

Doug Verboon, Chairman
Rusty Robinson, Vice-Chairman

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REGULAR BOARD OF COMMISSIONERS' MEETING

MARCH 27, 2024

AGENDA

LOCATION: 680 N. DOUTY STREET
HANFORD, CALIFORNIA
10:00 A.M.

THIS MEETING IS CONDUCTED IN ACCORDANCE WITH THE
REQUIREMENTS OF THE GOVERNOR'S EXECUTIVE ORDER N-33-20
NO PUBLIC MEMEBERS WILL BE ALLOWED IN THE MEETING
THE MEETING WILL BE HELD BY TELECONFERENCE AT THE ABOVE LOCATION.

MEMBERS OF THE PUBLIC MAY DIAL IN.

United States:1-571-371-3122

Access Code:640-660-685

1) Roll Call

2) Unscheduled Appearances

Any person may address this Board at this time on any item on the agenda, or on any other item of interest to the public, that is within the subject matter jurisdiction of the Board. Three (3) minutes are allowed for each item.

3) Review and Approval of January 24, 2024 Regular Board Meeting Minutes

Pages 1-2

4) Review and Approval of Receipts and Expenditures for January 2024 and
February 2024

Pages 3-16

5) Unfinished Business:

A. NONE

6) New Business:

A. Review and Approval of changes made to Policy 300 Section 802 Travel.

Pages 17-18

B. Review and Approval policy changes made to Policy 300 Section 804 Alcohol and
Drug Abuse Policy.

Pages 19-24

C. Review and Approval as submitted by the Auditor, The Financial
Statements for the Fiscal Year ending September 2022.

Pages 25-94

7) Correspondence:

A. Letter providing the scoring information for the Housing Authority of Kings County
Section 8 Management Assessment Program (SEMAP) for fiscal year ending
September 30, 2023.

Page 95-96

8) Management

A. Current Status of Program Operations

Page 97

9) Close Session

A. Regarding Litigation (NONE)

B. Regarding Employee Relations (NONE)

10) Open Session

11) Commissioners' Items

12) Adjournment

Any Late Documents relating to an agenda item that are distributed to the Commissioners less than 72 hours prior to the scheduled meeting are available for public inspection, at the time they are distributed to the Commissioners, at the Administrative Office as addressed below.

THE 744TH MEETING OF THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF THE COUNTY OF KINGS CALIFORNIA

The Regular Meeting of the Board of Commissioners of the Housing Authority of the County of Kings was called
to order January 24, 2024 at 10:03 a.m. Chairman Verboon

The Meeting was conducted via Teleconference.

1) ROLL CALL

Secretary Sandra Jackson-Bobo called the roll:

PRESENT:	Richard Valle
	Doug Verboon
	Richard Fagundes
	Rusty Robinson
ABSENT:	Joe Neves

Also present were the following:

Sandra Jackson-Bobo	-	HAKC Executive Director
Michele Rodrigues	-	HAKC Finance Manager
Jennifer Molina	-	HAKC Administrative Assistant
Jeff Levinson	-	HAKC Attorney

2) UNSCHEDULED APPEARANCES

NONE

3) APPOINTMENT OF OFFICERS FOR 2024 CALENDAR YEAR (CHAIRMAN AND VICE CHAIRMAN)

It was moved by Commissioner Valle and seconded by Chairman Fagundes that Doug Verboon be elected as Chairman, and Rusty Robinson be elected as Vice-Chairman, that nominations be closed, and a unanimous ballot be cast. The motion was carried by the following vote: AYES-Valle, Fagundes, Robinson, and Verboon. NOES-None. ABSECTIONS-None. ABSENTS-Neves.

4) REVIEW AND APPROVAL OF NOVEMBER 9, 2023 REGULAR BOARD MEETING MINUTES

A motion was presented by Commissioner Robinson to approve the minutes for the Regular Board Meeting for November 9, 2023. Commissioner Valle seconded the motion, and the Board approved the minutes by the following votes: AYES- Robinson, Fagundes, Verboon, and Valle. NOES-None. ABSTENTIONS-None. ABSENT-Neves.

5) REVIEW AND APPROVAL OF RECEIPTS AND EXPENDITURES FOR NOVEMBER 2023 AND DECEMBER 2023.

A motion was presented by Commissioner Robinson to approve the Receipts and Expenditures for November 2023 and December 2023. Commissioner Fagundes seconded the motion, and the Receipts and Expenditures were approved by the following votes: AYES- Robinson, Fagundes, Verboon, and Valle. NOES-None. ABSTAIN- None. ABSENT-Neves.

6) UNFINISHED BUSINESS

A. NONE

7) NEW BUSINESS:

A. APPOINTMENT OF OFFICERS FOR KINGS COUNTY MANAGEMENT & DEVELOPMENT CORPORATION BOARD FOR 2024 CALENDAR YEAR (CHAIRMAN AND VICE CHAIRMAN)

It was moved by Commissioner Valle and seconded by Commissioner Fagundes to appoint Chairman Verboon as Chairman and Commissioner Robinson as Vice Chairman to fill the vacancy on the Kings County Management & Development Corporation Board. The motion carried by the following votes: AYES- Fagundes, Valle, Robinson and Verboon. NOES-None. ABSTAIN-None. ABSENTS-Neves

B. REVIEW AND APPROVAL OF WRITE-OFFS FOR 53-1 SUNNYSIDE VILLAGE, 53-2 VALLEY VIEW 53-4 SYCAMORE CT., AND AD1 ADMIN FARM LABOR FOR QUARTER ENDING DECEMBER 31,2024.

A motion to approve was presented by Commissioner Fagundes for the approval of write-offs for 53-1 Sunnyside Village, 53-2 Valley View, 53-4 Sycamore Ct., and AD1 Admin Farm Labor for the quarter Ending December 31, 2023. Commissioner Robinson seconded the motion. The motion carried by the Following votes: AYES- Fagundes, Robinson, Valle and Verboon. NOES-None. ABSTENTIONS-None. ABSENTS-Neves.

7) CORRESPONDENCE

A. NONE

8) MANAGEMENT

A. Current Status of Program Operations

9) CLOSED SESSION

A. Regarding Litigation (NONE)

B. Regarding Employee Relations (NONE)

10) OPEN SESSION

A. NONE

11) COMMISSIONER'S ITEMS

Commissioner Robinson stated that the Secretaries of the Board have been receiving quite a few complaints and wanted to know if there have been any changes or if any of the employees have been directing tenants to the Board. Sandra said no there have not been any complaints, that Jennifer had spoken with Catherine about the calls and that all calls should be directed back to us unless it is about upper Management.

12) ADJOURNMENT

There being no further business, the meeting was adjourned at 10:20 a.m.

Secretary

HOUSING AUTHORITY OF THE COUNTY OF KINGS
MONTHLY BILLS
JANUARY 31, 2024

ACCOUNT NO.	ACCOUNT DESCRIPTION	VENDOR	MGMT FEES	ADMIN	CAMERON COMMON	KETTLEMAN CITY	ADMIN FLC	LOW RENT	VOUCHERS	CORCORAN STATION	TRANSITIONAL FOSTER HOUSING	TOTAL
			015	100	200	300	400	500	600	700	701	
4110	PAYROLL											
	KINGS COUNTY HA - ADMIN.PAYROLL		8,597.66	3,453.58	1,414.04	1,158.90	693.12	26,457.49	19,800.33	3,297.00	220.76	65,092.88
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL		8,597.66	3,453.58	1,414.04	1,158.90	693.12	26,457.49	19,800.33	3,297.00	220.76	65,092.88
	YEAR-TO-DATE TOTAL		8,597.64	3,453.58	1,384.74	1,226.12	690.17	26,453.98	19,824.57	2,530.96	220.92	64,582.68
			34,390.83	13,814.40	5,532.42	4,837.26	2,735.50	105,297.47	77,450.65	8,921.48	862.99	253,843.00
4130	LEGAL											
	GRISWOLD LASALLE COBB DOWD & GINLAW OFFICES			0.95	30.46	522.99	4.76	2,167.07	327.47	41.89	1.90	3,097.49
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL			0.95	30.46	522.99	4.76	2,167.07	327.47	41.89	1.90	3,097.49
	YEAR-TO-DATE TOTAL			1.38	44.01	61.57	6.88	963.95	473.07	60.51	2.76	1,614.13
				6.61	454.26	2,474.12	33.04	9,783.99	2,272.93	290.72	13.22	15,328.89
4140	STAFF TRAINING											
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL											
	YEAR-TO-DATE TOTAL											
4150	TRAVEL											
	MICHELE RODRIGUES			0.14				8.13	1.35	0.89	0.15	10.66
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL			0.14				8.13	1.35	0.89	0.15	10.66
	YEAR-TO-DATE TOTAL			0.14				8.13	1.35	0.89	0.15	10.66
4160	AUTOMOBILE EXPENSE											
	GARY V. BURROWS, INC		41.24	6.24			0.46		44.64			92.58
	HANFORD AUTO & TRUCK PARTS INC-NAPA		11.68	1.84			0.17		5.16			18.85
	MICHELE RODRIGUES			1.47			0.25					1.72
	CURRENT TOTAL		52.92	9.55			0.88		49.80			113.15
	PREVIOUS MONTH TOTAL		13.82	1.65		3.72		28.10	42.88			90.79
	YEAR-TO-DATE TOTAL		378.64	57.61		16.82	4.23	127.08	441.14	2.82		1,028.34
4171	AUDIT EXPENSE											
	SMITHMARION			708.39	911.20	1,056.64	565.19	2,208.37	2,250.94			7,700.73
	CURRENT TOTAL			708.39	911.20	1,056.64	565.19	2,208.37	2,250.94			7,700.73
	PREVIOUS MONTH TOTAL			205.93	264.88	307.16	164.30	641.97	654.34			2,238.58
	YEAR-TO-DATE TOTAL			2,095.93	2,695.98	3,126.30	1,672.24	6,533.96	6,659.90			22,784.31

HOUSING AUTHORITY OF THE COUNTY OF KINGS
MONTHLY BILLS
JANUARY 31, 2024

ACCOUNT NO.	ACCOUNT DESCRIPTION	VENDOR	MGMT FEES	ADMIN	CAMERON COMMON	KETTLEMAN CITY	ADMIN FLC	LOW RENT	VOUCHERS	CORCORAN STATION	TRANSITIONAL FOSTER HOUSING	TOTAL
			015	100	200	300	400	500	600	700	701	
4190	SUNDRY											
	AT&T							4.43				4.43
	AT&T/CALNET		56.61	29.03		29.47	3.12	218.05	292.13			628.41
	AUTOMATED OFFICE SYSTEMS			8.81	17.01	15.08	2.95	219.97	381.05	4.13	1.21	650.21
	DEPARTMENT OF INDUSTRIAL RELATIONSDOSH ELEVATOR PE									225.00		225.00
	FIRST BANKCARD		9.00	202.97			0.17		5.77			217.91
	KINGS COUNTY HA - ADMIN				33.01	43.03	4.06	231.09	118.96	33.60	2.60	466.35
	LORRENDA HATHFIELD - PETTY CASH							60.00				60.00
	MICHELE RODRIGUES - PETTY CASH			39.52								39.52
	NAN MC KAY AND ASSOCIATES INC		58.10	17.65	57.84	18.30	10.13	349.52	257.11			3,064.60
	ODP BUSINESS SOLUTIONS, LLC							111.93				768.65
	ONLINE INFORMATION SERVICES			0.09	39.35	3.59	1.71	454.74	691.64	30.41	16.80	1,238.33
	GRADIENT FINANCE USA, INC.			1.01	15.18	26.66	2.81	181.24	95.05	16.80		338.75
	TCM INVESTMENTS, L.P.											
	CURRENT TOTAL		123.71	299.08	162.39	136.13	24.95	2,014.45	4,722.83	309.94	20.61	7,814.09
	PREVIOUS MONTH TOTAL		335.05	2,572.93	139.50	194.52	29.91	1,579.86	6,166.25	287.94	4.05	11,310.01
	YEAR-TO-DATE TOTAL		1,008.64	3,533.84	854.56	1,500.09	167.62	21,495.99	23,832.00	1,847.73	60.31	54,300.78
4191	REPLACEMENT RESERVE									800.00		800.00
	CORCORAN STATION				606.00							606.00
	KINGS COUNTY HA - CAMERON					645.00						645.00
	KINGS COUNTY HA - KETTLEMAN											
	CURRENT TOTAL				606.00	645.00				800.00		2,051.00
	PREVIOUS MONTH TOTAL				606.00	645.00				800.00		2,051.00
	YEAR-TO-DATE TOTAL				2,424.00	2,580.00				3,200.00		8,204.00
4193	BOND FEE COSTS											
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL											
	YEAR-TO-DATE TOTAL											
4195	COMPUTER COSTS											
	AFFORDABLE HOUSING NETWORK LLC								875.00			875.00
	COMCAST CABLE				4.67	26.47	1.57	138.01	217.59	29.11		417.42
	FIRST BANKCARD		0.25	7.93	9.92	9.92	1.22	66.43	42.62	10.90	0.50	139.77
	MRI SOFTWARE, LLC							343.29	220.30			563.59
	WAY OUT WEST COMPUTERS			1.39	43.78	35.35	6.83	318.30	151.95	38.85	1.80	598.25
	CURRENT TOTAL			1.64	56.38	71.74	9.62	866.03	1,507.46	78.86	2.30	2,594.03
	PREVIOUS MONTH TOTAL			1.77	60.15	56.66	10.17	502.12	337.78	550.20	1.58	1,520.43
	YEAR-TO-DATE TOTAL			4.10	147.04	253.66	26.11	1,930.64	3,273.37	866.78	4.88	6,506.58
4220	TENANT SERVICES											
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL							75.00				75.00
	YEAR-TO-DATE TOTAL							225.00				225.00

HOUSING AUTHORITY OF THE COUNTY OF KINGS
MONTHLY BILLS
JANUARY 31, 2024

ACCOUNT NO.	ACCOUNT DESCRIPTION	VENDOR	MGMT FEES 015	ADMIN	CAMERON COMMON	KETTLEMAN CITY	ADMIN FLC	LOW RENT	VOUCHERS	CORCORAN STATION	TRANSITIONAL FOSTER HOUSING	TOTAL
4310	WATER											
	ARMONA COMMUNITY SERVICE DISTRICT						248.00	886.90				1,134.90
	CORCORAN CITY OF							3,807.20		467.75		4,274.95
	HANFORD UTILITY CITY OF		89.55	481.50				3,736.74			34.17	4,341.96
	KETTLEMAN CITY COMM. SERVICE DISTRICT					2,065.20						2,065.20
	LEMOORE CITY OF - UTILITIES										122.00	122.00
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL		89.55	481.50	2,065.20	248.00	8,430.84	-	-	467.75	156.17	11,939.01
	YEAR-TO-DATE TOTAL		101.61	363.58	2,329.20	282.50	8,131.33	-	-	599.32	35.51	11,843.05
	PREVIOUS MONTH TOTAL		461.38	1,704.90	9,919.60	1,049.50	35,353.76	-	-	2,375.87	382.74	51,247.75
	YEAR-TO-DATE TOTAL											
4320	ELECTRIC											
	ARMONA COMMUNITY SERVICE DISTRICT						5.00	17.00				22.00
	PACIFIC GAS AND ELECTRIC					290.00		1,793.87		2,552.68	338.83	4,975.38
	SOUTHERN CALIFORNIA EDISON CO.		366.72	150.86				1,748.16				2,265.74
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL		366.72	150.86	290.00	5.00	3,559.03	-	-	2,552.68	338.83	7,263.12
	YEAR-TO-DATE TOTAL		355.33	131.25	261.21	5.00	2,058.69	-	-	2,239.02	260.80	5,311.30
	PREVIOUS MONTH TOTAL		1,557.85	471.36	1,188.08	20.00	11,322.77	-	-	11,525.11	1,167.71	27,252.88
	YEAR-TO-DATE TOTAL											
4330	GAS											
	PACIFIC GAS AND ELECTRIC					41.72						41.72
	THE GAS COMPANY		214.19	5.10				1,010.41		804.72	220.89	2,255.31
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL		214.19	5.10	41.72	-	1,010.41	-	-	804.72	220.89	2,297.03
	YEAR-TO-DATE TOTAL		157.53	4.77	23.30	-	575.80	-	-	744.81	178.49	1,704.70
	PREVIOUS MONTH TOTAL		371.72	20.06	111.77	-	1,962.98	-	-	2,429.59	500.98	5,397.10
	YEAR-TO-DATE TOTAL											
4390	OTHER UTILITIES											
	ARMONA COMMUNITY SERVICE DISTRICT						186.25	633.25				819.50
	CORCORAN CITY OF							2,532.89		1,040.53		3,573.42
	HANFORD UTILITY CITY OF		42.83	694.40				3,007.06			22.90	3,767.19
	KETTLEMAN CITY COMM. SERVICE DISTRICT				1,440.00							1,440.00
	LEMOORE CITY OF - UTILITIES										55.40	55.40
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL		42.83	694.40	1,440.00	186.25	6,173.20	-	-	1,040.53	78.30	9,655.51
	YEAR-TO-DATE TOTAL		42.83	694.40	1,440.00	186.25	6,498.70	-	-	1,040.53	22.90	9,925.61
	PREVIOUS MONTH TOTAL		171.32	2,777.60	5,760.00	745.00	25,671.27	-	-	4,162.12	202.40	39,489.71
	YEAR-TO-DATE TOTAL											
4410	PAYROLL - MAINTENANCE											
	KINGS COUNTY HA - ADMIN.PAYROLL			2,310.68	4,275.90	71.74		15,770.34		175.62	46.76	22,651.04
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL		-	2,310.68	4,275.90	71.74	15,770.34	-	-	175.62	46.76	22,651.04
	YEAR-TO-DATE TOTAL		-	2,310.68	4,275.90	71.74	17,025.80	-	-	175.62	46.76	23,906.50
	PREVIOUS MONTH TOTAL		-	9,242.72	17,103.60	286.96	66,488.00	-	-	702.48	187.04	94,010.80
	YEAR-TO-DATE TOTAL											

