

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

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

DECEMBER 31, 2024

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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, 2024



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, 2024, 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, 2024, 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 May 8, 2025, 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
May 8, 2025

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

MANAGEMENT'S DISCUSSION & ANALYSIS

DECEMBER 31, 2024

**HOUSING AUTHORITY OF THE CITY OF FORT SMITH
FORT SMITH, ARKANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FYE: DECEMBER 31, 2024**

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, 2024. 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, 2024.

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 \$17,874,550 (net position) as opposed to \$15,942,395 for the prior fiscal year.
- The Authority's cash and investments as of December 31, 2024, totaled \$4,088,189 representing a decrease of \$1,647,863 or 28.73% from December 31, 2023.
- The Authority had total revenues of \$15,900,718 and total expenses of \$13,968,563 for the year ended December 31, 2024.

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. The independent landlord was notified in July 2024 of the Authority's intention to not renew the Mod Rehab contract due to the condition of the property. Following a thorough appeals and review process, HUD affirmed the Authority's decision to end the Mod Rehab contract as of June 30, 2025. Remaining low-income families will be offered Tenant Protection Vouchers to be used at new units.

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 have been 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 since 2014.

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, four limited partnerships known as North Pointe LP (Investor: Alliant Capital), North Pointe II LP (Investor: First National Bank of Fort Smith), Clayton Heights Development LP (Investor: Alliant Capital), and Newlon Springs LP (Investor: First National Bank of Fort Smith). 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)

	2024	2023	Change	
ASSETS				
Cash and Investments	\$ 4,088,189	\$ 5,736,052	\$ (1,647,863)	-28.73%
Other Current Assets	2,115,863	996,576	1,119,287	112.31%
Assets Held for Sale	535,153	584,098	(48,945)	-8.38%
Other Noncurrent Assets	1,773,632	1,649,442	124,190	7.53%
Capital Assets	11,302,393	8,729,548	2,572,845	29.47%
Total Assets	<u>\$ 19,815,230</u>	<u>\$ 17,695,716</u>	<u>\$ 2,119,514</u>	11.98%
LIABILITIES				
Current Liabilities	\$ 685,006	\$ 436,326	\$ 248,680	56.99%
Noncurrent Liabilities	1,255,674	1,316,995	(61,321)	-4.66%
Total Liabilities	<u>1,940,680</u>	<u>1,753,321</u>	<u>187,359</u>	10.69%
NET POSITION				
Invested in Capital Assets	10,123,855	7,452,633	2,671,222	35.84%
Restricted	893,968	2,741,400	(1,847,432)	-67.39%
Unrestricted	6,856,727	5,748,362	1,108,365	19.28%
Total Net Position	<u>17,874,550</u>	<u>15,942,395</u>	<u>1,932,155</u>	12.12%
Total Liabilities and Net Position	<u>\$ 19,815,230</u>	<u>\$ 17,695,716</u>	<u>\$ 2,119,514</u>	11.98%

Total Assets increased by \$2,119,514 or 11.98% from the prior year. Cash and Investments decreased by \$1,647,863 or 28.73%, which is detailed in the accompanying statement of cash flows. Accounts receivable increased by \$1,105,005 or 116.34% due to amounts due from other government, prepaid expenses also increased by \$14,282 or 30.55%. Assets Held for Sale decreased by \$48,945 or 8.38% due to the sale of assets. Capital assets increased by \$2,572,845 or 29.47% due to additions exceeding depreciation expense for the year. Other noncurrent assets increased by \$124,190 or 7.53% due primarily to the increase in accrued interest on notes receivable.

Total Liabilities increased by \$187,359 or 10.69%. Current liabilities increased by \$248,680 or 56.99% due to the timing of payables at year-end. Noncurrent liabilities decreased by \$61,321 or 4.66%, primarily due to the amortization of long-term debt.

Total Net Position increased by \$1,932,155 or 12.12%. Investment in Capital Assets increased by \$2,671,222 or 35.84%. Restricted Net Position decreased by \$1,847,432 or 67.39% due to the use of restricted reserves. Unrestricted Net Position increased by \$1,108,365 or 19.28% 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 2023 to FY 2024.

	2024	2023	Change	
REVENUE				
Tenant Revenue	\$ 1,161,282	\$ 1,141,486	\$ 19,796	1.73%
HUD Operating Grants	11,380,226	9,297,937	2,082,289	22.40%
Proceeds from Disposition of Assets	6,101,683	1,365,709	4,735,974	346.78%
Costs of Sale of Assets	(3,853,283)	(976,254)	(2,877,029)	294.70%
Gain/(Loss) on Sale of Fixed Assets	9,556	15,338	(5,782)	-37.70%
Investment Income	112,293	75,147	37,146	49.43%
Other Revenue	988,961	2,454,441	(1,465,480)	-59.71%
Total Revenue	\$ 15,900,718	\$ 13,373,804	\$ 2,526,914	18.89%

Total Revenue increased by \$2,526,914 or 18.89% to \$15,900,718 during FY 2024. This increase was due primarily to an increase in HUD Operating Grants of \$2,082,289 and Proceeds from Dispositions of Assets of \$4,735,974. Conversely, the Cost of Sale of Assets decreased by \$2,877,029, and other revenue also decreased by \$1,465,480.

The following table illustrates changes in expenses from FY 2023 to FY 2024.

	2024	2023	Change	
EXPENSES				
Administration	\$ 2,584,290	\$ 2,451,985	\$ 132,305	5.40%
Tenant Services	60,795	798	59,997	7518.42%
Utilities	352,162	377,255	(25,093)	-6.65%
Maintenance	767,111	807,539	(40,428)	-5.01%
General	551,475	441,731	109,744	24.84%
Financial	3,898	1,679	2,219	132.16%
Housing Assistance Payments	8,990,573	7,096,400	1,894,173	26.69%
Depreciation	658,259	648,354	9,905	1.53%
Total Expenses	\$ 13,968,563	\$ 11,825,741	\$ 2,142,822	18.12%

Total Expenses, across all Authority programs increased by \$2,142,822 or 18.12%.

Administrative expenses increased by \$132,305 or 5.40% due mainly to increases in salaries and benefits. Tenant services increased by \$59,997 or 7518.42% due to the allocation of salaries in the current year. Utilities decreased by \$25,093 or 6.65%. Maintenance expense decreased by \$40,428 or 5.01%, which was due to a decrease in labor and benefits of \$107,466 or 27.52%. General expenses increased by \$109,744 or 24.84% due to increases in other general expenses of \$79,452, and insurance expense of \$32,656. HAP expense increased by \$1,894,173 or 26.69% due to increased utilization. Depreciation expenses increased by \$9,905 or 1.53%.

Capital Assets

	<u>2024</u>	<u>2023</u>	<u>Change</u>	
Land	\$ 822,738	\$ 822,738	\$ 0	0.00%
Buildings	15,115,968	15,074,020	41,948	0.28%
Equipment	2,057,422	1,866,874	190,548	10.21%
Construction in Progress	3,068,586	92,241	2,976,345	3226.71%
Accumulated Depreciation	<u>(9,762,321)</u>	<u>(9,126,325)</u>	<u>(635,996)</u>	6.97%
Net Capital Assets	\$ <u>11,302,393</u>	\$ <u>8,729,548</u>	\$ <u>2,572,845</u>	29.47%

Total Capital assets increased during the year to \$11,302,393, an increase of \$2,572,845 or 29.47%.

The following reconciliation summarizes changes in capital asset balances during FY 2024.

Balance as of January 1, 2024	\$ 8,729,548
Capital additions	3,231,104
Depreciation expense	<u>(658,259)</u>
Balance as of December 31, 2024	<u>\$ 11,302,393</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 9th Street Cottages. The loan bears 1.00% interest with payments to begin one year after affordability period commences. As of December 31, 2024, the total loan balances were \$1,178,538.

