

**DALLAS COUNTY PUBLIC HOUSING AGENCY
HUD PROJECT NO. MO216**

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
WITH
INDEPENDENT AUDITORS' REPORT
YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Dallas County Public Housing Agency
Springfield, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dallas County Public Housing Agency, a special revenue fund of Dallas County, Missouri, as administered by the Ozarks Area Community Action Corporation (OACAC), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise Dallas County Public Housing Agency's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dallas County Public Housing Agency as of June 30, 2023, and the changes in its net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Dallas County Public Housing Agency 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 Dallas County Public Housing Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Dallas County Public Housing Agency's internal control. Accordingly, we express no such opinion.
- 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 Dallas County Public Housing Agency'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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Dallas County Public Housing Agency and do not purport to, and do not present fairly the financial position of Dallas County, Missouri, or OACAC as of June 30, 2023, and the changes in their financial position or cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 and 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards 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, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 24 and 25 is presented for purposes of additional analysis as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the 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*, is presented for purpose of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2024, on our consideration of Dallas County Public Housing Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dallas County Public Housing Agency's internal control over financial reporting and compliance.

R/M/MC, CPA's

Springfield, Missouri
February 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

DALLAS COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

As management of Dallas County Public Housing Agency (referred to as “Agency”), we offer the readers of the Agency’s financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Agency’s financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2023 include the following:

- The assets of the Agency exceeded its liabilities at the close of the most recent fiscal year by \$862,251. This is a decrease of \$74,402 from FY 2022.
- As of the close of the current fiscal year, the Agency’s ending unrestricted net assets are \$862,251. This is an increase of \$18,214 from FY 2022.
- The Agency’s cash balance on June 30, 2023 was \$995,331. This is a decrease of \$301,957 from FY 2022.
- The Agency had total revenue of \$3,224,182 while operating expenses totaled \$3,298,584 for FY 2023. The Agency had total revenue of \$3,128,219 while operating expenses totaled \$3,014,613 for FY 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management’s discussion and analysis is intended to serve as an introduction to the Agency’s basic financial statements. The Agency’s basic financial statements consist of the Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows; and the notes to the financial statements. This report also contains the Combining Statement of Net Position, Combining Statement of Revenues, Expenses and Changes in Net Position, Schedule of Expenditures of Federal Awards and the Financial Data Schedule as supplementary information.

The Agency has only one fund type, namely a proprietary fund. The Statement of Net Position includes all of the Agency’s assets and liabilities. This fund type is used for activities which are financed and operated in a manner similar to those in the private sector.

DALLAS COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2023

Table 1 provides a summary of the Agency's net position for the year ended June 30, 2023.

Table 1 STATEMENT OF NET POSITION JUNE 30, 2023 With comparative totals for June 30, 2022			
	June 30,		
	2023	2022	Increase (Decrease)
<u>ASSETS</u>			
Current assets:			
Cash	\$ 995,331	\$ 1,297,288	\$ (301,957)
Portable receivables, net	<u>7,908</u>	<u>18,046</u>	<u>(10,138)</u>
Total current assets	1,003,239	1,315,334	(312,095)
Property and equipment, net	<u>76,335</u>	<u>31,018</u>	<u>45,317</u>
Total assets	<u>\$ 1,079,574</u>	<u>\$ 1,346,352</u>	<u>\$ (266,778)</u>
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable	\$ 46,317	\$ 44,090	\$ 2,227
Accrued salaries	11,929	9,795	2,134
Accrued compensated absences	18,343	12,649	5,694
Deferred revenue	26,015	63,713	(37,698)
Due to HUD	14,631	2,280	12,351
Due to administrative entity	<u>100,088</u>	<u>277,172</u>	<u>(177,084)</u>
Total current liabilities	<u>217,323</u>	<u>409,699</u>	<u>(192,376)</u>
Net position:			
Unrestricted	862,251	844,037	18,214
Restricted	<u>-</u>	<u>92,616</u>	<u>(92,616)</u>
Total net position	<u>862,251</u>	<u>936,653</u>	<u>(74,402)</u>
Total liabilities and net position	<u>\$ 1,079,574</u>	<u>\$ 1,346,352</u>	<u>\$ (266,778)</u>

DALLAS COUNTY PUBLIC HOUSING AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2023

Table 2 provides a summary of the changes in net position for the year ended June 30, 2023.

	June 30,		Increase (Decrease)
	2023	2022	
Operating revenue:			
Program income	\$ 2,925,315	\$ 2,834,458	\$ 90,857
Investment income	34,270	3,637	30,633
Fraud recovery	4,395	3,516	879
Other income	<u>260,202</u>	<u>286,608</u>	<u>(26,406)</u>
Total operating revenue	<u>3,224,182</u>	<u>3,128,219</u>	<u>95,963</u>
Operating expenses:			
Housing assistance payments	2,566,512	2,318,803	247,709
Portable voucher payments	228,223	256,924	(28,701)
Salaries	256,726	230,186	26,540
Employee benefits	82,816	71,818	10,998
Administrative expenses – other	76,455	64,537	11,918
General expenses – other	36,469	31,705	4,764
Office expenses	22,557	22,466	91
Audit	10,250	9,350	900
Depreciation	9,312	4,052	5,260
Travel	5,283	1,860	3,423
Insurance	<u>3,981</u>	<u>2,912</u>	<u>1,069</u>
Total operating expenses	<u>3,298,584</u>	<u>3,014,613</u>	<u>307,817</u>
Change in net position	(74,402)	113,606	(211,854)
Net position, beginning of year	<u>936,653</u>	<u>823,047</u>	<u>113,606</u>
Net position, end of year	<u>\$ 862,251</u>	<u>\$ 936,653</u>	<u>\$ (74,402)</u>