HOUSING AUTHORITY OF THE COUNTY OF KINGS
MONTHLY BILLS
JANUARY 31, 2024

ACCOUNT NO.	ACCOUNT DESCRIPTION	VENDOR	MGMT FEES 015	ADMIN 100	CAMERON COMMON 200	KETTLEMAN CITY 300	ADMIN FLC 400	LOW RENT 500	VOUCHERS 600	CORCORAN STATION 700	TRANSITIONAL FOSTER HOUSING 701	TOTAL
4420	MAINTENANCE MATERIALS											
	CORCORAN HARDWARE COMPANY				874.31		47.98	138.31				138.31
	EMPIRE SUPPLY CO. INC.							1,220.03				2,142.32
	FIRST BANKCARD							982.94				982.94
	GARY V. BURROWS, INC		100.10	25.74	194.33	125.32	11.92	553.17	24.82	18.98	20.81	1,075.19
	HANFORD AUTO & TRUCK PARTS INC.NAPA							3.76				3.76
	HD SUPPLY FACILITIES MAINTENANCE				194.03			1,238.76		453.31		1,888.10
	HOME DEPOT CREDIT SERVICES				47.94			1,006.51				1,084.45
	LOWE'S BUSINESS ACCOUNT							1,819.52		364.65		2,184.17
	REFRIGERATION SUPPLIES DISTRIBUTOR				593.06							593.06
	WAL-MART, CAPITAL ONE							131.22				131.22
	CURRENT TOTAL		100.10	25.74	1,661.70	369.29	59.90	7,094.22	24.82	836.94	20.81	10,193.52
	PREVIOUS MONTH TOTAL		72.56	20.30	284.33	808.28	47.29	14,753.51	13.40	819.34	20.89	16,841.90
	YEAR-TO-DATE TOTAL		412.50	347.38	3,928.75	5,205.22	957.01	39,286.10	101.04	2,432.11	225.88	52,897.99
4430	CONTRACT COSTS											
	A & A COPIER SALES & SERVICE			85.00				103.75				188.75
	ARMONIA COMMUNITY SERVICE DISTRICT						91.25	310.25				401.50
	AT&T/CALNET				60.50							60.50
	CORCORAN CITY OF							3,825.00		596.60		4,421.60
	G & B JANITORIAL LLC		236.77	64.52			4.40		151.92			457.61
	GILBERT ELECTRIC COMPANY				1,195.31							1,195.31
	HANFORD UTILITY CITY OF		9.30	1.56			0.15	12.51	0.32			23.84
	H.A.S AUTO REPAIR & TIRE		108.13		453.61			1,551.46			28.84	2,142.04
	JORGENSEN COMPANY				133.36							133.36
	KETTLEMAN CITY COMM. SERVICE DISTRICT					1,073.62						1,073.62
	KINGS COUNTY GLASS							581.77				581.77
	KINGS WASTE & RECYCLING AUTHORITY			40.55	13.05			119.28				172.88
	LEMOORE CITY OF - UTILITIES							78.76		42.00		120.76
	MAITSON ALARM CO. INC.		16.74	4.68	4.12	127.53	0.96		131.42			406.21
	NOLAN'S PLUMBING							407.66		160.00		567.66
	O'CONNOR PEST CONTROL				20.00			260.00		20.00		300.00
	OIL CHANGER			0.39	5.40		0.44	27.75	5.23	0.03	0.21	39.45
	PRIMOW LANDSCAPING		93.22	25.40	645.70		1.74	4,088.00	59.83			4,913.89
	RADIUS TIRE CO.							144.74				144.74
	RANDSTAD US L.P.							3,907.49				3,907.49
	THE LAWNMOWER MAN							192.57				192.57
	VERIZON WIRELESS		80.92	9.20	2.68	2.93	1.30	30.16	22.95	26.98	0.04	177.16
	CURRENT TOTAL		436.95	339.43	2,473.23	1,264.58	100.24	15,641.15	371.67	845.61	94.43	21,567.29
	PREVIOUS MONTH TOTAL		435.13	227.11	1,776.59	1,434.27	130.54	16,164.41	355.63	5,347.78	38.95	25,912.41
	YEAR-TO-DATE TOTAL		1,747.58	1,110.58	7,305.74	5,686.53	492.53	72,046.07	2,847.39	11,574.30	284.06	103,094.78

HOUSING AUTHORITY OF THE COUNTY OF KINGS
LOW RENT PROGRAM - AMP 1/AMP 2
OCTOBER 1, 2023 THROUGH JANUARY 31, 2024

	AMP 1	168	AMP 1	168	AMP 2	100	AMP 2	100
	BUDGET	PUM	ACTUAL	PUM	BUDGET	PUM	ACTUAL	PUM
REVENUE								
Dwelling Rent	\$238,617	\$355.08	\$266,810.00	\$397.04	\$154,227	\$385.57	\$177,588.68	\$443.97
Interest	570	0.85	1,510.15	2.25	183	0.46	676.88	1.69
Other Income-Tenant Charges	16,470	24.51	6,250.01	9.30	7,813	19.53	11,775.98	29.44
Other Income	0	0.00	3,080.03	4.58	0	0.00	1,800.71	4.50
Capital Fund Subsidy	57,535	85.62	0.00	0.00	38,062	95.15	0.00	0.00
HUD Subsidy	131,978	196.40	174,070.01	259.03	87,386	218.47	114,414.00	286.04
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Total Income	\$445,169	\$662.45	\$451,720.20	\$672.20	\$287,671	\$624.02	\$306,256.25	\$765.64
EXPENSES:								
OPERATING EXPENSES:								
Administrative Salaries	\$37,433	\$55.70	\$59,554.21	\$88.62	\$29,563	\$73.91	45,443.26	\$113.61
Legal	8,617	12.82	3,249.76	4.84	4,000	10.00	6,534.23	16.34
Travel	0	0.00	5.20	0.01	0	0.00	129.97	0.32
Sundry Costs	7,210	10.73	20,699.41	30.80	40,140	100.35	9,206.44	23.02
Management Fees	45,501	67.71	53,192.72	79.16	27,084	67.71	29,425.76	73.56
Bookkeeping Fees	5,040	7.50	4,935.00	7.34	3,000	7.50	2,730.00	6.83
Asset Management Fees	6,720	10.00	0.00	0.00	4,000	10.00	0.00	0.00
Computer Costs	4,430	6.59	2,669.64	3.97	2,827	7.07	1,674.20	4.19
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expenses	\$114,951	\$171.06	\$144,305.94	\$214.74	\$110,614	276.54	\$95,143.86	\$237.86
TENANT SERVICES:	\$3,087	\$4.59	\$225.00	\$0.33	\$1,183	\$2.96	0.00	\$0.00
UTILITIES:								
Water	\$20,000	\$29.76	\$19,265.08	\$28.67	\$17,333	\$43.33	\$16,088.68	\$40.22
Electric	8,010	11.92	7,450.09	11.09	4,333	10.83	3,872.68	9.68
Gas	725	1.08	654.98	0.97	933	2.33	1,308.00	3.27
Other	16,075	23.92	15,539.71	23.12	10,000	25.00	10,131.56	25.33
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Utilities	\$44,810	\$66.68	\$42,909.86	\$63.85	\$32,600	\$81.50	\$31,400.92	\$78.50
MAINTENANCE AND OPERATIONS								
Labor	\$47,587	\$70.81	\$45,564.96	\$67.81	\$20,223	\$50.56	\$20,923.04	\$52.31
Materials	42,842	63.75	34,442.75	51.25	16,017	40.04	10,158.68	25.40
Contract Costs	43,782	65.15	39,151.62	58.26	43,390	108.48	32,894.45	82.24
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Maint. & Operations	\$134,210	\$199.72	\$119,159.33	\$177.32	\$79,630	\$199.08	\$63,976.17	\$159.94
GENERAL EXPENSES:								
Insurance	\$15,397	\$22.91	\$21,766.13	\$32.39	\$8,453	\$21.13	\$12,876.53	\$32.19
P.I.L.O.T.	19,380	28.84	22,398.27	33.33	12,163	30.41	14,607.63	36.52
Employee Benefits	59,710	88.85	40,756.12	60.65	32,087	80.22	28,154.69	70.39
Collection Losses	3,190	4.75	12,649.52	18.82	1,943	4.86	15,003.01	37.51
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Expenses	\$97,677	\$145.35	\$97,570.04	\$145.19	\$54,647	\$136.62	\$70,641.86	\$176.60
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$394,735	\$587.40	\$404,170.17	\$601.44	\$278,673	\$696.68	\$261,162.81	\$652.91
RESIDUAL RECEIPTS (DEFICIT)								
Receipts from Nonexpendable Equipment			0.00				0.00	
Property Betterment and Equipment			0.00				0.00	
Prior Period Adjustment			0.00				0.00	
			<hr/>				<hr/>	
RESIDUAL RECEIPTS(or DEFICIT)			\$47,550.03				\$45,093.44	
			=====				=====	
OPERATING RESERVE AS OF JUNE 30, 2016								
RESIDUAL RECEIPTS(or DEFICIT)			\$243,569.11				\$97,581.81	
			<hr/>				<hr/>	
CURRENT OPERATING RESERVE			291,119.14				142,675.25	
ACCOUNTS RECEIVABLE BALANCE			59,020.60				108,072.76	
			<hr/>				<hr/>	
ADJUSTED OPERATING RESERVE			232,098.54				34,602.49	
			=====				=====	
MAXIMUM OPERATING RESERVE APPROVED			592,102.50				367,977.50	
PERCENT OF MAXIMUM OPERATING RESERVE								
			39.20%				9.40%	

HOUSING AUTHORITY OF THE COUNTY OF KINGS
MONTHLY BILLS
FEBRUARY 29, 2024

ACCOUNT NO.	ACCOUNT DESCRIPTION	VENDOR	MGMT FEES 015	ADMIN 100	CAMERON COMMON 200	KETTLEMAN CITY 300	ADMIN FLC 400	LOW RENT 500	VOUCHERS 600	CORCORAN STATION 700	TRANSITIONAL FOSTER HOUSING 701	TOTAL
4110	PAYROLL	KINGS COUNTY HA - ADMIN.PAYROLL	8,644.78	3,475.06	1,313.09	2,188.14	682.21	34,292.78	20,480.18	3,240.57	216.10	74,533.91
		CURRENT TOTAL	8,644.78	3,475.06	1,313.09	2,188.14	682.21	34,292.78	20,480.18	3,240.57	216.10	74,533.91
		PREVIOUS MONTH TOTAL	8,597.66	3,453.58	1,414.04	1,158.90	693.12	26,457.49	19,800.33	3,297.00	220.76	65,092.88
		YEAR-TO-DATE TOTAL	43,035.61	17,290.46	6,845.51	7,025.40	3,417.71	139,590.25	97,930.83	12,162.05	1,079.09	328,376.91
4130	LEGAL	GRISWOLD LASALLE COBB DOWD & GINLAW OFFICES		1.31	41.85	326.60	6.54	1,934.77	449.94	57.55	2.62	2,821.18
		CURRENT TOTAL		1.31	41.85	326.60	6.54	1,934.77	449.94	57.55	2.62	2,821.18
		PREVIOUS MONTH TOTAL		0.95	30.46	522.99	4.76	2,167.07	327.47	41.89	1.90	3,097.49
		YEAR-TO-DATE TOTAL		7.92	496.11	2,800.72	39.58	11,718.76	2,722.87	348.27	15.84	18,150.07
4140	STAFF TRAINING	HOUSING TELECOMMUNICATIONS, INC.		0.92	29.49	36.86	4.61	246.98	634.10	40.55	1.84	995.35
		CURRENT TOTAL		0.92	29.49	36.86	4.61	246.98	634.10	40.55	1.84	995.35
		PREVIOUS MONTH TOTAL		-	-	-	-	-	-	-	-	-
		YEAR-TO-DATE TOTAL		0.92	29.49	36.86	4.61	246.98	634.10	40.55	1.84	995.35
4150	TRAVEL	MICHELE RODRIGUES										
		CURRENT TOTAL		0.14	-	-	-	8.13	1.35	0.89	0.15	10.66
		PREVIOUS MONTH TOTAL		-	-	-	-	-	-	-	-	-
		YEAR-TO-DATE TOTAL		0.14	-	-	-	8.13	1.35	0.89	0.15	10.66
4160	AUTOMOBILE EXPENSE	GARY V. BURROWS, INC	54.80	7.89		3.85	0.48	29.11	84.58	0.65		181.36
		CURRENT TOTAL	54.80	7.89		3.85	0.48	29.11	84.58	0.65		181.36
		PREVIOUS MONTH TOTAL	52.92	9.55			0.88		49.80			113.15
		YEAR-TO-DATE TOTAL	433.44	65.50		20.67	4.71	156.19	525.72	3.47		1,209.70
4171	AUDIT EXPENSE											
		CURRENT TOTAL		708.39	911.20	1,056.64	565.19	2,708.37	2,250.94			7,700.73
		PREVIOUS MONTH TOTAL		2,095.93	2,695.98	3,126.30	1,672.24	6,533.96	6,659.90			22,784.31
		YEAR-TO-DATE TOTAL										

HOUSING AUTHORITY OF THE COUNTY OF KINGS
MONTHLY BILLS
FEBRUARY 29, 2024

ACCOUNT NO.	ACCOUNT DESCRIPTION	VENDOR	MGMT FEES 015	ADMIN 100	CAMERON COMMON 200	KETTLEMAN CITY 300	ADMIN FLC 400	LOW RENT 500	VOUCHERS 600	CORCORAN STATION 700	TRANSITIONAL FOSTER HOUSING 701	TOTAL
4190	SUNDRY											
	AT&T							4.43				4.43
	AT&T/CALNET		52.27	26.86		27.71	2.90	213.78	276.28	167.89		767.69
	AUTOMATED OFFICE SYSTEMS			4.83	9.57	6.51	1.69	117.93	208.39	2.81	0.70	352.43
	CLASSIC HOME INVESTMENTS								390.00			390.00
	FIRST BANKCARD		9.00	21.51	26.68	31.23	4.33	382.47	192.04	34.38	1.60	703.24
	KINGS COUNTY HA - ADMIN			24.00	15.06	19.64	1.86	105.48	54.30	15.34	1.19	212.87
	LORRENDA HATFIELD - PETTY CASH							54.00				78.00
	NAN MC KAY AND ASSOCIATES INC								3,096.80			3,096.80
	ODP BUSINESS SOLUTIONS, LLC		205.37	56.32	11.86		5.67	62.25	390.33	6.15		731.80
	ONLINE INFORMATION SERVICES							49.20				55.35
	PENS.COM			1.44	45.12	56.40	7.04	378.15	242.62	62.08	2.88	795.73
	GUADIENT FINANCE USA, INC.			0.03	2.13	1.08	0.13	22.34	214.02	26.77	5.18	271.68
	GUADIENT LEASING USA, INC.			2.56	38.73	76.46	10.35	643.14	896.90	56.41		1,724.55
	TCM INVESTMENTS, L.P.			1.01	15.18	24.66	2.81	181.24	95.05	16.80		338.75
	THE SENTINEL					391.12		977.64		166.24		1,535.00
	VOYA			187.50								187.50
	WAL-MART CAPITAL ONE			39.72				165.81				205.53
	CURRENT TOTAL		266.64	365.78	164.33	636.81	36.78	3,357.86	6,056.73	554.87	11.55	11,451.35
	PREVIOUS MONTH TOTAL		123.71	299.08	162.39	136.13	24.95	2,014.45	4,722.83	309.94	20.61	7,814.09
	YEAR-TO-DATE TOTAL		1,275.28	3,899.62	1,018.89	2,136.90	204.40	24,853.85	29,888.73	2,402.60	71.86	65,752.13
4191	REPLACEMENT RESERVE									800.00		800.00
	CORCORAN STATION				606.00							606.00
	KINGS COUNTY HA - CAMERON					645.00						645.00
	KINGS COUNTY HA - KETTLEMAN											
	CURRENT TOTAL				606.00	645.00				800.00		2,051.00
	PREVIOUS MONTH TOTAL				606.00	645.00				800.00		2,051.00
	YEAR-TO-DATE TOTAL				3,030.00	3,225.00				4,000.00		10,255.00
4193	BOND FEE COSTS											
	CURRENT TOTAL											
	PREVIOUS MONTH TOTAL											
	YEAR-TO-DATE TOTAL											
4195	COMPUTER COSTS											
	COMCAST CABLE				4.83	28.64	1.62	145.89	224.94	31.50		437.42
	FIRST BANKCARD			0.26	8.11	10.15	1.25	67.95	43.59	11.15	0.52	142.98
	WAY OUT WEST COMPUTERS			2.02	63.55	30.93	9.93	411.01	132.96	283.99	1.58	935.97
	CURRENT TOTAL			2.28	76.49	69.72	12.80	624.85	401.49	326.64	2.10	1,516.37
	PREVIOUS MONTH TOTAL			1.64	56.38	71.74	9.62	866.03	1,507.46	78.86	2.30	2,594.03
	YEAR-TO-DATE TOTAL			6.38	223.53	323.38	38.91	2,555.49	3,674.86	1,193.42	6.98	8,022.95

HOUSING AUTHORITY OF THE COUNTY OF KINGS
MONTHLY BILLS
FEBRUARY 29, 2024

ACCOUNT NO.	ACCOUNT DESCRIPTION	VENDOR	MGMT FEES 015	ADMIN 100	CAMERON COMMON 200	KETTLEMAN CITY 300	ADMIN FLC 400	LOW RENT 500	VOUCHERS 600	CORCORAN STATION 700	TRANSITIONAL FOSTER HOUSING 701	TOTAL
4220	TENANT SERVICES											
	ESTER MAGNIA							25.00				25.00
	RACHEL GORDON							25.00				25.00
								50.00				50.00
	PREVIOUS MONTH TOTAL											
	YEAR-TO-DATE TOTAL							275.00				275.00
	CURRENT TOTAL											
4310	WATER											
	ARMONA COMMUNITY SERVICE DISTRICT						271.00	881.15				1,152.15
	CORCORAN CITY OF							2,475.64		467.06		2,942.70
	HANFORD UTILITY CITY OF		82.85	255.04				3,451.76			34.17	3,823.82
	KETTLEMAN CITY COMM. SERVICE DISTRICT				2,126.80							2,126.80
	LEMOORE CITY OF - UTILITIES										61.00	61.00
	PREVIOUS MONTH TOTAL		82.85	255.04	2,126.80	271.00		6,808.55		467.06	95.17	10,106.47
	YEAR-TO-DATE TOTAL		89.55	481.50	2,065.20	248.00		8,430.84		467.75	156.17	11,939.01
			544.23	1,959.94	12,046.40	1,320.50		42,162.31		2,842.93	477.91	61,354.22
	CURRENT TOTAL											
4320	ELECTRIC											
	ARMONA COMMUNITY SERVICE DISTRICT						5.00	17.00				22.00
	PACIFIC GAS AND ELECTRIC					358.11		1,445.19		3,082.94		5,207.75
	SOUTHERN CALIFORNIA EDISON CO.		357.88	165.64				1,777.74				2,301.26
	PREVIOUS MONTH TOTAL		357.88	165.64	358.11	5.00		3,239.93		3,082.94	321.51	7,531.01
	YEAR-TO-DATE TOTAL		366.72	150.86	290.00	5.00		2,559.03		2,552.68	338.83	7,263.12
			1,915.73	637.00	1,546.19	25.00		14,562.70		14,608.05	1,487.22	34,783.89
	CURRENT TOTAL											
4330	GAS											
	PACIFIC GAS AND ELECTRIC					73.29		814.09		916.57	175.29	2,041.23
	THE GAS COMPANY		120.51	14.77								
	PREVIOUS MONTH TOTAL		120.51	14.77	73.29			814.09		916.57	175.29	2,114.52
	YEAR-TO-DATE TOTAL		214.19	5.10	41.72			1,010.41		804.72	220.89	2,297.03
			492.23	34.83	185.06			2,777.07		3,346.16	676.27	7,511.62
	CURRENT TOTAL											
4390	OTHER UTILITIES											
	ARMONA COMMUNITY SERVICE DISTRICT					186.25		633.25				819.50
	CORCORAN CITY OF							2,532.89		1,040.53		3,573.42
	HANFORD UTILITY CITY OF		42.83	694.40				3,324.68			22.90	4,084.81
	KETTLEMAN CITY COMM. SERVICE DISTRICT				1,440.00							1,440.00
	LEMOORE CITY OF - UTILITIES										27.70	27.70
	PREVIOUS MONTH TOTAL		42.83	694.40	1,440.00	186.25		6,490.82		1,040.53	50.60	9,945.43
	YEAR-TO-DATE TOTAL		42.83	694.40	1,440.00	186.25		6,173.20		1,040.53	78.30	9,655.51
			214.15	3,472.00	7,200.00	931.25		32,162.09		5,202.65	253.00	49,435.14
	CURRENT TOTAL											
4410	PAYROLL - MAINTENANCE											
	KINGS COUNTY HA - ADMIN.PAYROLL			2,310.68	4,275.90	71.74		15,532.70		175.62	46.76	22,413.40
	PREVIOUS MONTH TOTAL			2,310.68	4,275.90	71.74		15,532.70		175.62	46.76	22,413.40
	YEAR-TO-DATE TOTAL			2,310.68	4,275.90	71.74		15,770.34		175.62	46.76	22,651.04
				11,553.40	21,379.50	358.70		82,020.70		878.10	233.80	116,424.20
	CURRENT TOTAL											