Economic Factors

Several significant economic and regulatory 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 31st 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, 2024

HOUSING AUTHORITY OF THE CITY OF FORT SMITH

Fort Smith, Arkansas

STATEMENT OF NET POSITION

December 31, 2024

	ASSETS		
	Primary	Discrete	Total
	Government	Component	(Memorandum
<u>Current Assets</u>	Units	Only)	
Cash & cash equivalents - unrestricted	\$ 3,050,428	\$ 645,682	\$ 3,696,110
Cash & cash equivalents - restricted	1,037,761	2,076,448	3,114,209
Accounts receivable, net	2,054,838	22,525	2,077,363
Prepaid expenses	61,025	279,652	340,677
Assets held for sale	535,153	-	535,153
	<hr/>	<hr/>	<hr/>
Total Current Assets	6,739,205	3,024,307	9,763,512
	<hr/>	<hr/>	<hr/>
<u>Noncurrent Assets</u>			
Capital Assets:			
Land & improvements	822,738	281,897	1,104,635
Buildings	15,115,968	23,734,336	38,850,304
Construction in progress	3,068,586	11,222,323	14,290,909
Furniture & equipment	2,057,422	840,296	2,897,718
	<hr/>	<hr/>	<hr/>
	21,064,714	36,078,852	57,143,566
Less: Accumulated depreciation	(9,762,321)	(10,892,979)	(20,655,300)
	<hr/>	<hr/>	<hr/>
Total Capital Assets	11,302,393	25,185,873	36,488,266
	<hr/>	<hr/>	<hr/>
Other Noncurrent Assets:			
Notes receivable	792,681	-	792,681
Other assets	-	125,844	125,844
Investment in joint venture	980,951	-	980,951
	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	13,076,025	25,311,717	38,387,742
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 19,815,230	\$ 28,336,024	\$ 48,151,254
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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)
<u>Current Liabilities</u>			
Accounts payable	\$ 334,197	\$ 1,812,310	\$ 2,146,507
Accrued liabilities	148,647	246,943	395,590
Other current liabilities	53,368	2,125	55,493
Noncurrent debt - current portion	98,547	8,809,750	8,908,297
Unearned revenue	6,636	25,154	31,790
Tenant security deposits/escrow deposits	43,611	75,675	119,286
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Total Current Liabilities	685,006	10,971,957	11,656,963
	<hr/>	<hr/>	<hr/>
<u>Noncurrent Liabilities</u>			
Long-term debt, net of current - capital projects	1,079,991	8,054,710	9,134,701
Accrued compensated absences	75,501	1,943	77,444
Trust deposits	100,182	-	100,182
	<hr/>	<hr/>	<hr/>
Total Noncurrent Liabilities	1,255,674	8,056,653	9,312,327
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	1,940,680	19,028,610	20,969,290
	<hr/>	<hr/>	<hr/>
<u>NET POSITION</u>			
Investment in Capital Assets	10,123,855	8,444,667	18,568,522
Restricted	893,968	2,000,773	2,894,741
Unrestricted	6,856,727	(1,138,026)	5,718,701
	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	17,874,550	9,307,414	27,181,964
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES & NET POSITION	\$ 19,815,230	\$ 28,336,024	\$ 48,151,254
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2024

	Primary Government	Discrete Component Units	Total (Memorandum Only)
<u>Operating Revenues</u>			
Dwelling rent	\$ 1,161,282	\$ 2,235,968	\$ 3,397,250
Governmental grants & subsidy	11,380,226	-	11,380,226
Other income	3,237,361	12,270	3,249,631
Total Operating Revenues	<u>15,778,869</u>	<u>2,248,238</u>	<u>18,027,107</u>
<u>Operating Expenses</u>			
Administration	2,584,290	517,983	3,102,273
Tenant services	60,795	584	61,379
Utilities	352,162	18,291	370,453
Maintenance & operations	767,111	496,185	1,263,296
General expense	551,475	328,191	879,666
Housing assistance payments	8,990,573	-	8,990,573
Depreciation and amortization expense	658,259	744,728	1,402,987
Total Operating Expense	<u>13,964,665</u>	<u>2,105,962</u>	<u>16,070,627</u>
Net Operating Income/(Loss)	<u>1,814,204</u>	<u>142,276</u>	<u>1,956,480</u>
<u>Nonoperating Revenues/(Expenses)</u>			
Investment income	107,875	25,022	132,897
Notes Receivable - interest income	4,418	-	4,418
Gain/(Loss) on disposition of assets	9,556	-	9,556
Interest expense	(3,898)	(473,980)	(477,878)
Net Nonoperating Revenues/(Expenses)	<u>117,951</u>	<u>(448,958)</u>	<u>(331,007)</u>
Increase/(Decrease) in Net Position	1,932,155	(306,682)	1,625,473
Total Net Position - beginning	15,942,395	6,777,623	22,720,018
Equity distribution/transfer	-	2,836,473	2,836,473
Total Net Position - ending	<u>\$ 17,874,550</u>	<u>\$ 9,307,414</u>	<u>\$ 27,181,964</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, 2024

	Primary Government	Discrete Component Units	Total (Memorandum Only)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 4,398,643	\$ 2,248,238	\$ 6,646,881
Governmental grants & subsidy - operations	11,380,226	-	11,380,226
Payments to suppliers	(2,564,402)	(923,688)	(3,488,090)
Payments for housing assistance	(8,990,573)	-	(8,990,573)
Payments to employees	(2,584,982)	(458,183)	(3,043,165)
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>1,638,912</u>	<u>866,367</u>	<u>2,505,279</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received	112,293	25,022	137,315
Proceeds from notes receivable	(124,252)	-	(124,252)
Investment in joint venture - net	62	-	62
Invested in assets held for sale - net	48,945	-	48,945
NET CASH PROVIDED/(USED) FROM INVESTING ACTIVITIES	<u>37,048</u>	<u>25,022</u>	<u>62,070</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition of capital assets/tax credit fees	(3,231,104)	(11,246,818)	(14,477,922)
Payments on mortgage/notes payable	(98,377)	-	(98,377)
Proceeds from mortgage notes payable	-	8,970,109	8,970,109
Interest expense	(3,898)	(473,980)	(477,878)
Capital contributions from partners	-	2,836,473	2,836,473
Proceeds from disposition of capital assets	9,556	-	9,556
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,323,823)</u>	<u>85,784</u>	<u>(3,238,039)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,647,863)	977,173	(670,690)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>5,736,052</u>	<u>1,744,957</u>	<u>7,481,009</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 4,088,189</u>	<u>\$ 2,722,130</u>	<u>\$ 6,810,319</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net Income/(Loss) from operations	\$ 1,814,204	\$ 142,276	\$ 1,956,480
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation & amortization	658,259	744,728	1,402,987
Decrease (Increase) in accounts receivable, net	(1,105,005)	(1,547)	(1,106,552)
Decrease (Increase) in prepaid expenses	(14,282)	(151,247)	(165,529)
Increase (Decrease) in accounts payable	225,560	534,269	759,829
Increase (Decrease) in accrued liabilities	27,846	38,462	66,308
Increase (Decrease) in other current liabilities	(1,556)	(460,699)	(462,255)
Increase (Decrease) in security/trust deposits	33,886	20,125	54,011
NET CASH PROVIDED/(USED) FROM OPERATING ACTIVITIES	<u>\$ 1,638,912</u>	<u>\$ 866,367</u>	<u>\$ 2,505,279</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, 2024

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, 2024
(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.

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. The independent landlord was notified in July 2024 of the Authority's intention to not renew the Mod Rehab contract due to the condition of the property. Following a thorough appeals and review process, HUD affirmed the Authority's decision to end the Mod Rehab contract as of June 30, 2025. Remaining low-income families will be offered Tenant Protection Vouchers to be used at new units.

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,

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

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

3. Reporting Entity: (Cont'd)

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, four limited partnerships known as North Pointe LP (Investor: Alliant Capital), North Pointe II LP (Investor: First National Bank of Fort Smith), Clayton Heights Development LP (Investor: Alliant Capital), and Newlon Springs LP (Investor: First National Bank of Fort Smith). These entities were created to develop and own affordable housing developments financed partly by IRS Section 42 Low-Income Housing Tax Credits.

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.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

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

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.

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 expended, 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, 2024
(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, 2024
(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
Rex Terry, Vice-Chair	March 2025
Beth Presley	March 2029
Alex Sanchez	March 2026
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 2024, 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, 2024, the Authority's primary government cash deposits had a carrying amount of \$4,088,189 and bank balances of \$4,156,656. Of the bank balances held, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the dedicated method.

Interest rate risk - As a means of limiting its exposure to market value losses arising from rising interest rates, the Authority'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, 2024
(Continued)

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

Restricted cash:

Reserve for Replacement – BCU	\$ 880,678
FSS Forfeiture Account	6,599
Tenant security deposits	43,611
Mainstream Vouchers	6,691
FSS Escrow	<u>100,182</u>
	<u>\$ 1,037,761</u>

The Restricted Net Position on December 31, 2024, was \$893,968 and is made up of the Reserve for Replacement for Blended Component Unit of \$880,678, Mainstream Voucher equity of \$6,691, and \$6,599 for the FSS Forfeiture Account.

