356)</u>	<u>\$ 13,673,624</u>

**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, 2023, \$58,659 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, 2023, the outstanding principal balance is \$87,881 with \$24,026 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 \$2,740. At December 31, 2023, the full principal of \$56,818 and \$30,918 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, 2023, the full principal of \$251,070 and \$150,502 in accrued interest was outstanding.

During FY2017, the Authority recorded a receivable from Riverview Hope Campus as a miscellaneous receivable in the amount of \$392,586. During FY2021, this receivable was reclassified to a long-term note receivable. At December 31, 2023, the outstanding balance is \$214,001 and is considered noncurrent.

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

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**  
(Continued)

**NOTE F - NOTES RECEIVABLE: (Cont'd)**

Notes receivable consisted of the following at December 31, 2023:

	Balance as of 12/31/22	Change in Notes & (Forgiven) FY2023	Accrued Interest	Balance as of 12/31/23
HOME	\$ 101,530	\$ (42,871)	\$ -	\$ 58,659
Clayton Heights Development, LP	107,501	-	4,406	111,907
North Pointe, Inc.	84,996	-	2,740	87,736
North Pointe II, Inc.	390,620	-	10,952	401,572
Riverview Hope Campus	<u>280,356</u>	<u>(67,278)</u>	<u>923</u>	<u>214,001</u>
	<u>\$ 965,003</u>	<u>\$ (110,149)</u>	<u>\$ 19,021</u>	<u>\$ 873,875</u>

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

Investments in joint ventures at December 31, 2023, consisted of the following:

North Pointe Limited Partnership	\$ 73,387
North Pointe II Limited Partnership	907,712
Clayton Heights Development Limited Partnership	<u>(86)</u>
	<u>\$ 981,013</u>

**NOTE H - OTHER ASSETS:**

Other assets held by the *Discrete Component Units* as of December 31, 2023, consisted of the following:

Deferred fees, net of amortization	\$ 44,323
Tax credit monitoring fees, net of amortization	15,467
Loan issuance costs, net of amortization	<u>67,287</u>
	<u>\$ 127,077</u>

**NOTE I - ACCOUNTS PAYABLE:**

Accounts payable consisted of the following at December 31, 2023:

Vendors and contractors payable	\$ 108,637
Tenant security deposits	<u>43,931</u>
	<u>\$ 152,568</u>

The above payable balance excludes \$457,220 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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**  
(Continued)

**NOTE I - ACCOUNTS PAYABLE: (Cont'd)**

***Discrete Component Units:***

Accounts payable as of December 31, 2023, consisted of the following:

Vendors and contractors payable	\$ 20,863
Accrued interest payable	205,446
Other government	16,231
Tenant security deposits	<u>55,550</u>
	<u>\$ 298,090</u>

**NOTE J - OTHER CURRENT LIABILITIES:**

Other current liabilities consisted of the following at December 31, 2023:

Accrued compensated absences - current portion	\$ 84,601
Accrued wages/taxes payable	39,220
Current portion of long-term debt	98,377
Other current liabilities	51,223
Unearned revenue	<u>10,337</u>
	<u>\$ 283,758</u>

***Discrete Component Units:***

Accrued compensated absences - current portion	\$ 1,670
Accrued wages/taxes payable	3,308
Current portion of long-term debt	227,814
Other current liabilities	190,000
Unearned revenue	<u>297,978</u>
	<u>\$ 720,770</u>

**NOTE K - INTERFUND ACCOUNTS:**

As of December 31, 2023, 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	\$ 338,204	\$ 0
HCV	9,368	37,666
Mod Rehab	0	4,585
Blended Component Unit	109,648	406,789
Mainstream	<u>0</u>	<u>8,180</u>
	<u>\$ 457,220</u>	<u>\$ 457,220</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**  
(Continued)

**NOTE L - NONCURRENT LIABILITIES:**

Noncurrent liabilities consisted of the following at December 31, 2023:

FSS Escrow deposits	\$ 65,976
Accrued compensated absences - noncurrent portion	<u>72,481</u>
	<u>\$ 138,457</u>

	Balance at 1/1/2023	Adjustments/ Increases	Decreases	Balance at 12/31/2023	Current Portion of Balance
Compensated absences	\$ 156,863	\$ 75,405	\$ (75,186)	\$ 157,082	\$ 84,601
FSS Escrow Deposits	<u>47,577</u>	<u>40,227</u>	<u>(21,828)</u>	<u>65,976</u>	<u>-</u>
	<u>\$ 204,440</u>	<u>\$ 115,632</u>	<u>\$ (97,014)</u>	<u>\$ 223,058</u>	<u>\$ 84,601</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 forgiven in 15 equal installments of \$79,869. In FY2022, the Authority acquired an additional note in the amount of \$406,000 from ADFA to build 9th Street Cottages. The loan bears 1.00% interest with payments to begin one year after affordability period commences. As of December 31, 2023, the total loan balances were \$1,276,915, of this amount \$98,377 is considered currently due.

**Discrete Component Units:**

As of December 31, 2023, the combined long-term debt held by the Discrete Component Unit was \$8,126,374. A summary of this year's activity follows:

	Balance at 1/1/2023	New Debt Issued	Principal Payments	Balance at 12/31/2023	Current Portion of Balance
Clayton Heights	\$ 2,900,694	\$ -	\$ (92,669)	\$ 2,808,025	\$ 102,674
North Pointe, LP	1,553,782	-	(50,727)	1,503,055	53,806
North Pointe II, LP	<u>3,884,410</u>	<u>-</u>	<u>(69,116)</u>	<u>3,815,294</u>	<u>71,334</u>
	<u>\$ 8,338,886</u>	<u>\$ -</u>	<u>\$ (212,512)</u>	<u>\$ 8,126,374</u>	<u>\$ 227,814</u>

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

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**  
(Continued)

**NOTE N - PENSION PLAN:**

The Authority has a defined contribution plan covering all eligible employees who elect to participate. The President & CEO 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, 2023, there were 35 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 \$1,752,993. The Authority's contributions to the plan were \$149,004 and the employees' contributions were \$94,560.

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 \$150,486 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 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, 2023 were as follows:

Housing Choice Vouchers	<u>\$ 8,184,850</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, 2023**  
(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, 2023.

**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 March 20, 2024, 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.