HOUSING AUTHORITY OF THE COUNTY OF KINGS
LOW RENT PROGRAM - AMP 1/AMP 2
OCTOBER 1, 2023 THROUGH FEBRUARY 29, 2024

	AMP 1	168	AMP 1	168	AMP 2	100	AMP 2	100
	BUDGET	PUM	ACTUAL	PUM	BUDGET	PUM	ACTUAL	PUM
REVENUE								
Dwelling Rent	\$298,271	\$355.08	\$332,469.00	\$395.80	\$192,783	\$385.57	\$223,797.08	\$447.59
Interest	713	0.85	1,778.22	2.12	229	0.46	836.42	1.67
Other Income-Tenant Charges	20,588	24.51	5,851.15	6.97	9,767	19.53	15,840.10	31.68
Other Income	0	0.00	3,975.05	4.73	0	0.00	2,175.73	4.35
Capital Fund Subsidy	71,918	85.62	0.00	0.00	47,577	95.15	0.00	0.00
HUD Subsidy	164,972	196.40	222,426.00	264.79	109,233	218.47	146,179.00	292.36
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Total Income	\$556,461	\$662.45	\$566,499.42	\$674.40	\$359,589	\$624.02	\$388,828.33	\$777.66
EXPENSES:								
OPERATING EXPENSES:								
Administrative Salaries	\$46,792	\$55.70	\$74,528.64	\$88.72	\$36,954	\$73.91	65,061.61	\$130.12
Legal	10,771	12.82	3,647.17	4.34	5,000	10.00	8,071.59	16.14
Travel	0	0.00	160.06	0.19	0	0.00	251.24	0.50
Sundry Costs	9,013	10.73	22,618.71	26.93	50,175	100.35	11,444.09	22.89
Management Fees	56,876	67.71	66,693.00	79.40	33,855	67.71	36,782.20	73.56
Bookkeeping Fees	6,300	7.50	6,187.50	7.37	3,750	7.50	3,412.50	6.83
Asset Management Fees	8,400	10.00	0.00	0.00	5,000	10.00	0.00	0.00
Computer Costs	5,538	6.59	3,497.23	4.16	3,533	7.07	2,074.76	4.15
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Total Operating Expenses	\$143,689	\$171.06	\$177,332.31	\$211.11	\$138,268	276.54	\$127,097.99	\$254.20
TENANT SERVICES:	\$3,859	\$4.59	\$275.00	\$0.33	\$1,478	\$2.96	0.00	\$0.00
UTILITIES:								
Water	\$25,000	\$29.76	\$23,597.99	\$28.09	\$21,667	\$43.33	\$18,564.32	\$37.13
Electric	10,013	11.92	9,244.83	11.01	5,417	10.83	5,317.87	10.64
Gas	906	1.08	834.20	0.99	1,167	2.33	1,942.87	3.89
Other	20,094	23.92	19,497.64	23.21	12,500	25.00	12,664.45	25.33
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Total Utilities	\$56,013	\$66.68	\$53,174.66	\$63.30	\$40,750	\$81.50	\$38,489.51	\$76.98
MAINTENANCE AND OPERATIONS								
Labor	\$59,483	\$70.81	\$55,866.90	\$66.51	\$25,279	\$50.56	\$26,153.80	\$52.31
Materials	53,552	63.75	40,717.92	48.47	20,021	40.04	13,982.88	27.97
Contract Costs	54,727	65.15	49,299.67	58.69	54,238	108.48	40,321.39	80.64
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Maint. & Operations	\$167,763	\$199.72	\$145,884.49	\$173.67	\$99,538	\$199.08	\$80,458.07	\$160.92
GENERAL EXPENSES:								
Insurance	\$19,246	\$22.91	\$26,899.42	\$32.02	\$10,567	\$21.13	\$16,326.62	\$32.65
P.I.L.O.T.	24,225	28.84	27,990.28	33.32	15,204	30.41	18,530.76	37.06
Employee Benefits	74,638	88.85	47,608.78	56.68	40,108	80.22	33,805.88	67.61
Collection Losses	3,988	4.75	12,649.52	15.06	2,429	4.86	15,003.01	30.01
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Expenses	\$122,096	\$145.35	\$115,148.00	\$137.08	\$68,308	\$136.62	\$83,666.27	\$167.33
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$493,419	\$587.40	\$491,814.46	\$585.49	\$348,342	\$696.68	\$329,711.84	\$659.42
RESIDUAL RECEIPTS (DEFICIT)			\$74,684.96			\$59,116.49		
Receipts from Nonexpendable Equipment			0.00			0.00		
Property Betterment and Equipment			0.00			0.00		
Prior Period Adjustment			0.00			0.00		
			<hr/>			<hr/>		
RESIDUAL RECEIPTS(or DEFICIT)			\$74,684.96			\$59,116.49		
			=====			=====		
OPERATING RESERVE AS OF JUNE 30, 2016			\$243,569.11			\$97,581.81		
RESIDUAL RECEIPTS(or DEFICIT)			74,684.96			59,116.49		
			<hr/>			<hr/>		
CURRENT OPERATING RESERVE			318,254.07			156,698.30		
ACCOUNTS RECEIVABLE BALANCE			46,570.49			97,371.90		
			<hr/>			<hr/>		
ADJUSTED OPERATING RESERVE			271,683.58			59,326.40		
			<hr/>			<hr/>		
MAXIMUM OPERATING RESERVE APPROVED			592,102.50			367,977.50		
			=====			=====		
PERCENT OF MAXIMUM OPERATING RESERVE			45.88%			16.12%		

SECTION 802 - TRAVEL

Section 802.1 - Travel Expenses and Cost

Commissioners, staff and others carrying out assignments for the Authority will be reimbursed for travel expenses and travel costs.

Section 802.2 - Subsistence Expenses

Subsistence expenses, as used in this Section, shall include meals and/or room accommodations.

Section 802.3 - Incidental Expenses

Incidental expenses, as used in this Section, shall include reasonable services and/or materials while traveling and should not include items normally construed as personal expenses.

Section 802.4 - Travel Expense

Travel expenses, as used in this Section, shall include actual transportation expense, and shall be reimbursed for the cost of coach or tourist-class airline accommodations. The difference in cost between first class air accommodations and less-than-first-class accommodations is not allowable unless less-than-first-class air accommodations are not reasonably available or for reasons of traveler's health. Costs of taxi fares, telephone calls, secretarial services, and similar items, necessarily incident to the performance of official business, shall also be considered reimbursable items.

Section 802.5 - Reimbursement for Travel Expenses

Reimbursement for travel expenses can be authorized only for the cost of the most direct travel route available under normal conditions and for actual time spent in the conduct of Authority business and in going and returning therefrom.

Section 802.6 - Private Conveyance

In the event employees, on approval and for the Authority's convenience, use private conveyance in the routine performance of their normal duties, they shall be reimbursed for travel expenses as outlined above.

Section 802.7 - Determination of Subsistence Expenses

Subsistence expenses shall be determined on the following basis:

1. Commissioners and executive staff shall be paid ~~fifty one dollars (\$51.00)~~ per diem **rate according to the U.S. General Service Administration rates** or actual expenses for authorized business. Subsistence expenses in excess of ~~\$51.00~~ **the U.S. General Service Administration rates** per day shall be supported by receipts and/or other documentation of total actual expenses.
2. Other staff shall be paid ~~a maximum of fifty one dollars (\$51.00) per day,~~ **the per diem rate according to the U.S. General Service Administration rates** and all such expenses shall be supported by receipts and/or other documentation of actual expenses over the per diem amount allowable.

Section 802.8 - Personal Vehicle Reimbursement

Employees required to use personal vehicles for travel in performance of their duties shall be reimbursed at the rate allowable under I.R.S.

Regulations as determined and administered by the Finance Officer.

Section 802.9 - Driving Re-Examination

Due to the type or frequency of accidents or citations, there is an adverse effect on the employees duties, or on the insurance coverage available to the Housing Authority, the Authority may, at the discretion of the Executive Director, request a driving re-examination of any employee who has been involved in accidents or who has received traffic citations in such number or of such gravity as to be of concern to the Authority. Re-examinations may also be requested for an employee who is considered a problem driver during a road test or as a result of other observations, by the Department of Motor Vehicles and/or a licensed driving instructor.

SAFETY COMMUNICATION

AB 2188: Discrimination in employment: use of cannabis

What California Employers Need to Know



As of January 1, 2024, California employers will have to follow new rules regarding cannabis use by their employees. [AB 2188](#), signed by Governor Newsom in 2022, prohibits employers from discriminating against employees based on their use of cannabis off the job and away from the workplace or based on a drug screening test that detects non-psychoactive cannabis metabolites in their hair, blood, urine, or other bodily fluids. These metabolites do not indicate impairment, only that an individual has consumed cannabis in the last few weeks.

WHAT DOES AB 2188 MEAN FOR EMPLOYERS?

Employers should review and update their policies and practices related to cannabis use by their employees, especially in the following areas:

Drug testing

Employers can no longer use hair or urine tests that detect non-psychoactive cannabis, which can show traces of past use for days or weeks, as a basis for hiring, firing, or penalizing employees. Employers can still use blood tests (and other tests) that measure impairment by cannabis but only if they are consistent with state and federal laws.

Drug-free workplace

Employers can still prohibit employees from possessing or using cannabis on the job or at the workplace and from being impaired by cannabis while working. Employers should clearly communicate their expectations and consequences for violating their drug-free workplace policies.

Job applications

Employers can no longer ask job applicants about their prior use of cannabis or use information about their past use of cannabis related to their criminal history to discriminate against them, unless otherwise permitted by law. Employers should remove any questions or statements about cannabis use from their job applications and interview processes.

ARE THERE ANY EXCEPTIONS TO AB 2188?

Yes, AB 2188 does not apply to employees in the building and construction trades or to employees in positions that require a federal background investigation or security clearance through the United States Department of Defense. Employers should consult with legal counsel to determine if their employees fall under these exceptions.

WHAT SHOULD YOU DO TO COMPLY WITH AB 2188?

You should take the following steps:

- Review and revise your drug testing policies and procedures to exclude hair and urine tests for cannabis and to use tests that measure impairment by cannabis only when legally allowed.
- Review and revise your drug-free workplace policies and procedures to clarify the prohibition and consequences of cannabis use and impairment on the job and at the workplace and to provide reasonable accommodations for employees who use cannabis for medical purposes, as required by law.
- Review and revise your job applications and interview processes to remove any questions or statements about cannabis use and to avoid discriminating against applicants based on their past use of cannabis related to their criminal history, unless otherwise permitted by law.
- Train managers and supervisors on the new rules and expectations regarding cannabis use by employees and how to handle any issues or concerns that may arise.
- Educate employees on the new rules and expectations regarding cannabis use and their rights and responsibilities under AB 2188.
- Consult your legal counsel if you have any questions or concerns regarding AB 2188.

Resources

- [California Department of Fair Employment and Housing](#)
- [California Department of Industrial Relations](#)
- [California Cannabis Portal](#)

SECTION 804 - ALCOHOL AND DRUG ABUSE POLICY

Section 804.1 - Purpose

It is the intention of this Policy to eliminate substance abuse and its effect in the workplace. While the Housing Authority has no intention of intruding into private lives of its employees, involvement with drugs and alcohol both on and/or off the job can take its toll on job performance and employee safety. The Agency's concern is that all employees are in a condition to perform their duties safely and efficiently, in the interests of their fellow workers and the public as well as themselves. The presence of drugs and alcohol on the job, and the influence of these substances on employees during working hours are inconsistent with this objective. In recognition of the public-service responsibilities entrusted to the employees and/or the Agency, and that drug and alcohol usage can hinder a person's ability to perform duties safely, efficiently, and effectively, a policy against drug and alcohol abuse is hereby adopted by the Agency.

This policy provides guidelines for the detection and deterrence of alcohol and drug abuse. It also outlines the responsibilities of Agency managers and employees. To that end, the Agency will act to eliminate any substance abuse (alcohol, illegal drugs, prescription drugs or any other substance which could impair an employee's ability to perform safely, efficiently, and effectively the functions of the job) which increases the potential for accidents, absenteeism, substandard performance, poor employee morale or damage to the Agency's reputation. All persons covered by this policy should be aware that violations of this policy may result in discipline, up to and including termination, or in not being hired or promoted.

Supervisors will be trained to recognize abusers and become involved in this control process. Supervisors are strongly urged to encourage employees to get assistance, and employees who think they may have an alcohol or drug usage problem are strongly encouraged to voluntarily seek assistance. The Agency offers an Employee Assistance Program (EAP) for employees and their immediate family members. The EAP can provide employees with assistance with alcohol or drug usage problems.

Section 804.2 - Policy

It is Agency policy that employees shall not be under the influence or in possession of alcohol or drugs while on Agency property, at work locations, or while on duty or subject to being called on duty; shall not utilize, sell or provide drugs or alcohol to any other employee or to any person while such employee is on duty or subject to being called; nor have their ability to work impaired as a result of the use of alcohol or drugs.

While use of medically prescribed medications and drugs is not per se a violation of this policy, failure by the employee to notify his/her supervisor, before beginning work, when taking medications or drugs which could foresee ably interfere with the safe and effective performance of duties or operation of Agency equipment can result in discipline, up to and including termination. In the event there is a question regarding an employee's ability to perform safely and effectively assigned duties while using such medications or drugs, clearance from a qualified physician may be required.

The Agency reserves the right to conduct a reasonable search, without employee consent, of all areas and property in which the Agency maintains control or joint control with the employee. A reasonable search is one in which the Agency has a reasonable suspicion that illegal or unwanted chemicals or other substances and materials will be found. Otherwise, the Agency may notify the appropriate law enforcement agency that an employee may have illegal drugs in his or her possession or in an area not jointly or fully controlled by the Agency.

Refusal to submit immediately to an alcohol and/or drug analysis when requested by Agency management or law enforcement personnel shall constitute insubordination and will be grounds for discipline up to and including termination.

Employees reasonably believed to be under the influence of alcohol or drugs shall be prevented from engaging in further work and shall submit themselves (under the supervisor's direct guidance) for an immediate drug and/or alcohol analysis.

Section 804.3 - Application

This policy applies to all employees of and to all applicants for positions with the Housing Authority. This policy applies to alcohol and to all substances, drugs, or medications, legal or illegal, which could impair an employee's ability to perform the functions of the job efficiently, effectively and safely.

Section 804.4 - Employee Responsibilities

An employee must:

1. Not report to work or be subject to duty while his/her ability to perform job duties is impaired due to on or off duty alcohol or drugs;
2. Not possess or use alcohol or impairing drugs (illegal drugs and prescription drugs without a prescription) during working hours or while subject to duty, on breaks, during meal periods or at anytime while on Agency property;
3. Not directly or through a third party sell or provide drugs or alcohol to any person, including any employee, while either employee or both employees are on duty or subject to being called;
4. Submit immediately to an alcohol and drug test when requested by a responsible Agency representative ;
5. Notify his/her supervisor, before beginning work, when taking any medications or drugs, prescription or non-prescription, which may interfere with the date and effective performance of his/her duties or the operation of Agency equipment;
6. Provide within 24 hours of request a bona fide verification of a client valid prescription for any potentially impairing drug or medication identified when a drug screen/test is positive. The prescription must be in the employee's name; and

7. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than 5 days after such conviction.

Section 804.5 - Management Responsibilities and Guidelines

1. Managers and supervisors are responsible for reasonable enforcement of this policy.
2. Manager and supervisors may request that an employee submit to a drug and/or alcohol test when a manager or supervisor has a reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol while on the job or subject to being called. "Reasonable suspicion" is a belief based on objective facts sufficient to lead a reasonably prudent supervisor to suspect that an employee is under the influence of drugs or alcohol so that the employee's ability to perform the functions of the job is impaired or so that the employee's ability to perform his/her job safely is reduced. For example, any of the following, alone or in combination, may constitute reasonable suspicion.
 - a. Slurred speech;
 - b. Alcohol odor on breath;
 - c. Unsteady walking or movement;
 - d. An accident involving Agency property caused by the employee;
 - e. Physical altercations;
 - f. Verbal altercations;
 - g. Unusual behavior;
 - h. Possession of alcohol or drugs;
 1. Information obtained from a reliable person with personal knowledge.
3. Any manager or supervisor requesting an employee to submit to a drug and/or alcohol test should document in writing the facts constituting reasonable suspicion that the employee in question is intoxicated or under the influence of drugs.
4. Any manager or supervisor encountering an employee who refuses an order to submit to a drug and/or alcohol analysis upon request shall remind the employee of the requirements and disciplinary consequences of this policy. When there is reasonable suspicion that the employee is then under the influence of drugs or alcohol, the manager or supervisor should use immediate authority to obtain the employee's consent to personally escort the employee to a medical facility for testing and/or treatment. If the employee is not controllable, the appropriate law enforcement agency should be immediately contacted.
5. Managers and supervisors shall not physically search the person or employee, nor shall they search the personal possessions of an employee without the freely given consent of, and in the presence of, the employee. It is strongly advised to obtain the consent in writing.
6. Managers and supervisors shall notify the appropriate law enforcement agency when they have reasonable suspicion to believe that an employee may have illegal drugs in his/her possession or in an area not jointly or fully controlled by the Agency.

7. The Executive Director shall notify the granting agency within 10 ten after receiving notice of a conviction under Section 804.4, subparagraph 7, from the employee or otherwise receiving actual notice of such conviction.
8. The Housing Authority shall, within 30 days after receiving notice from an employee of a conviction pursuant to section 5 1 52(a)(1)(D)(ii) or 5 153(a)(1)(D)(ii) of the Anti-Drug Abuse Act:
 - a. Take appropriate personnel action against such employee up to and including termination; or
 - b. Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency.
9. The PHA will provide a notice to all personnel on the Drug Free Workplace.

Section 804.6 - Physical Examination and Procedure

The drug and/or alcohol examination may test for any substance which could impair an employee's ability to effectively and safely perform the functions of his/her job, including, but not limited to, prescription medications, heroin, cocaine, morphine and its derivatives, P.C.P., methadone, barbiturates, amphetamines, ~~marijuana and other cannabinoids~~. The attending physician shall determine the method in which the initial test will be conducted, how the sample will be processed after the drug and/or alcohol test is completed, and how a confirmatory test after an initial positive result will be performed.

Section 804.7 - Results of Drug And/Or Alcohol Analysis

1. Employment Physicals
 - a. A positive result from a drug and/or alcohol analysis, with the exception of -a positive result for non-psychoactive metabolites indicating use of Cannabis, may result in the applicant not being hired or promoted where the applicant's use of drugs and/or alcohol could affect requisite job standards, duties or responsibilities.
 - b. If a drug screen is positive at the employment physical, the applicant must provide within 24 hours of the request bona fide verification of a valid current prescription for the drug identified in the drug screen. If the prescription is not in the applicant's name or the applicant does not provide acceptable verification, or if the drug is one that is likely to impair the applicant's ability to perform the job duties, the applicant may not be hired.