COLLATERALIZATION:

<u>Security</u>	<u>Cusip</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Market Value</u>
Federal Reserve Bank				
US Treasury	9128286L9	03/31/26	2.250%	\$ 994,102
US Treasury	91282CGP0	02/29/28	4.000%	291,624
US Treasury	912828YG9	09/30/26	1.625%	1,431,855
FHLMC	31307PUK3	11/01/25	2.500%	24,668
GNMA	36179NLP1	08/20/43	4.625%	41,910
GNMA	36179SZD2	03/20/47	4.500%	75,670
GNMA	3617B4WL7	08/20/47	4.625%	121,536
FNBB	890326BQ3	02/01/27	2.750%	48,389
FNR	313681KD5	03/25/47	3.000%	63,631
FNR	313684NN4	05/25/49	2.500%	32,151
FNR	31398S4S9	01/26/26	3.500%	6,948
GNMA	38377X4E9	02/20/41	1.500%	37,049
GNR	38380WWM7	12/20/47	3.000%	42,019
GNR	38383FFZ1	11/20/51	1.500%	538,720
FGPC	38383DGL6	11/20/51	1.500%	343,853
FGPC	31307PUK3	11/01/25	2.500%	24,919
FNRM	313681KD5	03/25/47	2.500%	68,964
FNRM	313684NN4	05/25/49	2.500%	39,709
FNRM	31398S4S9	01/25/26	2.500%	7,013
GNAR	3617B4WL7	08/20/47	2.500%	120,531
GNAR	36179NLP1	08/20/43	2.500%	41,720
GNAR	36179SZD2	03/20/47	2.500%	75,157
GNRM	38377X4E9	02/20/41	2.500%	38,603
GNRM	38380WWM7	12/20/47	2.500%	44,846
GNRM	38383DGL6	11/20/51	2.500%	413,559
GNRA	38383FFZ1	10/20/51	2.500%	643,092
2 1/4 Note J 26	9128286L9	03/31/26	1.000%	1,020,000
4 Note V 28	91282CGP0	02/29/28	1.000%	295,000
1 5/8 Note Q26	912828YG9	09/30/26	1.000%	<u>1,500,000</u>
				<u>\$ 8,427,238</u>

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

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

Discrete Component Units:

Cash and cash equivalents as of December 31, 2024, consisted of the following:

Unrestricted cash	\$ 645,682
Restricted for reserves	2,000,773
Restricted for tenant security deposits	<u>75,675</u>
	<u>\$ 2,722,130</u>

NOTE C - ACCOUNTS & ACCRUED RECEIVABLES:

Accounts and accrued receivable at December 31, 2024, consisted of the following:

Tenants (net of allowance of \$133,451)	\$ 9,561
Accounts receivable - HUD	27,816
Accounts receivable - other government	24,196
Accounts receivable - Hope Campus	3,941
Accounts receivable - DCU	1,205,608
Accounts receivable - employee	12,233
Accounts receivable - other	<u>771,483</u>
	<u>\$ 2,054,838</u>

The above receivable balance excludes \$582,502 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, 2024, consisted of the following:

Tenants (net of allowance of \$229,881)	<u>\$ 22,525</u>
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NOTE D - PREPAID CHARGES & OTHER ASSETS:

Prepaid charges and other assets at December 31, 2024, consisted of the following:

Prepaid insurance and other assets	\$ 61,025
Assets Held for Sale – Strategic Community Investments	215,361
Assets Held for Sale – Business Activities	<u>319,792</u>
	<u>\$ 596,178</u>

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

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

Discrete Component Units:

Prepaid charges as of December 31, 2024, consisted of the following:

Prepaid insurance and other assets \$ 279,652

NOTE E - CAPITAL ASSETS:

The following is a summary of changes in capital assets during the year ended December 31, 2024:

	Balance at 12/31/2023	Additions	Dispositions/ Transfers	Depreciation	Balance at 12/31/2024
Enterprise Activities:					
Capital Assets:					
Land	\$ 822,738	\$ -	\$ -	\$ -	\$ 822,738
Buildings	15,074,020	41,949	(1)	-	15,115,968
Furniture & Equipment	1,866,874	212,810	(22,262)	-	2,057,422
Construction in Process	92,241	2,976,345	-	-	3,068,586
Total Capital Assets	17,855,873	3,231,104	(22,263)	-	21,064,714
Accumulated Depreciation:					
Buildings	(8,249,251)	-	-	(482,517)	(8,731,768)
Furniture & Equipment	(877,074)	-	22,263	(175,742)	(1,030,553)
	(9,126,325)	-	22,263	(658,259)	(9,762,321)
Net Capital Assets	\$ 8,729,548	\$ 3,231,104	\$ -	\$ (658,259)	\$ 11,302,393

The following activities affected capital assets during the audit period:

Balance as of December 31, 2023	\$ 8,729,548
Capital additions	3,231,104
Depreciation expense	<u>(658,259)</u>
Balance as of December 31, 2024	<u>\$ 11,302,393</u>

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

NOTE E - CAPITAL ASSETS: (Cont'd)

Discrete Component Units:	Balance at 12/31/2023	Transfers/ Additions	Dispositions/ Transfers	Depreciation	Balance at 12/31/2024
Capital Assets:					
Land	\$ 281,897	\$ -	\$ -	\$ -	\$ 281,897
Buildings & Improvements	22,716,804	24,495	993,037	-	23,734,336
Furniture & Equipment	840,296	-	-	-	840,296
Construction in Process	-	11,222,323	-	-	11,222,323
Total Capital Assets	23,838,997	11,246,818	993,037	-	36,078,852
Accumulated Depreciation	(10,165,373)	-	-	(727,606)	(10,892,979)
Net Capital Assets	<u>\$13,673,624</u>	<u>\$ 11,246,818</u>	<u>\$ 993,037</u>	<u>\$ (727,606)</u>	<u>\$25,185,873</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, 2024, \$26,595 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, 2024, the outstanding principal balance is \$87,881 with \$28,444 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, 2024, the full principal of \$56,818 and \$33,666 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, 2024, the full principal of \$251,070 and \$161,484 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, 2024, the outstanding balance is \$146,723 and is considered noncurrent.

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

NOTE F - NOTES RECEIVABLE: (Cont'd)

Notes receivable consisted of the following at December 31, 2024:

	Balance as of 12/31/23	Change in Notes & (Forgiven) FY2024	Accrued Interest	Balance as of 12/31/24
HOME	\$ 58,659	\$ (32,064)	\$ -	\$ 26,595
Clayton Heights Development, LP	111,907	-	4,418	116,325
North Pointe, Inc.	87,736	-	2,748	90,484
North Pointe II, Inc.	401,572	-	10,982	412,554
Riverview Hope Campus	<u>214,001</u>	<u>(67,278)</u>	<u>-</u>	<u>146,723</u>
	<u>\$ 873,875</u>	<u>\$ (99,342)</u>	<u>\$ 18,148</u>	<u>\$ 792,681</u>

NOTE G - INVESTMENT IN JOINT VENTURES:

Investments in joint ventures at December 31, 2024, consisted of the following:

North Pointe Limited Partnership	\$ 73,372
North Pointe II Limited Partnership	907,688
Clayton Heights Development Limited Partnership	<u>(109)</u>
	<u>\$ 980,951</u>

NOTE H - OTHER ASSETS:

Other assets held by the *Discrete Component Units* as of December 31, 2024, consisted of the following:

Deferred fees, net of amortization	\$ 41,168
Tax credit monitoring fees, net of amortization	28,156
Loan issuance costs, net of amortization	<u>56,520</u>
	<u>\$ 125,844</u>

NOTE I - ACCOUNTS PAYABLE:

Accounts payable consisted of the following at December 31, 2024:

Vendors and contractors payable	\$ 334,197
Tenant security deposits	<u>43,611</u>
	<u>\$ 377,808</u>

The above payable balance excludes \$582,502 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, 2024
(Continued)

NOTE I - ACCOUNTS PAYABLE: (Cont'd)

Discrete Component Units:

Accounts payable as of December 31, 2024, consisted of the following:

Vendors and contractors payable	\$ 583,487
Accrued interest payable	223,594
Other government	1,228,823
Tenant security deposits	<u>75,675</u>
	<u>\$ 2,111,579</u>

NOTE J - OTHER CURRENT LIABILITIES:

Other current liabilities consisted of the following at December 31, 2024:

Accrued compensated absences - current portion	\$ 92,239
Accrued wages/taxes payable	56,408
Current portion of long-term debt	98,547
Other current liabilities	53,368
Unearned revenue	<u>6,636</u>
	<u>\$ 307,198</u>

Discrete Component Units:

Accrued compensated absences - current portion	\$ 13,211
Accrued wages/taxes payable	10,138
Current portion of long-term debt	8,809,750
Other current liabilities	2,125
Unearned revenue	<u>25,154</u>
	<u>\$ 8,860,378</u>

NOTE K - INTERFUND ACCOUNTS:

As of December 31, 2024, 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	\$ 277,532	\$ -
HCV	9,329	38,168
Mod Rehab	-	4,001
Blended Component Unit	295,641	532,438
Mainstream	<u>-</u>	<u>7,895</u>
	<u>\$ 582,502</u>	<u>\$ 582,502</u>

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(Continued)

NOTE L - NONCURRENT LIABILITIES:

Noncurrent liabilities consisted of the following at December 31, 2024:

FSS Escrow deposits	\$ 100,182
Accrued compensated absences - noncurrent portion	<u>75,501</u>
	<u>\$ 175,683</u>

	Balance at 1/1/2024	Adjustments/ Increases	Decreases	Balance at 12/31/2024	Current Portion of Balance
Compensated absences	\$ 157,082	\$ 10,658	\$ -	\$ 167,740	\$ 92,239
FSS Escrow Deposits	<u>65,976</u>	<u>78,820</u>	<u>(44,614)</u>	<u>100,182</u>	<u>-</u>
	<u>\$ 223,058</u>	<u>\$ 89,478</u>	<u>\$ (44,614)</u>	<u>\$ 267,922</u>	<u>\$ 92,239</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, 2024, the total loan balances were \$1,178,538, of this amount \$98,547 is considered currently due.