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

**COMBINING STATEMENTS**

**DECEMBER 31, 2023**

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

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS**  
**December 31, 2023**

FDS Line#	Account Description	Nelson Hall Homes	Compass Realty & Construction Group	Strategic Community Investments	North Pointe, Inc.	North Pointe II, Inc	Clayton Heights Inc.	HACFS	TOTAL
<b>ASSETS:</b>									
<b>CURRENT ASSETS:</b>									
<b>Cash:</b>									
111	Cash - unrestricted	\$ 322,213	\$ 31,924	\$ 557,629	\$ 21,564	\$ 76,762	\$ 50,151	\$ 101,891	\$ 1,162,134
112	Cash - restricted - modernization	0	0	0	0	0	0	0	0
113	Cash - other restricted	2,624,873	0	0	0	0	0	112,282	2,737,155
114	Cash - tenant security deposits	35,281	0	2,000	0	0	0	6,650	43,931
100	<b>Total Cash</b>	<b>2,982,367</b>	<b>31,924</b>	<b>559,629</b>	<b>21,564</b>	<b>76,762</b>	<b>50,151</b>	<b>220,823</b>	<b>3,943,220</b>
<b>Accounts and notes receivables:</b>									
121	Accounts receivable - PHA projects	0	0	0	0	0	0	0	0
122	Accounts receivable - HUD	0	0	0	0	0	0	0	0
124	Accounts receivable - other government	0	0	0	0	0	0	0	0
125	Accounts receivable - miscellaneous	0	231,999	124,128	125,000	30,000	35,000	659	546,786
126	Accounts receivable - tenants rents	110,676	0	0	0	0	0	14,887	125,563
126.1	Allowance for doubtful accounts - tenant	(102,486)	0	0	0	0	0	(13,788)	(116,274)
126.2	Allowance for doubtful accounts - other	0	0	0	0	0	0	0	0
127	Notes receivable - current	0	0	0	0	0	0	0	0
128	Fraud recovery	0	0	0	0	0	0	0	0
128.1	Allowance for doubtful accounts - fraud	0	0	0	0	0	0	0	0
129	Accrued interest receivable	0	0	21,897	30,919	150,501	0	0	203,317
120	<b>Total receivables - net</b>	<b>8,190</b>	<b>231,999</b>	<b>146,025</b>	<b>155,919</b>	<b>180,501</b>	<b>35,000</b>	<b>1,758</b>	<b>759,392</b>
<b>Current investments:</b>									
131	Investments - unrestricted	0	0	0	0	0	0	0	0
132	Investments - restricted	0	0	0	0	0	0	0	0
135	Investments - restricted for payment curr	0	0	0	0	0	0	0	0
142	Prepaid expenses and other assets	10,199	11,160	6,050	0	0	0	676	28,085
143	Inventories	0	0	0	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0	0	0	0
144	Interprogram due from	1,126	15,046	93,476	0	0	0	0	109,648
145	Assets held for sale	0	0	215,361	0	0	0	0	215,361
150	<b>TOTAL CURRENT ASSETS</b>	<b>3,001,882</b>	<b>290,129</b>	<b>1,020,541</b>	<b>177,483</b>	<b>257,263</b>	<b>85,151</b>	<b>223,257</b>	<b>5,055,706</b>
<b>NONCURRENT ASSETS:</b>									
<b>Capital Assets:</b>									
161	Land	29,030	0	200,854	0	0	0	160,574	390,458
162	Buildings	12,520,725	0	286,268	0	0	0	2,267,027	15,074,020
163	Furniture & equipment - dwelling	1,019,010	0	0	0	0	0	0	1,019,010
164	Furniture & equipment - admin	262,692	166,834	10,300	0	0	0	0	439,826
165	Improvements	0	0	0	0	0	0	0	0
166	Accumulated depreciation	(8,447,623)	(37,236)	(124,647)	0	0	0	(225,548)	(8,835,054)
167	Construction in progress	0	0	0	0	0	0	4,061	4,061
168	Infrastructure	0	0	0	0	0	0	0	0
160	<b>Total capital assets - net</b>	<b>5,383,834</b>	<b>129,598</b>	<b>372,775</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,206,114</b>	<b>8,092,321</b>
171	Notes receivable - noncurrent	0	0	0	56,818	251,070	0	0	307,888
172	Notes receivable - noncurrent past due	0	0	0	0	0	0	0	0
173	Grant receivable - noncurrent	0	0	0	0	0	0	0	0
174	Other assets	0	0	0	0	0	0	0	0
176	Investment in joint ventures	0	0	0	73,387	907,712	(86)	0	981,013
180	<b>TOTAL NONCURRENT ASSETS</b>	<b>5,383,834</b>	<b>129,598</b>	<b>372,775</b>	<b>130,205</b>	<b>1,158,782</b>	<b>(86)</b>	<b>2,206,114</b>	<b>9,381,222</b>
200	<b>DEFERRED OUTFLOW OF RESOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
290	<b>TOTAL ASSETS &amp; DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 8,385,716</b>	<b>\$ 419,727</b>	<b>\$ 1,393,316</b>	<b>\$ 307,688</b>	<b>\$ 1,416,045</b>	<b>\$ 85,065</b>	<b>\$ 2,429,371</b>	<b>\$ 14,436,928</b>