2. During Employment Physicals or Alcohol/Drug Tests
 - a. A positive result from a drug and/or alcohol analysis may result in disciplinary action, up to and including termination, with the exception of a positive result for non-psychoactive metabolites indicating use of Cannabis,-
 - b. If the drug screen is positive, the employee must provide within 24 hours of request bona fide verification of a valid current prescription from the drug identified in the drug screen. The prescription must be in the employee's name. If the employee does not provide acceptable verification of a valid prescription, or if the prescription is not in the employee's name, or if the employee has not previously notified his or her supervisor, the employee will be subject to disciplinary action up to and including termination.
 - c. If an alcohol or drug test is positive for alcohol or drugs, the Agency shall conduct an investigation to gather all the facts. The decision to discipline or terminate will be carried out in conformance with the appropriate Personnel Policies.

Section 804.8 - Confidentiality

Laboratory reports or test results shall not appear in an employee's general personnel folder. Information of this nature will be contained in a separate confidential medical folder that will be securely kept under the control of the Personnel Manager. The reports or test results may be disclosed to Agency management on a strictly need-to-know basis and to the tested employee upon request. Disclosures, without patient consent, may also occur when:

1. The information is compelled by law or by judicial or administrative process.
2. The information has been placed at issue in a formal dispute between the employer and employee.
3. The information is to be used in administering an employee benefit program.
4. The information is needed by medical personnel for the diagnosis or treatment of the patient who is unable to authorize disclosure.
5. The information is required by a chemical dependency counselor to make an assessment and/or evaluation.

HOUSING AUTHORITY OF THE COUNTY OF KINGS

**Financial Data Schedules, Independent Auditors' Report on
Financial Data Schedules, and Independent Accountants' Report
on Applying Agreed-Upon Procedures**

Year Ended September 30, 2022

Independent Auditors' Report on Financial Data Schedules	1
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	2
Attachment to Independent Accountant's Report on Applying Agreed-Upon Procedures	4
Financial Data Schedules	5

INDEPENDENT AUDITORS' REPORT ON FINANCIAL DATA SCHEDULES

The Governing Body of
Housing Authority of the County of Kings

We have audited the basic financial statements of the Housing Authority of the County of Kings as of and for the year ended September 30, 2022, and have issued our report thereon dated March 13, 2024 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules are fairly stated in all material respects in relation to the financial statements as a whole.



March 13, 2024
Redlands, CA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Governing Body of
Housing Authority of the County of Kings

We have performed the procedure described in the third paragraph of this report, on the electronically submitted information included within the OMB Uniform Guidance reporting package. Housing Authority of the County of Kings (Authority) is responsible for the accuracy and completeness of the electronically submitted information.

The Authority and the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the electronically submitted information agrees with the related hard copy documents within the OMB Uniform Guidance reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

We compared the electronically submitted items listed in the "UFRS Rule Information" column of the matrix/chart on the Attachment I to this report with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the standards applicable to attestation engagements contained in 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 whether the electronically submitted information identified in the "UFRS Rule Information" column of the chart/matrix agrees with the related hard copy documents within the OMB Uniform Guidance reporting package. 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

We were engaged to perform an audit in accordance with *Government Auditing Standards* and the OMB Uniform Guidance by the Authority as of and for the period ending September 30, 2022 and have issued our reports thereon dated March 13, 2024. 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 supplementary information dated March 13, 2024, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the OMB Uniform Guidance reporting package, required by the Uniform Guidance, which includes the auditor's reports, is available in its entirety from the Authority. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report was intended solely for the information and use of the Authority and HUD and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Smith Marion : Co." The signature is written in a cursive style with a colon and the letters "Co." following the name.

March 13, 2024
Redlands, CA

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDAs, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data 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 G3000-050)	Schedule of Findings and Questioned Costs , Part 1 of OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs , Part 1 of 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

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022

PHA Code: CA053

FDS Line	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	14.HCC HCV CARES Act Funding
Balance Sheet					
111-000	Cash - Unrestricted	301,453	20,506	6,252	
112-000	Cash - Restricted - Modernization and Development				
113-000	Cash - Other Restricted			43,750	
113-010	Cash - Other restricted - HAP Funds			49,371	
113-020	Cash - Other Restricted - FSS Escrows	3,428			
113-030	Cash - Other Restricted - FSS escrow forfeitures				
114-000	Cash - Tenant Security Deposits				
115-000	Cash - Restricted for Payment of Current Liabilities				
100-000	Total Cash	304,881	20,506	99,373	
121-000	Accounts Receivable - PHA Projects	308,157			
122-000	Accounts Receivable - HUD Other Projects	95,157			
124-000	Accounts Receivable - Other Government				
125-000	Accounts Receivable - Miscellaneous				
126-000	Accounts Receivable - Tenants				
126-100	Allowance for Doubtful Accounts -Tenants				
126-200	Allowance for Doubtful Accounts - Other				
127-000	Notes, Loans, & Mortgages Receivable - current				
128-000	Fraud Recovery	77,952			
128-100	Allowance for Doubtful Accounts - Fraud	(74,900)			
129-000	Accrued Interest Receivable				
120-000	Total Receivables, Net of Allowances for Doubtful Accounts	406,366			
131-000	Investments - Unrestricted				
132-000	Investment Restricted - Other				
132-010	Investment Restricted - HAP				
135-000	Investments - Restricted for Payment of Current Liability				
142-000	Prepaid Expenses and Other Assets	25,035			
143-000	Inventories				
143-100	Allowance for Obsolete Inventories				
144-000	Inter Program - Due From				
145-000	Assets Held for Sale				
150-000	Total Current Assets	736,282	20,506	99,373	
161-000	Capital asset - land				
162-000	Capital asset - buildings				
163-000	Capital asset - dwelling equipment				
164-000	Capital asset - administration equipment	69,131			
165-000	Leasehold Improvements				
166-000	Capital asset - accumulated depreciation	(69,131)			
167-000	Construction in Progress				
168-000	Infrastructure				
160-000	Total Capital Assets, Net of Accumulated Depreciation				
171-000	Notes, Loans, & Mortgages Receivable - Non-current				
172-000	Notes, Loans, & Mortgages Receivable - Non-current - Past				
173-000	Grants Receivable - Non Current				
174-000-1	Other Assets - Miscellaneous				
174-000-2	Other Assets - Long-term Interest Receivable				
174-000-3	Other Assets - Pension				
174-000-4	Other Assets - OPEB				
174-000-5	Other Assets - lease receivable				
174-000-6	Leased asset - land				
174-000-7	Leased asset - buildings				
174-000-8	Leased asset - equipment				
174-000-9	Leased asset - accumulated amortization				
174-000-10	Subscription asset				
174-000-11	Subscription asset - accumulated amortization				
176-000	Investments in Joint Ventures				
180-000	Total Non-Current Assets				
200-000-1	Deferred Outflows of Resources - Pension	89,040			
200-000-2	Deferred Outflows of Resources - OPEB				
200-000-3	Deferred Outflows of Resources - Leases				
200-000-4	Deferred Outflows of Resources - Other				
200-000	Total Deferred Outflows of Resources	89,040			

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	14.HCC HCV CARES Act Funding
290-000	Total Assets and Deferred Outflow of Resources	825,322	20,506	99,373	
311-000	Bank Overdraft				
312-000	Accounts Payable <= 90 Days	125			
313-000	Accounts Payable >90 Days Past Due				
321-000	Accrued Wage/Payroll Taxes Payable				
322-000	Accrued Compensated Absences - Current Portion	15,626			
324-000	Accrued Contingency Liability				
325-000	Accrued Interest				
331-000	Accounts Payable - HUD PHA Programs				
332-000	Account Payable - PHA Projects				
333-000	Accounts Payable - Other Government				
341-000	Tenant Security Deposits				
342-010	Unearned Revenue - Operating Subsidy				
342-020	Unearned Revenue - Capital Fund				
342-030-1	Unearned Revenue - Prepaid Rent				
342-030-2	Unearned Revenue - Service Fees			43,750	
342-030-3	Unearned Revenue - HAP				
343-000	Current Portion of Long-term Debt - Capital				
344-000	Current Portion of Long-term Debt - Operating Borrowings				
345-000-1	Other Current Liabilities - miscellaneous	142,159			
345-000-2	Other Current Liabilities - lease obligation				
345-000-3	Other Current Liabilities - subscription obligation				
346-000	Accrued Liabilities - Other				
347-000	Inter Program - Due To				
348-000	Loan Liability				
310-000	Total Current Liabilities	157,910		43,750	
351-000	Long-term Debt - Capital				
352-000	Long-term Debt - Operating Borrowings				
353-000-1	Non Current Other Liabilities - Miscellaneous				
353-000-2	Non Current Other Liabilities - FSS Escrow	3,428			
353-000-3	Non Current Other Liabilities - Accrued interest payable				
353-000-4	Non Current Other Liabilities - Lease payable				
353-000-5	Non Current Other Liabilities - Subscriptions payable				
354-000	Accrued Compensated Absences - Non Current	15,876			
355-000	Loan Liability - Non-current				
356-000	FASB 5 Liabilities				
357-010	Pension Liability	39,123			
357-020	OPEB Liability				
350-000	Total Non-Current Liabilities	58,427			
300-000	Total Liabilities	216,337		43,750	
400-000-1	Deferred Inflows of Resources - Pension	117,659			
400-000-2	Deferred Inflows of Resources - OPEB				
400-000-3	Deferred Inflows of Resources - Leases				
400-000-4	Deferred Inflows of Resources - Other				
400-000	Total Deferred Inflow of Resources	117,659			
508-400	Net Investment in Capital Assets				
511-400	Restricted Net Position			49,371	
512-400	Unrestricted Net Position	491,326	20,506	6,252	
513-000	Total Equity - Net Assets / Position	491,326	20,506	55,623	
600-000	Total Liabilities, Deferred Inflows of Resources and Equity - Net	825,322	20,506	99,373	
Income Statement					
703-000	Net Tenant Rental Revenue				
704-000	Tenant Revenue - Other				
705-000	Total Tenant Revenue				
706-000	HUD PHA Operating Grants				189,465
706-010	Housing Assistance Payments	3,162,344		30,756	
706-020	Ongoing Administrative Fees Earned	512,524	2,546	2,084	
706-030	Service Fees Earned				

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	14.HCC HCV CARES Act Funding
706-040	Preliminary fees earned				
706-050	Placement fees earned				
706-060	All other fees			600	
706-100	Capital Grants				
707-100-1	Management fee - external				
707-100-2	Management fee - internal				
707-200	Asset Management Fee				
707-300	Book Keeping Fee				
707-400	Front Line Service Fee				
707-500-1	Other Fees - external				
707-500-2	Other Fees - internal				
707-000	Total Fee Revenue				
708-000-1	Other Government Grants - external				
708-000-2	Other Government Grants - internal				
711-000	Investment Income - Unrestricted				
711-010	Investment Income - Unrestricted - HAP				
711-020	Investment Income - Unrestricted - Administrative Fees				
712-000	Mortgage Interest Income				
713-000	Proceeds from Disposition of Assets Held for Sale				
713-100	Cost of Sale of Assets				
714-000	Fraud Recovery				
714-010	Fraud Recovery - HAP	18,040			
714-020	Fraud Recovery - Administrative Fees	18,039			
715-000	Other Revenue	12,673			
716-000	Gain or Loss on Sale of Capital Assets				
720-000	Investment Income - Restricted				
720-010	Investment Income - Restricted - HAP				
720-020	Investment Income - Restricted - Administrative Fees				
700-000	Total Revenue	3,723,620	2,546	33,440	189,465
911-000	Administrative Salaries	200,231			134,606
912-000	Auditing Fees	9,615			
913-000-1	Management Fee - external				
913-000-2	Management Fee - internal	102,505			
913-100	Book-keeping Fee	47,520			
914-000	Advertising and Marketing	2,080			
915-000	Employee Benefit contributions - Administrative	85,649			
916-000	Office Expenses	38,275			
917-000	Legal Expense	16,413			
918-000	Travel	226			
918-100	Allocated Overhead				
919-000-1	Other - external	20,716			
919-000-2	Other - internal				
910-000	Total Operating - Administrative	523,230			134,606
920-000	Asset Management Fee				
921-000	Tenant Services - Salaries				
922-000	Relocation Costs				
923-000	Employee Benefit Contributions - Tenant Services				
924-000	Tenant Services - Other				
925-000	Total Tenant Services				
931-000	Water				
932-000	Electricity				
933-000	Gas				
934-000	Fuel				
935-000	Labor				
936-000	Sewer				
937-000	Employee Benefit Contributions - Utilities				
938-000	Other Utilities Expense				
930-000	Total Utilities				
941-000	Ordinary Maintenance and Operations - Labor				
942-000	Ordinary Maintenance and Operations - Materials and Other	1,267			54,859

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	14.HCC HCV CARES Act Funding
943-010	Ordinary Maint. & Operations-Garbage & Trash				
943-020	Ordinary Maint. & Operations-HVAC				
943-030	Ordinary Maint. & Operations- Snow Removal				
943-040	Ordinary Maint. & Operations-Elevator				
943-050	Ordinary Maint. & Operations- Landscape & Grounds	653			
943-060	Ordinary Maint. & Operations- Unit Turnaround				
943-070	Ordinary Maint. & Operations- Electrical Contracts				
943-080	Ordinary Maint. & Operations- Plumbing Contracts				
943-090	Ordinary Maint. & Operations- Extermination				
943-100	Ordinary Maint. & Operations- Janitorial Contracts	1,671			
943-110	Ordinary Maint. & Operations- Routine Maintenance	21			
943-120	Ordinary Maint. & Operations- Misc. Contracts	1,152			
945-000	Employee Benefit Contributions - Ordinary Maintenance				
940-000	Total Maintenance	4,764			54,859
951-000	Protective Services - Labor				
952-000	Protective Services - Other Contract Costs	1,352			
953-000	Protective Services - Other				
955-000	Employee Benefit Contributions - Protective Services				
950-000	Total Protective Services	1,352			
961-100	Property Insurance				
961-200	Liability Insurance	5,100			
961-300	Workmen's Compensation	3,347			
961-400	All Other Insurance	473			
961-000	Total insurance Premiums	8,920			
962-000-1	Other General Expenses				
962-000-2	Other General Expenses - Lease asset amortization				
962-000-3	Other General Expenses - Subscription asset amortization				
962-100	Compensated Absences	(4,649)			
963-000	Payments in Lieu of Taxes				
964-000	Bad debt - Tenant Rents				
965-000	Bad debt - Mortgages				
966-000	Bad debt - Other				
968-000	Severance Expense				
960-000	Total Other General Expenses	(4,649)			
967-100	Interest - capital debt				
967-200-1	Interest - operating debt				
967-200-2	Interest - operating debt - leases				
967-200-3	Interest - operating debt - subscriptions				
967-300	Amortization of Bond Issue Costs				
967-000	Total Interest Expense and Amortization Cost				
969-000	Total Operating Expenses	533,617			189,465
970-000	Excess of Operating Revenue over Operating Expenses	3,190,003	2,546	33,440	
971-000	Extraordinary Maintenance				
972-000	Casualty Losses - Non-capitalized				
973-000	Non Housing Choice Voucher HAP		15,085	27,528	
973-010	One Year Mainstream				
973-020	Homeownership				
973-025	Litigation				
973-030	Hope VI				
973-035	Moving to Work				
973-040	Tenant Protection				
973-041	Portable				
973-045	FSS Escrow Deposits	2,932			
973-049	All Other Special Vouchers	54,119			
973-050-1	All Other Vouchers - external	3,711,789			
973-050-2	All Other Vouchers - internal				
973-500	HAP Portability-In	173,402			
974-000	Capital asset - depreciation				
975-000	Fraud Losses				
978-000	Dwelling Units Rent Expense				

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022

PHA Code: CA053

FDS Line	Description	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.EHV Emergency Housing Voucher	14.HCC HCV CARES Act Funding
900-000	Total Expenses	4,475,859	15,085	27,528	189,465
100-100	Operating Transfer In				
100-200	Operating transfer Out				
100-300	Operating Transfers from/to Primary Government				
100-400	Operating Transfers from/to Component Unit				
100-700	Extraordinary Items, Net Gain/Loss				
100-800	Special Items (Net Gain/Loss)				
100-910	Transfers between Project - In				
100-920	Transfers between Project - Out				
100-930	Transfers between Program and Project - In				
100-940	Transfers between Project and Program - Out				
101-000	Total Other financing Sources (Uses)				
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(752,239)	(12,539)	5,912	
1103-000	Beginning Equity	158,712			
1104-010	Prior Period Adjustments	1,167,609			
1104-070	Equity Transfers	(82,756)	33,045	49,711	

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	1 Business Activities	2 State/Local	COCC	14.PHC Public Housing CARES Act Funding
Balance Sheet					
111-000	Cash - Unrestricted	730,865		183,458	
112-000	Cash - Restricted - Modernization and Development				
113-000	Cash - Other Restricted				
113-010	Cash - Other restricted - HAP Funds				
113-020	Cash - Other Restricted - FSS Escrows				
113-030	Cash - Other Restricted - FSS escrow forfeitures				
114-000	Cash - Tenant Security Deposits	41,015			
115-000	Cash - Restricted for Payment of Current Liabilities				
100-000	Total Cash	771,880		183,458	
121-000	Accounts Receivable - PHA Projects				
122-000	Accounts Receivable - HUD Other Projects				
124-000	Accounts Receivable - Other Government				
125-000	Accounts Receivable - Miscellaneous	34,424			
126-000	Accounts Receivable - Tenants	54,927			
126-100	Allowance for Doubtful Accounts -Tenants	(53,559)			
126-200	Allowance for Doubtful Accounts - Other				
127-000	Notes, Loans, & Mortgages Receivable - current				
128-000	Fraud Recovery				
128-100	Allowance for Doubtful Accounts - Fraud				
129-000	Accrued Interest Receivable				
120-000	Total Receivables, Net of Allowances for Doubtful Accounts	35,792			
131-000	Investments - Unrestricted				
132-000	Investment Restricted - Other				
132-010	Investment Restricted - HAP				
135-000	Investments - Restricted for Payment of Current Liability				
142-000	Prepaid Expenses and Other Assets	24,756			
143-000	Inventories				
143-100	Allowance for Obsolete Inventories				
144-000	Inter Program - Due From				
145-000	Assets Held for Sale				
150-000	Total Current Assets	832,428		183,458	
161-000	Capital asset - land	513,559			
162-000	Capital asset - buildings	3,725,229			
163-000	Capital asset - dwelling equipment	27,127			
164-000	Capital asset - administration equipment	3,578			
165-000	Leasehold Improvements				
166-000	Capital asset - accumulated depreciation	(3,542,844)			
167-000	Construction in Progress				
168-000	Infrastructure				
160-000	Total Capital Assets, Net of Accumulated Depreciation	726,649			
171-000	Notes, Loans, & Mortgages Receivable - Non-current				
172-000	Notes, Loans, & Mortgages Receivable - Non-current - Past				
173-000	Grants Receivable - Non Current				
174-000-1	Other Assets - Miscellaneous				
174-000-2	Other Assets - Long-term Interest Receivable				
174-000-3	Other Assets - Pension				
174-000-4	Other Assets - OPEB				
174-000-5	Other Assets - lease receivable				
174-000-6	Leased asset - land				
174-000-7	Leased asset - buildings				
174-000-8	Leased asset - equipment				
174-000-9	Leased asset - accumulated amortization				
174-000-10	Subscription asset				
174-000-11	Subscription asset - accumulated amortization				
176-000	Investments in Joint Ventures				
180-000	Total Non-Current Assets	726,649			
200-000-1	Deferred Outflows of Resources - Pension	123,232			
200-000-2	Deferred Outflows of Resources - OPEB				
200-000-3	Deferred Outflows of Resources - Leases				
200-000-4	Deferred Outflows of Resources - Other				
200-000	Total Deferred Outflows of Resources	123,232			