Discrete Component Units:

As of December 31, 2024, the combined long-term debt held by the Discrete Component Unit was \$16,864,460. A summary of this year's activity follows:

	Balance at 1/1/2024	New Debt Issued	Principal Payments	Balance at 12/31/2024	Current Portion of Balance
Clayton Heights	\$ 2,808,025	\$ -	\$ (106,453)	\$ 2,701,572	\$ 113,214
North Pointe, LP	1,503,055	-	(54,236)	1,448,819	57,799
North Pointe II, LP	3,815,294	-	(71,334)	3,743,960	73,628
Newlon Springs Dev, LP	<u>-</u>	<u>8,970,109</u>	<u>-</u>	<u>8,970,109</u>	<u>8,565,109</u>
	<u>\$ 8,126,374</u>	<u>\$ 8,970,109</u>	<u>\$ (232,023)</u>	<u>\$ 16,864,460</u>	<u>\$ 8,809,750</u>

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

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(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, 2024, 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 \$1,859,832. The Authority's contributions to the plan were \$158,086 and the employees' contributions were \$102,291.

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 \$337,609 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, 2024 were as follows:

Housing Choice Vouchers	<u>\$ 10,212,530</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, 2024
(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, 2024.

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 May 8, 2025, 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, 2024

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

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS
December 31, 2024

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
ASSETS:									
CURRENT ASSETS:									
Cash:									
111	Cash - unrestricted	\$ 560,416	\$ 301,727	\$ 635,164	\$ 21,280	\$ 15,272	\$ 56,213	\$ 133,519	\$ 1,723,591
112	Cash - restricted - modernization	0	0	0	0	0	0	0	0
113	Cash - other restricted	759,877	0	0	0	0	0	120,801	880,678
114	Cash - tenant security deposits	35,661	0	2,000	0	0	0	5,950	43,611
100	Total Cash	1,355,954	301,727	637,164	21,280	15,272	56,213	260,270	2,647,880
Accounts and notes receivables:									
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	6,386	1,713,035	47,946	100,000	62,048	0	0	1,929,415
126	Accounts receivable - tenants rents	128,185	0	0	0	0	0	14,827	143,012
126.1	Allowance for doubtful accounts - tenant	(119,427)	0	0	0	0	0	(14,024)	(133,451)
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	33,818	33,667	161,483	0	0	228,968
120	Total receivables - net	15,144	1,713,035	81,764	133,667	223,531	0	803	2,167,944
Current investments:									
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	19,271	11,886	6,265	0	0	0	2,154	39,576
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	940	26,173	268,528	60	0	0	0	295,641
145	Assets held for sale	0	0	215,361	0	0	0	0	215,361
150	TOTAL CURRENT ASSETS	1,391,309	2,052,821	1,209,082	154,947	238,803	56,213	263,227	5,366,402
NONCURRENT ASSETS:									
Capital Assets:									
161	Land	29,030	0	200,854	0	0	0	160,574	390,458
162	Buildings	12,562,673	0	286,268	0	0	0	2,267,027	15,115,968
163	Furniture & equipment - dwelling	1,019,010	0	0	0	0	0	0	1,019,010
164	Furniture & equipment - admin	262,693	211,122	10,300	0	0	0	0	484,115
165	Improvements	0	0	0	0	0	0	0	0
166	Accumulated depreciation	(8,932,108)	(57,538)	(134,428)	0	0	0	(307,560)	(9,431,634)
167	Construction in progress	2,039,345	0	0	0	0	0	4,061	2,043,406
168	Infrastructure	0	0	0	0	0	0	0	0
160	Total capital assets - net	6,980,643	153,584	362,994	0	0	0	2,124,102	9,621,323
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	73,372	907,688	(109)	0	980,951
180	TOTAL NONCURRENT ASSETS	6,980,643	153,584	362,994	130,190	1,158,758	(109)	2,124,102	10,910,162
200	DEFERRED OUFLOW OF RESOURCES	0	0	0	0	0	0	0	0
290	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 8,371,952	\$ 2,206,405	\$ 1,572,076	\$ 285,137	\$ 1,397,561	\$ 56,104	\$ 2,387,329	\$ 16,276,564

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

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - BLENDED COMPONENT UNITS
December 31, 2024

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
LIABILITIES AND NET POSITION:									
LIABILITIES:									
CURRENT LIABILITIES:									
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
312	Accounts payable < 90 days	10,239	207,085	199	0	0	0	347	217,870
313	Accounts payable > 90 days	0	0	0	0	0	0	0	0
321	Accrued salaries/payroll withholding	11,431	4,408	0	0	0	0	0	15,839
322	Accrued compensated absences	13,211	9,191	0	0	0	0	0	22,402
324	Accrued contingency liability	0	0	0	0	0	0	0	0
325	Accrued interest payable	0	0	0	33,667	161,483	0	89,192	284,342
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	35,661	0	2,000	0	0	0	5,950	43,611
342	Unearned revenue	6,604	0	0	0	0	0	32	6,636
343	Current portion of capital debt	0	0	0	0	0	0	98,547	98,547
344	Current portion of operating debt	0	0	0	0	0	0	0	0
345	Other current liabilities	3,035	3,917	0	0	0	0	10,500	17,452
346	Accrued liabilities - other	0	0	0	0	0	0	0	0
347	Interprogram (due to)	323,136	92,160	14,324	100,000	0	0	2,818	532,438
348	Loan liability - current	0	0	0	0	0	0	0	0
310	TOTAL CURRENT LIABILITIES	403,317	316,761	16,523	133,667	161,483	0	207,386	1,239,137
NONCURRENT LIABILITIES:									
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	1,639,991	1,639,991
353	Noncurrent liabilities - other	0	0	0	0	0	0	0	0
354	Accrued comp. absences - long term	1,943	17,710	0	0	0	0	0	19,653
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	TOTAL NONCURRENT LIABILITIES	1,943	17,710	0	56,818	251,070	0	1,639,991	1,967,532
300	TOTAL LIABILITIES	405,260	334,471	16,523	190,485	412,553	0	1,847,377	3,206,669
400	DEFERRED INFLOW OF RESOURCES	0	0	0	0	0	0	0	0
NET POSITION:									
508.4	Net investment in Capital Assets	6,980,643	153,584	362,994	0	0	0	385,564	7,882,785
511.4	Restricted	759,877	0	0	0	0	0	120,801	880,678
512.4	Unrestricted	226,172	1,718,350	1,192,559	94,652	985,008	56,104	33,587	4,306,432
513	TOTAL NET POSITION	7,966,692	1,871,934	1,555,553	94,652	985,008	56,104	539,952	13,069,895
600	TOTAL LIABILITIES AND NET POSITION	\$ 8,371,952	\$ 2,206,405	\$ 1,572,076	\$ 285,137	\$ 1,397,561	\$ 56,104	\$ 2,387,329	\$ 16,276,564

**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, 2024**

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
REVENUES:									
70300	Net tenant rental revenue	\$ 1,996,221	\$ 0	\$ 45,840	\$ 0	\$ 0	\$ 0	\$ 152,476	\$ 2,194,537
70400	Tenant revenue - other	165,371	0	0	0	0	0	2,253	167,624
70500	Total tenant revenue	2,161,592	0	45,840	0	0	0	154,729	2,362,161
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	27,661	11,817	14,983	322	1,181	1,044	1,450	58,458
71200	Mortgage interest income	0	0	11,922	2,748	10,981	0	0	25,651
71300	Proceeds from assets held for sale	0	6,101,683	0	0	0	0	0	6,101,683
71310	Cost of sale of assets	0	(3,853,283)	0	0	0	0	0	(3,853,283)
71400	Fraud income	0	0	0	0	0	0	0	0
71500	Other revenue	69,811	344,533	343,443	0	0	6,740	79,993	844,520
71600	Gain/(loss) on disposition	0	0	0	0	0	0	0	0
72000	Investment income - restricted	17,489	0	0	0	0	0	737	18,226
70000	TOTAL REVENUES	\$ 2,276,553	\$ 2,604,750	\$ 416,188	\$ 3,070	\$ 12,162	\$ 7,784	\$ 236,909	\$ 5,557,416
EXPENSES:									
Administrative									
91100	Administrative salaries	\$ 166,538	\$ 169,836	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 336,374
91200	Auditing fees	4,750	2,470	0	0	0	0	0	7,220
91300	Management fees	111,146	88,500	0	0	0	0	13,741	213,387
91310	Bookkeeping fees	311,209	114,834	170,880	0	0	0	13,741	610,664
91400	Advertising & marketing	0	13,648	0	0	0	0	0	13,648
91500	Employee benefits - administrative	53,515	51,975	0	0	0	0	0	105,490
91600	Office expense	16,376	113,254	2,347	0	0	0	788	132,765
91700	Legal expense	0	10,807	0	0	0	0	0	10,807
91800	Travel expense	912	0	0	0	0	0	0	912
91810	Allocated Overhead	0	0	0	0	0	0	0	0
91900	Other operating - administrative	6,989	44,913	1,501	621	628	628	1,496	56,776
91000	Total Administrative Expense	671,435	610,237	174,728	621	628	628	29,766	1,488,043
92000	Asset management fee	0	0	0	0	0	0	0	0
Tenant Services									
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	890	0	0	0	0	0	117	1,007
92500	Total Tenant Services	890	0	0	0	0	0	117	1,007
Utilities									
93100	Water	133,156	657	0	0	0	0	5,632	139,445
93200	Electricity	156,530	2,162	0	0	0	0	592	159,284
93300	Gas	8,004	751	0	0	0	0	0	8,755
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	39,142	3,834	0	0	0	0	1,702	44,678
93000	Total Utilities Expense	336,832	7,404	0	0	0	0	7,926	352,162