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

FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS  
December 31, 2023

FDS Line#	Account Description	Nelson Hall Homes	Compass Realty & Construction Group	Strategic Community Investments	North Pointe, Inc.	North Pointe II, Inc	Clayton Heights Inc.	HACFS	TOTAL
<b>LIABILITIES AND NET POSITION:</b>									
<b>LIABILITIES:</b>									
<b>CURRENT LIABILITIES:</b>									
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable < 90 days	29,825	49,632	15,042	0	0	0	11,773	106,272
313	Accounts payable > 90 days	0	0	0	0	0	0	0	0
321	Accrued salaries/payroll withholding	7,316	4,772	0	0	0	0	0	12,088
322	Accrued compensated absences	15,091	13,308	0	0	0	0	0	28,399
324	Accrued contingency liability	0	0	0	0	0	0	0	0
325	Accrued interest payable	0	0	0	30,919	150,501	0	57,617	239,037
331	Accounts payable - HUD	0	0	0	0	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0	0	0	0	0
333	Accounts payable - other gov.	0	0	0	0	0	0	0	0
341	Tenant security deposits	35,281	0	2,000	0	0	0	6,650	43,931
342	Unearned revenue	9,154	0	0	0	0	0	1,183	10,337
343	Current portion of capital debt	0	0	0	0	0	0	98,377	98,377
344	Current portion of operating debt	0	0	0	0	0	0	0	0
345	Other current liabilities	6,670	1,076	385	0	0	0	10,501	18,632
346	Accrued liabilities - other	0	0	0	0	0	0	0	0
347	Interprogram (due to)	133,059	66,111	14,240	125,000	30,000	35,000	3,379	406,789
348	Loan liability - current	0	0	0	0	0	0	0	0
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>236,396</b>	<b>134,899</b>	<b>31,667</b>	<b>155,919</b>	<b>180,501</b>	<b>35,000</b>	<b>189,480</b>	<b>963,862</b>
<b>NONCURRENT LIABILITIES:</b>									
351	Long-term optg debt, net of current	0	0	0	56,818	251,070	0	0	307,888
352	Long-term capital debt, net of current	0	0	0	0	0	0	1,738,538	1,738,538
353	Noncurrent liabilities - other	0	0	0	0	0	0	0	0
354	Accrued comp. absences - long term	1,165	21,953	0	0	0	0	0	23,118
355	Loan liability - noncurrent	0	0	0	0	0	0	0	0
356	FASB 5 liabilities	0	0	0	0	0	0	0	0
357	Accrued pension and OPEB liabilities	0	0	0	0	0	0	0	0
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,165</b>	<b>21,953</b>	<b>0</b>	<b>56,818</b>	<b>251,070</b>	<b>0</b>	<b>1,738,538</b>	<b>2,069,544</b>
300	<b>TOTAL LIABILITIES</b>	<b>237,561</b>	<b>156,852</b>	<b>31,667</b>	<b>212,737</b>	<b>431,571</b>	<b>35,000</b>	<b>1,928,018</b>	<b>3,033,406</b>
400	<b>DEFERRED INFLOW OF RESOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET POSITION:</b>									
508.4	Net Investment in Capital Assets	5,383,834	129,598	372,775	0	0	0	369,199	6,255,406
511.4	Restricted	2,624,873	0	0	0	0	0	112,282	2,737,155
512.4	Unrestricted	139,448	133,277	988,874	94,951	984,474	50,065	19,872	2,410,961
513	<b>TOTAL NET POSITION</b>	<b>8,148,155</b>	<b>262,875</b>	<b>1,361,649</b>	<b>94,951</b>	<b>984,474</b>	<b>50,065</b>	<b>501,353</b>	<b>11,403,522</b>
600	<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 8,385,716</b>	<b>\$ 419,727</b>	<b>\$ 1,393,316</b>	<b>\$ 307,688</b>	<b>\$ 1,416,045</b>	<b>\$ 85,065</b>	<b>\$ 2,429,371</b>	<b>\$ 14,436,928</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, 2023**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Nelson Hall Homes</u>	<u>Compass Realty &amp; Construction Group</u>	<u>Strategic Community Investments</u>	<u>North Pointe, Inc.</u>	<u>North Pointe II, Inc.</u>	<u>Clayton Heights Inc.</u>	<u>HACFS</u>	<u>TOTAL</u>
<b>REVENUES:</b>									
70300	Net tenant rental revenue	\$ 1,860,648	\$ 0	\$ 45,840	\$ 0	\$ 0	\$ 0	\$ 135,490	\$ 2,041,978
70400	Tenant revenue - other	186,720	0	0	0	0	0	1,027	187,747
70500	Total tenant revenue	2,047,368	0	45,840	0	0	0	136,517	2,229,725
70600	HUD PHA grants - operating	0	0	0	0	0	0	0	0
70610	HUD PHA grants - capital	0	0	0	0	0	0	0	0
70710	Management fee	0	0	0	0	0	0	0	0
70720	Asset management fee	0	0	0	0	0	0	0	0
70730	Bookkeeping fee	0	0	0	0	0	0	0	0
70740	Front line service fee	0	0	0	0	0	0	0	0
70750	Other fees	0	0	0	0	0	0	0	0
70700	Total fee revenue	0	0	0	0	0	0	0	0
70800	Other government grants	0	0	0	0	0	0	0	0
71100	Investment income - unrestricted	7,419	1,017	10,920	279	1,375	706	1,139	22,855
71200	Mortgage interest income	0	0	11,889	2,740	10,952	0	0	25,581
71300	Proceeds from assets held for sale	0	1,365,709	0	0	0	0	0	1,365,709
71310	Cost of sale of assets	0	(976,254)	0	0	0	0	0	(976,254)
71400	Fraud income	0	0	0	0	0	0	0	0
71500	Other revenue	2,000,541	134,112	117,387	0	26,566	6,534	91,952	2,377,092
71600	Gain/(loss) on disposition	0	12,943	(13,004)	0	0	0	0	(61)
72000	Investment income - restricted	12,270	0	0	0	0	0	685	12,955
70000	<b>TOTAL REVENUES</b>	<b>\$ 4,067,598</b>	<b>\$ 537,527</b>	<b>\$ 173,032</b>	<b>\$ 3,019</b>	<b>\$ 38,893</b>	<b>\$ 7,240</b>	<b>\$ 230,293</b>	<b>\$ 5,057,602</b>
<b>EXPENSES:</b>									
<b>Administrative</b>									
91100	Administrative salaries	\$ 137,905	\$ 172,486	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 310,391
91200	Auditing fees	4,750	2,470	0	0	0	0	0	7,220
91300	Management fees	286,488	94,221	170,880	0	0	0	11,688	563,277
91310	Bookkeeping fees	0	0	0	0	0	0	11,688	11,688
91400	Advertising & marketing	2,124	4,575	0	0	0	0	315	7,014
91500	Employee benefits - administrative	50,660	61,435	0	0	0	0	0	112,095
91600	Office expense	26,731	64,937	2,118	0	0	0	2,497	96,283
91700	Legal expense	0	4,097	0	0	0	0	0	4,097
91800	Travel expense	2,779	0	0	0	0	0	0	2,779
91810	Allocated Overhead	0	0	0	0	0	0	0	0
91900	Other operating - administrative	38,256	15,616	1,549	615	632	619	5,758	63,045
91000	Total Administrative Expense	549,693	419,837	174,547	615	632	619	31,946	1,177,889
92000	Asset management fee	0	0	0	0	0	0	0	0
<b>Tenant Services</b>									
92100	Tenant services - salaries	0	0	0	0	0	0	0	0
92200	Relocation costs	0	0	0	0	0	0	0	0
92300	Employee benefits	0	0	0	0	0	0	0	0
92400	Other tenant services	798	0	0	0	0	0	0	798
92500	Total Tenant Services	798	0	0	0	0	0	0	798
<b>Utilities</b>									
93100	Water	124,033	206	0	0	0	0	3,780	128,019
93200	Electricity	186,220	666	0	0	0	0	1,861	188,747
93300	Gas	11,724	0	0	0	0	0	0	11,724
93400	Fuel	0	0	0	0	0	0	0	0
93500	Labor	0	0	0	0	0	0	0	0
93600	Sewer	0	0	0	0	0	0	0	0
93700	Employee benefits - utilities	0	0	0	0	0	0	0	0
93800	Other utilities expense	0	48,765	0	0	0	0	0	48,765
93000	Total Utilities Expense	321,977	49,637	0	0	0	0	5,641	377,255