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	1 Business Activities	2 State/Local	COCC	14.PHC Public Housing CARES Act Funding
290-000	Total Assets and Deferred Outflow of Resources	1,682,309		183,458	
311-000	Bank Overdraft				
312-000	Accounts Payable <= 90 Days	661			
313-000	Accounts Payable >90 Days Past Due				
321-000	Accrued Wage/Payroll Taxes Payable				
322-000	Accrued Compensated Absences - Current Portion	17,344		20,257	
324-000	Accrued Contingency Liability				
325-000	Accrued Interest				
331-000	Accounts Payable - HUD PHA Programs				
332-000	Account Payable - PHA Projects				
333-000	Accounts Payable - Other Government	207,978			
341-000	Tenant Security Deposits	41,015			
342-010	Unearned Revenue - Operating Subsidy				
342-020	Unearned Revenue - Capital Fund				
342-030-1	Unearned Revenue - Prepaid Rent				
342-030-2	Unearned Revenue - Service Fees				
342-030-3	Unearned Revenue - HAP				
343-000	Current Portion of Long-term Debt - Capital	47,681			
344-000	Current Portion of Long-term Debt - Operating Borrowings				
345-000-1	Other Current Liabilities - miscellaneous	217			
345-000-2	Other Current Liabilities - lease obligation				
345-000-3	Other Current Liabilities - subscription obligation				
346-000	Accrued Liabilities - Other				
347-000	Inter Program - Due To				
348-000	Loan Liability				
310-000	Total Current Liabilities	314,896		20,257	
351-000	Long-term Debt - Capital	959,610			
352-000	Long-term Debt - Operating Borrowings				
353-000-1	Non Current Other Liabilities - Miscellaneous				
353-000-2	Non Current Other Liabilities - FSS Escrow				
353-000-3	Non Current Other Liabilities - Accrued interest payable				
353-000-4	Non Current Other Liabilities - Lease payable				
353-000-5	Non Current Other Liabilities - Subscriptions payable				
354-000	Accrued Compensated Absences - Non Current	20,483		41,885	
355-000	Loan Liability - Non-current				
356-000	FASB 5 Liabilities				
357-010	Pension Liability	184,850			
357-020	OPEB Liability				
350-000	Total Non-Current Liabilities	1,164,943		41,885	
300-000	Total Liabilities	1,479,839		62,142	
400-000-1	Deferred Inflows of Resources - Pension	25,254			
400-000-2	Deferred Inflows of Resources - OPEB				
400-000-3	Deferred Inflows of Resources - Leases				
400-000-4	Deferred Inflows of Resources - Other				
400-000	Total Deferred Inflow of Resources	25,254			
508-400	Net Investment in Capital Assets	(280,642)			
511-400	Restricted Net Position				
512-400	Unrestricted Net Position	457,858		121,316	
513-000	Total Equity - Net Assets / Position	177,216		121,316	
600-000	Total Liabilities, Deferred Inflows of Resources and Equity - Net	1,682,309		183,458	
Income Statement					
703-000	Net Tenant Rental Revenue	562,601			
704-000	Tenant Revenue - Other	14,526			
705-000	Total Tenant Revenue	577,127			
706-000	HUD PHA Operating Grants				
706-010	Housing Assistance Payments				
706-020	Ongoing Administrative Fees Earned				
706-030	Service Fees Earned				

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	1 Business Activities	2 State/Local	COCC	14.PHC Public Housing CARES Act Funding
706-040	Preliminary fees earned				
706-050	Placement fees earned				
706-060	All other fees				
706-100	Capital Grants				
707-100-1	Management fee - external				
707-100-2	Management fee - internal			341,254	
707-200	Asset Management Fee			30,000	
707-300	Book Keeping Fee			70,574	
707-400	Front Line Service Fee				
707-500-1	Other Fees - external				
707-500-2	Other Fees - internal				
707-000	Total Fee Revenue			441,828	
708-000-1	Other Government Grants - external				
708-000-2	Other Government Grants - internal				
711-000	Investment Income - Unrestricted	17,914			
711-010	Investment Income - Unrestricted - HAP				
711-020	Investment Income - Unrestricted - Administrative Fees				
712-000	Mortgage Interest Income				
713-000	Proceeds from Disposition of Assets Held for Sale				
713-100	Cost of Sale of Assets				
714-000	Fraud Recovery				
714-010	Fraud Recovery - HAP				
714-020	Fraud Recovery - Administrative Fees				
715-000	Other Revenue	17,821			
716-000	Gain or Loss on Sale of Capital Assets				
720-000	Investment Income - Restricted				
720-010	Investment Income - Restricted - HAP				
720-020	Investment Income - Restricted - Administrative Fees				
700-000	Total Revenue	612,862		441,828	
911-000	Administrative Salaries	69,983		185,808	
912-000	Auditing Fees	15,468			
913-000-1	Management Fee - external				
913-000-2	Management Fee - internal				
913-100	Book-keeping Fee				
914-000	Advertising and Marketing				
915-000	Employee Benefit contributions - Administrative	94,202		88,077	
916-000	Office Expenses	9,616		2,922	
917-000	Legal Expense	10,000			
918-000	Travel	12			
918-100	Allocated Overhead				
919-000-1	Other - external	32,257		26,536	
919-000-2	Other - internal				
910-000	Total Operating - Administrative	231,538		303,343	
920-000	Asset Management Fee				
921-000	Tenant Services - Salaries				
922-000	Relocation Costs				
923-000	Employee Benefit Contributions - Tenant Services				
924-000	Tenant Services - Other	171			
925-000	Total Tenant Services	171			
931-000	Water	31,990			
932-000	Electricity	10,847			
933-000	Gas	1,547			
934-000	Fuel				
935-000	Labor				
936-000	Sewer				
937-000	Employee Benefit Contributions - Utilities				
938-000	Other Utilities Expense	28,344			
930-000	Total Utilities	72,728			
941-000	Ordinary Maintenance and Operations - Labor	73,169			
942-000	Ordinary Maintenance and Operations - Materials and Other	29,668		2,389	

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	1 Business Activities	2 State/Local	COCC	14.PHC Public Housing CARES Act Funding
943-010	Ordinary Maint. & Operations-Garbage & Trash	22,883			
943-020	Ordinary Maint. & Operations-HVAC				
943-030	Ordinary Maint. & Operations- Snow Removal				
943-040	Ordinary Maint. & Operations-Elevator				
943-050	Ordinary Maint. & Operations- Landscape & Grounds	7,538		1,018	
943-060	Ordinary Maint. & Operations- Unit Turnaround				
943-070	Ordinary Maint. & Operations- Electrical Contracts				
943-080	Ordinary Maint. & Operations- Plumbing Contracts				
943-090	Ordinary Maint. & Operations- Extermination	6,598			
943-100	Ordinary Maint. & Operations- Janitorial Contracts	758		2,604	
943-110	Ordinary Maint. & Operations- Routine Maintenance	8,532			
943-120	Ordinary Maint. & Operations- Misc. Contracts	7,817		1,042	
945-000	Employee Benefit Contributions - Ordinary Maintenance			40	
940-000	Total Maintenance	156,963		7,093	
951-000	Protective Services - Labor				
952-000	Protective Services - Other Contract Costs	1,712		161	
953-000	Protective Services - Other				
955-000	Employee Benefit Contributions - Protective Services				
950-000	Total Protective Services	1,712		161	
961-100	Property Insurance	18,169			
961-200	Liability Insurance	4,504			
961-300	Workmen's Compensation	8,588		2,689	
961-400	All Other Insurance	721			
961-000	Total insurance Premiums	31,982		2,689	
962-000-1	Other General Expenses	2,491			
962-000-2	Other General Expenses - Lease asset amortization				
962-000-3	Other General Expenses - Subscription asset amortization				
962-100	Compensated Absences	43,010		6,401	
963-000	Payments in Lieu of Taxes	23,217			
964-000	Bad debt - Tenant Rents	4,269			
965-000	Bad debt - Mortgages				
966-000	Bad debt - Other				
968-000	Severance Expense				
960-000	Total Other General Expenses	72,987		6,401	
967-100	Interest - capital debt	33,295			
967-200-1	Interest - operating debt				
967-200-2	Interest - operating debt - leases				
967-200-3	Interest - operating debt - subscriptions				
967-300	Amortization of Bond Issue Costs				
967-000	Total Interest Expense and Amortization Cost	33,295			
969-000	Total Operating Expenses	601,376		319,687	
970-000	Excess of Operating Revenue over Operating Expenses	11,486		122,141	
971-000	Extraordinary Maintenance				
972-000	Casualty Losses - Non-capitalized				
973-000	Non Housing Choice Voucher HAP				
973-010	One Year Mainstream				
973-020	Homeownership				
973-025	Litigation				
973-030	Hope VI				
973-035	Moving to Work				
973-040	Tenant Protection				
973-041	Portable				
973-045	FSS Escrow Deposits				
973-049	All Other Special Vouchers				
973-050-1	All Other Vouchers - external				
973-050-2	All Other Vouchers - internal				
973-500	HAP Portability-In				
974-000	Capital asset - depreciation				
975-000	Fraud Losses				
978-000	Dwelling Units Rent Expense				

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	1 Business Activities	2 State/Local	COCC	14.PHC Public Housing CARES Act Funding
900-000	Total Expenses	601,376		319,687	
100-100	Operating Transfer In				
100-200	Operating transfer Out				
100-300	Operating Transfers from/to Primary Government				
100-400	Operating Transfers from/to Component Unit				
100-700	Extraordinary Items, Net Gain/Loss				
100-800	Special Items (Net Gain/Loss)				
100-910	Transfers between Project - In				
100-920	Transfers between Project - Out				
100-930	Transfers between Program and Project - In				
100-940	Transfers between Project and Program - Out				
101-000	Total Other financing Sources (Uses)				
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	11,486		122,141	
1103-000	Beginning Equity	(581,228)	709,278	(825)	
1104-010	Prior Period Adjustments	37,680			
1104-070	Equity Transfers	709,278	(709,278)		

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	Total Projects	ELIM	Total
Balance Sheet				
111-000	Cash - Unrestricted	2,247,593		3,490,127
112-000	Cash - Restricted - Modernization and Development			
113-000	Cash - Other Restricted			43,750
113-010	Cash - Other restricted - HAP Funds			49,371
113-020	Cash - Other Restricted - FSS Escrows			3,428
113-030	Cash - Other Restricted - FSS escrow forfeitures			
114-000	Cash - Tenant Security Deposits	83,504		124,519
115-000	Cash - Restricted for Payment of Current Liabilities			
100-000	Total Cash	2,331,097		3,711,195
121-000	Accounts Receivable - PHA Projects			308,157
122-000	Accounts Receivable - HUD Other Projects			95,157
124-000	Accounts Receivable - Other Government			
125-000	Accounts Receivable - Miscellaneous			34,424
126-000	Accounts Receivable - Tenants	205,708		260,635
126-100	Allowance for Doubtful Accounts - Tenants	(162,751)		(216,310)
126-200	Allowance for Doubtful Accounts - Other			
127-000	Notes, Loans, & Mortgages Receivable - current			
128-000	Fraud Recovery			77,952
128-100	Allowance for Doubtful Accounts - Fraud			(74,900)
129-000	Accrued Interest Receivable			
120-000	Total Receivables, Net of Allowances for Doubtful Accounts	42,957		485,115
131-000	Investments - Unrestricted			
132-000	Investment Restricted - Other			
132-010	Investment Restricted - HAP			
135-000	Investments - Restricted for Payment of Current Liability			
142-000	Prepaid Expenses and Other Assets	82,887		132,678
143-000	Inventories			
143-100	Allowance for Obsolete Inventories			
144-000	Inter Program - Due From			
145-000	Assets Held for Sale			
150-000	Total Current Assets	2,456,941		4,328,988
161-000	Capital asset - land	2,538,729		3,052,288
162-000	Capital asset - buildings	17,258,396		20,983,625
163-000	Capital asset - dwelling equipment	2,145,822		2,172,949
164-000	Capital asset - administration equipment	774,360		847,069
165-000	Leasehold Improvements			
166-000	Capital asset - accumulated depreciation	(18,127,522)		(21,739,497)
167-000	Construction in Progress	1,814,519		1,814,519
168-000	Infrastructure			
160-000	Total Capital Assets, Net of Accumulated Depreciation	6,404,304		7,130,953
171-000	Notes, Loans, & Mortgages Receivable - Non-current			
172-000	Notes, Loans, & Mortgages Receivable - Non-current - Past			
173-000	Grants Receivable - Non Current			
174-000-1	Other Assets - Miscellaneous			
174-000-2	Other Assets - Long-term Interest Receivable			
174-000-3	Other Assets - Pension			
174-000-4	Other Assets - OPEB			
174-000-5	Other Assets - lease receivable			
174-000-6	Leased asset - land			
174-000-7	Leased asset - buildings			
174-000-8	Leased asset - equipment			
174-000-9	Leased asset - accumulated amortization			
174-000-10	Subscription asset			
174-000-11	Subscription asset - accumulated amortization			
176-000	Investments in Joint Ventures			
180-000	Total Non-Current Assets	6,404,304		7,130,953
200-000-1	Deferred Outflows of Resources - Pension	169,475		381,747
200-000-2	Deferred Outflows of Resources - OPEB			
200-000-3	Deferred Outflows of Resources - Leases			
200-000-4	Deferred Outflows of Resources - Other			
200-000	Total Deferred Outflows of Resources	169,475		381,747

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	Total Projects	ELIM	Total
290-000	Total Assets and Deferred Outflow of Resources	9,030,720		11,841,688
311-000	Bank Overdraft			
312-000	Accounts Payable <= 90 Days	32,648		33,434
313-000	Accounts Payable >90 Days Past Due			
321-000	Accrued Wage/Payroll Taxes Payable			
322-000	Accrued Compensated Absences - Current Portion	49,769		102,996
324-000	Accrued Contingency Liability			
325-000	Accrued Interest			
331-000	Accounts Payable - HUD PHA Programs			
332-000	Account Payable - PHA Projects			
333-000	Accounts Payable - Other Government	219,838		427,816
341-000	Tenant Security Deposits	83,504		124,519
342-010	Unearned Revenue - Operating Subsidy			
342-020	Unearned Revenue - Capital Fund			
342-030-1	Unearned Revenue - Prepaid Rent			
342-030-2	Unearned Revenue - Service Fees			43,750
342-030-3	Unearned Revenue - HAP			
343-000	Current Portion of Long-term Debt - Capital			47,681
344-000	Current Portion of Long-term Debt - Operating Borrowings			
345-000-1	Other Current Liabilities - miscellaneous			142,376
345-000-2	Other Current Liabilities - lease obligation			
345-000-3	Other Current Liabilities - subscription obligation			
346-000	Accrued Liabilities - Other			
347-000	Inter Program - Due To			
348-000	Loan Liability			
310-000	Total Current Liabilities	385,759		922,572
351-000	Long-term Debt - Capital			959,610
352-000	Long-term Debt - Operating Borrowings			
353-000-1	Non Current Other Liabilities - Miscellaneous			
353-000-2	Non Current Other Liabilities - FSS Escrow			3,428
353-000-3	Non Current Other Liabilities - Accrued interest payable			
353-000-4	Non Current Other Liabilities - Lease payable			
353-000-5	Non Current Other Liabilities - Subscriptions payable			
354-000	Accrued Compensated Absences - Non Current	30,007		108,251
355-000	Loan Liability - Non-current			
356-000	FASB 5 Liabilities			
357-010	Pension Liability	71,570		295,543
357-020	OPEB Liability			
350-000	Total Non-Current Liabilities	101,577		1,366,832
300-000	Total Liabilities	487,336		2,289,404
400-000-1	Deferred Inflows of Resources - Pension	196,791		339,704
400-000-2	Deferred Inflows of Resources - OPEB			
400-000-3	Deferred Inflows of Resources - Leases			
400-000-4	Deferred Inflows of Resources - Other			
400-000	Total Deferred Inflow of Resources	196,791		339,704
508-400	Net Investment in Capital Assets	6,404,304		6,123,662
511-400	Restricted Net Position			49,371
512-400	Unrestricted Net Position	1,942,289		3,039,547
513-000	Total Equity - Net Assets / Position	8,346,593		9,212,580
600-000	Total Liabilities, Deferred Inflows of Resources and Equity - Net	9,030,720		11,841,688
Income Statement				
703-000	Net Tenant Rental Revenue	1,198,563		1,761,164
704-000	Tenant Revenue - Other	70,061		84,587
705-000	Total Tenant Revenue	1,268,624		1,845,751
706-000	HUD PHA Operating Grants	1,141,214		1,330,679
706-010	Housing Assistance Payments			3,193,100
706-020	Ongoing Administrative Fees Earned			517,154
706-030	Service Fees Earned			

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	Total Projects	ELIM	Total
706-040	Preliminary fees earned			
706-050	Placement fees earned			
706-060	All other fees			600
706-100	Capital Grants	300,894		300,894
707-100-1	Management fee - external			
707-100-2	Management fee - internal		(341,254)	
707-200	Asset Management Fee		(30,000)	
707-300	Book Keeping Fee		(70,574)	
707-400	Front Line Service Fee			
707-500-1	Other Fees - external			
707-500-2	Other Fees - internal			
707-000	Total Fee Revenue		(441,828)	
708-000-1	Other Government Grants - external			
708-000-2	Other Government Grants - internal			
711-000	Investment Income - Unrestricted	1,535		19,449
711-010	Investment Income - Unrestricted - HAP			
711-020	Investment Income - Unrestricted - Administrative Fees			
712-000	Mortgage Interest Income			
713-000	Proceeds from Disposition of Assets Held for Sale			
713-100	Cost of Sale of Assets			
714-000	Fraud Recovery			
714-010	Fraud Recovery - HAP			18,040
714-020	Fraud Recovery - Administrative Fees			18,039
715-000	Other Revenue	25,854		56,348
716-000	Gain or Loss on Sale of Capital Assets			
720-000	Investment Income - Restricted			
720-010	Investment Income - Restricted - HAP			
720-020	Investment Income - Restricted - Administrative Fees			
700-000	Total Revenue	2,738,121	(441,828)	7,300,054
911-000	Administrative Salaries	179,202		769,830
912-000	Auditing Fees	6,918		32,001
913-000-1	Management Fee - external			
913-000-2	Management Fee - internal	238,749	(341,254)	
913-100	Book-keeping Fee	23,054	(70,574)	
914-000	Advertising and Marketing	3,200		5,280
915-000	Employee Benefit contributions - Administrative	196,372		464,300
916-000	Office Expenses	52,492		103,305
917-000	Legal Expense	30,524		56,937
918-000	Travel	83		321
918-100	Allocated Overhead			
919-000-1	Other - external	7,503		87,012
919-000-2	Other - internal			
910-000	Total Operating - Administrative	738,097	(411,828)	1,518,986
920-000	Asset Management Fee	30,000	(30,000)	
921-000	Tenant Services - Salaries			
922-000	Relocation Costs			
923-000	Employee Benefit Contributions - Tenant Services			
924-000	Tenant Services - Other	866		1,037
925-000	Total Tenant Services	866		1,037
931-000	Water	103,865		135,855
932-000	Electricity	35,204		46,051
933-000	Gas	3,996		5,543
934-000	Fuel			
935-000	Labor			
936-000	Sewer			
937-000	Employee Benefit Contributions - Utilities			
938-000	Other Utilities Expense	77,495		105,839
930-000	Total Utilities	220,560		293,288
941-000	Ordinary Maintenance and Operations - Labor	192,718		265,887
942-000	Ordinary Maintenance and Operations - Materials and Other	97,325		185,508