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, 2024

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
Ordinary Maintenance & Operation									
94100	Labor	206,328	6,567	0	0	0	0	13,741	226,636
94200	Materials	107,319	39,183	0	0	0	0	5,507	152,009
94300	Contracts	143,049	113,496	23,700	0	0	0	6,696	286,941
94300-010	Garbage & trash	0	0	0	0	0	0	0	0
94300-020	Heating & cooling	220	0	0	0	0	0	0	220
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	0	106,421	23,700	0	0	0	0	130,121
94300-060	Unit turnaround	0	0	0	0	0	0	0	0
94300-070	Electrical	11,709	0	0	0	0	0	0	11,709
94300-080	Plumbing	15,951	1,466	0	0	0	0	0	17,417
94300-090	Extermination	19,740	308	0	0	0	0	4,275	24,323
94300-100	Janitorial	16,947	0	0	0	0	0	475	17,422
94300-110	Routine maintenance	8,633	4,919	0	0	0	0	800	14,352
94300-120	Contract costs - other	69,849	382	0	0	0	0	1,146	71,377
94500	Employee benefits	55,849	502	0	0	0	0	0	56,351
94000	Total Ordinary Maint & Operation	512,545	159,748	23,700	0	0	0	25,944	721,937
Insurance Premiums									
96110	Property insurance	95,354	0	5,994	0	0	0	16,434	117,782
96120	Liability insurance	2,616	38,605	1,214	0	0	0	400	42,835
96130	Workmen's compensation	0	0	0	0	0	0	0	0
96140	Insurance - other	6,958	4,777	1,760	0	0	0	0	13,495
96100	Total Insurance Premiums	104,928	43,382	8,968	0	0	0	16,834	174,112
General Expenses									
96200	Other general expense	330,869	152,324	5,107	0	19	1,117	0	489,436
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	16,942	0	0	0	0	0	236	17,178
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	Total General Expenses	347,811	152,324	5,107	0	19	1,117	236	506,614
Financial Expenses									
96710	Interest expense - mortgage payable	0	0	0	2,748	10,981	0	35,474	49,203
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	Total Financial Expenses	0	0	0	2,748	10,981	0	35,474	49,203
96900	TOTAL OPERATING EXPENSE	1,974,441	973,095	212,503	3,369	11,628	1,745	116,297	3,293,078
97000	EXCESS OPERATING REVENUE	302,112	1,631,655	203,685	(299)	534	6,039	120,612	2,264,338
Other Expenses									
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	484,485	21,686	9,781	0	0	0	82,013	597,965
	Total Other Expenses	484,485	21,686	9,781	0	0	0	82,013	597,965
90000	TOTAL EXPENSES	\$ 2,458,926	\$ 994,781	\$ 222,284	\$ 3,369	\$ 11,628	\$ 1,745	\$ 198,310	\$ 3,891,043
10000	EXCESS OF REVENUE OVER EXPENSES	\$ (182,373)	\$ 1,609,969	\$ 193,904	\$ (299)	\$ 534	\$ 6,039	\$ 38,599	\$ 1,666,373
11020	Required annual debt principal payer	0	0	0	0	0	0	0	0
11030	Beginning Net Position	8,148,155	262,875	1,361,649	94,951	984,474	50,065	501,353	11,403,522
11040-010	Prior period adjustments	0	0	0	0	0	0	0	0
11040-070	Equity transfers	910	(910)	0	0	0	0	0	0
	Ending Net Position	\$ 7,966,692	\$ 1,871,934	\$ 1,555,553	\$ 94,652	\$ 985,008	\$ 56,104	\$ 539,952	\$ 13,069,895

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS
December 31, 2024**

<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>Newlon Springs LP</u>	<u>TOTAL</u>
ASSETS:						
CURRENT ASSETS:						
Cash:						
111	Cash - unrestricted	\$ 39,313	\$ 63,397	\$ 44,806	\$ 498,166	\$ 645,682
112	Cash - restricted - modernization	0	0	0	0	0
113	Cash - other restricted	689,503	780,711	380,247	150,312	2,000,773
114	Cash - tenant security deposits	17,325	19,850	18,900	19,600	75,675
115	Cash - restricted for payment of current liabilities	0	0	0	0	0
100	Total Cash	<u>746,141</u>	<u>863,958</u>	<u>443,953</u>	<u>668,078</u>	<u>2,722,130</u>
Accounts and notes receivables:						
121	Accounts receivable - PHA projects	0	0	0	0	0
122	Accounts receivable - HUD	0	0	0	0	0
124	Accounts receivable - other government	0	0	0	0	0
125	Accounts receivable - miscellaneous	0	0	0	0	0
126	Accounts receivable - tenants rents	87,779	94,479	67,239	2,909	252,406
126.1	Allowance for doubtful accounts - tenants	(82,028)	(90,167)	(57,686)	0	(229,881)
126.2	Allowance for doubtful accounts - other	0	0	0	0	0
127	Notes receivable - current	0	0	0	0	0
128	Fraud recovery	0	0	0	0	0
128.1	Allowance for doubtful accounts - fraud	0	0	0	0	0
129	Accrued interest receivable	0	0	0	0	0
120	Total receivables - net	<u>5,751</u>	<u>4,312</u>	<u>9,553</u>	<u>2,909</u>	<u>22,525</u>
Current investments:						
131	Investments - unrestricted	0	0	0	0	0
132	Investments - restricted	0	0	0	0	0
135	Investments - restricted for payment current liability	0	0	0	0	0
142	Prepaid expenses and other assets	72,885	98,677	74,005	34,085	279,652
143	Inventories	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0
144	Interprogram due from	0	0	0	0	0
145	Assets held for sale	0	0	0	0	0
150	TOTAL CURRENT ASSETS	<u>824,777</u>	<u>966,947</u>	<u>527,511</u>	<u>705,072</u>	<u>3,024,307</u>
NONCURRENT ASSETS:						
Capital Assets:						
161	Land	40,000	93,985	147,912	0	281,897
162	Buildings	6,164,650	9,458,667	8,111,019	0	23,734,336
163	Furniture & equipment - dwelling	0	0	0	0	0
164	Furniture & equipment - admin	86,598	594,398	159,300	0	840,296
165	Improvements	0	0	0	0	0
166	Accumulated depreciation	(2,764,928)	(4,866,808)	(3,261,243)	0	(10,892,979)
167	Construction in progress	0	0	0	11,222,323	11,222,323
168	Infrastructure	0	0	0	0	0
160	Total capital assets - net	<u>3,526,320</u>	<u>5,280,242</u>	<u>5,156,988</u>	<u>11,222,323</u>	<u>25,185,873</u>
171	Notes receivable - noncurrent	0	0	0	0	0
172	Notes receivable - noncurrent past due	0	0	0	0	0
173	Grant receivable - noncurrent	0	0	0	0	0
174	Other assets	41,168	56,520	12,266	15,890	125,844
176	Investment in joint ventures	0	0	0	0	0
180	TOTAL NONCURRENT ASSETS	<u>3,567,488</u>	<u>5,336,762</u>	<u>5,169,254</u>	<u>11,238,213</u>	<u>25,311,717</u>
200	DEFERRED OUFLOW OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
290	TOTAL ASSETS & DEFERRED OUFLOW OF RESOURCES	<u>\$ 4,392,265</u>	<u>\$ 6,303,709</u>	<u>\$ 5,696,765</u>	<u>\$ 11,943,285</u>	<u>\$ 28,336,024</u>