DALLAS COUNTY PUBLIC HOUSING AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2023

EVENTS THAT HAVE IMPACTED THE AGENCY

General summary

The PHA began the Section 8 Housing Choice Voucher Program fiscal year July 1, 2022 in a fairly good position relative to program utilization and HAP expenditures. HUD authorizes the PHA to lease as many units/households as budget authority will allow, including HAP Net Restricted Assets (NRA), up to the maximum program baseline number of units authorized by the HUD Annual Contributions Contract (ACC) which was 619 units for the Dallas County PHA which includes 16 Tenant Protection Vouchers from Hollister Gables, 1 for J&J Apartments in Lawrence County and 9 for Mill Street Apartments in Dallas County.

At the beginning of the PHA fiscal year on July 1, 2022 the number of units leased was 544 out of 604 or 90% utilization rate. The number of units leased in the program increased to 570 in June 2023. Our PHA was given 15 additional vouchers in October 2022 to bring our allocation to 619.

The PHA ended the fiscal year June 30, 2023 at 92% cumulative annual lease rate and 96% utilization rate for HAP Monthly Budget Authority.

Ongoing Administrative Fee funding for the PHA fiscal year July 1, 2022 – June 30, 2023 was higher than recent years. CY 2023 Admin Fee eligibility was again prorated because HUD appropriations were insufficient to reimburse the PHA for 100% eligibility. The average monthly Admin Fee proration factor for CY 2022 was 89.2% of PHA eligibility. Admin Fee proration factor for CY2023 changed to 89.5% effective June 1, 2023.

HUD appropriations impact

HUD and Congress require that PHAs spend at least 95% of their available funding during the PHA Fiscal Year, and also require that we spend all of our funding for the Calendar Year and make use of usable HAPO Net Restricted Assets (NRA) to serve the maximum number of households authorized in the HUD ACC. The PHA uses the HUD Two Year Tool and is working closely with our Portfolio Manager to determine optimal utilization of our appropriations to spend down the HUD-held reserves without going into shortfall.

(1) Housing assistance payments budget authority

CY 2022 Housing Assistance Payments (HAP) renewal funding allocations for the Housing Choice Voucher Program (HCVP) are based on the requirements of the Consolidated Appropriations Act, 2022, (P.L. 116-94) referred to as “the 2022 Act,” enacted on March 15, 2022. The 2022 Act establishes the allocation methodology for calculating housing assistance payments (HAP) renewal funds, new incremental vouchers and administrative fees.

DALLAS COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2023

The 2023 Act requires that HUD apply a re-benchmarking renewal formula based on validated leasing and cost data in VMS for CY 2022 (January 1, 2022 to December 31, 2022) to calculate each PHA's renewal allocation. HUD determine the total HAP renewal funding eligibility for all PHAs and compares that amount to the total HAP renewal funds available, per the 2023 Act, to determine a proration factor. This proration factor is then applied to each PHA's CY 2023 eligibility. A proration of less than 100% is applied if the nationwide eligibility exceeds the available HAP renewal funding.

The 2023 Act authorized the Department to offset PHAs' CY 2023 renewal allocations based on excess amounts of restricted net position (RNP) and HUD-held program reserves. The Act provides that HUD shall use the funds from any such offset throughout CY 2023 to prevent the termination of rental assistance for families as the result of insufficient funding and to avoid or reduce the need for proration. The 2023 Act provides that HUD may offset PHAs' CY 2023 allocations based on the excess amounts of PHAs' Restricted Net Position (RNP), including HUD-held program reserves (in accordance with VMS data in CY 2022 that is verifiable and complete), as determined by the Secretary. PIHG will perform a small offset impacting a limited number of MTW and non-MTW PHAs for reallocation in CY 2023 to ensure the national HAP proration is closer to 100 percent. Detailed calculations of the offsets will be provided to impacted PHAs in the renewal allocation enclosure. Offsets will come from excess program reserves reconciled through December 31, 2022, and HUD takes a number of factors and conditions into account in determining what constitutes excess reserves.

The PIH Notice 2023-07 gives full explanation of the Implementation of the Federal Fiscal Year (FFY) 2023 Funding Provisions for the Housing Choice Voucher Program.

(2) Administrative Fee Budget Authority (July 1, 2022 – June 30, 2023)

The 2023 Act provides \$2,777,612,000 for administrative expenses of PHAs administering the HCV program (see Appendix A for Appropriations text PIH Notice 2022-18. Of the appropriated amount, approximately no less than \$2,747,612,000 will be available for ongoing administrative fees and fees for new vouchers and up to \$30,000,000 will be made available to allocate to PHAs that need additional funds to administer their Section 8 programs.

Ongoing administrative fees and administrative fees for new vouchers are allocated based on leasing. These administrative fees are calculated for CY 2023 as provided for by Section 8(q) of the United States Housing Act, and related Appropriation Act provisions, as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act (QHWRA) of 1998 (Public Law 105-276). Under this calculation, PHAs are allocated a fee amount for each voucher that is under HAP contract as of the first day of each month. Administrative fees for new incremental vouchers are also allocated based on leasing. The CY2023 Administrative Fee proration is at 89.5%.