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022
 PHA Code: CA053

FDS Line	Description	Total Projects	ELIM	Total
943-010	Ordinary Maint. & Operations-Garbage & Trash	101,753		124,636
943-020	Ordinary Maint. & Operations-HVAC			
943-030	Ordinary Maint. & Operations- Snow Removal			
943-040	Ordinary Maint. & Operations-Elevator			
943-050	Ordinary Maint. & Operations- Landscape & Grounds	52,661		61,870
943-060	Ordinary Maint. & Operations- Unit Turnaround			
943-070	Ordinary Maint. & Operations- Electrical Contracts			
943-080	Ordinary Maint. & Operations- Plumbing Contracts			
943-090	Ordinary Maint. & Operations- Extermination	21,233		27,831
943-100	Ordinary Maint. & Operations- Janitorial Contracts			5,033
943-110	Ordinary Maint. & Operations- Routine Maintenance	106,168		114,721
943-120	Ordinary Maint. & Operations- Misc. Contracts	10,812		20,823
945-000	Employee Benefit Contributions - Ordinary Maintenance	2		42
940-000	Total Maintenance	582,672		806,351
951-000	Protective Services - Labor			
952-000	Protective Services - Other Contract Costs	891		4,116
953-000	Protective Services - Other			
955-000	Employee Benefit Contributions - Protective Services			
950-000	Total Protective Services	891		4,116
961-100	Property Insurance	58,060		76,229
961-200	Liability Insurance	8,210		17,814
961-300	Workmen's Compensation	21,300		35,924
961-400	All Other Insurance	4,993		6,187
961-000	Total insurance Premiums	92,563		136,154
962-000-1	Other General Expenses	72,470		74,961
962-000-2	Other General Expenses - Lease asset amortization			
962-000-3	Other General Expenses - Subscription asset amortization			
962-100	Compensated Absences	(6,080)		38,682
963-000	Payments in Lieu of Taxes	97,802		121,019
964-000	Bad debt - Tenant Rents	21,605		25,874
965-000	Bad debt - Mortgages			
966-000	Bad debt - Other			
968-000	Severance Expense			
960-000	Total Other General Expenses	185,797		260,536
967-100	Interest - capital debt			33,295
967-200-1	Interest - operating debt			
967-200-2	Interest - operating debt - leases			
967-200-3	Interest - operating debt - subscriptions			
967-300	Amortization of Bond Issue Costs			
967-000	Total Interest Expense and Amortization Cost			33,295
969-000	Total Operating Expenses	1,851,446	(441,828)	3,053,763
970-000	Excess of Operating Revenue over Operating Expenses	886,675		4,246,291
971-000	Extraordinary Maintenance			
972-000	Casualty Losses - Non-capitalized			
973-000	Non Housing Choice Voucher HAP			42,613
973-010	One Year Mainstream			
973-020	Homeownership			
973-025	Litigation			
973-030	Hope VI			
973-035	Moving to Work			
973-040	Tenant Protection			
973-041	Portable			
973-045	FSS Escrow Deposits			2,932
973-049	All Other Special Vouchers			54,119
973-050-1	All Other Vouchers - external			3,711,789
973-050-2	All Other Vouchers - internal			
973-500	HAP Portability-In			173,402
974-000	Capital asset - depreciation	506,108		506,108
975-000	Fraud Losses			
978-000	Dwelling Units Rent Expense			

HOUSING AUTHORITY OF THE COUNTY OF KINGS

FYE: 9/30/2022

PHA Code: CA053

FDS Line	Description	Total Projects	ELIM	Total
900-000	Total Expenses	2,357,554	(441,828)	7,544,726
100-100	Operating Transfer In	286,788	(286,788)	
100-200	Operating transfer Out	(286,788)	286,788	
100-300	Operating Transfers from/to Primary Government			
100-400	Operating Transfers from/to Component Unit			
100-700	Extraordinary Items, Net Gain/Loss			
100-800	Special Items (Net Gain/Loss)			
100-910	Transfers between Project - In	8,272	(8,272)	
100-920	Transfers between Project - Out	(8,272)	8,272	
100-930	Transfers between Program and Project - In			
100-940	Transfers between Project and Program - Out			
101-000	Total Other financing Sources (Uses)			
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	380,567		(244,672)
1103-000	Beginning Equity	6,956,515		7,242,452
1104-010	Prior Period Adjustments	1,009,511		2,214,800
1104-070	Equity Transfers			

HOUSING AUTHORITY OF THE COUNTY OF KINGS

Financial Statements and Independent Auditors' Reports

Year Ended September 30, 2022

List of Principal Officials.....	1
Independent Auditors' Report.....	2
Management's Discussion and Analysis (Required Supplemental Information – Unaudited).....	5
Audited Financial Statements.....	9
Statement of Net Position	9
Statement of Revenues, Expenses, and Changes in Fund Net Position	11
Statement of Cash Flows	12
Notes to Financial Statements	14
Supplemental Information	24
Schedule of Expenditures of Federal Awards	24
Statement and Certification of Actual Costs.....	25
Compliance Information.....	26
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	26
Independent Auditors' Report On Compliance For Each Major Federal Program; And Report On Internal Control Over Compliance In Accordance With The Uniform Guidance	28
Schedule of Findings and Questioned Costs	31
Status of Prior Audit Findings	34
Corrective Action Plan	35

The following table lists the Board Members as of September 30, 2022:

Richard Valle	Chair
Doug Verboon.....	Vice Chair
Richard Fagundes	Commissioner
Joe Neves	Commissioner
Rusty Robinson	Commissioner

In addition to the above Commissioners, the Administrator of the Housing Authority is Sandra Jackson-Bobo, who serves as the Executive Director.

INDEPENDENT AUDITORS' REPORT

The Governing Body of
Housing Authority of the County of Kings

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

We have audited the financial statements of the business-type activities of the Housing Authority of the County of Kings (Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the effects, of the matter described in the Basis for Qualified, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of September 30, 2022, and the changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR QUALIFIED OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

MATTERS GIVING RISE TO QUALIFIED OPINION

Management has not maintained a current capital asset listing or conducted regular inventory of capital assets, which is crucial for verifying capital asset balances and depreciation calculations. This omission contravenes U.S. Generally Accepted Accounting Principles, which necessitate accurate record-keeping of capital assets for proper depreciation and financial reporting. The amount by which this departure would affect the capital assets, net position, and depreciation expenses has not been determined.

In addition to the previously identified matter, the Authority's pension plan has not been measured and valued by an actuary, as mandated by the Governmental Accounting Standards Board (GASB) Statement No. 68. GASB 68 requires that public entity pension plans be subject to actuarial valuation to accurately assess and report the obligations and costs associated with employee retirement benefits. The failure to obtain an actuarial valuation undermines the reliability of pension liability estimations in the financial statements. The amount by which this departure would affect the net pension liability, deferred inflows, deferred outflows, net position, and pension expenses has not been determined.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

(1) Exercise professional judgment and maintain professional skepticism throughout the audit; (2) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements; (3) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed; (4) Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; (5) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Additionally, the schedule of the pension plan's contributions and net pension liability and related ratios are required, however those schedules have been omitted by management. 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 opinions on the financial statements that collectively comprise the Authority's financial statements.

The schedule of expenditures of federal awards, required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

In addition, the accompanying statement and certification of actual costs, required by the U.S. Department of Housing and Urban Development, is presented for the purpose of additional analysis and are not a required part of the basic financial statements.

That information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2024 on our consideration of the Authority's internal control over financial reporting and 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 Authority'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 the Authority's internal control over financial reporting and compliance.



March 13, 2024
Redlands, CA

The Housing Authority of the County of Kings's (Authority, we, us, our) Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of our financial activity, (c) identify changes in our financial position and its resulting ability to address the next and subsequent year challenges, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with our financial statements.

FINANCIAL HIGHLIGHTS

- The Net Position of the Authority increased \$1.8M (17.9%) as of Housing Authority of the County of Kings 2022, over the prior year.
- The Authority's total assets of \$11.5M as of 2022, increased \$1.8M (18.6%) from the prior year.
- The Authority's total liabilities of \$2.3M as of 2022, decreased \$187K (-7.6%) from the prior year.
- Total operating revenues decreased \$1.2M (15.1%) from the prior year.
- Total operating expenses decreased \$1.1M (-12.5%) from the prior year.
- The Authority had \$701,040 non-operating expenses for the year ended September 30, 2022, which was a decrease of \$32,667 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report consists of two parts: management's discussion and analysis and the basic financial statements. The Authority follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the activities and operations of the Authority. While detailed sub-fund information is not presented, separate accounts are maintained for each program of the Authority.

The financial statements include a statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows and notes to the financial statements. The statement of net position provides a record or snapshot of the assets and liabilities at the close of the fiscal year. It presents the financial position of the Authority on a full accrual historical cost basis. The statement of revenues, expenses and changes in net position presents the results of the business activities over the course of the fiscal year. The statement of cash flows is related to the other financial statements by the way it links changes in assets and liabilities to the effects on cash and cash equivalents over the course of the fiscal year. The notes to the financial statements provide useful information regarding the Authority's significant accounting policies, significant account balances and activities, certain material risks, obligations, commitments, contingencies and subsequent events.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

The following table reflects the condensed Statement of Net Position compared to prior year.

	2022	2021	Change	
			Dollar	Percentage
Cash and equivalents	\$ 3,711,195	\$ 2,059,455	\$ 1,651,740	80.2%
Other current assets	617,793	845,767	(227,974)	(27.0%)
Total current assets	4,328,988	2,905,222	1,423,766	49.0%
Net capital assets	7,130,953	6,719,110	411,843	6.1%
Other non-current assets	-	38,404	(38,404)	(100.0%)
Total non-current assets	7,130,953	6,757,514	373,439	5.5%
Total assets	11,459,941	9,662,736	1,797,205	18.6%
Deferred outflows of resources	381,747	385,143	(3,396)	(0.9%)
Total	\$ 11,841,688	\$ 10,047,879	\$ 1,793,809	17.9%
Current liabilities	\$ 922,572	\$ 994,144	\$ (71,572)	(7.2%)
Non-current liabilities	1,366,832	1,482,253	(115,421)	(7.8%)
Total liabilities	2,289,404	2,476,397	(186,993)	(7.6%)
Deferred inflows of resources	339,704	329,030	10,674	3.2%
Net investment in capital assets	6,123,662	6,719,110	(595,448)	(8.9%)
Restricted net position	49,371	222,667	(173,296)	(77.8%)
Unrestricted net position	3,039,547	300,675	2,738,872	>100%
Total net position	9,212,580	7,242,452	1,970,128	27.2%
Total	\$ 11,841,688	\$ 10,047,879	\$ 1,793,809	17.9%

Major Factors Affecting the Statement of Net Position

The following is an explanation of the changes between fiscal years as shown in the table above:

- Current assets increased by \$1.4M or 49% from the prior fiscal year. The change was primarily due to an increase in operating cash and equivalents.
- Capital assets increased by \$411K or 6.1% from the prior fiscal year. This was attributable to the addition of construction in progress through the Capital Fund Program for Public Housing.
- Current liabilities decreased by \$72K or -7.2% from the prior fiscal year. The change is due to increases in accounts payable, accrued wages, and prepaid rents.
- Non-current liabilities decreased by \$115K or 7.8%, which was primarily attributable to payments made on debt.

Revenues, Expenses, and Changes in Net Position

The following schedule compares the revenues and expenses for the current and previous fiscal year.

	2022	2021	Change	
			Dollar	Percentage
Net rental revenue	\$ 1,819,877	\$ 2,040,991	\$ (221,114)	(10.8%)
Operating grants and subsidies	5,041,533	6,021,604	(980,071)	(16.3%)
Other operating revenues	92,427	127,706	(35,279)	(27.6%)
Total operating revenues	6,953,837	8,190,301	(1,236,464)	(15.1%)
Depreciation expense	(506,108)	(506,108)	-	0.0%
Housing assistance payments	(3,984,855)	(4,751,404)	766,549	(16.1%)
Other operating expenses	(2,994,594)	(3,299,296)	304,702	(9.2%)
Total operating expenses	(7,485,557)	(8,556,808)	1,071,251	(12.5%)
Operating income (loss)	(531,720)	(366,507)	(165,213)	(45.1%)
Investment income	19,449	490	18,959	>100%
Interest expense	(33,295)	(45,497)	12,202	(26.8%)
Other non-operating items	-	-	-	0.0%
Income (loss) before contributions and other items	(545,566)	(411,514)	(134,052)	(32.6%)
Special items	-	-	-	0.0%
Net operating transfers	-	-	-	0.0%
Capital contributions	300,894	1,018,340	(717,446)	(70.5%)
Change in net position	\$ (244,672)	\$ 606,826	\$ (851,498)	>100%

Operating Revenues: As compared to 2021, operating revenues for 2022, had a decrease of \$1.2M or -15.1%.

Operating Expenses: As compared with 2021, operating expenses for 2022, had an decrease of \$1.1M or -12.5%.

Capital Assets

As of year-end, the Authority had \$7,130,953 invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$1.1M from the end of prior fiscal year.

	2022	2021	Change	
			Dollar	Percentage
Land	\$ 3,052,288	\$ 3,052,288	\$ -	0%
Construction in progress	1,814,519	896,568	917,951	>100%
Buildings and improvements	20,983,625	20,983,625	-	0%
Equipment and furnishings	3,020,018	3,020,018	-	0%
Accumulated depreciation	(21,739,497)	(21,233,389)	(506,108)	2%
Net capital assets	\$ 7,130,953	\$ 6,719,110	\$ 411,843	6%

The change in Capital Assets is presented in detail in the Notes to the Financial Statements.

Debt Outstanding

At September 30, 2022 the Authority had \$1,007,291 debt outstanding (excluding internal loans which have been eliminated in the basic financial statements), a decrease of \$47K from the prior fiscal year.

	2022	2021	Change	
			Dollar	Percentage
Total Debt	\$ 1,007,291	\$ 1,112,291	\$ (105,000)	(9%)

The change in Debt is presented in detail in the Notes to the Financial Statements.

Economic Factors

Significant economic factors affecting us are as follows:

- Federal funding by the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflation, recession and employment trends, which can affect resident incomes and therefore the amount of rental income.

Financial Contact

The financial report is designed to provide a general overview of the Authority’s finances for all those with an interest in the agency’s finances. Questions concerning and of the information provided in this report or requests for additional financial information should be addressed to the Housing Authority of the County of Kings – Finance Officer, 680 North Douty Street, Hanford, CA 93230.

Assets and deferred outflows of resources

Operating cash	\$ 3,490,127
Restricted cash	221,068
Total cash and equivalents	<u>3,711,195</u>
Net accounts receivable	485,115
Prepaid expenses and other current assets	132,678
Total current assets	<u>4,328,988</u>
Capital assets, at cost	
Land	3,052,288
Construction-in-progress	1,814,519
Buildings and improvements	20,983,625
Equipment and furnishings	3,020,018
Total acquisition costs	<u>28,870,450</u>
Less: Accumulated depreciation	<u>(21,739,497)</u>
Net capital assets	<u>7,130,953</u>
Total non-current assets	<u>7,130,953</u>
Total assets	<u>11,459,941</u>
Deferred outflows related to pension	381,747
Total deferred outflows of resources	<u>381,747</u>
Total assets and deferred outflows of resources	<u><u>\$ 11,841,688</u></u>

Liabilities, deferred inflows of resources, and net position

Accounts payable	\$ 461,250
Unearned revenues	43,750
Deposits held in trust, contra	124,519
Other current liabilities	142,376
Accrued vacations payable, current portion	102,996
Debt, current portion	<u>47,681</u>
Total current liabilities	<u>922,572</u>
Accrued vacations payable, net of current	108,251
Net pension liability	295,543
Debt, net of current	959,610
Other long-term liabilities	<u>3,428</u>
Total non-current liabilities	<u>1,366,832</u>
Total liabilities	<u>2,289,404</u>
Deferred inflows related to pension	<u>339,704</u>
Total deferred inflows of resources	<u>339,704</u>
Net investment in capital assets	6,123,662
Restricted net position	49,371
Unrestricted net position	<u>3,039,547</u>
Total net position	<u>9,212,580</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 11,841,688</u></u>

Tenant rental revenue, net of collection losses	\$ 1,819,877
Operating grants and subsidies	5,041,533
Other revenue	92,427
Total operating revenues	<u>6,953,837</u>
Administrative	1,518,986
Tenant services	1,037
Utilities	293,288
Ordinary maintenance and operations	806,351
Protective services	4,116
Insurance premiums	136,154
Other general expenses	234,662
Housing assistance payments	3,984,855
Depreciation	506,108
Total operating expenses	<u>7,485,557</u>
Operating income (loss)	(531,720)
Investment income	19,449
Interest expense	(33,295)
Total non-operating revenues (expenses)	<u>(13,846)</u>
Income (loss) before contributions and other items	(545,566)
Capital contributions	300,894
Change in net position	<u>\$ (244,672)</u>
Net position, beginning of year	\$ 7,242,452
Change in net position	(244,672)
Prior-period restatements	2,214,800
Net position, end of year	<u>\$ 9,212,580</u>

Cash receipts from tenants	\$ 2,180,305
Cash receipts from grants	4,469,363
Cash payments for Housing Assistance payments	(3,984,855)
Cash payments to suppliers for goods and services	(1,407,025)
Cash payments for wages and benefits	(1,470,013)
Other cash payments and receipts	2,599,868
Net cash from operating activities	<u>2,387,643</u>
Acquisition and construction of capital assets	(917,951)
Capital contributions received	300,894
Payments of interest	(33,295)
Principal payments on debt	(105,000)
Net cash from capital and related financing activities	<u>(755,352)</u>
Receipts of interest on cash deposits	19,449
Net cash from investing activities	<u>19,449</u>
Net change in cash and equivalents	1,651,740
Cash at beginning of period	2,059,455
Cash at end of period	<u>\$ 3,711,195</u>
 <i>Reconciliation of cash to the statement of net position:</i>	
Cash and equivalents - operating	\$ 3,490,127
Restricted cash and equivalents	221,068
Total cash and equivalents	<u>\$ 3,711,195</u>

Reconciliation of operating income (loss) to net cash
from operating activities:

Operating income (loss) \$ (531,720)

Adjustments to reconcile operating income (loss) to
net cash from operating activities:

Depreciation 506,108

Bad debt 25,874

Pension and other post-employment benefits 13,999

Equity adjustments 2,503,461

Changes in operating assets and liabilities:

Accounts receivable (113,674)

Prepaid expenses and other assets 65,517

Accounts payable 843

Accrued wages and benefits 16,047

Deposits held in trust, contra 7,438

Unearned revenues (165,804)

Other liabilities 59,554

Net cash from operating activities

\$ 2,387,643

NOTE 01 - NATURE OF BUSINESS AND ORGANIZATION

The Housing Authority of the County of Kings (Authority, we us, our) was incorporated March 1961, under the California State Health and Safety Code, Section 34200. The Authority was established to provide clean, decent, safe, sanitary and affordable housing to low-income families in Kings County, CA.