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

**FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS - DISCRETE COMPONENT UNITS
December 31, 2024**

<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>Newlon Springs LP</u>	<u>TOTAL</u>
LIABILITIES AND NET POSITION:						
LIABILITIES:						
CURRENT LIABILITIES:						
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable < 90 days	313,949	250,872	2,154	16,512	583,487
313	Accounts payable > 90 days	0	0	0	0	0
321	Accrued salaries/payroll withholding	2,804	3,667	3,667	0	10,138
322	Accrued compensated absences	4,228	4,492	4,491	0	13,211
324	Accrued contingency liability	0	0	0	0	0
325	Accrued interest payable	33,667	161,483	28,444	0	223,594
331	Accounts payable - HUD PHA programs	0	0	0	0	0
332	Accounts payable - PHA projects	0	0	0	0	0
333	Accounts payable - other gov.	539,258	652,905	11,009	25,651	1,228,823
341	Tenant security deposits	17,325	19,850	18,900	19,600	75,675
342	Unearned revenue	4,477	7,185	7,529	5,963	25,154
343	Current portion of L-T debt - capital projects	57,799	73,628	113,214	8,565,109	8,809,750
344	Current portion of L-T debt - operating	0	0	0	0	0
345	Other current liabilities	341	1,230	513	41	2,125
346	Accrued liabilities - other	0	0	0	0	0
347	Interprogram (due to)	0	0	0	0	0
348	Loan liability - current	0	0	0	0	0
310	TOTAL CURRENT LIABILITIES	973,848	1,175,312	189,921	8,632,876	10,971,957
NONCURRENT LIABILITIES:						
351	Long-term debt, net of current - capital	1,391,020	3,670,332	2,588,358	405,000	8,054,710
352	Long-term debt, net of current - operating	0	0	0	0	0
353	Noncurrent liabilities - other	0	0	0	0	0
354	Accrued comp. absences - long term	622	660	661	0	1,943
355	Loan liability - noncurrent	0	0	0	0	0
356	FASB 5 liabilities	0	0	0	0	0
357	Accrued pension and OPEB liabilities	0	0	0	0	0
350	TOTAL NONCURRENT LIABILITIES	1,391,642	3,670,992	2,589,019	405,000	8,056,653
300	TOTAL LIABILITIES	2,365,490	4,846,304	2,778,940	9,037,876	19,028,610
400	DEFERRED INFLOW OF RESOURCES	0	0	0	0	0
NET POSITION:						
508.4	Net Investment in Capital Assets	2,077,501	1,536,282	2,578,670	2,252,214	8,444,667
511.4	Restricted	689,503	780,711	380,247	150,312	2,000,773
512.4	Unrestricted	(740,229)	(859,588)	(41,092)	502,883	(1,138,026)
513	TOTAL NET POSITION	2,026,775	1,457,405	2,917,825	2,905,409	9,307,414
600	TOTAL LIABILITIES AND NET POSITION	\$ 4,392,265	\$ 6,303,709	\$ 5,696,765	\$ 11,943,285	\$ 28,336,024

**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, 2024**

<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>Newlon Springs LP</u>	<u>TOTAL</u>
REVENUES:						
70300	Net tenant rental revenue	\$ 538,125	\$ 740,444	\$ 682,710	\$ 241,085	\$ 2,202,364
70400	Tenant revenue - other	10,062	13,598	8,444	1,500	33,604
70500	Total tenant revenue	548,187	754,042	691,154	242,585	2,235,968
70600	HUD PHA grants - operating	0	0	0	0	0
70610	HUD PHA grants - capital	0	0	0	0	0
70710	Management fee	0	0	0	0	0
70720	Asset management fee	0	0	0	0	0
70730	Bookkeeping fee	0	0	0	0	0
70740	Front line service fee	0	0	0	0	0
70750	Other fees	0	0	0	0	0
70700	Total fee revenue	0	0	0	0	0
70800	Other government grants	0	0	0	0	0
71100	Investment income - unrestricted	5,971	2,385	2,178	175	10,709
71200	Mortgage interest income	0	0	0	0	0
71300	Proceeds from disposition of assets held for sale	0	0	0	0	0
71310	Cost of sale of assets	0	0	0	0	0
71400	Fraud income	0	0	0	0	0
71500	Other revenue	11,839	0	310	2,836,594	2,848,743
71600	Gain/(loss) on disposition	0	0	0	0	0
72000	Investment income - restricted	924	3,564	9,557	268	14,313
70000	TOTAL REVENUES	\$ 566,921	\$ 759,991	\$ 703,199	\$ 3,079,622	\$ 5,109,733
EXPENSES:						
Administrative						
91100	Administrative salaries	\$ 42,870	\$ 56,462	\$ 55,604	\$ 6,386	\$ 161,322
91200	Auditing fees	5,000	6,500	5,000	0	16,500
91300	Management fees	27,711	37,301	34,159	6,386	105,557
91310	Bookkeeping fees	27,711	44,761	34,159	6,386	113,017
91400	Advertising & marketing	0	0	0	34,737	34,737
91500	Employee benefits - administrative	13,424	16,638	17,534	0	47,596
91600	Office expense	2,063	2,578	2,193	0	6,834
91700	Legal expense	1,782	96	0	0	1,878
91800	Travel expense	0	0	0	0	0
91810	Allocated Overhead	0	0	0	0	0
91900	Other operating - administrative	4,498	7,253	1,864	471	14,086
91000	Total Administrative Expense	125,059	171,589	150,513	54,366	501,527
92000	Asset management fee	6,045	3,671	6,740	0	16,456
Tenant Services						
92100	Tenant services - salaries	0	0	0	0	0
92200	Relocation costs	0	0	0	0	0
92300	Employee benefits - tenant services	0	0	0	0	0
92400	Other tenant services	584	0	0	0	584
92500	Total Tenant Services	584	0	0	0	584

**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, 2024**

<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>Newlon Springs LP</u>	<u>TOTAL</u>
Utilities						
93100	Water	747	855	336	6,384	8,322
93200	Electricity	2,693	1,925	452	502	5,572
93300	Gas	1,520	693	742	0	2,955
93400	Fuel	0	0	0	0	0
93500	Labor	0	0	0	0	0
93600	Sewer	0	0	0	0	0
93700	Employee benefits - utilities	0	0	0	0	0
93800	Other utilities expense	583	572	287	0	1,442
93000	Total Utilities Expense	5,543	4,045	1,817	6,886	18,291
Ordinary Maintenance & Operation						
94100	Labor	53,688	69,637	69,802	6,386	199,513
94200	Materials	46,429	57,475	41,596	2,397	147,897
94300	Contracts	30,453	43,492	23,180	1,898	99,023
94300-010	Garbage & trash removal contracts	0	0	0	0	0
94300-020	Heating & cooling contracts	442	93	441	0	976
94300-030	Snow Removal contracts	0	0	0	0	0
94300-040	Elevator maintenance contracts	0	0	0	0	0
94300-050	Landscape & grounds contracts	0	0	0	0	0
94300-060	Unit turnaround contracts	0	0	0	0	0
94300-070	Electrical contracts	0	550	0	0	550
94300-080	Plumbing contracts	0	0	0	0	0
94300-090	Extermination contracts	4,166	5,245	7,567	301	17,279
94300-100	Janitorial contracts	1,874	1,953	589	0	4,416
94300-110	Routine maintenance contracts	4,653	2,222	2,820	0	9,695
94300-120	Contract costs - other	19,318	33,429	11,763	1,597	66,107
94500	Employee benefit contributions	13,770	17,984	17,998	0	49,752
94000	Total Ordinary Maintenance & Operation	144,340	188,588	152,576	10,681	496,185
Insurance Premiums						
96110	Property insurance	73,403	99,681	66,677	6,050	245,811
96120	Liability insurance	11,526	8,589	10,813	349	31,277
96130	Workmen's compensation	0	0	0	0	0
96140	Insurance - other	834	17,406	886	0	19,126
96100	Total Insurance Premiums	85,763	125,676	78,376	6,399	296,214
General Expenses						
96200	Other general expense	0	0	6,740	0	6,740
96210	Compensated absences	0	0	0	0	0
96300	Payments in lieu of taxes	0	0	0	0	0
96400	Bad debt - tenant rents	6,384	10,752	8,101	0	25,237
96500	Bad debt - mortgages	0	0	0	0	0
96600	Bad debt - other	0	0	0	0	0
96800	Severance expense	0	0	0	0	0
96000	Total General Expenses	6,384	10,752	14,841	0	31,977
Financial Expenses						
96710	Interest expense - mortgage payable	95,669	126,189	156,241	95,881	473,980
96720	Interest expense - notes payable	0	0	0	0	0
96730	Amortization - issuance costs	3,154	10,768	3,200	0	17,122
96700	Total Financial Expenses	98,823	136,957	159,441	95,881	491,102
96900	TOTAL OPERATING EXPENSE	472,541	641,278	564,304	174,213	1,852,336
97000	EXCESS OPERATING REVENUE	94,380	118,713	138,895	2,905,409	3,257,397

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, 2024

<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>Newlon Springs LP</u>	<u>TOTAL</u>
	Other Expenses					
97100	Extraordinary maintenance	0	0	0	0	0
97200	Casualty losses	0	0	0	0	0
97300	Housing assistance payments	0	0	0	0	0
97350	Portability HAP expense	0	0	0	0	0
97400	Depreciation expense	146,771	308,277	272,558	0	727,606
97500	Fraud losses	0	0	0	0	0
97600	Capital outlays - gov't funds	0	0	0	0	0
97700	Debt principal payment - gov't funds	0	0	0	0	0
97800	Dwelling units rent expense	0	0	0	0	0
	Total Other Expenses	<u>146,771</u>	<u>308,277</u>	<u>272,558</u>	<u>0</u>	<u>727,606</u>
90000	TOTAL EXPENSES	\$ <u>619,312</u>	\$ <u>949,555</u>	\$ <u>836,862</u>	\$ <u>174,213</u>	\$ <u>2,579,942</u>
10000	EXCESS OF REVENUE OVER EXPENSES	\$ <u>(52,391)</u>	\$ <u>(189,564)</u>	\$ <u>(133,663)</u>	\$ <u>2,905,409</u>	\$ <u>2,529,791</u>
11020	Required annual debt principal payments	0	0	0	0	0
11030	Beginning Net Position	2,079,166	1,646,969	3,051,488	0	6,777,623
11040-010	Prior period adjustments	0	0	0	0	0
11040-070	Equity transfers - distributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Ending Net Position	\$ <u>2,026,775</u>	\$ <u>1,457,405</u>	\$ <u>2,917,825</u>	\$ <u>2,905,409</u>	\$ <u>9,307,414</u>

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

SINGLE AUDIT SECTION

DECEMBER 31, 2024



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, 2024, 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 May 8, 2025.