Housing Authority of the City of Fort Smith  
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**FINANCIAL DATA SUBMISSION SUMMARY**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Nelson Hall Homes</u>	<u>Compass Realty &amp; Construction Group</u>	<u>Strategic Community Investments</u>	<u>North Pointe, Inc.</u>	<u>North Pointe II, Inc</u>	<u>Clayton Heights Inc.</u>	<u>HACFS</u>	<u>TOTAL</u>
<b>Ordinary Maintenance &amp; Operation</b>									
94100	Labor	234,507	50,218	0	0	0	0	0	284,725
94200	Materials	142,481	166	0	0	0	0	5,738	148,385
94300	Contracts	132,515	0	39,273	0	0	0	33,744	205,532
94300-010	Garbage & trash	0	0	0	0	0	0	0	0
94300-020	Heating & cooling	1,248	0	0	0	0	0	0	1,248
94300-030	Snow Removal	0	0	0	0	0	0	0	0
94300-040	Elevator maintenance	0	0	0	0	0	0	0	0
94300-050	Landscape & grounds	58,551	0	19,200	0	0	0	12,780	90,531
94300-060	Unit turnaround	0	0	0	0	0	0	0	0
94300-070	Electrical	6,903	0	0	0	0	0	0	6,903
94300-080	Plumbing	3,075	0	0	0	0	0	0	3,075
94300-090	Extermination	14,669	0	0	0	0	0	3,008	17,677
94300-100	Janitorial	15,626	0	0	0	0	0	991	16,617
94300-110	Routine maintenance	15,607	0	0	0	0	0	2,975	18,582
94300-120	Contract costs - other	16,836	0	20,073	0	0	0	13,990	50,899
94500	Employee benefits	95,148	461	0	0	0	0	0	95,609
94000	<b>Total Ordinary Maint &amp; Operation</b>	<b>604,651</b>	<b>50,845</b>	<b>39,273</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,482</b>	<b>734,251</b>
<b>Insurance Premiums</b>									
96110	Property insurance	80,825	0	4,953	0	0	0	11,120	96,898
96120	Liability insurance	6,491	36,947	1,059	0	0	0	1,209	45,706
96130	Workmen's compensation	0	0	0	0	0	0	0	0
96140	Insurance - other	7,765	4,362	1,748	0	0	0	0	13,875
96100	<b>Total Insurance Premiums</b>	<b>95,081</b>	<b>41,309</b>	<b>7,760</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,329</b>	<b>156,479</b>
<b>General Expenses</b>									
96200	Other general expense	105,496	41,499	6,187	0	25,565	1,030	7,869	187,646
96210	Compensated absences	0	0	0	0	0	0	0	0
96300	Payments in lieu of taxes	0	0	0	0	0	0	0	0
96400	Bad debt - tenant rents	13,286	0	0	0	0	0	6,295	19,581
96500	Bad debt - mortgages	0	0	0	0	0	0	0	0
96600	Bad debt - other	0	0	0	0	0	0	0	0
96800	Severance expense	0	0	0	0	0	0	0	0
96000	<b>Total General Expenses</b>	<b>118,782</b>	<b>41,499</b>	<b>6,187</b>	<b>0</b>	<b>25,565</b>	<b>1,030</b>	<b>14,164</b>	<b>207,227</b>
<b>Financial Expenses</b>									
96710	Interest expense - mortgage payable	0	0	0	2,739	10,952	0	33,169	46,860
96720	Interest expense - notes payable	0	0	0	0	0	0	0	0
96730	Amortization - issuance costs	0	0	0	0	0	0	0	0
96700	<b>Total Financial Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,739</b>	<b>10,952</b>	<b>0</b>	<b>33,169</b>	<b>46,860</b>
96900	<b>TOTAL OPERATING EXPENSE</b>	<b>1,690,982</b>	<b>603,127</b>	<b>227,767</b>	<b>3,354</b>	<b>37,149</b>	<b>1,649</b>	<b>136,731</b>	<b>2,700,759</b>
97000	<b>EXCESS OPERATING REVENUE</b>	<b>2,376,616</b>	<b>(65,600)</b>	<b>(54,735)</b>	<b>(335)</b>	<b>1,744</b>	<b>5,591</b>	<b>93,562</b>	<b>2,356,843</b>
<b>Other Expenses</b>									
97100	Extraordinary maintenance	0	0	0	0	0	0	0	0
97200	Casualty losses	0	0	0	0	0	0	0	0
97300	Housing assistance payments	0	0	0	0	0	0	0	0
97350	Portability HAP expense	0	0	0	0	0	0	0	0
97400	Depreciation expense	479,979	14,390	9,781	0	0	0	80,965	585,115
	<b>Total Other Expenses</b>	<b>479,979</b>	<b>14,390</b>	<b>9,781</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,965</b>	<b>585,115</b>
90000	<b>TOTAL EXPENSES</b>	<b>\$ 2,170,961</b>	<b>\$ 617,517</b>	<b>\$ 237,548</b>	<b>\$ 3,354</b>	<b>\$ 37,149</b>	<b>\$ 1,649</b>	<b>\$ 217,696</b>	<b>\$ 3,285,874</b>
10000	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 1,896,637</b>	<b>\$ (79,990)</b>	<b>\$ (64,516)</b>	<b>\$ (335)</b>	<b>\$ 1,744</b>	<b>\$ 5,591</b>	<b>\$ 12,597</b>	<b>\$ 1,771,728</b>
11020	Required annual debt principal payer	0	0	0	0	0	0	0	0
11030	Beginning Net Position	6,336,143	258,240	1,765,850	95,286	982,730	44,474	149,071	9,631,794
11040-010	Prior period adjustments	0	0	0	0	0	0	0	0
11040-070	Equity transfers	(84,625)	84,625	(339,685)	0	0	0	339,685	0
	<b>Ending Net Position</b>	<b>\$ 8,148,155</b>	<b>\$ 262,875</b>	<b>\$ 1,361,649</b>	<b>\$ 94,951</b>	<b>\$ 984,474</b>	<b>\$ 50,065</b>	<b>\$ 501,353</b>	<b>\$ 11,403,522</b>

Housing Authority of the City of Fort Smith  
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**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS**  
**December 31, 2023**

<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	\$ 46,822	\$ 64,991	\$ 34,760	\$ 146,573
112	Cash - restricted - modernization	0	0	0	0
113	Cash - other restricted	549,217	554,941	438,676	1,542,834
114	Cash - tenant security deposits	16,100	20,200	19,250	55,550
115	Cash - restricted for payment of current liabilities	0	0	0	0
100	Total Cash	612,139	640,132	492,686	1,744,957
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	0	0	0	0
126	Accounts receivable - tenants rents	80,936	88,074	56,613	225,623
126.1	Allowance for doubtful accounts - tenants	(75,644)	(79,415)	(49,584)	(204,643)
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	5,292	8,659	7,029	20,980
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	49,726	66,805	11,874	128,405
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	667,157	715,596	511,589	1,894,342
NONCURRENT ASSETS:					
Capital Assets:					
161	Land	40,000	93,985	147,912	281,897
162	Buildings	5,734,445	8,871,340	8,111,019	22,716,804
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	(2,618,158)	(4,558,530)	(2,988,685)	(10,165,373)
167	Construction in progress	0	0	0	0
168	Infrastructure	0	0	0	0
160	Total capital assets - net	3,242,885	5,001,193	5,429,546	13,673,624
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	44,323	67,287	15,467	127,077
176	Investment in joint ventures	0	0	0	0
180	TOTAL NONCURRENT ASSETS	3,287,208	5,068,480	5,445,013	13,800,701
200	DEFERRED OUFLOW OF RESOURCES	0	0	0	0
290	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 3,954,365	\$ 5,784,076	\$ 5,956,602	\$ 15,695,043

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

**FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS  
December 31, 2023**

<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>					
<b>CURRENT LIABILITIES:</b>					
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable < 90 days	6,646	6,846	7,371	20,863
313	Accounts payable > 90 days	0	0	0	0
321	Accrued salaries/payroll withholding	983	1,252	1,073	3,308
322	Accrued compensated absences	524	592	554	1,670
324	Accrued contingency liability	0	0	0	0
325	Accrued interest payable	30,919	150,501	24,026	205,446
331	Accounts payable - HUD PHA programs	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0
333	Accounts payable - other gov.	4,275	6,692	5,264	16,231
341	Tenant security deposits	16,100	20,200	19,250	55,550
342	Unearned revenue	187,697	105,730	4,551	297,978
343	Current portion of L-T debt - capital projects	53,806	71,334	102,674	227,814
344	Current portion of L-T debt - operating	0	0	0	0
345	Other current liabilities	125,000	30,000	35,000	190,000
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>425,950</b>	<b>393,147</b>	<b>199,763</b>	<b>1,018,860</b>
<b>NONCURRENT LIABILITIES:</b>					
351	Long-term debt, net of current - capital	1,449,249	3,743,960	2,705,351	7,898,560
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>1,449,249</b>	<b>3,743,960</b>	<b>2,705,351</b>	<b>7,898,560</b>
300	<b>TOTAL LIABILITIES</b>	<b>1,875,199</b>	<b>4,137,107</b>	<b>2,905,114</b>	<b>8,917,420</b>
400	DEFERRED INFLOW OF RESOURCES	0	0	0	0
<b>NET POSITION:</b>					
508.4	Net Investment in Capital Assets	1,739,830	1,185,899	2,621,521	5,547,250
511.4	Restricted	549,217	554,941	438,676	1,542,834
512.4	Unrestricted	(209,881)	(93,871)	(8,709)	(312,461)
513	<b>TOTAL NET POSITION</b>	<b>2,079,166</b>	<b>1,646,969</b>	<b>3,051,488</b>	<b>6,777,623</b>
600	<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 3,954,365</b>	<b>\$ 5,784,076</b>	<b>\$ 5,956,602</b>	<b>\$ 15,695,043</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, 2023**