DALLAS COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2023

(3) Portability

The PHA must serve HUD Section 8 Voucher holders who move into our PHA jurisdiction from another geographical area. This program feature is called Portability. The PHA billed other housing agencies for the funds to assist these households. These households are an added administrative burden to regular program operations.

(4) Frontload requests to the HUD financial management center (FMC)

The PHA made no request for frontload of HUD held reserves during FY2022-23.

Conclusion

It is the intention of the Dallas County PHA to maximize leasing or in other words, help as many households needing assistance as possible. In order to accomplish this, the PHA uses the HUD two year tool and seeks guidance from our HUD Portfolio Manager to ensure we are on track without over-leasing and going into shortfall.

The goal is always to achieve a more level number of households served through the year, balanced with available HAP revenue is disbursed by HUD, to avoid the roller coaster of the high and low levels of families served from month to month. It creates undue stress on the program to reduce program size and then face the necessity to increase the number of households served in a short period of time. The roller coaster also puts the PHA at risk of losing HAP budget authority when HUD applies their formula to determine our funding for the coming calendar year. Utilization of the HUD Two-Year tool helps track success rate, annual turn-over rate and amount of HUD-held reserves available for use.

SIGNIFICANT PROGRAMS

Housing Choice Vouchers

This program administers contracts to very low-income families, the elderly, and the disabled to provide decent, safe, and sanitary housing in the private market.

Emergency Housing Vouchers

The Emergency Housing Voucher (EHV) program is available through the American Rescue Plan Act (ARPA). Through EHV, HUD provided housing choice vouchers to local Public Housing Authorities (PHAs) in order to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

DALLAS COUNTY PUBLIC HOUSING AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

YEAR ENDED JUNE 30, 2023

These programs are the Agency's major programs. Vouchers are administered locally by the Agency which receives funds from HUD to administer the program. A housing subsidy is paid to the landlord directly by the Agency on behalf of the participating tenant. The tenant pays the difference between the rent charged by the landlord and the amount subsidized by HUD.

Business Activities

This program utilizes contributions to the housing department to assist participants with costs associated with moving, application fees, utility payments, etc. not covered under one of the other programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

All capital assets held by the Agency are stated at cost. All long-lived assets acquired prior to October 1, 2001 with cost greater than \$1,000 have been capitalized. The capitalization threshold was increased to \$5,000 beginning October 1, 2001.

Long-term debt

The Agency does not have any long-term debt.

POTENTIAL IMPACTS ON FINANCIAL POSITION

The Agency receives approximately 90.7% of its funding from federal sources. These funds are always at the discretion of the President and Congress. Funding in program income increased from FY 2022 to FY 2023 by \$90,857.

Contacting the Agency's financial management

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

Ozarks Area Community Action Corporation
Dallas County Public Housing Agency
Jennifer Olson, Executive Director
215 South Barnes
Springfield, Missouri 65802

BASIC FINANCIAL STATEMENTS

DALLAS COUNTY PUBLIC HOUSING AGENCY

STATEMENT OF NET POSITION

JUNE 30, 2023

ASSETS

Current assets:

Cash - unrestricted	\$ 995,331
Portable receivable, net	<u>7,908</u>
Total current assets	1,003,239
Property and equipment, net	<u>76,335</u>
Total assets	<u>\$ 1,079,574</u>

LIABILITIES AND NET POSITION

Current liabilities:

Accounts payable	\$ 46,317
Accrued salaries	11,929
Accrued compensated absences	18,343
Deferred revenue	26,015
Due to HUD	14,631
Due to administrative entity	<u>100,088</u>
Total current liabilities	217,323

Net position:

Unrestricted	<u>862,251</u>
Total liabilities and net position	<u>\$ 1,079,574</u>

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

DALLAS COUNTY PUBLIC HOUSING AGENCY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

Operating revenues:		
Program income		\$ 2,925,315
Investment income		34,270
Fraud recovery		4,395
Other income		<u>260,202</u>
Total operating revenues		3,224,182
Operating expenses:		
Housing assistance payments	\$ 2,566,512	
Salaries	256,726	
Portable voucher payments	228,223	
Employee benefits	82,816	
Administrative expenses - other	76,455	
General expenses - other	36,469	
Office expenses	22,557	
Audit	10,250	
Depreciation	9,312	
Travel	5,283	
Insurance	<u>3,981</u>	<u>3,298,584</u>
Change in net position		(74,402)
Net position, beginning of year		<u>936,653</u>
Net position, end of year		<u>\$ 862,251</u>

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

DALLAS COUNTY PUBLIC HOUSING AGENCY

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

Cash flows from operating activities:	
Program income	\$ 2,925,315
Investment income	34,270
Fraud recovery	4,395
Other income	270,340
Housing assistance payments	(2,780,157)
Salaries and related costs	(331,714)
Other expenses	<u>(369,777)</u>
Cash flows used in operating activities	(247,328)
Cash flows from operating activities:	
Purchase of property and equipment	(54,629)
Cash balance, beginning of year	<u>1,297,288</u>
Cash balance, end of year	<u><u>\$ 995,331</u></u>
Reconciliation to Statement of Net Position:	
Cash - Unrestricted	<u><u>\$ 995,331</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (74,402)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	9,312
Decrease in assets:	
Portable receivable, net	10,138
Increase (decrease) in liabilities:	
Accounts payable	2,227
Accrued salaries	2,134
Accrued compensated absences	5,694
Due to HUD	12,351
Due to administrative entity	(177,084)
Deferred revenue	<u>(37,698)</u>
Net cash flows used in operating activities	<u><u>\$ (247,328)</u></u>

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

DALLAS COUNTY PUBLIC HOUSING AGENCY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

1. Summary of significant accounting policies

Nature of activities

The Dallas County Public Housing Agency (Agency) is a fund of Dallas County, Missouri, and its operations consist of providing housing and utility assistance to low income households through a Section 8 Housing Choice Voucher (HCV) appropriation from the U.S. Department of Housing and Urban Development (HUD).