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
May 8, 2025



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, 2024. 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, 2024.

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
May 8, 2025

**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, 2023, 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, 2024

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

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
December 31, 2024

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
ASSETS:							
CURRENT ASSETS:							
Cash:							
111	Cash - unrestricted	\$ 1,723,591	\$ 0	\$ 0	\$ 0	\$ 190,273	\$ 718,586
112	Cash - restricted modernization and development	0	0	0	0	0	0
113	Cash - other restricted	880,678	0	0	6,599	0	100,182
114	Cash - tenant security deposits	43,611	0	0	0	0	0
115	Cash - restricted for payment of current liabilities	0	0	0	0	0	0
100	Total Cash	2,647,880	0	0	6,599	190,273	818,768
Accounts and notes receivables:							
121	Accounts receivable - PHA projects	0	0	0	0	0	0
122	Accounts receivable - HUD	0	0	0	0	27,816	0
124	Accounts receivable - other government	0	0	0	0	0	1,480
125	Accounts receivable - miscellaneous	1,929,415	0	0	0	0	3,581
126	Accounts receivable - tenants rents	143,012	0	0	0	0	0
126.1	Allowance for doubtful accounts - tenants	(133,451)	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	228,968	0	0	0	0	55,374
120	Total receivables - net	2,167,944	0	0	0	27,816	60,435
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	39,576	0	0	0	0	14,112
143	Inventories	0	0	0	0	0	0
143.1	Allowance for obsolete inventories	0	0	0	0	0	0
144	Interprogram due from	295,641	0	0	0	0	9,329
145	Assets held for sale	215,361	0	0	0	0	0
150	TOTAL CURRENT ASSETS	5,366,402	0	0	6,599	218,089	902,644
NONCURRENT ASSETS:							
Capital Assets:							
161	Land	390,458	0	0	0	0	0
162	Buildings	15,115,968	0	0	0	0	0
163	Furniture & equipment - dwellings	1,019,010	0	0	0	0	0
164	Furniture & equipment - administration	484,115	0	0	0	0	540,278
165	Improvements	0	0	0	0	0	0
166	Accumulated depreciation	(9,431,634)	0	0	0	0	(316,668)
167	Construction in progress	2,043,406	0	0	0	0	0
168	Infrastructure	0	0	0	0	0	0
160	Total capital assets - net	9,621,323	0	0	0	0	223,610
171	Notes receivable - noncurrent	307,888	26,595	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	980,951	0	0	0	0	0
180	TOTAL NONCURRENT ASSETS	10,910,162	26,595	0	0	0	783,610
200	DEFERRED OUTFLOW OF RESOURCES	0	0	0	0	0	0
290	TOTAL ASSETS & DEFERRED OUTFLOW OF RESOURCES	\$ 16,276,564	\$ 26,595	\$ 0	\$ 6,599	\$ 218,089	\$ 1,686,254

Mainstream Vouchers 14.879	Business Activities	Discrete Component Unit	Elimination	TOTAL
\$ 8,327	\$ 409,651	\$ 645,682	\$ 0	\$ 3,696,110
0	0	0	0	0
6,691	0	2,000,773	0	2,994,923
0	0	75,675	0	119,286
0	0	0	0	0
15,018	409,651	2,722,130	0	6,810,319
0	0	0	0	0
0	0	0	0	27,816
0	22,716	0	0	24,196
108	60,161	0	0	1,993,265
0	0	252,406	0	395,418
0	0	(229,881)	0	(363,332)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	(284,342)	0
108	82,877	22,525	(284,342)	2,077,363
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	7,337	279,652	0	340,677
0	0	0	0	0
0	0	0	0	0
0	277,532	0	(582,502)	0
0	319,792	0	0	535,153
15,126	1,097,189	3,024,307	(866,844)	9,763,512
0	432,280	281,897	0	1,104,635
0	0	23,734,336	0	38,850,304
0	0	0	0	1,019,010
0	14,019	840,296	0	1,878,708
0	0	0	0	0
0	(14,019)	(10,892,979)	0	(20,655,300)
0	1,025,180	11,222,323	0	14,290,909
0	0	0	0	0
0	1,457,460	25,185,873	0	36,488,266
0	766,086	0	(867,888)	792,681
0	0	0	0	0
0	0	0	0	0
0	0	125,844	0	125,844
0	0	0	0	980,951
0	2,223,546	25,311,717	(867,888)	38,387,742
0	0	0	0	0
\$ 15,126	\$ 3,320,735	\$ 28,336,024	\$ (1,734,732)	\$ 48,151,254

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

FINANCIAL DATA SUBMISSION SUMMARY
NET POSITION ACCOUNTS
December 31, 2024

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
LIABILITIES AND NET POSITION:							
LIABILITIES:							
CURRENT LIABILITIES:							
311	Cash overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
312	Accounts payable <= 90 days	217,870	0	0	0	0	4,974
313	Accounts payable > 90 days	0	0	0	0	0	0
321	Accrued salaries/payroll withholding	15,839	0	0	0	0	19,972
322	Accrued compensated absences	22,402	0	0	0	0	33,848
324	Accrued contingency liability	0	0	0	0	0	0
325	Accrued interest payable	284,342	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	43,611	0	0	0	0	0
342	Unearned revenue	6,636	0	0	0	0	0
343	Current portion of L-T debt - capital projects	98,547	0	0	0	0	0
344	Current portion of L-T debt - operating	0	0	0	0	0	0
345	Other current liabilities	17,452	0	0	0	0	2,191
346	Accrued liabilities - other	0	0	0	0	0	0
347	Interprogram (due to)	532,438	0	0	0	4,001	38,168
348	Loan liability - current	0	0	0	0	0	0
310	TOTAL CURRENT LIABILITIES	1,239,137	0	0	0	4,001	99,153
NONCURRENT LIABILITIES:							
351	Long-term debt, net of current - operating	307,888	0	0	0	0	0
352	Long-term debt, net of current - capital	1,639,991	0	0	0	0	0
353	Noncurrent liabilities - other	0	0	0	0	0	100,182
354	Accrued comp. absences - long term	19,653	0	0	0	0	31,007
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	TOTAL NONCURRENT LIABILITIES	1,967,532	0	0	0	0	131,189
300	TOTAL LIABILITIES	3,206,669	0	0	0	4,001	230,342
400	DEFERRED INFLOW OF RESOURCES	0	0	0	0	0	0
NET POSITION:							
508.4	Investment in Capital Assets	7,882,785	0	0	0	0	223,610
511.4	Restricted - Net Position	880,678	0	0	6,599	0	0
512.4	Unrestricted - Net Position	4,306,432	26,595	0	0	214,088	1,232,302
513	TOTAL NET POSITION	13,069,895	26,595	0	6,599	214,088	1,455,912
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES							
600	AND NET POSITION	\$ 16,276,564	\$ 26,595	\$ 0	\$ 6,599	\$ 218,089	\$ 1,686,254

Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	111,353	583,487	0	917,684
0	0	0	0	0
0	20,597	10,138	0	66,546
0	35,989	13,211	0	105,450
0	0	0	0	0
0	0	223,594	(284,342)	223,594
0	0	0	0	0
0	0	0	0	0
0	0	1,228,823	0	1,228,823
0	0	75,675	0	119,286
0	0	25,154	0	31,790
0	0	8,809,750	0	8,908,297
0	0	0	0	0
0	33,725	2,125	0	55,493
0	0	0	0	0
7,895	0	0	(582,502)	0
0	0	0	0	0
7,895	201,664	10,971,957	(866,844)	11,656,963
0	0	0	(307,888)	0
0	0	8,054,710	(560,000)	9,134,701
0	0	0	0	100,182
0	24,841	1,943	0	77,444
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	24,841	8,056,653	(867,888)	9,312,327
7,895	226,505	19,028,610	(1,734,732)	20,969,290
0	0	0	0	0
0	1,457,460	8,444,667	560,000	18,568,522
6,691	0	2,000,773	0	2,894,741
540	1,636,770	(1,138,026)	(560,000)	5,718,701
7,231	3,094,230	9,307,414	0	27,181,964
\$ 15,126	\$ 3,320,735	\$ 28,336,024	\$ (1,734,732)	\$ 48,151,254

