

HOUSING AUTHORITY OF THE CITY OF  
LEXINGTON, NEBRASKA

BASIC FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTAL INFORMATION  
AND  
SUPPLEMENTAL INFORMATION

Year Ended June 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

**Independent Auditor's Report**

To the Board of Commissioners  
Housing Authority of the City of Lexington, Nebraska

**Report on the Basic Financial Statements**

We have audited the accompanying financial statements of the major fund of the Housing Authority of the City of Lexington, Nebraska, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Lexington, Nebraska's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Basic 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Lexington, Nebraska, as of June 30, 2020, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as identified in the table of contents, 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. 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 an opinion on the financial statements that collectively comprise the Housing Authority of the City of Lexington, Nebraska's basic financial statements. The Program Financial Schedules, Financial Data Schedules and 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* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Program Financial Schedules, Financial Data Schedules and Schedule of Expenditures of Federal Awards are 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. Such 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 Program Financial Schedules, Financial Data Schedules and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2021 on our consideration of the Housing Authority of the City of Lexington, Nebraska'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 Lexington, Nebraska'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 Lexington, Nebraska's internal control over financial reporting and compliance.

*Niewedde & Wiens, CPAs*

York, Nebraska  
January 14, 2021

**REQUIRED SUPPLEMENTAL INFORMATION –  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

# HOUSING AUTHORITY OF THE CITY OF LEXINGTON



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This section of the Housing Authority of the City of Lexington, Nebraska's annual financial report presents our managements analysis of the Authority's financial performance during the fiscal year ended on June 30, 2020. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the basic financial statements as a whole.

## **FINANCIAL HIGHLIGHTS**

The term "Net Position" refers to the difference between assets and liabilities. The Authority's total net position as of June 30, 2020 was \$4,380,529. The net position increased by \$112,323, an increase of 2.6% over the prior year. Of this amount, \$1,300,294 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the Authority's ongoing obligations to citizens, creditors and operations of facilities.

Operating revenues for the Authority was \$1,344,883 for the year ended June 30, 2020. This was an increase of 2% over the prior year.

Operating expenses for the Authority were \$1,612,121 for the year ended June 30, 2020. This was a decrease of less than 1% from the prior year.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes this *Management's Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. The Authority's basic financial statements are presented as fund level financial statements because the Authority only has a single proprietary fund.

### **Required Financial Statements**

*Proprietary Fund Financial Statements* - The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources and obligations of the Authority creditors. It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The Authority reports a single enterprise fund.

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONT'D)**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. HUD has established *Uniform Financial Reporting Standards* that requires the Housing Authority to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2020 and is required to be included in the audit reporting package.

**FINANCIAL HIGHLIGHTS AND ANALYSIS**

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$4,380,529 at the close of the year ended June 30, 2020. This represents an increase of \$112,323, or 2.6% over the prior year.

**CONDENSED STATEMENTS OF NET POSITION**

		FY 2020	FY 2019	Dollar Change	Percent Change
Current and other assets	\$	2,517,953	\$ 2,350,719	\$ 167,234	7.1%
Capital assets		2,928,609	2,950,351	(21,741)	-0.7%
Total Assets		<u>5,446,562</u>	<u>5,301,070</u>	<u>145,492</u>	2.7%
Current liabilities		157,133	123,964	33,170	26.8%
Long-term debt		908,900	908,900	-	0.0%
Total Liabilities		<u>1,066,033</u>	<u>1,032,864</u>	<u>33,170</u>	3.2%
Net Position					
Net investment in capital assets		2,019,709	2,041,451	(21,741)	-1.1%
Restricted		1,060,526	1,041,307	19,218	1.8%
Unrestricted		1,300,294	1,185,448	114,846	9.7%
Total Net Position	\$	<u>4,380,529</u>	<u>4,268,206</u>	<u>\$ 112,323</u>	2.6%

The unrestricted component of net position was \$1,300,294 as of June 30, 2020 which was an increase of \$114,846. The majority of the increase was in Public Housing as it increased \$209,155 due the use of \$206,217 of capital fund grants for noncapital purposes. The Section 8 New Construction program increased \$63,831 due to operations. This was offset by a \$159,676 decrease in the Pioneer Homes program as the result of a purchase of a property.

The Authority had several different components of restricted net position. The Authority had \$882,702 in restricted net position related to notes receivables to two tax-credit projects. The Authority had an \$100,000 legally restricted to guarantee the tax-credit project. The Authority had \$77,824 restricted for replacement and residual receipts reserves in the NAF Senior Housing, Inc. program.



HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020

**FINANCIAL HIGHLIGHTS AND ANALYSIS (CONT'D)**

The largest portion of the Authority's net position reflects its net investment in capital assets (e.g. land, buildings and equipment less accumulated depreciation and related debt). The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

Current and other assets increased \$167,234. Cash and investments increased \$31,086 and the receivable from HUD increased \$107,925. Notes receivables increased \$21,706 due to the compounding of interest on the notes.

Current liabilities increased \$33,170 due to a \$12,427 increase in accounts payables and a \$11,269 decrease in unearned revenue.

While the Statement of Net Position shows the change in net position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

**CONDENSED STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

	<u>FY 2020</u>	<u>FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues</b>				
Program revenues				
Rental	\$ 608,037	\$ 571,821	\$ 36,216	6.3%
HUD program contributions	965,889	907,799	58,090	6.4%
Other	92,883	97,709	(4,825)	-4.9%
General revenues				
Interest	35,284	34,696	588	1.7%
Other	180	122	58	47.8%
Total Revenues	<u>1,702,273</u>	<u>1,612,147</u>	<u>90,127</u>	5.6%
<b>Expenses</b>				
Operating, less depreciation	1,379,041	1,341,220	37,821	2.8%
Depreciation	233,080	273,640	(40,560)	-14.8%
Total Expenses	<u>1,612,121</u>	<u>1,614,860</u>	<u>(2,739)</u>	-0.2%
Excess (Deficiency) Before Contributions and Special Items	90,153	(2,713)	92,866	
Contributions	22,177	104,919	(82,742)	
Special items, net	(7)	(10)	2	
Changes in Net Position	<u>112,323</u>	<u>102,196</u>	<u>10,127</u>	
Beginning net position	4,268,206	4,166,010	102,196	
Ending net position	<u>\$ 4,380,529</u>	<u>\$ 4,268,206</u>	<u>\$ 112,323</u>	

Rental income increased \$36,216 with \$35,416 of this increase being in the Public Housing program. Public Housing had 16 more unit months leased and the average rental charge increased 10%. The other programs had minor fluctuations in rental income and occupancy.

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020

**FINANCIAL HIGHLIGHTS AND ANALYSIS (CONT'D)**

HUD program contributions include Public Housing operating subsidy, HUD CARES Act, capital fund grants used for noncapital purposes, Housing Choice Voucher program housing assistance payments and administrative contribution and Section 8 New Construction rental assistance.

Operating subsidy was \$101,661 for the year which was an increase of \$6,355. Capital funds grants used for noncapital purposes increased \$40,051. Rental assistance in the Section 8 New Construction program increased \$5,981. The Housing Choice Voucher contributions decreased by \$13,632.

Operating expenses increased by \$37,821. Within this, administrative expenses increased \$40,145, maintenance expenses increased \$29,441, general expenses went down \$8,597 and HAP expenses decreased \$8,597. Operating expenses fluctuate greatly depending on many outside factors including but not limited to utility expenses. The Lexington Housing Authority also hired lawn service in lieu doing that in house which would account for a portion of the operating expense increase. Maintenance expenses fluctuate due to the amount of turnover within the programs and amount of materials needed to bring the properties back to rentable condition.

The number of HAP payments decreased by 40 which was offset by a 1% increase in the average HAP.

Contributions for the year were \$22,177 which was a decrease of \$82,742. The Authority is allocated capital grant money each year as determined by HUD and remains relatively consistent from year to year based on the Authority's number of units. The amount presented will vary from year to year depending on the timing of projects as outlined in the HUD approved capital grant budget.

**Individual Program Highlights:**

**Public Housing:** Occupancy increased by 16 unit months to 910 out of 921 unit months available. Average rent increased \$32.98 to \$370.98.

Public Housing had a net income of \$224,483 when not including depreciation expense of \$158,950. Included in this was \$206,217 of capital funds used for noncapital purposes as allowed by program regulations. The unrestricted net position increased \$209,155 this past year to \$523,795.