A seven-member Board of Commissioners appointed by the Kings County Board of Supervisors governs the Authority. The Executive Director is appointed by the Board and is responsible for the daily functions of the Authority.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has contracted with us to administer certain HUD funds.

Our primary operations are comprised of the Housing Choice Voucher Program. This program is designed to aid very low-income families in obtaining decent, safe, and sanitary rental housing. We administer contracts with independent landlords that own property and rent that property to families that have applied for housing assistance. We subsidize the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable us to structure a lease that sets the participants' rent at 30% of household income.

Additionally, our operations are comprised of the Low Rent Housing Program. This program is designed to provide very low-income families in obtaining decent, safe, and sanitary rental housing. operates The Low Rent Housing Program operates the Authority's own rental housing units subsidized by HUD through an Annual Contributions Contract (ACC). Funding is provided by tenant rent payments and subsidies provided by HUD based upon a formula that takes into consideration factors such as: prior formula funding, population of the area, number of dwelling units, bedroom sizes, building height and building age, utility costs, and rental income.

The Low Rent Housing Program is supplemented by the Capital Fund Program. The purpose of this program is to utilize funds granted by HUD for remodeling and upgrading the facilities in the Low Rent Housing Program, as well as to support overall operations. These grant funds are authorized by HUD each year but can be spent over the course of several years.

Reporting Entity

As described in GASB Statement No. 34, paragraph 134, the Authority is considered a primary government and meets the definition of a special purpose government ("SPG"). The Authority is a legally separate entity that is engaged in only business-type activities. Business-type activities are defined as activities that are financed in whole or in part by fees charged to external parties for goods or services. SPGs engaged only in business-type activities are required to present only the financial statements required for proprietary funds, which includes Management's Discussion and Analysis ("MD&A"), basic financial statements, and Required Supplemental Information ("RSI"). All inter-program activities have been eliminated in these financial statements.

We are an independent agency, with operations separate from those of the County of Kings, CA (County). Our obligations, including loans through direct borrowing or the sale of bonds, are not obligations of the County. The County provides us no funding. Additionally, the County does not hold title to any of our assets, nor does it have any right to our surpluses. The County does not have the ability to exercise influence over our daily operations or approve our budgets.

NOTE 02 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accrual Basis of Accounting

The financial statements are presented using the accrual basis of accounting with an economic resources measurement focus. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. As permitted by accounting principles generally accepted in the United States of America (GAAP), the Agency has elected to apply all relevant Government Accounting Standards Board (GASB) pronouncements.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from grant agreements, providing services, and producing and delivering goods in connection with the ongoing principal operations. The principal operating revenues of the Authority include program specific grants, and rental income from tenants of the various housing projects. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles as applied to governmental units require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, demand deposits at financial institutions, investments in money market funds, certificates of deposit.

Restricted Cash

Restricted cash consists of cash and investments that are held in trust, reserves and escrows, as well as other cash and investments that are restricted for specific purposes.

Accounts Receivable from Tenants

Tenant accounts receivable consists of all amounts charged for rent and related items at year end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable.

In accordance with Governmental Accounting Standards Board Statement No. 34, revenues in proprietary funds should be reported as net of all related allowances, which include amounts pertaining to uncollectible accounts. Therefore, the increase and decrease in the estimate of uncollectible accounts should be reported net of revenue instead of bad debt expense. The Authority's bad debt expense charged against revenue was \$25,874 for the year ended September 30, 2022.

Accounts Receivable from HUD and Other Governments.

The amounts reported as accounts receivable from HUD or due from other governments represent reimbursable costs or grant subsidies earned that have not been received as of year-end; these amounts are considered fully collectible.

Prepaid Expenses

When applicable, prepaid expenses represent payments made to vendors for services that will provide a future benefit beyond September 30, 2022.

Notes and Interest Receivable

The Authority assesses the collectability of the amounts based upon the terms of the promissory notes and the capacity of the borrowers to repay the funds based upon expected future cash flows.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of exhaustible capital assets is charged as an expense against operations utilizing the straight-line method. Accumulated depreciation is reported on the Statement of Net Position. The estimated useful lives for each major class of depreciable capital assets is as follows:

Buildings, structures, and site improvements	15-40 years
Furniture and equipment	5-10 years

Impairment of Capital Assets

The Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of September 30, 2022, there has been no impairment of the capital assets.

Tenant Security Deposits

Security deposits consist of amounts held in trust with the Authority for tenants to secure apartment leases.

Compensated Absences

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

Unearned Revenue

Unearned revenues consist of rental payments made by tenants in advance of their due date, and/or grants and rental subsidies received in advance of the period earned.

Net Position

In the statement of net position, equity is classified as net position and displayed in three components: (1) Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets. (2) Restricted net position consists of assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. (3) Unrestricted net position – All other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

When both restricted and unrestricted net positions are available for use, generally it is our policy to use restricted resources first.

Income Taxes

The Authority is not subject to federal or state income taxes.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

The deferred outflows of resources related to the net pension liability resulted from Authority contributions to the employee pension plan subsequent to the measurement date of the actuarial valuation for the pension plan, the difference between actual and expected, the effect of changes in actuarial assumptions, and the effect of the Authority’s change in proportion.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then.

The deferred inflow of resources related to the net pension liability results from and the difference between actual and expected experience and difference between projected and actual earnings on pension plan investments, the effect of changes in actuarial assumptions, the change in the Authority’s proportionate share of pension contributions and the effect of the change in the Authority’s proportion.

Leasing Activities

We are the lessor of dwelling units to eligible residents. The rents under the leases are determined generally by the residents’ income as adjusted for eligible deductions regulated by HUD, although the residents may opt for a flat rent. Leases may be cancelled at any time or renewed annually. We may cancel the leases only for a cause. Revenues associated with these leases are reported in the accompanying financial statements and related schedules within dwelling rent revenue.

Investment Policy

Our investment policy, HUD and the California Government Code do not address legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure such deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Authorized Investments

Investments of the Authority are limited to investment types prescribed by HUD in PIH Notice 1996-33 or as amended by future HUD notices.

Additionally, the Authority limits investment types to those that are authorized in accordance with Section 53601 of the California Government Code.

Fair Value Measurements

Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, and Level 3 inputs that have the lowest priority and consist of unobservable inputs for an asset or liability. The Authority has no assets or liabilities measured at fair value.

Family Self Sufficiency Escrow Deposits

The Authority under the Section 8 Housing Choice Voucher and Public and Indian Housing programs is administering a Family Self-Sufficiency (FSS) program. An interest-bearing FSS escrow account is established by the Authority for each participating family. An escrow credit, based on increases in earned income of the family, is credited to this account by the Authority during the term of the FSS contract. The Authority may make a portion of this escrow account available to the family during the term of the contract to enable the family to complete an interim goal such as education.

Subsequent Events

Management performed an evaluation of our activity through March 13, 2024, the audit report date, and has concluded that there are no significant subsequent events requiring disclosure through the date these financial statements were issued.

NOTE 03 - RESTRICTED CASH

Restricted cash was comprised of the following as of yearend:

Emergency Housing Voucher advance funding	\$ 43,750
Cash in the Family Self Sufficiency (FSS) escrow account	3,428
Tenant security deposits	<u>124,519</u>
Restricted cash with offsetting liabilities	<u>171,697</u>
Cash balances associated with the EHV HAP equity	<u>49,371</u>
Restricted cash reflected in restricted net position	<u>49,371</u>
Total restricted cash and equivalents	<u>\$ 221,068</u>

NOTE 04 - ACCOUNTS RECEIVABLE

Below is a breakdown of our current receivables as of yearend:

Receivables from other Housing Authorities	\$ 308,157
Receivables from HUD	95,157
Tenant receivables	260,635
Allowance for doubtful accounts - tenants	<u>(216,310)</u>
Net tenant receivables	<u>44,325</u>
Fraud recovery receivables	77,952
Allowance for doubtful accounts - fraud	<u>(74,900)</u>
Net fraud recovery receivables	<u>3,052</u>
Other receivables	<u>34,424</u>
Net accounts receivable	<u>\$ 485,115</u>

NOTE 05 - CAPITAL ASSETS

A summary of the land, structures and equipment for the year ended December 31, 2022 is as follows:

	9/30/21	Additions	Deletions	9/30/22
Non-Depreciable				
Land	\$ 3,052,288	\$ -	\$ -	\$ 3,052,288
Construction in process	<u>896,568</u>	<u>917,951</u>	<u>-</u>	<u>1,814,519</u>
	<u>3,948,856</u>	<u>917,951</u>	<u>-</u>	<u>4,866,807</u>
Depreciable				
Buildings and improvements	20,983,625	-	-	20,983,625
Equipment and furnishings	<u>3,020,018</u>	<u>-</u>	<u>-</u>	<u>3,020,018</u>
	<u>24,003,643</u>	<u>-</u>	<u>-</u>	<u>24,003,643</u>
Total acquisition costs	27,952,499	917,951	-	28,870,450
Accumulated depreciation	<u>(21,233,389)</u>	<u>(506,108)</u>	<u>-</u>	<u>(21,739,497)</u>
Net capital assets	<u>\$ 6,719,110</u>	<u>\$ 411,843</u>	<u>\$ -</u>	<u>\$ 7,130,953</u>

All public housing land and buildings are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the federal government and to protect other interests of the federal government.

Construction in progress is comprised primarily of uncompleted improvements and renovations to our Public Housing Units as well as empty lots in Langdon which are planned to be utilized for housing in not immediate the future.

NOTE 06 - LONG-TERM LIABILITIES

A summary of activity for non-current liabilities for the year ended is as follows:

	09/30/21	Additions	Reductions	09/30/22
FSS escrow deposits, contra	\$ 141	\$ 3,287	\$ -	\$ 3,428
Other long-term liabilities	<u>\$ 141</u>	<u>\$ 3,287</u>	<u>\$ -</u>	<u>\$ 3,428</u>
Accrued vacations payable	\$ 120,700	\$ -	\$ (12,449)	\$ 108,251
Direct borrowings	\$ 1,065,798	\$ -	\$ (106,188)	\$ 959,610
Net pension obligation	\$ 295,614	\$ -	\$ (71)	\$ 295,543

Below is a breakdown of our direct borrowings as of yearend:

	Principal	Interest Payable
Citizens Business Bank loan, bearing variable interest (currently 7.625%), requiring variable monthly payments (currently \$7,145), maturing September 2053. The loan is secured by the Cameron Commons property.	<u>\$ 1,007,291</u>	<u>\$ -</u>
Total	<u>\$ 1,007,291</u>	<u>\$ -</u>

Aggregate maturities of debt as of September 30, 2022 are due in future years as follows:

	Principal	Interest	Total
2023	\$ 47,681	\$ 33,163	\$ 80,844
2024	50,867	29,977	80,844
2025	52,599	28,245	80,844
2026	54,304	26,540	80,844
2027	56,064	24,780	80,844
2028-2032	308,663	95,557	404,220
2033-2037	362,128	42,092	404,220
2038-2042	<u>74,985</u>	<u>1,224</u>	<u>76,209</u>
Total	<u>\$ 1,007,291</u>	<u>\$ 281,578</u>	<u>\$ 1,288,869</u>

NOTE 07 - PENSION PLAN

The Authority is the administrator of a single-employer defined benefit pension plan established April 1, 1981, to provide retirement benefits for its employees. The employees of the Authority are considered to be employed by the Administrative Fund of the Authority. Employee cost, including pension cost, is allocated to various funds and programs in accordance with the regular cost allocation methods used to pro-rate salaries.

NOTE 08 - NET POSITION

Net investment in capital assets was comprised of the following as of yearend:

Land	\$ 3,052,288
Construction in progress	1,814,519
Buildings and improvements	20,983,625
Equipment and furnishings	3,020,018
Less:	
Accumulated depreciation	(21,739,497)
Short term capital debt obligations	(47,681)
Long term capital debt obligations	<u>(959,610)</u>
Net investment in capital assets	<u><u>\$ 6,123,662</u></u>

Restricted net position was comprised of the following as of yearend:

Restricted cash and equivalents	\$ 221,068
Less:	
Tenant security deposit, contra	(124,519)
Family Self-Sufficiency escrow deposits, contra	(3,428)
Emergency Housing Voucher advance funding	<u>(43,750)</u>
Restricted net position	<u><u>\$ 49,371</u></u>

NOTE 09 - COMMITMENTS AND CONTINGENCIES

Government Examinations

We have received funds from Federal grant programs. It is possible that at some future date, it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although we do not expect such disallowed amounts, if any, to materially affect the financial statements.

Construction Contracts

During the normal course of business, the Authority is engaged in various construction contracts for modernization and rehabilitation as well as development properties.

NOTE 10 - BUSINESS RISK AND CONCENTRATIONS

Concentration – Major Contributor

For the year ended September 30, 2022, approximately 77% of operating revenues reflected in the financial statements are directly or indirectly from HUD. The Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related costs and the additional administrative burden to comply with the changes.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Our policy is to manage this exposure to declines in fair values by limiting the weighted average maturity of its investments portfolio. As of September 30, 2022, our risk of changes in interest rates is minimal since the investments primarily consist of state sponsored investment pool funds which have stated interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. It is our policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies of the United States of America. As of September 30, 2022, the Authority mitigated their exposure to credit risk by only investing in fully insured state investment pool funds.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. Our policy for custodial credit risk requires collateral to be held in the Authority's name by its agent or by the bank's trust department. As of September 30, 2022, none of our total bank balances were exposed to custodial credit risk.

NOTE 11 - PRIOR YEAR RESTATEMENTS

During the year it was noted that there were significant differences between amounts reported in the FY21 audited financials, HUD required audited Real Estate Assessment Center's FASPHA submission, and the balances on the Authority's books as a result of lacking reconciliation processes. Main areas of difference included cash, capital assets, and net position balances. As a result, a corrective prior year restatement to increase net position by \$2,214,800 was required.

Program Title	ALN	Cluster Title	Award Type	Pass-Through No.	Expenditures	Amounts Passed Through to Sub-Recipients
Section 8 Housing Choice Vouchers	14.871	HVC	Direct		\$ 3,674,868	\$ -
Emergency Housing Vouchers	14.871	HVC	Direct		33,440	-
COVID 19 Section 8 Housing Choice Vouchers	14.871	HVC	Direct		189,465	-
Mainstream Vouchers	14.879	HVC	Direct		2,546	-
Public and Indian Housing	14.850		Direct		823,818	-
Public Housing Capital Fund	14.872		Direct		618,290	-
Total Federal Financial Assistance					\$ 5,342,427	\$ -
<i>Federal Grantor:</i>						Expenditures
US Department of Housing and Urban Development						\$ 5,342,427
Total Federal Financial Assistance					\$ 5,342,427	
<i>Cluster Title:</i>						Expenditures
Housing Voucher Cluster						\$ 3,900,319
<i>Award Type:</i>						Expenditures
Direct						\$ 5,342,427
Indirect						-
Total Federal Financial Assistance					\$ 5,342,427	

NOTE 01 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the Authority under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of our operations, it is not intended to and does not present our financial position, changes in net positions, or cash flows.

NOTE 02 - INDIRECT COST RATE

We have elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Grant	Funds Approved	Funds Disbursed	Funds Expended	Balance	Form HUD- 53001 Submitted *
CA01P0503501-19	\$ 777,217	\$ 771,436	\$ 771,436	\$ 5,781	No
CA01P0503501-20	840,752	629,445	629,445	211,307	No
CA01P0503501-21	935,275	-	-	935,275	No
CA01P0503501-22	1,151,070	-	-	1,151,070	No

* The distribution of costs as shown on the respective HUD Form 53001 submitted to HUD for approval, is in agreement with the Authority's records. Additionally, all costs have been paid and all related liabilities have been discharged through payment.

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

Governing Body of
Housing Authority of the County of Kings

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the County of Kings (the Authority), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 13, 2024.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing the auditing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item(s) 2022-001 that we consider to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying *schedule of findings and questioned costs* as item(s) 2022-001.

AUTHORITY'S RESPONSE TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's 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.

A handwritten signature in blue ink that reads "Smith Marion" followed by a stylized circular mark.

March 13, 2024
Redlands, CA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Governing Body of
Housing Authority of the County of Kings

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited Housing Authority of the County of Kings' (Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM

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

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

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

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

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

(1) Exercise professional judgment and maintain professional skepticism throughout the audit; (2) Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances; and (3) Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

OTHER MATTERS

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002. Our opinion on each major federal program is not modified with respect to these matters. Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002, to be significant deficiencies.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



March 13, 2024
Redlands, CA

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of Auditor Report on the financial statements:
2. Internal control over financial reporting:
- a. Material weakness(es) identified? Yes No
- b. Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None noted
3. Noncompliance material to financial statements? Yes No

Federal Awards:

4. Type of auditors' report on compliance for major programs:
5. Internal control over major programs:
- a. Material weakness(es) identified? Yes No
- b. Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None noted
6. Audit findings noted which are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes No

7. Identification of Major Programs:

ALN	Program(s) Name
Various	Housing Voucher Cluster

8. The Dollar Threshold Used to Distinguish Between Type A and Type B Programs:
9. Auditee qualified as a low-risk auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2022-001: Lack of Account Reconciliations and Material Prior Period Restatements – Material Weakness

Criteria: Generally Accepted Accounting Principles (GAAP) require organizations to maintain accurate and reconciled financial records to ensure the integrity of financial reporting. This includes regular account reconciliations and appropriate documentation.

Condition and Context: During the audit for the fiscal year ending September 30, 2022, it was identified that the auditee failed to perform adequate and timely account reconciliations. This resulted in numerous material audit adjustments including several prior period restatements that were necessary to correct financial statement inaccuracies. These restatements had a significant impact on the accuracy of the financial statements. Additionally, the audit opinion required qualification on capital assets as well as the pension liability.

Cause: The absence of regular and effective account reconciliations can be attributed to insufficient in-house expertise in complex accounting practices and a lack of resources to perform these reconciliations diligently. The Authority relied on the previous auditor to prepare yearend closeout entries and these were never posted into the Authority's books and support was not maintained for these entries.

Effect or Potential Effect: The lack of understanding of complex GASB/HUD topics as well as the lack of account reconciliations have the potential to erode the reliability of the auditee's financial statements. It may lead to material financial misstatements and hinder decision-making processes.

Recommendation: It is recommended that the auditee engage the services of a professional fee accounting firm with Certified Public Accountants (CPAs) who possess a comprehensive understanding of the complex GASB accounting requirements, including those specific to the Department of Housing and Urban Development (HUD) for the yearend closeout, audit preparation and REAC reporting processes. This will help ensure that account reconciliations are conducted accurately and in a timely manner, reducing the need for material audit entries and prior year restatements.

Responsible Official's Response: The auditee acknowledges the deficiency and is committed to taking corrective action.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2022-002 AL Number and Title: Various—Housing Voucher Cluster – Reporting – Noncompliance and Significant Deficiency

Criteria: HUD regulations and federal requirements mandate timely submission of the Financial Assessment Subsystem for Public Housing Agencies (FASSPHA) and the Data Collection Form (SF-SAC) for the Single Audit. These submissions are critical for ensuring compliance, enabling oversight, and facilitating the allocation of federal funding.