The Ozarks Area Community Action Corporation (OACAC) serves as the administrative entity for Dallas County Public Housing Agency. As such, all funds are held by OACAC, and financial transactions are processed through its administrative offices. At June 30, 2023, the Agency had a due to administrative entity of \$100,088.

The Agency is governed by a board of directors consisting of county officials from each of the counties served by the HUD voucher program, personal representatives of the low-income population from those counties, and other interested citizens of those communities. Dallas County, Missouri and the OACAC Executive Director have the signatory commission to the HUD contracts.

These financial statements include only the funds of the HUD Project No. MO216.

Reporting entity

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the Dallas County Public Housing Agency to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

In determining the financial reporting entity, the Agency complies with the provisions of GASB Statement No. 14 as amended by GASB Statement No. 39, "The Financial Reporting Entity," and includes all component units, if any, of which the Agency appointed a voting majority of the units' board; the Agency is either able to impose its will on the unit or a financial benefit or burden relationship exists. There are no agencies, organizations or activities meeting this criteria.

Basis of accounting

The Agency's financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America.

1. Summary of significant accounting policies (continued)

Basis of accounting (continued)

All activities of the Agency are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Agency are grants provided by federal agencies. Operating expenses for proprietary funds include the cost of housing assistance payments 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.

Federal income tax status

The Agency is a governmental organization which is subsidized by the Federal Government. The Agency is exempt from federal and state income tax.

Net position

The Agency's net position is classified as follows:

Unrestricted net position: Unrestricted net position represents those funds whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net position that arise from exchange transactions are included as well as resources derived from gifts and contributions. These resources are used at the discretion of the governing board to meet current expenses for any purpose.

Restricted net position: Restricted net position consists of those funds whose use by the Agency has been limited by granting agencies or donors to later periods of time or after specified dates or to specified purposes. The Agency had no restricted net position at June 30, 2023.

Subsidies received for operating purposes, are recorded as revenue and result in an increase to unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources, the Agency's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

1. Summary of significant accounting policies (continued)

Revenue

The Agency has entered into annual contributions contracts with HUD to develop and manage public housing projects. HUD makes monthly operating subsidy contributions within the public housing program. Such contributions are reflected as operating revenue in the accompanying financial statements.

Other grant revenue, which is also primarily derived from HUD, is reported under the legal contractual requirements of the individual programs.

Accounting estimates

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

2. Cash and deposits

Custodial Credit Risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Agency’s deposits may not be returned to it.

Dallas County PHA maintained balances in excess of \$250,000 at June 30, 2023. FDIC insurance covers the first \$250,000 in deposits. The balance in excess of the FDIC coverage is swept into an account in which the Dallas County PHA receives full FDIC coverage on all deposits.

3. Portable receivables, net

Portable receivables consist of amounts due from other public housing agencies for individuals who have transferred to the Agency within the year ended June 30, 2023. At June 30, 2023, the gross portable receivables and the related allowance account information are as follows:

Portable receivables	\$ 10,825
Less allowance for doubtful accounts	<u>(2,917)</u>
Portable receivables, net	<u>\$ 7,908</u>

4. Concentration of credit risk

The Agency receives virtually all of its revenues through appropriation funding from the Department of Housing and Urban Development under an appropriation regulation which became effective January 1, 2005. Congress sets the regulations relating to these appropriations. If Congress should choose to enact legislation that would change the regulations, the effect of future funding to the Agency, or to accumulated net position balances, could be significant.

5. Capital assets

<u>Asset type</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2023</u>
Office equipment	\$ 2,439	\$ -	\$ -	\$ 2,439
Computer equipment and software	5,650	-	-	5,650
Vehicles	<u>72,808</u>	<u>54,629</u>	-	<u>127,437</u>
Total capital assets	80,897	54,629	-	135,526
Less accumulated depreciation	<u>(49,879)</u>	<u>(9,312)</u>	-	<u>(59,191)</u>
Total capital assets, net	<u>\$ 31,018</u>	<u>\$ 45,317</u>	<u>\$ -</u>	<u>\$ 76,335</u>

All capital assets held by the Agency are stated at cost. All long-lived assets acquired prior to October 1, 2001 with cost greater than \$1,000 have been capitalized. The capitalization threshold was increased to \$5,000 beginning October 1, 2001.

Depreciation is calculated on the straight-line basis over the useful life of the specific assets. Depreciation expense amounted to \$9,312 at June 30, 2023.

6. Contingencies

The Agency receives federal grants for specific purposes that are subject to review by funding sources. Those reviews could lead to disallowed costs due to non-compliance with grant terms and conditions. The amounts, if any, which could be disallowed by a grantor are unknown at this time, although the Agency expects such amounts, if any, to be immaterial.