**Housing Choice Voucher:** The number of HAP payments made decreased by 40 to 1,145 and the average HAP payment increased 1%. Unrestricted net position, also known as administrative reserve, increased by \$5,122 to \$8,880.

**Section 8 New Construction:** Occupancy increased by 5 to 526 unit months out of an available 576. When not including depreciation expense, the program had net income of \$65,213.

**Pioneer Homes:** The program had net income of \$5,771 when not including depreciation and had a deficit unrestricted net position \$33,334 at June 30, 2020 as the result of a purchase of a rental property.

**Management Fund:** The program had net income of \$15,960 as a result of providing management services to two tax-credit projects. The program has unrestricted net position of \$89,562.

**NAF Senior Housing, Inc.:** The program had a net income of \$5,418 when not including depreciation expense.

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** – The Housing Authority of the City of Lexington, Nebraska's capital assets as of June 30, 2020 amounts to \$2,928,609. Capital assets include land, buildings, improvements, equipment and construction in progress net of accumulated depreciation.

The total decrease in the Authority's capital assets for the current fiscal year was 1.1% in terms of net book value. The Authority had capital expenditures of \$212,208. A rental property was purchased at 400 N Monroe in the amount of \$160,000 and the purchase and installation of security cameras on all the properties which accounted for a large portion of the expenditures. Lastly Lexington Housing Authority is installing higher quality flooring when units are vacated to modernize and improve the longevity of the flooring.

Depreciation for the year totaled \$233,080. Additional information on the Authority's capital assets can be found in Note J of the notes to the financial statements of this report.

**Debt Administration** –The only debt is the \$908,900 HUD Section 202 mortgage for which not payments were due. Additional details can be found in Note L of the notes to the financial statements of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Funding uncertainties in both the Public Housing and Housing Choice Voucher programs are a continuing concern for both programs. Both HUD programs mentioned above have unstable funding sources. Money from HUD is unpredictable, and the agency will receive only a prorated portion of what is allowed on paper. All potential expenditures are being examined to see if it is indeed a necessary expenditure.

Tenant rental income fluctuates and is very uncertain in the programs where rent is based on income. Many of the clients that are being housed are very low-income families so this is resulting in a dwelling rent not high enough to pay the per unit costs. The Lexington Housing Authority Board of Commissioners is taking that into consideration when spending is planned.

The Lexington Housing Authority is addressing any vacancy issues. We are working on an updated system to keep closer track of our vacant units. We have also increased our advertising as much as possible with free or low-cost sources to attract additional tenants. Our employees are encouraged to get more involved in the community which will hopefully increase the visibility of the Lexington Housing Authority properties.

The Lexington Housing Authority has been approved for a Section 18 Disposition and will convert the scattered suite housing. The current occupants will be offered tenant protection vouchers and be allowed to stay in the unit if they so choose. Lexington Housing Authority will then proceed with the HUD Rental Assistance Demonstration Program which would remove the balance of the properties from Public Housing and potentially allow for a greater rental income stream.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Executive Director, Housing Authority of the City of Lexington, Nebraska, 609 East Third, Lexington, Nebraska 68850.

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## BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
STATEMENT OF NET POSITION - PROPRIETARY FUND  
June 30, 2020

ASSETS

	<u>Housing</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,114,423.45
Investments	7,260.29
Accounts receivable, net	6,433.63
Due from other governments	107,925.00
Accrued interest receivable	185.17
Prepaid insurance	28,094.12
Notes receivable, current portion	3,735.26
<i>Restricted:</i>	
Cash and cash equivalents	71,153.45
TOTAL CURRENT ASSETS	<u>1,339,210.37</u>
NONCURRENT ASSETS:	
<i>Restricted:</i>	
Cash and cash equivalents	77,823.89
Investments	221,952.00
Notes receivable, less current portion	865,425.86
Accrued interest receivable	13,540.60
Capital Assets, non-depreciable	396,916.31
Capital Assets, depreciable, net	2,531,693.09
TOTAL NONCURRENT ASSETS	<u>4,107,351.75</u>
TOTAL ASSETS	<u>\$ 5,446,562.12</u>

LIABILITIES

CURRENT LIABILITIES:	
Accounts payable	\$ 35,742.78
Accrued salaries and wages payable	41,490.24
Due to other governments	13.39
Unearned revenue	19,791.32
Trust and deposit liabilities	60,095.65
TOTAL CURRENT LIABILITIES	<u>157,133.38</u>
NONCURRENT LIABILITIES	
Mortgage payable	908,900.00
TOTAL NONCURRENT LIABILITIES	<u>908,900.00</u>
TOTAL LIABILITIES	<u>1,066,033.38</u>

NET POSITION

Net Investment in Capital Assets	2,019,709.40
Restricted	1,060,525.61
Unrestricted	1,300,293.73
TOTAL NET POSITION	<u>\$ 4,380,528.74</u>

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUND  
Year Ended June 30, 2020

	<u>Housing</u>
OPERATING REVENUES	
Rental income	\$ 608,037.38
HUD contributions	643,962.68
Other income	<u>92,883.27</u>
TOTAL OPERATING REVENUES	1,344,883.33
OPERATING EXPENSES	
Administrative	471,297.71
Utilities	110,780.75
Ordinary maintenance and operations	390,177.33
General expense	63,846.27
Housing assistance payments	342,938.60
Depreciation	<u>233,079.92</u>
TOTAL OPERATING EXPENSES	<u>1,612,120.58</u>
OPERATING INCOME (LOSS)	<u>(267,237.25)</u>
NONOPERATING REVENUES (EXPENSES)	
HUD operating subsidy	101,661.00
HUD CARES Act	14,048.52
HUD capital grants	206,216.98
Interest income	35,283.52
Gain on disposition of capital assets	<u>179.97</u>
TOTAL NONOPERATING REVENUES(EXPENSES)	<u>357,389.99</u>
INCOME(LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS	90,152.74
CAPITAL CONTRIBUTIONS	
HUD capital grants	22,177.02
SPECIAL ITEMS	
Excess residual receipts due to HUD	<u>(7.06)</u>
INCREASE (DECREASE) IN NET POSITION	<u>112,322.70</u>
NET POSITION:	
Net position, beginning balance	4,268,206.04
TOTAL NET POSITION - ENDING BALANCE	<u>\$ 4,380,528.74</u>

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
Year Ended June 30, 2020

	Housing
CASH FLOWS FROM OPERATING ACTIVITIES:	
Rental receipts	\$ 654,863.56
HUD receipts	639,375.00
Other receipts	46,884.81
Trust and deposits	2,304.38
Cash payments for goods and services	(816,279.28)
Cash payments to employees for services	(554,898.18)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(27,749.71)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
HUD operating subsidy	101,661.00
HUD CARES Act	24,956.32
HUD capital grants	106,216.98
Principal received on notes receivable	3,572.81
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>236,407.11</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases and construction of capital assets	(204,627.51)
HUD capital grants	16,626.70
Proceeds from the sale of capital assets	1,049.00
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(186,951.81)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net (deposits) withdrawals to investments	1,235.58
Interest received	9,392.84
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>10,628.42</u>
	NET INCREASE (DECREASE) IN CASH 32,334.01
CASH AND CASH EQUIVALENTS-BEGINNING	<u>1,231,066.78</u>
CASH AND CASH EQUIVALENTS-ENDING	<u>\$ 1,263,400.79</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (267,237.25)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	233,079.92
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	4,451.78
(Increase) decrease in due from other governments	(2,224.68)
(Increase) decrease in prepaid expenses	(10,344.02)
Increase (decrease) in accounts payable	4,846.57
Increase (decrease) in accrued salaries	7,162.00
Increase (decrease) in trust and deposit liabilities	2,304.38
Increase (decrease) in unearned revenue	211.59
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (27,749.71)</u>



HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Authority was created under the laws of the State of Nebraska. The purpose of the Authority is to administer the housing programs authorized by the Quality Housing and Work Responsibility Act of 1998. These programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development (HUD).

The basic financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

Financial Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the Government Accounting Standards Board Codification. These criteria state that the financial reporting entity consist of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's basic financial statements from being misleading. In such instances, that organization should be included as a component unit. Based on these criteria, NAF Senior Housing, Inc., Eastlawn East and the Lexington Development Corporation are component units. They are reported as a blended component units although both are legally separate entities from the Authority, their activities are, in substance, part of the Authority's operations and so data from both are combined with the Authority's. The Lexington Development Corporation had no financial activity during the fiscal year.