Condition: It was identified during the audit that the Authority did not meet the prescribed deadlines for submitting the FASSPHA and SF-SAC reports to federal agencies. This delay in reporting has been noted for the first time in the current audit period.

Cause: The failure to meet reporting deadlines can be attributed to a combination of factors, including major staff turnover, which led to a loss of institutional knowledge and expertise critical for the preparation and submission of

these reports. Additionally, a change in auditor who had been instrumental in ensuring timely submissions in the past, with the new auditor becoming unreachable, further exacerbating the situation. These challenges were compounded by inefficiencies in the Authority's internal processes for report preparation and submission.

Effect or Potential Effect: The failure to submit these reports on time undermines the Authority's compliance with federal regulations, potentially affecting its eligibility for future funding and leading to reputational damage. It may also delay financial and operational decisions by HUD that depend on the analysis of these reports.

Questioned Costs: None.

Context: This lapse was identified against a backdrop of the Authority traditionally maintaining a good track record with reporting. The recent delays mark a departure from their usual compliance practices and have occurred amidst organizational changes and challenges, including staff turnover and procedural adjustments within the finance department.

Recommendation: To mitigate this issue, it is recommended that the Authority: (1) Prioritize the recruitment and training of new staff to fill critical roles, ensuring they are well-versed in HUD reporting requirements; (2) Establish a contingency plan for maintaining continuity of operations in the event of key personnel turnover or unavailability; and (3) Revise and streamline internal reporting processes to improve efficiency and reliability in meeting HUD's reporting deadlines.

Responsible Official's Response and Corrective Action Planned: Management acknowledges the audit findings and is committed to taking corrective actions.

Financial Statement Findings:

Prior Year Findings No.	Findings Title	Status/ Current Year Finding No.
N/A	There were no prior findings reported.	N/A

Federal Award Findings and Question Costs:

Prior Year Findings No.	Findings Title	Status/ Current Year Finding No.
N/A	There were no prior findings reported.	N/A

CORRECTIVE ACTION PLAN

Name of auditee: Housing Authority of the County of Kings

Name of audit firm: Smith Marion & Co. Inc.

Period covered by the audit: Year ended September 30, 2022

CAP Prepared by

Name: Sandra Jackson-Bobo

Position: Executive Director

Telephone Number: (559) 582-2806

Current Findings on the Schedule of Findings, Questioned Costs, and Recommendations.

1. Finding 2022-001

a. Comments on the Finding and Each Recommendation:

Management agrees with both the finding and the recommendations.

b. Action(s) Taken or Planned on the Finding

As the housing authority transitioned between prior and current auditors as well as management, we became aware of items handled by the previous auditor. We will review the tasks and determine which ones can be handled in-house and which ones will require the services of an accounting firm, including advisory services and actuaries (as needed).

In addition, with responsibilities shifting within the agency, we foresee that we will have additional resources available in finance to handle the reconciliation tasks in a more accurate and timely manner. The year end process will also be reviewed. The year end process will also be reviewed with the accounting firm to determine a plan of action before the audit for the year ending 09/30/2023.

2. Finding 2022-002

a. Comments on the Finding and Each Recommendation:

Management agrees with both the finding and the recommendations.

b. Action(s) Taken or Planned on the Finding

The management overseeing the process has been completely replaced to ensure a fresh perspective and unwavering dedication to implementing robust internal controls.

To address the shortcomings identified in Finding 2022-002, the Authority commits to a targeted action plan aimed at ensuring timely compliance with reporting requirements. Central to our approach is the engagement of a fee accountant, recognized for expertise in HUD reporting and public housing financial management. This specialist will be tasked with overseeing and streamlining our reporting processes. By leveraging this expertise, we aim to quickly rectify past reporting lapses and ensure future submissions are timely and compliant with HUD requirements. The new fee accountant will conduct a comprehensive review of our current reporting mechanisms, identify bottlenecks, and implement best practices tailored to our operations.

This decisive action, centered around the expertise of the newly appointed fee accountant, demonstrates our commitment to enhancing our financial management practices and aligning with HUD's reporting expectations. Through these measures, we anticipate not only meeting HUD's deadlines but also setting a new standard for operational excellence within our Authority.

HOUSING AUTHORITY OF THE COUNTY OF KINGS

**The Auditors Communication with Those Charged with
Governance**

Year Ended September 30, 2022

March 13, 2024

The Governing Body of
Housing Authority of the County of Kings

We have audited the financial statements of Housing Authority of the County of Kings (Authority) as of and for the year ended September 30, 2022, and have issued our report thereon dated March 13, 2024.

This report summarizes our communications with those charged with governance as required by our professional standards to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process.

REQUIRED COMMUNICATIONS

Professional standards require the auditor to provide the Governing Body (the Board or those charged with governance) with additional information regarding the scope and results of the audit that may assist the Board in overseeing the financial reporting and disclosure processes which the management of the Authority is responsible. We summarize these required communications as follows:

AUDITORS' RESPONSIBILITIES UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES (US GAAS) AND GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS)

Our responsibilities are included in our audit engagement letter.

The financial statements are the responsibility of the Authority's management as prepared with the oversight of those charged with governance. Our audit was designed in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We were not engaged to perform an audit of the Authority's internal control over financial reporting.

Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we will express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

INDEPENDENCE

We are not aware of any relationships between Smith Marion & Co. and our related entities, and the Authority, or any other matters that in our professional judgment, may reasonably be thought to bear on our independence.

We confirm that we are independent with respect to the Authority within the meaning of the applicable published rules and pronouncements, its interpretations and rulings.

THE ADOPTION OF, OR A CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

We determined that the Board is informed about the initial selection of, and any changes in significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying the accounting principle, has a material effect on the financial statements.

Effective October 01, 2021, the Authority implemented:

- GASB 87 - Leases

AUDITORS' JUDGEMENT ABOUT THE QUALITY OF THE AUTHORITY'S ACCOUNTING PRINCIPLES

We discussed our judgment about the quality, not just the acceptability, of the Authority's accounting principles as applied in its financial reporting, including the consistency of the accounting policy and their application and the clarity and completeness of the financial statements and related disclosures.

SENSITIVE ACCOUNTING ESTIMATES

Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.

We determined that the Board is informed about management's process for formulating particularly sensitive estimates and about the basis to our conclusions regarding the reasonableness of those estimates.

There were no sensitive estimates management's judgment is called upon in.

FINANCIAL STATEMENT DISCLOSURES

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

There were no sensitive disclosures management's judgment is called upon in.

IDENTIFIED OR SUSPECTED FRAUD

We are not aware of any matters that require communication. Furthermore, the Authority's management has represented to us that they were not aware of any fraud or illegal acts for the period from October 01, 2021 to September 30, 2022 (see *Management's Representation Letter*).

SIGNIFICANT DIFFICULTIES ENCOUNTERED DURING THE AUDIT

There were no serious difficulties encountered in dealing with management in performing the audit.

REPRESENTATIONS REQUESTED FROM MANAGEMENT

We have requested certain written representations from management in a separate letter dated March 13, 2024 (see *Management's Representation Letter*).

UNCORRECTED MISSTATEMENTS, RELATED TO ACCOUNTS AND DISCLOSURES, CONSIDERED BY MANAGEMENT TO BE IMMATERIAL

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

MATERIAL CORRECTED MISSTATEMENTS, RELATED TO ACCOUNTS AND DISCLOSURES

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

As a result of our audit procedures, material misstatements were brought to the attention of management and were corrected during the current period (see *Adjusting Journal Entry Report*).

DISAGREEMENTS WITH MANAGEMENT

There were no material disagreements with the Authority's management on financial accounting and reporting matters during the audit.

CONSULTATIONS WITH OTHER ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters (see *Management Representation Letter*).

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority’s auditors.

SIGNIFICANT RISKS IDENTIFIED

For purposes of this communication, professional standards require us to communicate to you significant risks identified during our audit.

The following significant risks were identified in our audit procedures:

Management override of controls (*required by US GAAS*) - Even though internal control over financial reporting (hereinafter referred to as internal controls or simply as controls) may appear to be well-designed and effective, controls that are otherwise effective can be overridden by management in every entity. Many financial statement frauds have been perpetrated by intentional override by senior management of what might otherwise appear to be effective internal controls. Because management is primarily responsible for the design, implementation, and maintenance of internal controls, the entity is always exposed to the danger of management override of controls.

Improper revenue recognition (*required by US GAAS*) –Revenue recognition is one of only two matters that must always, under AU-C 240 (the fraud risk standard), be considered a high-risk area, requiring expanded audit attention. Revenue recognition fraud schemes have been responsible for more investigations, restatements, and litigation against outside accountants than any other single cause. Revenue recognition is an accounting principle that asserts that revenue must be recognized as it is earned. Proper revenue recognition is imperative because it relates directly to the integrity of a company’s financial reporting. The intent of the principle around revenue recognition is to standardize the revenue policies used by companies. This standardization allows external entities to easily compare the income statements of different companies in the same industry. Because revenue is one of the most important measures used by external entities to assess a company’s performance, it is crucial that financial statements be consistent and credible.

GASB 87 implementation (*new significant standard*) - Implementation of certain new accounting standards raise substantial risk of material misstatement based on their complexity, lack of guidance, level of effort required and novelty.

Entities use a variety of leasing arrangements to stabilize cash flows and reduce risk and uncertainty. The newly issued GASB Statement 87 on leases fundamentally changes lease recognition, measurement, and related disclosures for both government lessees and lessors. The major changes outlined in GASB 87 are: (1) Leases will be classified as “short-term,” “contracts that transfer ownership,” and “all other.”; (2) Leases that extend beyond 12 months will have a balance sheet impact on both the lessee and lessor; (3) For leases other than short-term leases and contracts that transfer ownership, the lessee will recognize an intangible right to use lease asset, and the lessor will continue to depreciate and account for the lease asset; (4) Financial statement disclosures and schedules will be required for contracts that transfer ownership and non-short-term leases; and (5) There will be no disclosure requirement for short-term lease outflows. GASB 87’s provisions go into effect for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. Implementation is very time-intensive, especially for Entity's that have a number of agreements that are currently recorded as operating leases.

SIGNIFICANT UNUSUAL TRANSACTIONS

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit.

During our audit procedures, we did not become aware of significant unusual transaction that should be brought to your attention.

OTHER SIGNIFICANT MATTERS, FINDINGS, OR ISSUES

During prior audit procedures, we became aware of certain matters that should be brought to your attention. A listing of these matters is discussed in a separate report to management dated March 13, 2024 (see *Management Letter*).

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

We reviewed the supplemental information to the financial statements to ensure consistency with the audited financial statements.

MODIFICATION OF THE AUDITOR’S REPORT

We have made the following modification to our auditor’s report.

Qualified opinions on capital assets and the net pension liability.

RESTRICTION ON USE

This report is intended solely for the information and use of the individuals charged with governance, and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Smith Marion : 

HOUSING AUTHORITY OF THE COUNTY OF KINGS

Management Letter

Year Ended September 30, 2022

March 13, 2024

To the Management and Governing Body of
Housing Authority of the County of Kings

Ladies and Gentlemen:

In planning and performing our audit of the basic financial statements of Housing Authority of the County of Kings Authority ("Authority") as of and for the year ended September 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses and/or significant deficiencies and, therefore, material weaknesses and/or significant deficiencies may exist that were not identified.

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.

Exhibit I to this Management Letter lists any deficiencies in internal control, substantive matters, and/or other issues encountered during our audit.

This communication is intended solely for the information and use of management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Smith Marion" followed by a stylized circular mark.

MANAGEMENT LETTER COMMENTS

We identified certain deficiencies in internal control that we consider to be material weaknesses that should be brought to your attention:

Lack of Account Reconciliations and Material Prior Period Restatements

Condition and Context: During the audit for the fiscal year ending September 30, 2022, it was identified that the auditee failed to perform adequate and timely account reconciliations. This resulted in numerous material audit adjustments including several prior period restatements that were necessary to correct financial statement inaccuracies. These restatements had a significant impact on the accuracy of the financial statements. Additionally, the audit opinion required qualification on capital assets as well as the pension liability.

Effect or Potential Effect: The lack of understanding of complex GASB/HUD topics as well as the lack of account reconciliations have the potential to erode the reliability of the auditee's financial statements. It may lead to material financial misstatements and hinder decision-making processes.

Recommendation: It is recommended that the auditee engage the services of a professional fee accounting firm with Certified Public Accountants (CPAs) who possess a comprehensive understanding of the complex GASB accounting requirements, including those specific to the Department of Housing and Urban Development (HUD) for the yearend closeout, audit preparation and REAC reporting processes. This will help ensure that account reconciliations are conducted accurately and in a timely manner, reducing the need for material audit entries and prior year restatements.

We identified certain deficiencies in internal control that we consider to be significant deficiencies that should be brought to your attention:

Housing Voucher Cluster – Reporting – Noncompliance and Significant Deficiency

Condition: It was identified during the audit that the Authority did not meet the prescribed deadlines for submitting the FASSPHA and SF-SAC reports to federal agencies. This delay in reporting has been noted for the first time in the current audit period.

Effect or Potential Effect: The failure to submit these reports on time undermines the Authority's compliance with federal regulations, potentially affecting its eligibility for future funding and leading to reputational damage. It may also delay financial and operational decisions by HUD that depend on the analysis of these reports.

Recommendation: To mitigate this issue, it is recommended that the Authority: (1) Prioritize the recruitment and training of new staff to fill critical roles, ensuring they are well-versed in HUD reporting requirements; (2) Establish a contingency plan for maintaining continuity of operations in the event of key personnel turnover or unavailability; and (3) Revise and streamline internal reporting processes to improve efficiency and reliability in meeting HUD's reporting deadlines.

We have identified certain matters involving the internal control and other operational matters that are not considered significant deficiencies or material weaknesses. These matters do not affect our report dated March 13, 2024 on the financial statements of the Authority. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies.

Our comments are summarized as follows:

Improper Deposit of Federal Funds in Non-compliant Investment Account

Condition and Context: The Authority improperly deposited federal funds designated for public housing and Section 8 programs into a California Local Agency Investment Fund (CA LAIF) investment account. This action is in direct violation of Housing and Urban Development (HUD) guidelines, as the CA LAIF does not adhere to HUD's requirement for a depository agreement, outlined in HUD form 51999. The CA LAIF's refusal to sign this form means such funds are held without the necessary federal protections and oversight. Additionally, to rectify this misallocation, auditors were required to reclassify non-federal cash from other programs, effectively moving the LAIF funds off the federal programs' books to ensure compliance with federal funding guidelines.

Cause: This situation arose due to a fundamental oversight in the Authority's cash management practices, specifically, a failure to confirm the eligibility and compliance of the investment account for holding federal funds. The underlying cause is a lack of internal controls designed to prevent the deposit of federal funds into accounts that do not meet HUD's stringent requirements. This deficiency indicates an issue of inadequate compliance with federal regulations and a lack of proper oversight mechanisms to ensure that all financial operations align with federal standards.

Recommendation: An update to financial management policies is necessary to prevent future non-compliance, including the establishment of stringent internal controls for the verification of account eligibility for federal funds. Additionally, targeted compliance training for staff involved in financial management is essential to reinforce the importance of adhering to federal guidelines and to ensure the Authority's practices meet HUD's standards. This consolidated approach will address the identified deficiencies, ensuring the Authority's alignment with federal funding regulations and securing the integrity of its financial management processes.

Fund Accounting

We noted that the Authority's funds were not sufficiently segregated from one another. In some cases, a single fund was used for multiple programs/projects and when separated from one another they would no longer balance. This resulted in significant effort on our behalf to segregate these programs and post entries to make the funds balance. We recommend that the Authority develop an accounting system that fully segregates programs and projects in separate funds that would mirror the HUD REAC system and ensure the funds are self-balancing at all times.



U.S. Department of Housing and Urban Development
 San Francisco Regional Office - Region IX
 600 Harrison Street
 San Francisco, California 94107-1387
 www.hud.gov
 espanol.hud.gov

January 26, 2024

Sandra Jackson-Bobo
 Executive Director
 Housing Authority of Kings County
 680 N Douty Street
 Hanford, CA 93230

Dear Ms. Jackson-Bobo,

This letter provides the scoring information for the **Housing Authority of Kings County** Section 8 Management Assessment Program (SEMAP) for fiscal year ending **September 30, 2023**. SEMAP enables HUD to better manage the Housing Choice Voucher (HCV) program by identifying PHA capabilities and deficiencies related the administration of the HCV program. As a result, HUD will be able to provide more effective program assistance to PHAs.

The **Housing Authority for Kings County** final score for fiscal year ending **September 30, 2023**, is **85%**. The Housing Authority's overall designation is **Standard**. The following are the scores for each indicator:

Indicator	1	Selection from Waiting List (24 CFR 982.54(d)(1) and 982.204(a)	15
Indicator	2	Reasonable Rent (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507	20
Indicator	3	Determination of Adjusted Income (24 CFR Part 5, Subpart F and 24 CFR 982.516)	20
Indicator	4	Utility Allowance Schedule (24 CFR 982.517)	5
Indicator	5	HQS Quality Control (24 CFR 982.405(b))	5
Indicator	6	HQS Enforcement (24 CFR 982.404)	10
Indicator	7	Expanding Housing Opportunities (24 CFR 982.54(d)(5), 982.301(a) 982.301(b)(4), 982.301(b)(12))	5
Indicator	8	Payment Standards (24 CFR 982.503)	5
Indicator	9	Timely Annual Reexaminations (24 CFR 5.617)	10
Indicator	10	Correct Tenant Rent Calculations (24 CFR 982 Subpart K	5
Indicator	11	Pre-Contract HQS Inspections (24 CFR 982.305)	5
Indicator	12	Annual HQS Inspections (24 CFR 982.405(a))	10
Indicator	13	Lease-up	0
Indicator	14	Family Self-Sufficiency (24 CFR 984.105 and 984.305)	N/A
Indicator	15	Deconcentration Bonus	0

Your housing authority has failed (scored zero on) at least one of the above mandatory performance indicators. It will be necessary for the housing authority to take immediate corrective actions to ensure compliance with program requirements within 45 calendar days from the date of this letter. You must provide HUD with a written report describing the corrective actions you have taken to resolve all "zero" indicators within 45 calendar days from the date of this letter. If the corrective actions that your agency will take cannot resolve a "zero" indicator within the 45 calendar days from the date of this letter, it will be necessary to submit a Corrective Action Plan (CAP) within 30 calendar days from the date of this letter. Detailed guidance on how to develop a CAP is contained in PIH Notice 2005-33.

Thank you for your cooperation with the SEMAP process. Should you have any questions concerning your scores or required corrective actions you may contact Benjamin Palmer, Portfolio Management Specialist, at benjamin.r.palmer@hud.gov or (415) 489-6445.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerard R. Windt", with a long horizontal stroke extending to the right.

Gerard R. Windt
Director
Office of Public Housing, San Francisco

MANAGEMENT REPORT

Prepared for the Board of Commissioners Special Meeting

March 21, 2024

1) The Occupancy Rates are as follows:

Section 8	485
53-1 Hanford	1 Vacancy
53-2 Corcoran	7 Vacancies
53-4 Armona	100% Occupied
KC1 Armona	100% Occupied
KC2 Hanford	100% Occupied
Kettleman City	4 Vacancy
Admin	1 Vacancy
Cameron Commons	1 Vacancy
Corcoran Station	3 Vacancies
Anchors	3 Vacancies
Lem / 198	100 % Occupied
Basil Home	100% Occupied
Lemoore Meyers Home	4 Vacancies

2) Progress Report – Capital Fund Program