7. Due to HUD

During FY 2021, the Agency earned interest on HCV payments. As it pertains to the HCV Program, this provision allows up to \$500 in interest earned on HAP to be kept per calendar year and applied to the Agency's unrestricted net position balance. Any additional interest must be remitted annually to the Department of Health and Human Services. Accordingly, due to HUD on the accompanying Statement of Net Position amounted to \$14,631 at June 30, 2023.

8. Operating lease

The Agency leases a copier under an operating lease. Lease expense under this operating lease for the year ended June 30, 2023 was \$3,959.

Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	
2024	\$ 2,196
2025	2,196
2026	2,196
2027	<u>2,196</u>
	<u>\$ 8,784</u>

9. Retirement plan

The Agency has adopted a defined contribution retirement plan in accordance with Internal Revenue Code Sec. 403(b). If the employee elects to participate in the tax sheltered annuity portion of this retirement plan, an additional matching contribution is made by the Agency. The maximum additional contribution by the Agency is 4%. Total amount paid into the retirement plan by the Agency for the year ended June 30, 2023 was \$3,953.

10. Compensated absences

Sick and annual leave are accumulated on a monthly basis according to Agency policies. Sick leave cannot be taken as cash upon termination; therefore the Agency records no liability for amounts that could be used under Agency sick leave policies.

Annual leave in the amount of 240 hours can be carried over to the following year, with 160 total hours payable upon termination of employment or upon relocation to another OACAC program. Liability for unpaid annual leave has been accrued as an Agency liability.

11. Risk management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Agency manages these risks through the purchase of various insurance policies.

12. Affiliated organization

As discussed in Note 1, the Agency is administered by Ozarks Area Community Action Corporation (OACAC). The Agency would be considered an affiliated organization of OACAC.

OACAC allocates its expenses on a functional basis among its various programs and support activities. Expenses that can be identified with a specific program and support activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated using various allocation methods.

13. COVID-19

On March 11, 2020, the World Health Organization ("WHO") recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

We considered the impact of the COVID-19 pandemic on the Agency and determined that there were no material adverse impacts on the financial statements for the year ended June 30, 2023.

14. Subsequent event

The Agency has evaluated subsequent events through February 18, 2024, the date which the financial statements were available to be issued. There were no significant events noted that did not exist at the date of the statement of net position but arose subsequent to that date.

DALLAS COUNTY PUBLIC HOUSING AGENCY

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2023

	Housing Choice Vouchers	Business Activities	Emergency Housing Vouchers	Elimination	Total
ASSETS					
Current assets:					
Cash - unrestricted	\$ 966,805	\$ 8,983	\$ 19,543	\$ -	\$ 995,331
Portable receivable, net	7,908	-	-	-	7,908
Inter-program (due from)	-	-	11,752	(11,752)	-
Total current assets	974,713	8,983	31,295	(11,752)	1,003,239
Property and equipment, net	76,335	-	-	-	76,335
	<u>\$ 1,051,048</u>	<u>\$ 8,983</u>	<u>\$ 31,295</u>	<u>\$ (11,752)</u>	<u>\$ 1,079,574</u>
LIABILITIES AND NET ASSETS					
Current liabilities:					
Accounts payable	\$ 46,317	\$ -	\$ -	\$ -	\$ 46,317
Accrued salaries	11,929	-	-	-	11,929
Accrued compensated absences	18,343	-	-	-	18,343
Deferred revenue	-	-	26,015	-	26,015
Due to HUD	14,161	-	470	-	14,631
Due to administrative entity	100,088	-	-	-	100,088
Inter-program (due to)	11,752	-	-	(11,752)	-
Total current liabilities	202,590	-	26,485	(11,752)	217,323
Net position:					
Unrestricted	848,458	8,983	4,810	-	862,251
Total liabilities and net position	<u>\$ 1,051,048</u>	<u>\$ 8,983</u>	<u>\$ 31,295</u>	<u>\$ (11,752)</u>	<u>\$ 1,079,574</u>

DALLAS COUNTY PUBLIC HOUSING AGENCY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2023

	Housing Choice Vouchers	Business Activities	Emergency Housing Vouchers	Elimination	Total
Operating revenues:					
Program income	\$ 2,771,027	\$ -	\$ 154,288	\$ -	\$ 2,925,315
Investment income	33,301	469	500	-	34,270
Fraud recovery	4,395	-	-	-	4,395
Other income	259,687	515	-	-	260,202
Total operating revenues	3,068,410	984	154,788	-	3,224,182
Operating expenses:					
Housing assistance payments	2,408,545	-	157,967	-	2,566,512
Salaries	241,904	-	14,822	-	256,726
Portable voucher payments	228,223	-	-	-	228,223
Employee benefits	80,690	-	2,126	-	82,816
Administrative expenses - other	35,715	(250)	40,990	-	76,455
General expenses - other	34,315	403	1,751	-	36,469
Office expenses	21,717	-	840	-	22,557
Audit	10,250	-	-	-	10,250
Depreciation	9,312	-	-	-	9,312
Travel	5,215	-	68	-	5,283
Insurance	3,870	-	111	-	3,981
Total operating expenses	3,079,756	153	218,675	-	3,298,584
Change in net position	(11,346)	831	(63,887)	-	(74,402)
Net position, beginning of year,	871,556	8,152	56,945	-	936,653
Transfers	(11,752)	-	11,752	-	-
Net position, end of year	\$ 848,458	\$ 8,983	\$ 4,810	\$ -	\$ 862,251



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INDEPENDENT AUDITORS' 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 Directors
Dallas County Public Housing Agency
Springfield, Missouri

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 Dallas County Public Housing Agency, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dallas County Public Housing Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dallas County Public Housing Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Dallas County Public Housing Agency's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dallas County Public Housing Agency'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.