Basis of accounting, measurement focus, and financial statement presentation

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred out flows of resources, liabilities, deferred inflows of resources, fund net position, revenues and expenditures or expenses, as appropriate.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflow of resources, liabilities and deferred inflow of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Authority distinguishes between operating and nonoperating revenues and expenses in its Statement of Revenues, Expenses and Changes in Fund Net Position. For this purpose, the Authority's operating revenues result from providing low-income housing services such as tenant rent, rental assistance and other tenant charges. Operating expenses include the cost attributed to administration, tenant services, utilities, maintenance and operations and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

The reporting model as defined in Statement No. 34 and modified establishes criteria (percentage of the combined assets and deferred outflows of resources, combined liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major Funds. The Authority only has the Public Housing Program therefore it is the sole major Fund.

Budgetary Process

The Authority establishes a budget for the fiscal year and is adopted by the Board of Commissioners.

Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

Cash and Investments

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these basic financial statements. In addition, any marketable securities that are owned by a specific amount and that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents".

The Authority's deposits can only be invested in the following HUD approved investments: direct obligations of the federal government backed by the full faith and credit of the United States, obligations of federal government agencies, securities of government-sponsored agencies, demand and savings deposits, money-market deposit accounts, municipal depository fund, super now accounts, certificate of deposit, repurchase agreements, sweep accounts, separate trading of registered interest and principal securities (STRIPS), and mutual funds that consist of securities purchased from the HUD approved list.

Accounts Receivable

All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible.

Prepaid Items

Prepaid balances are for payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year.

Inventory

Inventories consist of supplies and are recorded at the lower of cost or market on a first-in, first-out basis.

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Capital Assets and Depreciation

Property and equipment are stated at actual or estimated historical cost, net of accumulated depreciation. Contributions of assets are recorded at acquisition value at the date donated. The Authority capitalized assets with a cost of \$1,000 or more and over a one year of life or group purchases of like-kind items over \$5,000.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	10-40 years
Furniture and fixtures	5-10 years
Equipment	3-10 years

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted components of net position are available, the Authority's policy is to apply restricted first.

Investment Income

Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average pooled cash and investments balance.

Compensated Absences

The Authority's policy requires the staff to use all personal leave time by fiscal year end or forfeit unused balances.

Grant Revenue

The Authority, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements, including time requirements are met in accordance with GASB Statement No. 33. Resources transmitted to the Authority before the eligibility requirements are met are reported as unearned revenue.

Postemployment Benefits Other Than Pensions (OPEB)

OPEB benefits are part of an exchange of salaries and/or benefits in a future period as the result of employee services rendered during employment. In accordance with the accrual basis of accounting, generally benefits should be associated with the periods in which the exchange occurs, rather than with the periods when benefits are paid or provided. The Authority has not incurred, adopted a plan or obligated resources to other postemployment benefits as defined in GASB Statement No. 75.

Income Taxes

The Authority is a governmental subdivision of the State of Nebraska and is exempt from Federal and State income taxes.

Leases

The majority of leases and subleases are short-term operating leases.

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE B - DEPOSITS AND INVESTMENTS**

**Deposits**

At June 30, 2020, the reported amount of the Authority's deposits was \$1,370,561.08 and the bank balance was \$1,386,103.70. Of the bank balance, \$862,078.25 was covered by federal depository insurance and \$524,025.45 was collateral held by Authority's agent in the Authority's name. The Authority had cash on hand of \$100 at June 30, 2020.

**Investments**

Investment of \$121,952 represents the Authority's equity in tax-credit rental projects.

A reconciliation of cash and investments as shown on the Statement of Net Position is as follows:

Cash on hand	\$	100.00
Carrying amount of deposits		1,370,561.08
Carrying amount of investments		121,952.00
	\$	<u>1,492,613.08</u>
Cash	\$	1,114,423.45
Investments		7,260.29
Cash – restricted		148,977.34
Investments – restricted		221,952.00
	\$	<u>1,492,613.08</u>

**NOTE C – ACCOUNTS RECEIVABLE**

A summary of accounts receivable as presented in the Statement of Net Position at June 30, 2020 is as follows:

Tenant receivables	\$	2,273.69
Management fees		4,378.46
Miscellaneous		60.00
Allowance for doubtful accounts		(278.52)
	\$	<u>6,433.63</u>

**NOTE D – DUE FROM OTHER GOVERNMENTS**

A summary of due from other governments as presented in the Statement of Net Position at June 30, 2020 is as follows:

HUD - CARES Act	\$	150.00
HUD - Capital Funds		105,550.32
HUD - HCV HAP		2,224.68
	\$	<u>107,925.00</u>

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE E – PREPAID EXPENSES**

A summary of prepaid expenses as presented in the Statement of Net Position at June 30, 2020 is as follows:

Insurance	\$ <u>28,094.12</u>
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**NOTE F – NOTES RECEIVABLE**

During the year ended June 30, 2010, the Authority received a \$392,941 HOME grant which was passed through the Nebraska Department of Economic Development. The grant proceeds were loaned to the tax-credit project known as Legend Oaks, LLC. The promissory note dated March 17, 2010 earns interest of 4% which compounds annually. The note is due the earlier of January 1, 2026; no later than ninety days after the end of the 15-year compliance period; or the date of the sale of the property or the refinancing of this loan. The principal and accrued interest balances at June 30, 2020 were \$576,991.04 and \$11,539.82, respectively.

During the year ended June 30, 2014, the Authority entered into a promissory note for \$169,620 with Legend Oaks II, LLC. The promissory note dated November 12, 2013 earns interest at 4% per annum. The loan requires interest only payments on the 10<sup>th</sup> of the month until December 10, 2014, when \$810 monthly payments of principal and interest commence until November 10, 2030 when all unpaid principal is due. The principal and accrued interest balances at June 30, 2020 were \$151,310.72 and \$331.60, respectively.

During the year ended June 30, 2014, the Authority entered into a \$151,851 promissory note with Legend Oaks II, LLC. The promissory note dated November 12, 2013 with an amendment dated November 21, 2014 earns interest at 4% per annum. The interest rate is 2.37% and compounds annually. Payments are due based on residual receipts of the project. The entire unpaid principal balance along with accrued interest shall be paid in full upon the earliest of no less than ninety days after the 15-year compliance period or the date of the sale of the property or the refinancing of this loan. The principal and accrued interest balances at June 30, 2020 were \$140,859.36 and \$1,669.18, respectively.

**NOTE G—RESTRICTED ASSETS**

The following is a summary of restricted assets at June 30, 2020:

	Cash and Cash Equivalents	Investments	Total
Tenant security deposits	\$ 60,095.65	\$ -	\$ 60,095.65
HUD CARES Act	11,057.80	-	11,057.80
Replacement reserve	73,310.50	-	73,310.50
Tax-credit guarantee	-	100,000.00	100,000.00
Investment in tax-credit	-	121,952.00	121,952.00
Residual receipts reserve	4,513.39	-	4,513.39
	<u>\$ 148,977.34</u>	<u>\$ 221,952.00</u>	<u>\$ 370,929.34</u>

**NOTE H – ACCOUNTS PAYABLE**

A summary of accounts payable as presented in the Statement of Net Position at June 30, 2020 is as follows:

Vendors and contractors	\$ <u>35,742.78</u>
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HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE I – DUE TO OTHER GOVERNMENTS**

A summary of due to other governments as presented in the Statement of Net Position at June 30, 2020 is as follows:

HUD – Excess residual receipts     \$ 13.39

**NOTE J – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance 7/1/2019	Increases	Decreases	Balance 6/30/2020
<b>Non-depreciable assets:</b>				
Land	\$ 386,566.31	\$ 10,350.00	\$ -	\$ 396,916.31
Construction in progress	-	-	-	-
<b>Total non-depreciable assets</b>	<u>386,566.31</u>	<u>10,350.00</u>	<u>-</u>	<u>396,916.31</u>
<b>Depreciable assets</b>				
Buildings	8,702,370.60	180,879.75	-	8,883,250.35
Equipment - Dwelling	139,179.77	-	-	139,179.77
Equipment - Administration	276,887.46	20,978.00	(25,387.61)	272,477.85
<b>Total depreciable assets</b>	<u>9,118,437.83</u>	<u>201,857.75</u>	<u>(25,387.61)</u>	<u>9,294,907.97</u>
<b>Total Capital Assets</b>	<u>9,505,004.14</u>	<u>212,207.75</u>	<u>(25,387.61)</u>	<u>9,691,824.28</u>
<b>Accumulated depreciation</b>				
Buildings	6,202,056.71	221,138.82	-	6,423,195.53
Equipment - Dwelling	120,668.79	3,888.88	-	124,557.67
Equipment - Administration	231,928.04	8,052.22	(24,518.58)	215,461.68
<b>Total accumulated depreciation</b>	<u>6,554,653.54</u>	<u>233,079.92</u>	<u>(24,518.58)</u>	<u>6,763,214.88</u>
<b>Depreciable assets, net</b>	<u>2,563,784.29</u>	<u>(31,222.17)</u>	<u>(869.03)</u>	<u>2,531,693.09</u>
<b>Capital assets, net</b>	<u>\$ 2,950,350.60</u>	<u>\$ (20,872.17)</u>	<u>\$ (869.03)</u>	<u>\$ 2,928,609.40</u>

**NOTE K – UNEARNED REVENUE**

A summary of unearned revenue as presented in the Statement of Net Position at June 30, 2020 is as follows:

Prepaid rent	\$ 7,407.52
HUD CARES Act	11,057.80
HUD HCV administrative fees	1,326.00
	<u>\$ 19,791.32</u>

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE L – LONG-TERM DEBT**

The project known as NAF Senior Housing, Inc. has mortgage payable which represents a capital advance provided by HUD for the development of Eastlawn East. The capital advance shall bear no interest and is not required to be repaid so long as the housing remains available to eligible very low-income households for a period of 40 years and in accordance with Section 202. The capital advance is secured by a mortgage on the property. The principal balance as of June 30, 2020 was \$908,900.

A summary of changes in mortgage payable as of June 30, 2020 is as follows:

Description	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
HUD 202 Capital Advance Mortgage	\$ 908,900.00	\$ -	\$ -	\$ 908,900.00	\$ -

**NOTE M – NET POSITION**

The fund financial statements utilize a net position presentation. The components of net position are net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets** – This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.
- **Restricted** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The Authority had an \$882,701.72 of net position restricted for the notes receivable related to various tax-credit projects as described in Note E.

The Authority had an additional \$100,000 of net position that is legally restricted to guarantee the tax-credit project.

The Authority had \$73,310.50 restricted for replacement reserves in the NAF Senior Housing, Inc. program.

The Authority had \$4,513.39, restricted for residual receipts reserves in the NAF Senior Housing, Inc. program.

- **Unrestricted** – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE N - PENSION PLAN**

All employees who are reasonably expected to receive at least \$3,850 in compensation during the current year are eligible to participate in the Authorities retirement plan, a Simple IRA plan. The Authority is required to make a matching contribution equal to the employee's contribution up to a limit of 3% of the plan-defined compensation for the calendar year. The total payroll for all Housing Authority employees for the year ended June 30, 2020 was \$443,400.74. Employer and employee contributions for the year ended June 30, 2020 were \$10,447.48 and \$15,518.73, respectively, based on wages of \$348,249.33.

**NOTE O – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance.

During the year ended June 30, 2020, the Authority did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

**NOTE P – CONTINGENT LIABILITIES**

The Authority receives revenues from various federal and state grant programs, which are subject to audit and adjustment by the respective grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

**NOTE Q – HUD HELD RESERVES**

At June 30, 2020, the Department of Housing and Urban Development was holding \$117,746 of budget authority in the Housing Choice Voucher program that is available for future housing assistance payments.

**NOTE R – SUBSEQUENT EVENTS**

The Authority has been approved for a Section 18 disposition with respect to the 32 scattered site homes in the Public Housing program and has received the funding authority for the Tenant Based Vouchers. All current tenants will have the option to stay in the current units or move utilizing the tenant protection vouchers as available to them in either case.

Upon issuance of the tenant protection vouchers, the Authority will transfer ownership of the properties to the Lexington Development Corp which is a non-profit controlled by Authority for the price of \$1.00. The Authority expected to have this completed by December 30, 2020, however COVID19 has impacted staff in the office and caused delays in the process. HUD will remove the Declaration of Trust on these properties, however, they will have a restrictive covenant placed upon them as required by HUD which stipulates they must remain as affordable housing for a term of 30 years.

Once the Section 18 conversion is completed, the Authority plans to move forward with a RAD Conversion on the remaining Public Housing units located at 300 N Monroe. These units are to receive Project Base Vouchers. The Authority has applied for and has received approval for the RAD Conversion but is at a point in the process where it cannot move forward until the Section 18 disposition is completed. All current tenants have option stay in the current units or move utilizing the tenant protection vouchers as available to them in either case.



HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE R – SUBSEQUENT EVENTS (CONT'D)**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenant's ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

**NOTE S – CONDENSED FINANCIAL STATEMENT DATA FOR COMPONENT UNITS**

The condensed financial statement data for the NAF Senior Housing, Inc, and Development Corporation are as follows:

**Condensed Statement of Net Assets**

	NAF Senior Housing, Inc.	Development Corporation
	<u>                    </u>	<u>                    </u>
Current Assets	\$ 89,664.87	\$ -
Capital Assets	510,111.16	-
Total Assets	\$ <u>599,776.03</u>	\$ <u>-</u>
Current Liabilities	\$ 18,759.30	\$ -
Long-Term Liabilities	908,900.00	-
Total Liabilities	\$ <u>927,659.30</u>	\$ <u>-</u>
Net Position		
Net investment in capital assets	\$ (398,788.84)	\$ -
Restricted	77,823.89	-
Unrestricted	(6,918.32)	-
Total Net Position	\$ <u><u>(327,883.27)</u></u>	\$ <u><u>-</u></u>

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2020

**NOTE 5 – CONDENSED FINANCIAL STATEMENT DATA FOR COMPONENT UNITS (CONT'D)**

**Condensed Statement of Revenues, Expenses and  
Changes in Net Position**

	NAF Senior Housing, Inc.	Development Corporation
Operating Revenues		
Rental Income	\$ 57,506.15	\$ -
HUD contributions	25,360.00	-
Other	7,315.36	-
Total Operating Revenue	<u>90,181.51</u>	<u>-</u>
Operating Expense		
Operating, Excluding Depreciation	85,057.14	-
Depreciation	18,517.33	-
Total Operating Expenses	<u>103,574.47</u>	<u>-</u>
Operating Income (Loss)	<u>(13,392.96)</u>	<u>-</u>
Nonoperating Revenues	293.62	-
Net Loss Before Special Items	<u>(13,099.34)</u>	<u>-</u>
Special items	(7.06)	-
Change in Net Position	<u>(13,106.40)</u>	<u>-</u>
Net Position, Beginning Balance	-	-
Net Position, Ending Balance	<u>\$ (13,106.40)</u>	<u>\$ -</u>

**Condensed Statement of Cash Flows**

	NAF Senior Housing, Inc.	Development Corporation
Net Cash Provided (Used) By:		
Operating Activities	\$ 5,104.41	\$ -
Noncapital Financing Activities	(10,504.65)	-
Capital and Related Financing Activities	(2,411.00)	-
Investing Activities	1,608.84	-
	<u>(6,202.40)</u>	<u>-</u>
Cash and Cash Equivalents, Beginning	93,601.77	-
Cash and Cash Equivalents, Ending	<u>\$ 87,399.37</u>	<u>\$ -</u>

## SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
PROGRAM SCHEDULE OF NET POSITION  
June 30, 2020

ASSETS	Public Housing	Housing Choice Voucher	Section 8 New Construction	Pioneer Homes
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 587,556.41	\$ 40,075.14	\$ 319,916.37	\$ 120,507.25
Investments	3,667.57	-	3,592.72	-
Accounts receivable, net	1,067.84	-	381.33	-
Due from other governments	105,700.32	2,224.68	-	-
Accrued interest receivable	2.65	-	182.52	-
Prepaid expenses	15,089.38	857.11	8,536.57	1,097.10
Notes receivable, current portion	-	-	3,735.26	-
Interfund receivable	639.00	225.25	393,559.17	-
<i>Restricted:</i>				
Cash and cash equivalents	34,644.61	11,057.80	14,840.04	5,830.00
<b>TOTAL CURRENT ASSETS</b>	<b>748,367.78</b>	<b>54,439.98</b>	<b>744,743.98</b>	<b>127,434.35</b>
<b>NONCURRENT ASSETS:</b>				
<i>Restricted:</i>				
Cash and cash equivalents	-	-	-	-
Investments	-	-	100,000.00	-
Notes receivable, less current portion	-	-	147,575.46	-
Accrued interest receivable	-	-	331.60	-
Capital Assets, non-depreciable	221,333.49	-	96,722.82	51,916.00
Capital Assets, depreciable, net	1,538,947.67	-	200,741.54	308,836.72
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,760,281.16</b>	<b>-</b>	<b>545,371.42</b>	<b>360,752.72</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,508,648.94</b>	<b>\$ 54,439.98</b>	<b>\$ 1,290,115.40</b>	<b>\$ 488,187.07</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ 17,491.05	\$ 1,626.71	\$ 10,275.41	\$ 2,533.33
Accrued salaries and wages payable	14,731.44	2,882.15	17,040.15	3,324.93
Due to other governments	-	-	-	-
Interfund payable	153,130.25	7,988.60	-	148,080.09
Unearned revenue	4,575.52	12,383.80	1,223.00	1,000.00
Trust and deposit liabilities	34,644.61	-	14,840.04	5,830.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>224,572.87</b>	<b>24,881.26</b>	<b>43,378.60</b>	<b>160,768.35</b>
<b>NONCURRENT LIABILITIES</b>				
Mortgage payable	-	-	-	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>224,572.87</b>	<b>24,881.26</b>	<b>43,378.60</b>	<b>160,768.35</b>
<b>NET POSITION</b>				
Net investment in capital assets	1,760,281.16	-	297,464.36	360,752.72
Restricted	-	-	251,642.32	-
Unrestricted	523,794.91	29,558.72	697,630.12	(33,334.00)
<b>TOTAL NET POSITION</b>	<b>\$ 2,284,076.07</b>	<b>\$ 29,558.72</b>	<b>\$ 1,246,736.80</b>	<b>\$ 327,418.72</b>

Management Fund	NAF Senior Housing, Inc.	Totals
\$ 41,573.80	\$ 4,794.48	\$ 1,114,423.45
-	-	7,260.29
4,378.46	606.00	6,433.63
-	-	107,925.00
-	-	185.17
854.46	1,659.50	28,094.12
-	-	3,735.26
9,739.70	-	404,163.12
-	4,781.00	71,153.45
56,546.42	11,840.98	1,743,373.49

-	77,823.89	77,823.89
121,952.00	-	221,952.00
717,850.40	-	865,425.86
13,209.00	-	13,540.60
-	26,944.00	396,916.31
-	483,167.16	2,531,693.09
853,011.40	587,935.05	4,107,351.75
\$ 909,557.82	\$ 599,776.03	\$ 5,850,725.24

\$ 316.07	\$ 3,500.21	\$ 35,742.78
3,511.57	-	41,490.24
-	13.39	13.39
85,108.48	9,855.70	404,163.12
-	609.00	19,791.32
-	4,781.00	60,095.65
88,936.12	18,759.30	561,296.50
-	908,900.00	908,900.00
-	908,900.00	908,900.00
88,936.12	927,659.30	1,470,196.50

-	(398,788.84)	2,019,709.40
731,059.40	77,823.89	1,060,525.61
89,562.30	(6,918.32)	1,300,293.73
\$ 820,621.70	\$ (327,883.27)	\$ 4,380,528.74

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
PROGRAM SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION  
Year Ended June 30, 2020

	Public Housing	Housing Choice Voucher	Section 8 New Construction	Pioneer Homes
<b>OPERATING REVENUES</b>				
Rental income	\$ 337,591.84	\$ -	\$ 159,214.39	\$ 53,725.00
HUD contributions	-	404,279.68	214,323.00	-
Other income	22,110.06	630.00	18,794.10	2,935.63
<b>TOTAL OPERATING REVENUES</b>	<b>359,701.90</b>	<b>404,909.68</b>	<b>392,331.49</b>	<b>56,660.63</b>
<b>OPERATING EXPENSES</b>				
Administrative	164,360.10	54,897.76	154,480.65	29,951.13
Utilities	45,216.89	-	39,757.74	938.90
Ordinary maintenance and operations	209,082.57	1,011.61	125,369.37	17,903.38
General expense	35,365.16	3,230.85	16,316.26	2,108.52
Housing assistance payments	-	342,938.60	-	-
Depreciation	158,950.43	-	43,560.98	12,051.18
<b>TOTAL OPERATING EXPENSES</b>	<b>612,975.15</b>	<b>402,078.82</b>	<b>379,485.00</b>	<b>62,953.11</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(253,273.25)</b>	<b>2,830.86</b>	<b>12,846.49</b>	<b>(6,292.48)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
HUD operating subsidy	101,661.00	-	-	-
HUD CARES Act	11,670.32	2,378.20	-	-
HUD capital grants	206,216.98	-	-	-
Interest income	107.44	178.12	8,775.82	12.32
Gain (loss) on disposition of capital assets	150.00	-	29.97	-
<b>TOTAL NONOPERATING REVENUES(EXPENSES)</b>	<b>319,805.74</b>	<b>2,556.32</b>	<b>8,805.79</b>	<b>12.32</b>
<b>INCOME(LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS</b>	<b>66,532.49</b>	<b>5,387.18</b>	<b>21,652.28</b>	<b>(6,280.16)</b>
<b>CAPITAL CONTRIBUTIONS</b>				
HUD capital grants	22,177.02	-	-	-
<b>SPECIAL ITEMS</b>				
Excess residual receipts due to HUD	-	-	-	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>88,709.51</b>	<b>5,387.18</b>	<b>21,652.28</b>	<b>(6,280.16)</b>
<b>NET POSITION:</b>				
Net position, beginning balance	2,195,366.56	24,171.54	1,225,084.52	333,698.88
<b>TOTAL NET POSITION - ENDING BALANCE</b>	<b>\$ 2,284,076.07</b>	<b>\$ 29,558.72</b>	<b>\$ 1,246,736.80</b>	<b>\$ 327,418.72</b>

Management Fund	NAF Senior Housing, Inc.	Totals
\$ -	\$ 57,506.15	\$ 608,037.38
-	25,360.00	643,962.68
<u>62,591.24</u>	<u>7,315.36</u>	<u>114,376.39</u>
62,591.24	90,181.51	1,366,376.45
53,219.99	27,745.90	484,655.53
-	24,867.22	110,780.75
17,437.17	27,508.53	398,312.63
1,889.99	4,935.49	63,846.27
-	-	342,938.60
-	18,517.33	233,079.92
<u>72,547.15</u>	<u>103,574.47</u>	<u>1,633,613.70</u>
<u>(9,955.91)</u>	<u>(13,392.96)</u>	<u>(267,237.25)</u>
-	-	101,661.00
-	-	14,048.52
-	-	206,216.98
25,916.20	293.62	35,283.52
-	-	179.97
<u>25,916.20</u>	<u>293.62</u>	<u>357,389.99</u>
15,960.29	(13,099.34)	90,152.74
-	-	22,177.02
-	(7.06)	(7.06)
<u>15,960.29</u>	<u>(13,106.40)</u>	<u>112,322.70</u>
<u>804,661.41</u>	<u>(314,776.87)</u>	<u>4,268,206.04</u>
<u>\$ 820,621.70</u>	<u>\$ (327,883.27)</u>	<u>\$ 4,380,528.74</u>

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
PROGRAM SCHEDULE OF CASH FLOWS  
Year Ended June 30, 2020