<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	\$ 465,187	\$ 665,234	\$ 594,645	\$ 1,725,066
70400	Tenant revenue - other	19,355	17,063	14,261	50,679
70500	Total tenant revenue	484,542	682,297	608,906	1,775,745
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	4,909	1,530	1,506	7,945
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	472	1,665	8,073	10,210
70000	<b>TOTAL REVENUES</b>	<b>\$ 489,923</b>	<b>\$ 685,492</b>	<b>\$ 618,485</b>	<b>\$ 1,793,900</b>
<b>EXPENSES:</b>					
Administrative					
91100	Administrative salaries	\$ 35,967	\$ 48,392	\$ 41,580	\$ 125,939
91200	Auditing fees	5,000	6,500	5,000	16,500
91300	Management fees	23,184	41,459	30,129	94,772
91310	Bookkeeping fees	0	0	0	0
91400	Advertising & marketing	1,106	1,480	1,264	3,850
91500	Employee benefits - administrative	10,976	14,352	12,540	37,868
91600	Office expense	7,242	9,686	7,341	24,269
91700	Legal expense	2,243	1,399	1,443	5,085
91800	Travel expense	609	722	661	1,992
91810	Allocated Overhead	0	0	0	0
91900	Other operating - administrative	6,698	4,688	5,295	16,681
91000	Total Administrative Expense	93,025	128,678	105,253	326,956
92000	Asset management fee	5,860	3,564	6,534	15,958
Utilities					
93100	Water	1,980	1,581	1,385	4,946
93200	Electricity	4,712	2,412	2,287	9,411
93300	Gas	2,883	1,812	1,992	6,687
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	0	0	0	0
93000	Total Utilities Expense	9,575	5,805	5,664	21,044

**Housing Authority of the City of Fort Smith  
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**FINANCIAL DATA SUBMISSION SUMMARY  
REVENUES, EXPENSES AND CHANGES IN NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<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	43,358	55,058	47,258	145,674
94200	Materials	85,038	96,058	83,662	264,758
94300	Contracts	65,502	79,660	90,066	235,228
94300-010	Garbage & trash removal contracts	1,763	1,270	1,170	4,203
94300-020	Heating & cooling contracts	93	629	2,297	3,019
94300-030	Snow Removal contracts	0	0	0	0
94300-040	Elevator maintenance contracts	0	0	0	0
94300-050	Landscape & grounds contracts	23,268	29,794	36,080	89,142
94300-060	Unit turnaround contracts	0	0	0	0
94300-070	Electrical contracts	0	0	0	0
94300-080	Plumbing contracts	0	857	0	857
94300-090	Extermination contracts	3,183	2,011	3,649	8,843
94300-100	Janitorial contracts	5,265	2,655	3,123	11,043
94300-110	Routine maintenance contracts	0	0	21,424	21,424
94300-120	Contract costs - other	31,930	42,444	22,323	96,697
94500	Employee benefit contributions	3,907	4,984	4,390	13,281
94000	Total Ordinary Maintenance & Operation	197,805	235,760	225,376	658,941
Insurance Premiums					
96110	Property insurance	51,754	42,431	37,897	132,082
96120	Liability insurance	5,612	2,875	6,684	15,171
96130	Workmen's compensation	0	0	0	0
96140	Insurance - other	192	16,976	252	17,420
96100	Total Insurance Premiums	57,558	62,282	44,833	164,673
General Expenses					
96200	Other general expense	0	26,567	6,534	33,101
96210	Compensated absences	0	0	0	0
96300	Payments in lieu of taxes	0	0	0	0
96400	Bad debt - tenant rents	23,853	11,094	4,179	39,126
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	23,853	37,661	10,713	72,227
Financial Expenses					
96710	Interest expense - mortgage payable	99,171	128,376	170,012	397,559
96720	Interest expense - notes payable	0	0	0	0
96730	Amortization - issuance costs	3,154	10,768	4,325	18,247
96700	Total Financial Expenses	102,325	139,144	174,337	415,806
96900	TOTAL OPERATING EXPENSE	490,001	612,894	572,710	1,675,605
97000	EXCESS OPERATING REVENUE	(78)	72,598	45,775	118,295

**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, 2023**

<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>
	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	148,521	308,277	272,558	729,356
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>148,521</u>	<u>308,277</u>	<u>272,558</u>	<u>729,356</u>
90000	TOTAL EXPENSES	\$ <u>638,522</u>	\$ <u>921,171</u>	\$ <u>845,268</u>	\$ <u>2,404,961</u>
10000	EXCESS OF REVENUE OVER EXPENSES	\$ <u>(148,599)</u>	\$ <u>(235,679)</u>	\$ <u>(226,783)</u>	\$ <u>(611,061)</u>
11020	Required annual debt principal payments	0	0	0	0
11030	Beginning Net Position	2,227,765	1,889,290	3,278,271	7,395,326
11040-010	Prior period adjustments	0	0	0	0
11040-070	Equity transfers - distributions	0	(6,642)	0	(6,642)
	Ending Net Position	\$ <u>2,079,166</u>	\$ <u>1,646,969</u>	\$ <u>3,051,488</u>	\$ <u>6,777,623</u>



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

**SINGLE AUDIT SECTION**

**DECEMBER 31, 2023**



**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, 2023, 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 March 20, 2024.

**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  
March 20, 2024



**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, 2023. 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, 2023.

***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  
March 20, 2024

**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, 2022, 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 (Cluster) ALN 14.871
- Mainstream Vouchers (Cluster) ALN 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, 2023**