RMMC, CPA's

Springfield, Missouri
February 18, 2024



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

Board of Directors
Dallas County Public Housing Agency
Springfield, Missouri

Report on Compliance for Each Major Program

Opinion on Each Major Federal Program

We have audited Dallas County Public Housing Agency'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 Dallas County Public Housing Agency's major federal programs for the year ended June 30, 2023. Dallas County Public Housing Agency'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, Dallas County Public Housing Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Dallas County Public Housing Agency 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 Dallas County Public Housing Agency'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 Dallas County Public Housing Agency'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 Dallas County Public Housing Agency compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Dallas County Public Housing Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 Dallas County Public Housing Agency'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 Dallas County Public Housing Agency'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 Dallas County Public Housing Agency's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Dallas County Public Housing Agency's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Dallas County Public Housing Agency's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

R/M/MC, CPA's

Springfield, Missouri
February 18, 2024

DALLAS COUNTY PUBLIC HOUSING AGENCY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023

<u>U.S. Department of Housing and Urban Development</u>	<u>Assistance Listing Number</u>	<u>Pass-through Identifying Number</u>	<u>Expenditures</u>
Housing Choice Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	MO216	\$ 3,079,756
Emergency Housing Vouchers	14.871	MO216	<u>211,233</u>
Total Housing Choice Voucher Cluster			<u><u>3,290,989</u></u>

See the accompanying notes to schedule of expenditures of federal awards.

DALLAS COUNTY PUBLIC HOUSING AGENCY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2023

NOTE A – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Dallas County Public Housing Agency. All federal financial assistance received both directly and indirectly from federal agencies is included in the schedule.

NOTE B – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Expenditures under the accrual basis of accounting are recorded when the liability is incurred.

NOTE C – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE D – INDIRECT COSTS

Dallas County Public Housing Agency maintains an indirect cost rate with the Department of Health and Human Services and is not eligible to use the 10% de minimus indirect cost rate.

NOTE E - SUBRECIPIENTS

Dallas County Public Housing Agency did not provide federal awards to subrecipients.

DALLAS COUNTY PUBLIC HOUSING AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

YEAR ENDED JUNE 30, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified.

Internal control over financial reporting:

- Material weakness(es) identified?
 Yes No
- Significant deficiencies identified?
 Yes No
- Noncompliance material to financial statements noted?
 Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
 Yes No
- Significant deficiencies identified?
 Yes No

Type of auditors’ report issued on compliance for major programs: Unmodified.

Any audit finding disclosed that are required to be reported in accordance with 2CFR Section 200.516(a)?

Yes No

DALLAS COUNTY PUBLIC HOUSING AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS
(CONTINUED)

YEAR ENDED JUNE 30, 2023

Identification of major programs:

Assistance Listing Number(s)

Housing Choice Voucher Cluster:

14.871	Section 8 Housing Choice Vouchers
14.871	Emergency Housing Vouchers

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Section II – Financial Statement Findings

There were no findings for the year ended June 30, 2023.

DALLAS COUNTY PUBLIC HOUSING AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS
(CONTINUED)

YEAR ENDED JUNE 30, 2023

Section III – Federal Award findings and Questioned Costs

Item 2023-001:	Late submission of the FY2022 audited financial statements to the U.S. Department of Urban Housing (“HUD”) Real Estate Assessment Center (“REAC”).
Criteria:	Audited financial statements shall be submitted to REAC within nine months after the end of the fiscal year.
Condition:	Submission of the audited financial statements to REAC was not done within the timeframe as required by HUD.
Context:	During the audit, we noted that the audited financial statements for FY2022 due to REAC by March 31, 2023, was not submitted until December 8, 2023.
Effect:	Late filing will result in noncompliance with timely submission of financial information to HUD requirement.
Cause:	The Agency neglected to verify that the final submission step to REAC was completed.
Recommendation:	We recommend management strengthen its procedures over filing of the audited financial statements with REAC to ensure timely filing.
Management’s response:	Management concurs with the finding. Additional procedures will be established to help ensure timely filing of the audited financial statements to REAC.