	Public Housing	Housing Choice Voucher	Section 8 New Construction	Pioneer Homes
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Tenant receipts	\$ 356,981.39	\$ -	\$ 177,234.16	\$ 56,390.00
HUD receipts	-	399,692.00	214,323.00	-
Other receipts	419.66	630.00	1,294.00	2,160.63
Trust and deposits	1,007.34	-	132.04	925.00
Cash payments for goods and services	(216,393.30)	(362,812.23)	(149,355.33)	(17,792.81)
Cash payments to employees for services	(231,578.60)	(39,033.34)	(183,072.34)	(32,622.58)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(89,563.51)	(1,523.57)	60,555.53	9,060.24
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
HUD operating subsidy	101,661.00	-	-	-
HUD CARES Act	11,520.32	13,436.00	-	-
HUD capital grants	106,216.98	-	-	-
Principal received on notes receivable	-	-	3,572.81	-
Net change in interfund borrowing	48,619.58	3,593.83	(218,249.02)	160,283.05
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	268,017.88	17,029.83	(214,676.21)	160,283.05
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchases and construction of capital assets	(32,579.76)	-	(5,845.25)	(163,791.50)
HUD capital grants	16,626.70	-	-	-
Proceeds from sale of capital asset	150.00	-	899.00	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(15,803.06)	-	(4,946.25)	(163,791.50)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Net (deposits) withdrawals to investments	(40.18)	-	(39.350)	-
Interest received	107.41	178.12	8,796.93	12.32
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	67.23	178.12	8,757.58	12.32
NET INCREASE (DECREASE) IN CASH	162,718.54	15,684.38	(150,309.35)	5,564.11
CASH AND CASH EQUIVALENTS-BEGINNING	459,482.48	35,448.56	485,065.76	120,773.14
CASH AND CASH EQUIVALENTS-ENDING	\$ 622,201.02	\$ 51,132.94	\$ 334,756.41	\$ 126,337.25
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (253,273.25)	\$ 2,830.86	\$ 12,846.49	\$ (6,292.48)
Adjustments to reconcile income from operations to net cash provided by operating activities:				
Depreciation	158,950.43	-	43,560.98	12,051.18
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	2,806.71	-	26.67	890.00
(Increase) decrease in due from other governments	-	(2,224.68)	-	-
(Increase) decrease in prepaid expenses	(6,715.06)	(418.73)	(2,671.16)	(488.53)
Increase (decrease) in accounts payable	2,763.35	107.52	2,001.43	(11.28)
Increase (decrease) in accrued salaries and benefits	3,985.88	544.46	3,986.08	986.35
Increase (decrease) in trust and deposit liabilities	1,007.34	-	132.04	925.00
Increase (decrease) in unearned revenue	911.09	(2,363.00)	673.00	1,000.00
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (89,563.51)	\$ (1,523.57)	\$ 60,555.53	\$ 9,060.24



Management Fund	NAF Senior Housing, Inc.	Totals
\$ -	\$ 64,258.01	\$ 654,863.56
-	25,360.00	639,375.00
63,873.64	-	68,377.93
-	240.00	2,304.38
(6,665.13)	(84,753.60)	(837,772.40)
<u>(68,591.32)</u>	<u>-</u>	<u>(554,898.18)</u>
(11,382.81)	5,104.41	(27,749.71)
-	-	101,661.00
-	-	24,956.32
-	-	106,216.98
-	-	3,572.81
<u>16,257.21</u>	<u>(10,504.65)</u>	<u>-</u>
16,257.21	(10,504.65)	236,407.11
-	(2,411.00)	(204,627.51)
-	-	16,626.70
<u>-</u>	<u>-</u>	<u>1,049.00</u>
-	(2,411.00)	(186,951.81)
-	1,315.11	1,235.58
<u>4.33</u>	<u>293.73</u>	<u>9,392.84</u>
<u>4.33</u>	<u>1,608.84</u>	<u>10,628.42</u>
4,878.73	(6,202.40)	32,334.01
36,695.07	93,601.77	1,231,066.78
<u>\$ 41,573.80</u>	<u>\$ 87,399.37</u>	<u>\$ 1,263,400.79</u>

\$ (9,955.91)	\$ (13,392.96)	\$ (267,237.25)
-	18,517.33	233,079.92
1,282.40	(554.00)	4,451.78
-	-	(2,224.68)
(94.03)	43.49	(10,344.02)
(274.50)	260.05	4,846.57
(2,340.77)	-	7,162.00
-	240.00	2,304.38
<u>-</u>	<u>(9.50)</u>	<u>211.59</u>
<u>\$ (11,382.81)</u>	<u>\$ 5,104.41</u>	<u>\$ (27,749.71)</u>

Lexington Housing Authority (NE010)  
Lexington, NE  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$587,557		\$4,793	\$319,916	\$162,081	\$40,076		\$1,114,423		\$1,114,423
113 Cash - Other Restricted			\$77,824				\$11,058	\$88,882		\$88,882
114 Cash - Tenant Security Deposits	\$34,645		\$4,781	\$14,840	\$5,830			\$60,096		\$60,096
100 Total Cash	\$622,202	\$0	\$87,398	\$334,756	\$167,911	\$40,076	\$11,058	\$1,263,401	\$0	\$1,263,401
122 Accounts Receivable - HUD Other Projects	\$105,700					\$2,225		\$107,925		\$107,925
125 Accounts Receivable - Miscellaneous				\$60	\$4,378			\$4,438		\$4,438
126 Accounts Receivable - Tenants	\$1,346		\$606	\$321				\$2,273		\$2,273
126.1 Allowance for Doubtful Accounts -Tenants	-\$279		\$0	\$0				-\$279		-\$279
127 Notes, Loans, & Mortgages Receivable - Current				\$3,736				\$3,736		\$3,736
129 Accrued Interest Receivable	\$3			\$183				\$186		\$186
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$106,770	\$0	\$606	\$4,300	\$4,378	\$2,225	\$0	\$118,279	\$0	\$118,279
131 Investments - Unrestricted	\$3,668			\$3,593				\$7,261		\$7,261
132 Investments - Restricted				\$100,000				\$100,000		\$100,000
142 Prepaid Expenses and Other Assets	\$15,089		\$1,660	\$8,537	\$1,951	\$857		\$28,094		\$28,094
144 Inter Program Due From	\$639			\$393,559	\$9,740	\$225		\$404,163	-\$404,163	\$0
150 Total Current Assets	\$748,368	\$0	\$89,664	\$844,745	\$183,980	\$43,383	\$11,058	\$1,921,198	-\$404,163	\$1,517,035
161 Land	\$221,333		\$26,944	\$96,723	\$51,916			\$396,916		\$396,916
162 Buildings	\$5,662,208		\$873,730	\$1,851,369	\$488,863			\$8,876,170		\$8,876,170
163 Furniture, Equipment & Machinery - Dwellings	\$100,105			\$37,896	\$1,179			\$139,180		\$139,180
164 Furniture, Equipment & Machinery - Administration	\$196,880		\$9,492	\$67,969	\$2,308	\$2,910		\$279,559		\$279,559
166 Accumulated Depreciation	-\$4,420,245		-\$400,055	-\$1,756,493	-\$183,513	-\$2,910		-\$6,763,216		-\$6,763,216
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,760,281	\$0	\$510,111	\$297,464	\$360,753	\$0	\$0	\$2,928,609	\$0	\$2,928,609
171 Notes, Loans and Mortgages Receivable - Non-Current				\$147,575	\$717,850			\$865,425		\$865,425
174 Other Assets				\$332	\$13,209			\$13,541		\$13,541
176 Investments in Joint Ventures					\$121,952			\$121,952		\$121,952
180 Total Non-Current Assets	\$1,760,281	\$0	\$510,111	\$445,371	\$1,213,764	\$0	\$0	\$3,929,527	\$0	\$3,929,527
290 Total Assets and Deferred Outflow of Resources	\$2,508,649	\$0	\$599,775	\$1,290,116	\$1,397,744	\$43,383	\$11,058	\$5,850,725	-\$404,163	\$5,446,562
312 Accounts Payable <= 90 Days	\$8,426		\$1,568	\$7,345	\$1,132	\$1,627		\$20,098		\$20,098
321 Accrued Wage/Payroll Taxes Payable	\$14,731			\$17,040	\$6,837	\$2,882		\$41,490		\$41,490
331 Accounts Payable - HUD PHA Programs			\$13					\$13		\$13
341 Tenant Security Deposits	\$34,645		\$4,781	\$14,840	\$5,830			\$60,096		\$60,096
342 Unearned Revenue	\$4,576		\$609	\$1,223	\$1,000	\$1,326	\$11,058	\$19,792		\$19,792
346 Accrued Liabilities - Other	\$9,065		\$1,932	\$2,931	\$1,717			\$15,645		\$15,645
347 Inter Program - Due To	\$153,130		\$9,856		\$233,188	\$7,989		\$404,163	-\$404,163	\$0
310 Total Current Liabilities	\$224,573	\$0	\$18,759	\$43,379	\$249,704	\$13,824	\$11,058	\$561,297	-\$404,163	\$157,134
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$908,900					\$908,900		\$908,900
350 Total Non-Current Liabilities	\$0	\$0	\$908,900	\$0	\$0	\$0	\$0	\$908,900	\$0	\$908,900
300 Total Liabilities	\$224,573	\$0	\$927,659	\$43,379	\$249,704	\$13,824	\$11,058	\$1,470,197	-\$404,163	\$1,066,034
508.4 Net Investment in Capital Assets	\$1,760,281		-\$398,789	\$297,464	\$360,753			\$2,019,709		\$2,019,709
511.4 Restricted Net Position			\$77,824	\$251,643	\$731,059			\$1,060,526		\$1,060,526
512.4 Unrestricted Net Position	\$523,795	\$0	-\$6,919	\$697,630	\$56,228	\$29,559	\$0	\$1,300,293		\$1,300,293
513 Total Equity - Net Assets / Position	\$2,284,076	\$0	-\$327,884	\$1,246,737	\$1,148,040	\$29,559	\$0	\$4,380,528	\$0	\$4,380,528
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,508,649	\$0	\$599,775	\$1,290,116	\$1,397,744	\$43,383	\$11,058	\$5,850,725	-\$404,163	\$5,446,562