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

**FINANCIAL DATA SUBMISSION SUMMARY**  
**NET POSITION ACCOUNTS**  
**December 31, 2023**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Blended Component Unit</u>	<u>Home Investment Partnership Program 14.258</u>	<u>Family Self-Sufficiency Program 14.896</u>	<u>FSS Escrow Forfeiture Account 14.EFA</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	\$ 1,162,134	\$ 0	\$ 0	\$ 0	\$ 179,321	\$ 1,028,163
112	Cash - restricted modernization and development	0	0	0	0	0	0
113	Cash - other restricted	2,737,155	0	0	3,523	0	65,976
114	Cash - tenant security deposits	43,931	0	0	0	0	0
115	Cash - restricted for payment of current liabilities	0	0	0	0	0	0
100	Total Cash	3,943,220	0	0	3,523	179,321	1,094,139
Accounts and notes receivables:							
121	Accounts receivable - PHA projects	0	0	0	0	0	0
122	Accounts receivable - HUD	0	0	0	0	45,655	56,534
124	Accounts receivable - other government	0	0	0	0	0	0
125	Accounts receivable - miscellaneous	546,786	0	0	0	0	15,422
126	Accounts receivable - tenants rents	125,563	0	0	0	0	0
126.1	Allowance for doubtful accounts - tenants	(116,274)	0	0	0	0	0
126.2	Allowance for doubtful accounts - other	0	0	0	0	0	0
127	Notes Receivable - current	0	0	0	0	0	0
128	Fraud Recovery	0	0	0	0	0	0
128.1	Allowance for doubtful accounts - fraud	0	0	0	0	0	0
129	Accrued interest receivable	203,317	0	0	0	0	35,720
120	Total receivables - net	759,392	0	0	0	45,655	107,676
Current investments:							
131	Investments - unrestricted	0	0	0	0	0	0
132	Investments - restricted	0	0	0	0	0	0
135	Investments - restricted for payment of current liabilities	0	0	0	0	0	0
142	Prepaid expenses and other assets	28,085	0	0	0	0	12,819
143	Inventories	0	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0	0
144	Interprogram due from	109,648	0	0	0	0	9,368
145	Assets held for sale	215,361	0	0	0	0	0
150	TOTAL CURRENT ASSETS	5,055,706	0	0	3,523	224,976	1,224,002
<b>NONCURRENT ASSETS:</b>							
Capital Assets:							
161	Land	390,458	0	0	0	0	0
162	Buildings	15,074,020	0	0	0	0	0
163	Furniture & equipment - dwellings	1,019,010	0	0	0	0	0
164	Furniture & equipment - administration	439,826	0	0	0	0	380,718
165	Improvements	0	0	0	0	0	0
166	Accumulated depreciation	(8,835,054)	0	0	0	0	(266,651)
167	Construction in progress	4,061	0	0	0	0	0
168	Infrastructure	0	0	0	0	0	0
160	Total capital assets - net	8,092,321	0	0	0	0	114,067
171	Notes receivable - noncurrent	307,888	58,658	0	0	0	560,000
172	Notes receivable - noncurrent past due	0	0	0	0	0	0
173	Grants receivable	0	0	0	0	0	0
174	Other assets	0	0	0	0	0	0
176	Investment in joint ventures	981,013	0	0	0	0	0
180	TOTAL NONCURRENT ASSETS	9,381,222	58,658	0	0	0	674,067
200	DEFERRED OUTFLOW OF RESOURCES	0	0	0	0	0	0
290	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 14,436,928	\$ 58,658	\$ 0	\$ 3,523	\$ 224,976	\$ 1,898,069



Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
\$ 8,027	\$ 507,100	\$ 146,573	\$ 0	\$ 3,031,318
0	0	0	0	0
722	0	1,542,834	0	4,350,210
0	0	55,550	0	99,481
0	0	0	0	0
8,749	507,100	1,744,957	0	7,481,009
0	0	0	0	0
513	0	0	0	102,702
0	0	0	0	0
0	70,188	0	0	632,396
0	0	225,623	0	351,186
0	0	(204,643)	0	(320,917)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	205,446	0	(239,037)	205,446
513	275,634	20,980	(239,037)	970,813
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	5,839	128,405	0	175,148
0	0	0	0	0
0	0	0	0	0
0	338,204	0	(457,220)	0
0	368,737	0	0	584,098
9,262	1,495,514	1,894,342	(696,257)	9,211,068
0	432,280	281,897	0	1,104,635
0	0	22,716,804	0	37,790,824
0	0	0	0	1,019,010
0	27,320	840,296	0	1,688,160
0	0	0	0	0
0	(24,620)	(10,165,373)	0	(19,291,698)
0	88,180	0	0	92,241
0	0	0	0	0
0	523,160	13,673,624	0	22,403,172
0	609,771	0	(867,888)	668,429
0	0	0	0	0
0	0	0	0	0
0	0	127,077	0	127,077
0	0	0	0	981,013
0	1,132,931	13,800,701	(867,888)	24,179,691
0	0	0	0	0
\$ 9,262	\$ 2,628,445	\$ 15,695,043	\$ (1,564,145)	\$ 33,390,759

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

FINANCIAL DATA SUBMISSION SUMMARY  
NET POSITION ACCOUNTS  
December 31, 2023

FDS Line#	Account Description	Blended Component Unit	Home Investment Partnership Program 14.258	Family Self-Sufficiency Program 14.896	FSS Escrow Forfeiture Account 14.EFA	Section 8 Moderate Housing Assistance 14.856	Section 8 Housing Choice Vouchers 14.871
<b>LIABILITIES AND NET POSITION:</b>							
<b>LIABILITIES:</b>							
<b>CURRENT LIABILITIES:</b>							
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable < = 90 days	106,272	0	0	0	0	1,951
313	Accounts payable > 90 days	0	0	0	0	0	0
321	Accrued salaries/payroll withholding	12,088	0	0	0	0	14,332
322	Accrued compensated absences	28,399	0	0	0	0	25,814
324	Accrued contingency liability	0	0	0	0	0	0
325	Accrued interest payable	239,037	0	0	0	0	0
331	Accounts payable - HUD PHA programs	0	0	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0	0	0
333	Accounts payable - other gov.	0	0	0	0	0	0
341	Tenant security deposits	43,931	0	0	0	0	0
342	Unearned revenue	10,337	0	0	0	0	0
343	Current portion of L-T debt - capital projects	98,377	0	0	0	0	0
344	Current portion of L-T debt - operating	0	0	0	0	0	0
345	Other current liabilities	18,632	0	0	0	0	2,238
346	Accrued liabilities - other	0	0	0	0	0	0
347	Interprogram (due to)	406,789	0	0	0	4,585	37,666
348	Loan liability - current	0	0	0	0	0	0
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>963,862</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,585</b>	<b>82,001</b>
<b>NONCURRENT LIABILITIES:</b>							
351	Long-term debt, net of current - operating	307,888	0	0	0	0	0
352	Long-term debt, net of current - capital	1,738,538	0	0	0	0	0
353	Noncurrent liabilities - other	0	0	0	0	0	65,976
354	Accrued comp. absences - long term	23,118	0	0	0	0	28,369
355	Loan liability - noncurrent	0	0	0	0	0	0
356	FASB 5 liabilities	0	0	0	0	0	0
357	Accrued pension and OPEB liabilities	0	0	0	0	0	0
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>2,069,544</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>94,345</b>
300	<b>TOTAL LIABILITIES</b>	<b>3,033,406</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,585</b>	<b>176,346</b>
400	<b>DEFERRED INFLOW OF RESOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET POSITION:</b>							
508.4	Investment in Capital Assets	6,255,406	0	0	0	0	114,067
511.4	Restricted - Net Position	2,737,155	0	0	3,523	0	0
512.4	Unrestricted - Net Position	2,410,961	58,658	0	0	220,391	1,607,656
513	<b>TOTAL NET POSITION</b>	<b>11,403,522</b>	<b>58,658</b>	<b>0</b>	<b>3,523</b>	<b>220,391</b>	<b>1,721,723</b>
600	<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<b>\$ 14,436,928</b>	<b>\$ 58,658</b>	<b>\$ 0</b>	<b>\$ 3,523</b>	<b>\$ 224,976</b>	<b>\$ 1,898,069</b>

Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	414	20,863	0	129,500
0	0	0	0	0
0	12,800	3,308	0	42,528
0	30,388	1,670	0	86,271
0	0	0	0	0
0	0	205,446	(239,037)	205,446
0	0	0	0	0
0	0	0	0	0
0	0	16,231	0	16,231
0	0	55,550	0	99,481
0	0	297,978	0	308,315
0	0	227,814	0	326,191
0	0	0	0	0
0	30,353	190,000	0	241,223
0	0	0	0	0
8,180	0	0	(457,220)	0
0	0	0	0	0
8,180	73,955	1,018,860	(696,257)	1,455,186
0	0	0	(307,888)	0
0	0	7,898,560	(560,000)	9,077,098
0	0	0	0	65,976
0	20,994	0	0	72,481
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	20,994	7,898,560	(867,888)	9,215,555
8,180	94,949	8,917,420	(1,564,145)	10,670,741
0	0	0	0	0
0	523,160	5,547,250	560,000	12,999,883
722	0	1,542,834	0	4,284,234
360	2,010,336	(312,461)	(560,000)	5,435,901
1,082	2,533,496	6,777,623	0	22,720,018
\$ 9,262	\$ 2,628,445	\$ 15,695,043	\$ (1,564,145)	\$ 33,390,759

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, 2023**

<u>FDS Line#</u>	<u>Account Description</u>	<u>Blended Component Unit</u>	<u>Home Investment Partnership 14.258</u>	<u>Family Self-Sufficiency Program 14.896</u>	<u>FSS Escrow Forfeiture Account 14.EFA</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	\$ 2,041,978	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
70400	Tenant revenue - other	<u>187,747</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
70500	Total tenant revenue	2,229,725	0	0	0	0	0
70600	HUD PHA grants - operating	0	0	58,793	0	433,704	8,184,850
70610	HUD PHA grants - capital	0	0	0	0	0	0
70710	Management fee	0	0	0	0	0	0
70720	Asset management fee	0	0	0	0	0	0
70730	Bookkeeping fee	0	0	0	0	0	0
70740	Front line service fee	0	0	0	0	0	0
70750	Other fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
70700	Total fee revenue	0	0	0	0	0	0
70800	Other government grants	0	0	0	0	0	0
71100	Investment income - unrestricted	22,855	0	0	0	2,106	10,788
71200	Mortgage interest income	25,581	0	0	0	0	19,600
71300	Proceeds from disposition of assets	1,365,709	0	0	0	0	0
71310	Cost of assets held for sale	(976,254)	0	0	0	0	0
71400	Fraud income	0	0	0	0	200	48,274
71500	Other revenue	2,377,092	0	0	3,523	0	68,054
71600	Gain/(loss) on disposition	(61)	0	0	0	0	0
72000	Investment income - restricted	<u>12,955</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,502</u>
70000	TOTAL REVENUES	\$ 5,057,602	\$ 0	\$ 58,793	\$ 3,523	\$ 436,010	\$ 8,333,068
<b>EXPENSES:</b>							
<b>Administrative</b>							
91100	Administrative salaries	\$ 310,391	\$ 0	\$ 53,118	\$ 0	\$ 42,650	\$ 533,158
91200	Auditing fees	7,220	0	0	0	1,520	4,750
91300	Management fees	563,277	0	0	0	8,250	260,085
91310	Bookkeeping fees	11,688	0	0	0	4,124	130,043
91400	Advertising & marketing	7,014	0	0	0	0	0
91500	Employee benefits - administrative	112,095	0	5,675	0	0	170,359
91600	Office expense	96,283	0	0	0	0	168,364
91700	Legal expense	4,097	0	0	0	0	28,181
91800	Travel expense	2,779	0	0	0	0	7,727
91810	Allocated overhead	0	0	0	0	0	0
91900	Other operating - administrative	<u>63,045</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>29,219</u>
91000	Total Administrative Expense	1,177,889	0	58,793	0	56,544	1,331,886
92000	Asset management fee	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Tenant services</b>							
92100	Tenant services - salaries	0	0	0	0	0	0
92200	Relocation costs	0	0	0	0	0	0
92300	Employee benefits - tenant services	0	0	0	0	0	0
92400	Other tenant services	<u>798</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
92500	Total Tenant Services	798	0	0	0	0	0
<b>Utilities</b>							
93100	Water	128,019	0	0	0	0	0
93200	Electricity	188,747	0	0	0	0	0
93300	Gas	11,724	0	0	0	0	0
93400	Fuel	0	0	0	0	0	0
93500	Labor	0	0	0	0	0	0
93600	Sewer	0	0	0	0	0	0
93700	Employee benefits - utilities	0	0	0	0	0	0
93800	Other utilities expense	<u>48,765</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
93000	Total Utilities Expense	377,255	0	0	0	0	0

Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
\$ 0	\$ 0	\$ 1,725,066	\$ (1,088,239)	\$ 2,678,805
0	0	50,679	0	238,426
0	0	1,775,745	(1,088,239)	2,917,231
620,590	0	0	0	9,297,937
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
321	20,214	7,945	0	64,229
0	4,406	0	(45,181)	4,406
0	0	0	0	1,365,709
0	0	0	0	(976,254)
713	0	0	0	49,187
0	1,155,051	0	(1,198,466)	2,405,254
0	15,399	0	0	15,338
0	0	10,210	0	24,667
\$ 621,624	\$ 1,195,070	\$ 1,793,900	\$ (2,331,886)	\$ 15,167,704
\$ 59,028	\$ 668,299	\$ 125,939	\$ 0	\$ 1,792,583
0	5,510	16,500	0	35,500
19,575	0	94,772	(851,187)	94,772
9,787	0	0	(155,642)	0
0	0	3,850	0	10,864
0	186,803	37,868	0	512,800
0	57,968	24,269	(172,536)	174,348
0	96	5,085	0	37,459
0	10,585	1,992	0	23,083
0	0	0	0	0
339	19,448	16,681	(31,200)	97,532
88,729	948,709	326,956	(1,210,565)	2,778,941
0	0	15,958	0	15,958
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	798
0	0	0	0	798
0	0	4,946	0	132,965
0	0	9,411	0	198,158
0	0	6,687	0	18,411
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	48,765
0	0	21,044	0	398,299

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, 2023

FDS Line#	Account Description	Blended Component Unit	Home Investment Partnership 14.258	Family Self-Sufficiency Program 14.896	FSS Escrow Forfeiture Account 14.EFA	Section 8 Moderate Housing Assistance 14.856	Section 8 Housing Choice Vouchers 14.871
	Ordinary Maintenance & Operation						
94100	Labor	284,725	0	0	0	0	0
94200	Materials	148,385	0	0	0	0	8,371
94300	Contracts	205,532	0	0	0	0	63,908
94300-010	Contract costs - garbage removal	0	0	0	0	0	0
94300-020	Contract costs - heating & cooling	0	0	0	0	0	0
94300-030	Contract costs - snow removal	0	0	0	0	0	0
94300-040	Contract costs - elevator maintenance	0	0	0	0	0	0
94300-050	Contract costs - landscape maintenance	0	0	0	0	0	0
94300-060	Contract costs - unit turnaround	0	0	0	0	0	0
94300-070	Contract costs - electrical	0	0	0	0	0	0
94300-080	Contract costs - plumbing	0	0	0	0	0	0
94300-090	Contract costs - extermination	0	0	0	0	0	0
94300-100	Contract costs - janitorial	0	0	0	0	0	0
94300-110	Contract costs - routine maintenance	0	0	0	0	0	0
94300-120	Contract costs - other	205,532	0	0	0	0	63,908
94500	Employee benefit contributions	95,609	0	0	0	0	0
94000	Total Ordinary Maintenance & Operation	734,251	0	0	0	0	72,279
	Protective services						
95100	Protective services - salaries	0	0	0	0	0	0
95200	Protective services - other contract costs	0	0	0	0	0	0
95300	Other protective services	0	0	0	0	0	0
95500	Employee benefits - protective services	0	0	0	0	0	0
95000	Total Protective Services	0	0	0	0	0	0
	Insurance Premiums						
96110	Property insurance	96,898	0	0	0	0	0
96120	Liability insurance	45,706	0	0	0	0	26,995
96130	Workmen's compensation	0	0	0	0	0	0
96140	Insurance - other	13,875	0	0	0	0	28,602
96100	Total Insurance Premiums	156,479	0	0	0	0	55,597
	Other general expenses						
96200	Other general expense	187,646	0	0	0	0	0
96210	Compensated absences	0	0	0	0	0	0
96300	Payments in lieu of taxes	0	0	0	0	0	0
96400	Bad debt - tenant rents	19,581	0	0	0	0	0
96500	Bad debt - mortgages	0	42,872	0	0	0	0
96600	Bad debt - other	0	0	0	0	0	0
96800	Severance expense	0	0	0	0	0	0
96000	Total General Expenses	207,227	42,872	0	0	0	0
	Financial Expenses						
96710	Interest expense - mortgage payable	46,860	0	0	0	0	0
96720	Interest expense - notes payable	0	0	0	0	0	0
96730	Amortization - issuance costs	0	0	0	0	0	0
96700	Total Financial Expenses	46,860	0	0	0	0	0
96900	TOTAL OPERATING EXPENSE	2,700,759	42,872	58,793	0	56,544	1,459,762
97000	EXCESS OPERATING REVENUE	2,356,843	(42,872)	0	3,523	379,466	6,873,306

Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
0	9,160	145,674	0	439,559
0	0	264,758	0	421,514
0	33,940	235,228	(43,050)	495,558
0	0	4,203	0	4,203
0	0	3,019	0	3,019
0	0	0	0	0
0	0	0	0	0
0	26,500	89,142	(43,050)	72,592
0	0	0	0	0
0	0	0	0	0
0	0	857	0	857
0	0	8,843	0	8,843
0	0	11,043	0	11,043
0	7,440	21,424	0	28,864
0	0	96,697	0	366,137
0	959	13,281	0	109,849
0	44,059	658,941	(43,050)	1,466,480
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	8,340	132,082	0	237,320
0	5,885	15,171	0	93,757
0	0	0	0	0
0	6,583	17,420	0	66,480
0	20,808	164,673	0	397,557
0	76,135	33,101	(117,387)	179,495
0	0	0	0	0
0	0	0	0	0
0	0	39,126	0	58,707
0	0	0	0	42,872
0	0	0	0	0
0	0	0	0	0
0	76,135	72,227	(117,387)	281,074
0	0	397,559	(45,181)	399,238
0	0	0	0	0
0	0	18,247	0	18,247
0	0	415,806	(45,181)	417,485
88,729	1,089,711	1,675,605	(1,416,183)	5,756,592
532,895	105,359	118,295	(915,703)	9,411,112

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, 2023

FDS Line#	Account Description	Blended Component Unit	Home Investment Partnership 14.258	Family Self-Sufficiency Program 14.896	FSS Escrow Forfeiture Account 14.EFA	Section 8 Moderate Housing Assistance 14.856	Section 8 Housing Choice Vouchers 14.871
	Other Expenses						
97100	Extraordinary maintenance	0	0	0	0	0	0
97200	Casualty losses	0	0	0	0	0	0
97300	Housing assistance payments	0	0	0	0	378,679	7,135,132
97350	HAP portability-in	0	0	0	0	0	0
97400	Depreciation expense	585,115	0	0	0	0	58,057
97500	Fraud losses	0	0	0	0	0	0
97600	Capital outlays - gov't funds	0	0	0	0	0	0
97700	Debt principal payment - gov't funds	0	0	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0	0	0
	Total Other Expenses	585,115	0	0	0	378,679	7,193,189
	<b>TOTAL EXPENSES</b>	<b>\$ 3,285,874</b>	<b>\$ 42,872</b>	<b>\$ 58,793</b>	<b>\$ 0</b>	<b>\$ 435,223</b>	<b>\$ 8,652,951</b>
10010	Operating transfer in	0	0	0	0	0	0
10020	Operating transfer out	0	0	0	0	0	0
10030	Operating transfers from/to primary gov't	0	0	0	0	0	0
10040	Operating transfers from/to comp. unit	0	0	0	0	0	0
10050	Proceeds from notes, loans & bonds	0	0	0	0	0	0
10060	Proceeds from property sales	0	0	0	0	0	0
10070	Extraordinary items, net gain/loss	0	0	0	0	0	0
10080	Special items, net gain/loss	0	0	0	0	0	0
10091	Inter project excess cash transfer in	0	0	0	0	0	0
10092	Inter project excess cash transfer out	0	0	0	0	0	0
10093	Transfers between project & program - in	0	0	0	0	0	0
10094	Transfers between project & program - out	0	0	0	0	0	0
10100	Total other financing sources (uses)	0	0	0	0	0	0
	<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 1,771,728</b>	<b>\$ (42,872)</b>	<b>\$ 0</b>	<b>\$ 3,523</b>	<b>\$ 787</b>	<b>\$ (319,883)</b>
11020	Prior period adjustments	0	0	0	0	0	0
11030	Beginning Net Position	9,631,794	101,530	0	3,521	219,604	2,038,085
11040-010	Prior period adjustments	0	0	0	(3,521)	0	3,521
11040-070	Equity transfers	0	0	0	0	0	0
	<b>Ending Net Position</b>	<b>\$ 11,403,522</b>	<b>\$ 58,658</b>	<b>\$ 0</b>	<b>\$ 3,523</b>	<b>\$ 220,391</b>	<b>\$ 1,721,723</b>
11170	Administrative Fund Equity	-	-	-	-	-	1,721,723
11180	Housing Choice Voucher Equity	-	-	-	-	-	-
11190	Units Available	3,672	-	-	-	550	20,088
11210	Units Leased	3,502	-	-	-	550	17,289



Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
0	0	0	0	0
0	0	0	0	0
498,292	0	0	(915,703)	7,096,400
0	0	0	0	0
0	5,182	729,356	0	1,377,710
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
498,292	5,182	729,356	(915,703)	8,474,110
\$ 587,021	\$ 1,094,893	\$ 2,404,961	\$ (2,331,886)	\$ 14,230,702
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
34,603	100,177	(611,061)	0	937,002
0	0	0	0	0
(33,521)	2,433,319	7,395,326	0	21,789,658
0	0	0	0	0
0	0	(6,642)	0	(6,642)
\$ 1,082	\$ 2,533,496	\$ 6,777,623	\$ 0	\$ 22,720,018
-	-	-	-	1,721,723
-	-	-	-	-
1,320	-	2,064	(3,672)	24,022
1,304	-	1,902	(3,502)	21,045

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

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Type</u>	<u>Assistance Listing Number</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	\$ 8,184,850
Mainstream Vouchers (Cluster)	A - Major	14.879	<u>620,590</u>
			8,805,440
Section 8 Moderate Rehabilitation Program	B - Nonmajor	14.856	433,704
Family Self Sufficiency Grant Program	B - Nonmajor	14.896	<u>58,793</u>
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ <u>9,297,937</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, 2023**

**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, 2023. 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, 2023.

**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, 2023.
- 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, 2023.
- The Housing Authority of the City of Fort Smith maintains the following limits of insurance as of December 31, 2023:

Property	\$ 100,000,000
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.