DALLAS COUNTY PUBLIC HOUSING AGENCY

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2023

There were no prior year audit findings

DALLAS COUNTY PUBLIC HOUSING AGENCY

FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2023

Line Item Number	Account Description	Housing Choice Vouchers	Business Activities	Emergency Housing Voucher	Total
ASSETS					
CURRENT ASSETS					
Cash:					
111	Cash - unrestricted	\$ 966,805	\$ 8,983	\$ 19,543	\$ 995,331
112	Cash - unrestricted - mod. and dev.	-	-	-	-
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	-	-	-	-
115	Cash - restricted for pymt. of current liab.	-	-	-	-
100	Total cash	<u>966,805</u>	<u>8,983</u>	<u>19,543</u>	<u>995,331</u>
Accounts and notes receivable:					
121	Accounts receivable - PHA projects	7,908	-	-	7,908
122	Accounts receivable - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable - tenants - dwelling units	-	-	-	-
126.1	Allowance for doubtful accts. - dwelling units	-	-	-	-
126.2	Allowance for doubtful accts. - other	-	-	-	-
127	Notes and mortgages receivable - current	-	-	-	-
128	Fraud recovery	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-
129	Accrued interest receivable	-	-	-	-
120	Total receivables, net of allowances for uncollectibles	<u>7,908</u>	<u>-</u>	<u>-</u>	<u>7,908</u>
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-
143	Inventories	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-
144	Interprogram due from	-	-	11,752	11,752
146	Amounts to be provided	-	-	-	-
150	Total current investments	<u>-</u>	<u>-</u>	<u>11,752</u>	<u>11,752</u>
150	TOTAL CURRENT ASSETS	<u>974,713</u>	<u>8,983</u>	<u>31,295</u>	<u>1,014,991</u>
NONCURRENT ASSETS					
Fixed assets:					
161	Land	-	-	-	-
162	Buildings	-	-	-	-
163	Furniture, equip. and machinery - dwellings	-	-	-	-
164	Furniture, equip. and machinery - admin.	135,525	-	-	135,525
165	Leasehold improvements	-	-	-	-
166	Accumulated depreciation	(59,190)	-	-	(59,190)
167	Construction in progress	-	-	-	-
160	Total fixed assets, net of accum. depreciation	<u>76,335</u>	<u>-</u>	<u>-</u>	<u>76,335</u>

DALLAS COUNTY PUBLIC HOUSING AGENCY

FINANCIAL DATA SCHEDULE
(CONTINUED)

YEAR ENDED JUNE 30, 2023

Line Item Number	Account Description	Housing Choice Vouchers	Business Activities	Emergency Housing Voucher	Total
171	Notes and mortgages receivable - noncurrent	\$ -	\$ -	\$ -	\$ -
172	Notes and mortgages rec. - noncurrent-past due	-	-	-	-
174	Other assets	-	-	-	-
176	Investment in joint ventures	-	-	-	-
		-	-	-	-
180	TOTAL NONCURRENT ASSETS	<u>76,335</u>	<u>-</u>	<u>-</u>	<u>76,335</u>
290	TOTAL ASSETS	<u>\$ 1,051,048</u>	<u>\$ 8,983</u>	<u>\$ 31,295</u>	<u>\$ 1,091,326</u>
LIABILITIES AND EQUITY					
Current liabilities:					
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	46,317	-	-	46,317
313	Accounts payable > 90 days past due	-	-	-	-
321	Accrued wage / payroll taxes payable	11,929	-	-	11,929
322	Accrued compensated absences	18,343	-	-	18,343
324	Accrued contingency liability	-	-	-	-
325	Accrued interest payable	-	-	-	-
331	Accounts payable - HUD PHA programs	14,161	-	470	14,631
332	Accounts payable - PHA projects	-	-	-	-
333	Accounts payable - other government	100,088	-	-	100,088
341	Tenant security deposits	-	-	-	-
342	Deferred revenues	-	-	26,015	26,015
343	CPLTD - capital projects	-	-	-	-
344	CPLTD - oper. borrowings	-	-	-	-
345	Other current liabilities	-	-	-	-
346	Accrued liabilities - other	-	-	-	-
347	Inter-program (due to)	11,752	-	-	11,752
310	TOTAL CURRENT LIABILITIES	<u>202,590</u>	<u>-</u>	<u>26,485</u>	<u>229,075</u>
NONCURRENT LIABILITIES					
351	LTD, net of current-capital projects	-	-	-	-
352	LTD, net of current-oper. borrowings	-	-	-	-
353	Noncurrent liabilities - other	-	-	-	-
354	Accrued comp. absences-noncurrent port.	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
300	TOTAL LIABILITIES	<u>202,590</u>	<u>-</u>	<u>26,485</u>	<u>229,075</u>

DALLAS COUNTY PUBLIC HOUSING AGENCY

FINANCIAL DATA SCHEDULE
(CONTINUED)

YEAR ENDED JUNE 30, 2023

Line Item Number	Account Description	Housing Choice Vouchers	Business Activities	Emergency Housing Voucher	Total
EQUITY					
508.1	Invest. in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
511.4	Restricted net position	-	-	-	-
512.4	Unrestricted net position	<u>848,458</u>	<u>8,983</u>	<u>4,810</u>	<u>862,251</u>
	Total reserved fund balance	<u>848,458</u>	<u>8,983</u>	<u>4,810</u>	<u>862,251</u>
513	TOTAL EQUITY - NET ASSETS / POSITION	<u>848,458</u>	<u>8,983</u>	<u>4,810</u>	<u>862,251</u>
600	TOTAL LIABILITIES AND EQUITY	<u>\$ 1,051,048</u>	<u>\$ 8,983</u>	<u>\$ 31,295</u>	<u>\$ 1,091,326</u>
REVENUE					
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	-
70400	Tenant revenue - other	-	-	-	-
70500	Total tenant revenue	-	-	-	-
70600	HUD PHA operating grants	2,771,027	-	154,288	2,925,315
70610	Capital grants	-	-	-	-
70800	Other government grants	-	-	-	-
71100	Investment income - unrestricted	33,301	469	500	34,270
71200	Mortgage interest income	-	-	-	-
71400	Fraud recovery	4,395	-	-	4,395
71500	Other revenue	259,687	515	-	260,202
71600	Gain or loss on sale of fixed assets	-	-	-	-
72000	Investment income - restricted	-	-	-	-
70000	TOTAL REVENUE	<u>3,068,410</u>	<u>984</u>	<u>154,788</u>	<u>3,224,182</u>
EXPENSES					
Administrative:					
91100	Administrative salaries	241,904	-	14,822	256,726
91200	Auditing fees	10,250	-	-	10,250
91300	Management fees	-	-	-	-
91400	Advertising and marketing	-	-	-	-
91500	Employee benefit contributions - admin.	80,690	-	2,126	82,816
91600	Office expenses	21,717	-	840	22,557
91700	Legal expenses	-	-	-	-
91800	Travel	5,215	-	68	5,283
91810	Allocated overhead	-	-	-	-
91900	Other	<u>35,715</u>	<u>(250)</u>	<u>40,990</u>	<u>76,455</u>
91000	Total operating - administrative	<u>395,491</u>	<u>(250)</u>	<u>58,846</u>	<u>454,087</u>
Tenant services:					
92100	Tenant services - salaries	-	-	-	-
92200	Relocation costs	-	-	-	-
92300	Employee benefit contributions - tenant serv.	-	-	-	-
92400	Tenant services - other	-	-	-	-
92500	Total tenant services	-	-	-	-