Lexington Housing Authority (NE010)  
Lexington, NE  
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$337,592		\$57,506	\$159,214	\$53,725			\$608,037		\$608,037
70400 Tenant Revenue - Other	\$21,691		\$5,951	\$17,500	\$775			\$45,917		\$45,917
70500 Total Tenant Revenue	\$359,283	\$0	\$63,457	\$176,714	\$54,500	\$0	\$0	\$653,954	\$0	\$653,954
70600 HUD PHA Operating Grants	\$307,878	\$11,670	\$25,360	\$214,323		\$404,280	\$2,378	\$965,889		\$965,889
70610 Capital Grants	\$22,177							\$22,177		\$22,177
71100 Investment Income - Unrestricted	\$107		\$21	\$654	\$25,928	\$178		\$26,888		\$26,888
71400 Fraud Recovery						\$630		\$630		\$630
71500 Other Revenue	\$420		\$1,365	\$1,294	\$64,752			\$67,831	-\$21,493	\$46,338
71600 Gain or Loss on Sale of Capital Assets	\$150			\$30				\$180		\$180
72000 Investment Income - Restricted			\$273	\$8,122				\$8,395		\$8,395
70000 Total Revenue	\$690,015	\$11,670	\$90,476	\$401,137	\$145,180	\$405,088	\$2,378	\$1,745,944	-\$21,493	\$1,724,451
91100 Administrative Salaries	\$87,271	\$6,251		\$96,711	\$57,281	\$28,550	\$2,378	\$278,442		\$278,442
91200 Auditing Fees	\$878		\$8,422	\$553	\$287	\$996		\$11,136		\$11,136
91300 Management Fee			\$7,106					\$7,106	-\$7,106	\$0
91400 Advertising and Marketing	\$3,713		\$471	\$3,649	\$437	\$628		\$8,898		\$8,898
91500 Employee Benefit contributions - Administrative	\$33,954			\$22,879	\$16,529	\$8,594		\$81,956		\$81,956
91600 Office Expenses	\$17,762		\$8,504	\$15,908	\$4,017	\$5,684		\$51,875		\$51,875
91700 Legal Expense	\$1,600							\$1,600		\$1,600
91800 Travel	\$427			\$862		\$250		\$1,539		\$1,539
91900 Other	\$12,505		\$3,245	\$13,917	\$4,618	\$7,817		\$42,102	-\$6,252	\$35,850
91000 Total Operating - Administrative	\$158,110	\$6,251	\$27,748	\$154,479	\$83,169	\$52,519	\$2,378	\$484,654	-\$13,358	\$471,296
93100 Water	\$2,860		\$4,612	\$2,234	\$62			\$9,768		\$9,768
93200 Electricity	\$22,081		\$20,242	\$20,817	\$877			\$64,017		\$64,017
93300 Gas	\$17,415			\$15,114				\$32,529		\$32,529
93600 Sewer	\$2,861		\$13	\$1,592				\$4,466		\$4,466
93000 Total Utilities	\$45,217	\$0	\$24,867	\$39,757	\$939	\$0	\$0	\$110,780	\$0	\$110,780
94100 Ordinary Maintenance and Operations - Labor	\$74,020	\$5,269		\$54,560	\$20,210	\$43		\$154,102		\$154,102
94200 Ordinary Maintenance and Operations - Materials and Other	\$31,384		\$4,213	\$15,064	\$2,629	\$236		\$53,526		\$53,526
94300 Ordinary Maintenance and Operations Contracts	\$69,461	\$150	\$23,296	\$42,838	\$6,662	\$720		\$143,127	-\$8,135	\$134,992
94500 Employee Benefit Contributions - Ordinary Maintenance	\$28,799			\$12,908	\$5,842	\$13		\$47,562		\$47,562
94000 Total Maintenance	\$203,664	\$5,419	\$27,509	\$125,370	\$35,343	\$1,012	\$0	\$398,317	-\$8,135	\$390,182
96110 Property Insurance	\$18,155		\$4,035	\$10,577	\$1,509			\$34,276		\$34,276
96120 Liability Insurance	\$4,517		\$900	\$2,480	\$1,240	\$620		\$9,757		\$9,757
96130 Workmen's Compensation	\$3,957			\$2,273	\$1,113	\$553		\$7,896		\$7,896
96140 All Other Insurance	\$2,717			\$807	\$137	\$55		\$3,716		\$3,716
96100 Total Insurance Premiums	\$29,346	\$0	\$4,935	\$16,137	\$3,999	\$1,228	\$0	\$55,645	\$0	\$55,645
96200 Other General Expenses						\$2,003		\$2,003		\$2,003
96400 Bad debt - Tenant Rents	\$6,019			\$180				\$6,199		\$6,199
96000 Total Other General Expenses	\$6,019	\$0	\$0	\$180	\$0	\$2,003	\$0	\$8,202	\$0	\$8,202
96900 Total Operating Expenses	\$442,356	\$11,670	\$85,059	\$335,923	\$123,450	\$56,762	\$2,378	\$1,057,598	-\$21,493	\$1,036,105
97000 Excess of Operating Revenue over Operating Expenses	\$247,659	\$0	\$5,417	\$65,214	\$21,730	\$348,326	\$0	\$688,346	\$0	\$688,346

Lexington Housing Authority (NE010)  
Lexington, NE

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
97300 Housing Assistance Payments						\$342,939		\$342,939		\$342,939
97400 Depreciation Expense	\$158,950		\$18,517	\$43,561	\$12,051			\$233,079		\$233,079
90000 Total Expenses	\$601,306	\$11,670	\$103,576	\$379,484	\$135,501	\$399,701	\$2,378	\$1,633,616	-\$21,493	\$1,612,123
10010 Operating Transfer In	\$206,217							\$206,217	-\$206,217	\$0
10020 Operating transfer Out	-\$206,217							-\$206,217	\$206,217	\$0
10080 Special Items (Net Gain/Loss)			-\$7					-\$7		-\$7
10100 Total Other financing Sources (Uses)	\$0	\$0	-\$7	\$0	\$0	\$0	\$0	-\$7	\$0	-\$7
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$88,709	\$0	-\$13,107	\$21,653	\$9,679	\$5,387	\$0	\$112,321	\$0	\$112,321
11030 Beginning Equity	\$2,195,367	\$0	-\$314,777	\$1,225,084	\$1,138,361	\$24,172	\$0	\$4,268,207		\$4,268,207
11170 Administrative Fee Equity						\$29,559		\$29,559		\$29,559
11190 Unit Months Available	921		216	576	91	1464		3268		3268
11210 Number of Unit Months Leased	910		201	526	88	1145		2870		2870
11270 Excess Cash	\$471,843							\$471,843		\$471,843
11620 Building Purchases	\$21,162							\$21,162		\$21,162
11640 Furniture & Equipment - Administrative Purchases	\$17,267							\$17,267		\$17,267