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, 2024

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
REVENUES:							
70300	Net tenant rental revenue	\$ 2,194,537	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
70400	Tenant revenue - other	167,624	0	0	0	0	0
70500	Total tenant revenue	2,362,161	0	0	0	0	0
70600	HUD PHA grants - operating	0	0	58,793	0	466,885	10,212,530
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	0	0	0	0	0	0
70700	Total fee revenue	0	0	0	0	0	0
70800	Other government grants	0	0	0	0	0	0
71100	Investment income - unrestricted	58,458	0	0	0	1,896	9,297
71200	Mortgage interest income	25,651	0	0	0	0	19,654
71300	Proceeds from disposition of assets	6,101,683	0	0	0	0	0
71310	Cost of assets held for sale	(3,853,283)	0	0	0	0	0
71400	Fraud income	0	0	0	0	112	54,728
71500	Other revenue	844,520	0	0	4,071	0	35,645
71600	Gain/(loss) on disposition	0	0	0	0	0	0
72000	Investment income - restricted	18,226	0	0	0	0	0
70000	TOTAL REVENUES	\$ 5,557,416	\$ 0	\$ 58,793	\$ 4,071	\$ 468,893	\$ 10,331,854
EXPENSES:							
Administrative							
91100	Administrative salaries	\$ 336,374	\$ 0	\$ 0	\$ 0	\$ 34,467	\$ 541,679
91200	Auditing fees	7,220	0	0	0	1,520	4,750
91300	Management fees	213,387	0	0	0	9,030	279,825
91310	Bookkeeping fees	610,664	0	0	0	4,515	139,913
91400	Advertising & marketing	13,648	0	0	0	0	0
91500	Employee benefits - administrative	105,490	0	0	0	0	201,161
91600	Office expense	132,765	0	0	0	0	167,201
91700	Legal expense	10,807	0	0	0	0	30,876
91800	Travel expense	912	0	0	0	0	11,069
91810	Allocated overhead	0	0	0	0	0	0
91900	Other operating - administrative	56,776	0	0	0	0	35,384
91000	Total Administrative Expense	1,488,043	0	0	0	49,532	1,411,858
92000	Asset management fee	0	0	0	0	0	0
Tenant services							
92100	Tenant services - salaries	0	0	49,954	0	0	0
92200	Relocation costs	0	0	0	0	0	0
92300	Employee benefits - tenant services	0	0	8,839	0	0	0
92400	Other tenant services	1,007	0	0	995	0	0
92500	Total Tenant Services	1,007	0	58,793	995	0	0
Utilities							
93100	Water	139,445	0	0	0	0	0
93200	Electricity	159,284	0	0	0	0	0
93300	Gas	8,755	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	44,678	0	0	0	0	0
93000	Total Utilities Expense	352,162	0	0	0	0	0

Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
\$ 0	\$ 0	\$ 2,202,364	\$ (1,200,879)	\$ 3,196,022
0	0	33,604	0	201,228
0	0	2,235,968	(1,200,879)	3,397,250
642,018	0	0	0	11,380,226
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
180	19,818	10,709	0	100,358
0	4,418	0	(45,305)	4,418
0	0	0	0	6,101,683
0	0	0	0	(3,853,283)
794	0	0	0	55,634
0	1,739,657	2,848,743	(1,690,566)	3,782,070
0	9,556	0	0	9,556
0	0	14,313	0	32,539
\$ 642,992	\$ 1,773,449	\$ 5,109,733	\$ (2,936,750)	\$ 21,010,451

\$ 101,858	\$ 614,310	\$ 161,322	\$ 0	\$ 1,790,010
0	5,510	16,500	0	35,500
17,640	0	105,557	(519,882)	105,557
8,820	0	113,017	(763,911)	113,018
0	0	34,737	0	48,385
0	307,863	47,596	0	662,110
0	60,890	6,834	(203,340)	164,350
0	118	1,878	0	43,679
0	1,652	0	0	13,633
0	0	0	0	0
2	32,931	14,086	(29,604)	109,575
128,320	1,023,274	501,527	(1,516,737)	3,085,817
0	0	16,456	0	16,456
0	0	0	0	49,954
0	0	0	0	0
0	0	0	0	8,839
0	0	584	0	2,586
0	0	584	0	61,379
0	0	8,322	0	147,767
0	0	5,572	0	164,856
0	0	2,955	0	11,710
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	1,442	0	46,120
0	0	18,291	0	370,453

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, 2024

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	226,636	0	0	0	0	0
94200	Materials	152,009	0	0	0	0	5,560
94300	Contracts	286,941	0	0	0	0	5,450
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	286,941	0	0	0	0	5,450
94500	Employee benefit contributions	56,351	0	0	0	0	0
94000	Total Ordinary Maintenance & Operation	721,937	0	0	0	0	11,010
	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	117,782	0	0	0	0	0
96120	Liability insurance	42,835	0	0	0	0	40,299
96130	Workmen's compensation	0	0	0	0	0	0
96140	Insurance - other	13,495	0	0	0	0	22,980
96100	Total Insurance Premiums	174,112	0	0	0	0	63,279
	Other general expense						
96200	Other general expense	489,436	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	17,178	0	0	0	0	0
96500	Bad debt - mortgages	0	32,063	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	506,614	32,063	0	0	0	0
	Financial Expenses						
96710	Interest expense - mortgage payable	49,203	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	49,203	0	0	0	0	0
96900	TOTAL OPERATING EXPENSE	3,293,078	32,063	58,793	995	49,532	1,486,147
97000	EXCESS OPERATING REVENUE	2,264,338	(32,063)	0	3,076	419,361	8,845,707

Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
0	0	199,513	0	426,149
0	3,540	147,897	0	309,006
0	76,924	99,023	(46,300)	422,038
0	0	0	0	0
0	0	976	0	976
0	0	0	0	0
0	0	0	0	0
0	22,600	0	(46,300)	(23,700)
0	0	0	0	0
0	0	550	0	550
0	0	0	0	0
0	0	17,279	0	17,279
0	0	4,416	0	4,416
0	8,211	9,695	0	17,906
0	46,113	66,107	0	404,611
0	0	49,752	0	106,103
0	80,464	496,185	(46,300)	1,263,296
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	8,898	245,811	0	372,491
0	10,354	31,277	0	124,765
0	0	0	0	0
0	8,897	19,126	0	64,498
0	28,149	296,214	0	561,754
0	67,279	6,740	(330,869)	232,586
0	0	0	0	0
0	0	0	0	0
0	0	25,237	0	42,415
0	0	0	0	32,063
0	10,848	0	0	10,848
0	0	0	0	0
0	78,127	31,977	(330,869)	317,912
0	0	473,980	(45,305)	477,878
0	0	0	0	0
0	0	17,122	0	17,122
0	0	491,102	(45,305)	495,000
128,320	1,210,014	1,852,336	(1,939,211)	6,172,067
514,672	563,435	3,257,397	(997,539)	14,838,384

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, 2024

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	425,664	9,053,925
97350	HAP portability-in	0	0	0	0	0	0
97400	Depreciation expense	597,965	0	0	0	0	57,593
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	597,965	0	0	0	425,664	9,111,518
	TOTAL EXPENSES	\$ 3,891,043	\$ 32,063	\$ 58,793	\$ 995	\$ 475,196	\$ 10,597,665
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
	EXCESS OF REVENUE OVER EXPENSES	\$ 1,666,373	\$ (32,063)	\$ 0	\$ 3,076	\$ (6,303)	\$ (265,811)
11020	Prior period adjustments	0	0	0	0	0	0
11030	Beginning Net Position	11,403,522	58,658	0	3,523	220,391	1,721,723
11040-010	Prior period adjustments	0	0	0	0	0	0
11040-070	Equity transfers	0	0	0	0	0	0
	Ending Net Position	\$ 13,069,895	\$ 26,595	\$ 0	\$ 6,599	\$ 214,088	\$ 1,455,912
11170	Administrative Fund Equity	-	-	-	-	-	1,455,912
11180	Housing Choice Voucher Equity	-	-	-	-	-	-
11190	Units Available	3,672	-	-	-	624	20,088
11210	Units Leased	3,513	-	-	-	602	18,790

Mainstream Vouchers 14,879	Business Activities	Discrete Component Unit	Elimination	TOTAL
0	0	0	0	0
0	0	0	0	0
508,523	0	0	(997,539)	8,990,573
0	0	0	0	0
0	2,701	727,606	0	1,385,865
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
508,523	2,701	727,606	(997,539)	10,376,438
\$ 636,843	\$ 1,212,715	\$ 2,579,942	\$ (2,936,750)	\$ 16,548,505
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
6,149	560,734	2,529,791	0	4,461,946
0	0	0	0	0
1,082	2,533,496	6,777,623	0	22,720,018
0	0	0	0	0
0	0	0	0	0
7,231	3,094,230	9,307,414	0	27,181,964
-	-	-	-	1,455,912
-	-	-	-	-
1,320	-	2,457	(3,672)	24,489
1,181	-	2,370	(3,513)	22,943

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

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Type</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
<u>FEDERAL GRANTOR</u>			
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:</u>			
Section 8 Housing Assistance Program:			
Section 8 Housing Choice Vouchers (Cluster)	A - Major	14.871	\$ 10,212,530
Mainstream Vouchers (Cluster)	A - Major	14.879	642,018
			10,854,548
Section 8 Moderate Rehabilitation Program	B - Nonmajor	14.856	466,885
Family Self Sufficiency Grant Program	B - Nonmajor	14.896	58,793
TOTAL FEDERAL FINANCIAL AWARDS			\$ 11,380,226
Threshold for Type A & Type B			\$ 750,000

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, 2024

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, 2024. 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, 2024.

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, 2024.
- 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, 2024.
- The Housing Authority of the City of Fort Smith maintains the following limits of insurance as of December 31, 2024:

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.