DALLAS COUNTY PUBLIC HOUSING AGENCY

FINANCIAL DATA SCHEDULE
(CONTINUED)

YEAR ENDED JUNE 30, 2023

Line Item Number	Account Description	Housing Choice Vouchers	Business Activities	Emergency Housing Voucher	Total
Utilities:					
93100	Water	\$ -	\$ -	\$ -	\$ -
93200	Electricity	-	-	-	-
93300	Gas	-	-	-	-
93400	Fuel	-	-	-	-
93500	Labor	-	-	-	-
93700	Employee benefit contributions - utilities	-	-	-	-
93800	Other utilities expense	-	-	-	-
93000	Total utilities	-	-	-	-
Ordinary maintenance and operation:					
94100	Ord. maint. and operation - labor	-	-	-	-
94200	Ord. maint. and operation - materials/other	-	-	-	-
94300	Ord. maint. and operation - contract costs	-	-	-	-
94500	Ord. maint. and operation - ord. maintenance	-	-	-	-
94000	Total maintenance	-	-	-	-
Protective services:					
95100	Protective services - labor	-	-	-	-
95200	Protective services - other contract costs	-	-	-	-
95300	Protective services - other	-	-	-	-
95500	Protective services - employee benefit cont.	-	-	-	-
95000	Total protective services	-	-	-	-
Insurance:					
96110	Property insurance	-	-	-	-
96120	Liability insurance	3,870	-	111	3,981
96140	All other insurance	-	-	-	-
96100	Total insurance	3,870	-	111	3,981
General:					
96200	Other general expenses	29,218	403	1,567	31,188
96210	Compensated absences	5,097	-	184	5,281
96300	Payments in lieu of taxes	-	-	-	-
96400	Bad debt - tenant rents	-	-	-	-
96500	Bad debt - mortgages	-	-	-	-
96600	Bad debt - other	-	-	-	-
96000	Total other general expenses	34,315	403	1,751	36,469
96900	Total operating expenses	433,676	153	60,708	494,537
97000	Excess operating revenue over operating exp.	2,634,734	831	94,080	2,729,645

DALLAS COUNTY PUBLIC HOUSING AGENCY

FINANCIAL DATA SCHEDULE
(CONTINUED)

YEAR ENDED JUNE 30, 2023

Line Item Number	Account Description	Housing Choice Vouchers	Business Activities	Emergency Housing Voucher	Total
97100	Extraordinary maintenance	\$ -	\$ -	\$ -	\$ -
97200	Casualty losses - non-capitalized	-	-	-	-
97300	Housing assistance payments	2,408,545	-	157,967	2,566,512
97350	HAP portability-in	228,223	-	-	228,223
97400	Depreciation expense	9,312	-	-	9,312
97500	Fraud losses	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-
		<u>2,646,080</u>	<u>-</u>	<u>157,967</u>	<u>2,804,047</u>
90000	TOTAL EXPENSES	<u>3,079,756</u>	<u>153</u>	<u>218,675</u>	<u>3,298,584</u>
	OTHER FINANCIAL SOURCES (USES)				
10010	Operating transfers in	-	-	-	-
10020	Operating transfers out	-	-	-	-
10030	Operating transfers from primary govt.	-	-	-	-
10040	Operating transfers from component unit	-	-	-	-
10050	Proceeds from notes, loans and bonds	-	-	-	-
10060	Proceeds from property sales	-	-	-	-
10100	TOTAL OTHER FIN. SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (11,346)</u>	<u>\$ 831</u>	<u>\$ (63,887)</u>	<u>\$ (74,402)</u>
	EQUITY				
11030	Beginning equity	\$ 852,342	\$ 8,152	\$ 56,945	\$ 917,439
11040	Prior period adjustments, equity transfers and correction of errors	\$ 7,462	\$ -	\$ 11,752	\$ 19,214
		\$ -	\$ -	\$ -	\$ -
11170	Administrative fee equity	\$ 848,458	\$ -	\$ -	\$ 848,458
11180	Housing assistance payments equity	\$ -	\$ -	\$ -	\$ -
11190	Unit months available	7,383		-	7,383
11210	Number of units leased	6,705		-	6,705

***DALLAS COUNTY PUBLIC
HOUSING AGENCY***
Springfield, Missouri

Finding: 2023-001

Name of contact person and title: Ken Waugh, Fiscal Officer

Anticipated completion date: March 31, 2024

Management response: Management concurs with the finding. Additional procedures will be established to help ensure timely filing of the audited financial statements to REAC.