**Lexington Housing Authority (NE010)**

Lexington, NE

**Single Project Revenue and Expense**

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2020

Project: NE010000001 EASTLAWN

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$337,592		\$337,592
70400 Tenant Revenue - Other	\$21,691		\$21,691
70500 Total Tenant Revenue	\$359,283	\$0	\$359,283
70600 HUD PHA Operating Grants	\$101,661	\$206,217	\$307,878
70610 Capital Grants		\$22,177	\$22,177
71100 Investment Income - Unrestricted	\$107		\$107
71500 Other Revenue	\$420		\$420
71600 Gain or Loss on Sale of Capital Assets	\$150		\$150
70000 Total Revenue	\$461,621	\$228,394	\$690,015
91100 Administrative Salaries	\$87,271		\$87,271
91200 Auditing Fees	\$878		\$878
91400 Advertising and Marketing	\$3,713		\$3,713
91500 Employee Benefit contributions - Administrative	\$33,954		\$33,954
91600 Office Expenses	\$17,762		\$17,762
91700 Legal Expense	\$1,600		\$1,600
91800 Travel	\$427		\$427
91900 Other	\$12,505		\$12,505
91000 Total Operating - Administrative	\$158,110	\$0	\$158,110
93100 Water	\$2,860		\$2,860
93200 Electricity	\$22,081		\$22,081
93300 Gas	\$17,415		\$17,415
93600 Sewer	\$2,861		\$2,861
93000 Total Utilities	\$45,217	\$0	\$45,217
94100 Ordinary Maintenance and Operations - Labor	\$74,020		\$74,020
94200 Ordinary Maintenance and Operations - Materials and Other	\$31,384		\$31,384
94300 Ordinary Maintenance and Operations Contracts	\$69,461		\$69,461
94500 Employee Benefit Contributions - Ordinary Maintenance	\$28,799		\$28,799
94000 Total Maintenance	\$203,664	\$0	\$203,664
96110 Property Insurance	\$18,155		\$18,155
96120 Liability Insurance	\$4,517		\$4,517
96130 Workmen's Compensation	\$3,957		\$3,957
96140 All Other Insurance	\$2,717		\$2,717
96100 Total insurance Premiums	\$29,346	\$0	\$29,346
96400 Bad debt - Tenant Rents	\$6,019		\$6,019
96000 Total Other General Expenses	\$6,019	\$0	\$6,019
96900 Total Operating Expenses	\$442,356	\$0	\$442,356
97000 Excess of Operating Revenue over Operating Expenses	\$19,265	\$228,394	\$247,659
97400 Depreciation Expense	\$157,937	\$1,013	\$158,950
90000 Total Expenses	\$600,293	\$1,013	\$601,306
10010 Operating Transfer In	\$206,217		\$206,217
10020 Operating transfer Out		-\$206,217	-\$206,217
10100 Total Other financing Sources (Uses)	\$206,217	-\$206,217	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$67,545	\$21,164	\$88,709
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$21,164	-\$21,164	\$0
11190 Unit Months Available	921		921
11210 Number of Unit Months Leased	910		910
11270 Excess Cash	\$471,843		\$471,843
11620 Building Purchases	\$16,162	\$5,000	\$21,162
11640 Furniture & Equipment - Administrative Purchases	\$90	\$17,177	\$17,267

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020

Federal Grantor	Federal CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
<b>Public Housing:</b>		
Operating subsidy - Public Housing	14.850	\$ 101,661.00
Public Housing - Cares Act	14.850	<u>11,670.32</u>
Total Public and Indian Housing Program		<u>113,331.32</u>
<b>Lower Income Housing Assistance Program - Section 8 New Construction/Substantial Rehabilitation</b>		
East Lawn Addition	14.182	<u>214,323.00</u>
<b>Housing Voucher Cluster</b>		
Housing Choice Voucher	14.871	\$ 404,279.68
Housing Choice Voucher - Cares Act	14.871	<u>2,378.20</u>
Total Housing Voucher Cluster		<u>406,657.88</u>
<b>Capital Funds</b>		
Capital Funds	14.872	<u>228,394.00</u>
<b>Secion 202 Capital Advance</b>		
NAF Senior Housing, Inc.	14.157	<u>934,260.00</u>
Total Federal Awards Expended		<u><u>\$ 1,896,966.20</u></u>

Notes to the Schedule

1. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Housing Authority of the City of Lexington, Nebraska and is presented on the accrual basis of accounting. 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, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance).
2. The outstanding balance of the Section 202 Capital Advance Program mortgage at June 30, 2020 was \$908,900.
3. The entity did not elect to use the 10% de minimus cost rate as covered in § 200.414 Indirect (F&A) costs.

## SINGLE AUDIT SECTION

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

**Independent Auditor's Report**

To the Board of Commissioners  
Housing Authority of the City of Lexington, Nebraska

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 major fund of the Housing Authority of the City of Lexington, Nebraska as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Lexington, Nebraska's basic financial statements, and have issued our report thereon dated January 14, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Lexington, Nebraska'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Lexington, Nebraska's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Lexington, Nebraska'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 the Housing Authority of the City of Lexington, Nebraska's financial statements are free from 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 result 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.

*Niewedde & Wiens, CPAs*

York, Nebraska  
January 14, 2021

**Report on Compliance For Each Major Federal Program; Report on  
Internal Control Over Compliance Required by the Uniform Guidance**

Independent Auditor's Report

To the Board of Commissioners  
Housing Authority of the City of Lexington, Nebraska

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

We have audited the Housing Authority of the City of Lexington, Nebraska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Lexington, Nebraska's major federal programs for the year ended June 30, 2020. The Housing Authority of the City of Lexington, Nebraska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of Lexington, Nebraska's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the City of Lexington, Nebraska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the City of Lexington, Nebraska's compliance.

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

In our opinion, the Housing Authority of the City of Lexington, Nebraska 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, 2020.

## Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Lexington, Nebraska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Lexington, Nebraska's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Lexington, Nebraska's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Niewedde & Wiens, CPAs*

York, Nebraska  
January 14, 2021

# ***HOUSING AUTHORITY OF THE CITY OF LEXINGTON***



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609 East 3<sup>rd</sup> Street  
Lexington, NE 68850

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## **STATUS OF PRIOR YEAR AUDIT FINDINGS**

The audit report for the year ended June 30, 2019 contained no findings and no questioned costs.

HOUSING AUTHORITY OF THE CITY OF LEXINGTON, NEBRASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2020

**Section I - Summary of Auditors Results:**

- We issued an unmodified opinion on the basic financial statements of the Housing Authority of the City of Lexington, Nebraska for the fiscal year ended June 30, 2020.

**Financial Statements:**

- The results of our audit procedures no material weaknesses or significant deficiencies in internal control over financial reporting for the fiscal year ended June 30, 2020.
- We noted no instances of noncompliance which is material to the financial statements for the fiscal year ended June 30, 2020.

**Federal Awards:**

- We issued an unmodified opinion on compliance for the major program for the fiscal year ended June 30, 2020.
- The results of our audit procedures disclosed no material weaknesses or significant deficiencies in internal control over major programs for the fiscal year ended June 30, 2020.
- The results of our audit procedures disclosed no audit findings that are required to be reported under code § .516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- The programs identified and audited as major are as follows: Section 202 Capital Advance (14.157) and Housing Voucher Cluster (14.871).
- The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- For the fiscal year ended June 30, 2020, the Housing Authority of the City of Lexington, Nebraska did not qualify as a low-risk auditee.

**Section II - Financial Statement Findings:**

None

**Section III - Federal Award Findings and Questioned Costs:**

None

## AGREED-UPON PROCEDURE

Randal D. Niewedde, CPA  
Jeffrey J. Wiens, CPA

## Independent Accountant's Report on Applying Agreed-Upon Procedure

To the Board of Commissioners  
Housing Authority of the City of Lexington, Nebraska

We have performed the procedure enumerated in the second paragraph of this report, which was agreed to by Housing Authority of the City of Lexington, Nebraska and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents. The Housing Authority of the City of Lexington, Nebraska is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure enumerated below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below:

Procedures	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue and Revenue and Expense (account numbers 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable.	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (date element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-50)	Schedule of Findings and Questioned Costs, Part 1 and OMD Data Collection Form.	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

We were engaged to perform an audit in accordance with *2 CFR 200, Subpart F, Audit Requirements* for the Housing Authority of the City of Lexington, Nebraska as of and for the year ended June 30, 2020, and have issued our report thereon dated January 14, 2021. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority of the City of Lexington, Nebraska's Financial Data Schedule dated January 14, 2021, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the FDS, which includes the auditor's report, is available in its entirety from the Housing Authority of the City of Lexington, Nebraska. We have not performed any additional auditing procedures since the date of the aforementioned audit report.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

*Niewedde & Wiens, CPAs*

January 14, 2021