

WEBSTER HOUSING & REDEVELOPMENT COMMISSION
WEBSTER, SOUTH DAKOTA

PROJECT CODE: SD040
ANNUAL CONTRIBUTION CONTRACT NUMBER: DEN-2569

FINANCIAL REPORT

FOR THE ONE YEAR ENDING DECEMBER 31, 2022

WITH INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA

P.O. Box 262

Madison, South Dakota 57042

WEBSTER HOUSING & REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA

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NOTE: All figures shown in this financial report are in U.S. dollars.
For space considerations, the "\$" symbol is not used.

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA
P.O. Box 262
Madison, South Dakota 57042
605.270.3020

Board of Commissioners
Webster Housing & Redevelopment Commission
Webster, South Dakota

INDEPENDENT AUDITOR'S REPORT
ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions:

I have audited the accompanying financial statements of each major fund of the Webster Housing & Redevelopment Commission (Commission), a component unit of the City of Webster, Day County, South Dakota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Webster Housing & Redevelopment Commission as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standard applicable to financial audits contained in Government Auditing Standards (*Government Auditing Standards*), issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Webster Housing & Redevelopment Commission, a component unit of the City of Webster, Day County, South Dakota, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 misstatements, 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 Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements:

My 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 my opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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*, I:

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

I am 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 I identified during the audit.

Required Supplementary Information: (no opinion)

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) (page 4 to 7) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Webster Housing & Redevelopment Commission
Independent Auditor's Report -- Page Three

Supplementary Information: (Opinion)

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements.

The financial data schedules (page 23 and 24) are presented for purposes of additional analysis, as required by the U.S. Department of Housing and Urban Development, and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards:

In accordance with *Government Auditing Standards*, I have also issued my report dated September 29, 2023 (page 20) on my consideration of the Webster Housing & Redevelopment Commission's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is solely to describe the scope of my 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 Commission'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 Commission's internal control over financial reporting and compliance.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota



September 29, 2023

WEBSTER HOUSING & REDEV COMM PLEASANT VIEW APARTMENT
Webster, South Dakota

Management's Discussion and Analysis
December 31, 2022

Management's Discussion and Analysis (MD&A) is a reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June 1999.

Our discussion and analysis of the Webster Housing & Redev Comm Pleasant View Apartment (herein referred to as "the Housing Authority"), Webster, South Dakota, financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended December 31, 2022. Please read the MD&A in conjunction with the Housing Authority's financial statements.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Financial Highlights

Total assets of the Housing Authority for the year ended December 31, 2022 were \$651,802. Total liabilities were \$150,007. Deferred inflows of resources were \$0, and total assets exceeded total liabilities by \$501,795 (net position).

Unrestricted net position totals \$247,194 This is the amount of the Authority's reserve.

Total operating and non-operating revenue for the year ended December 31, 2022, was \$254,289 and expenses totaled \$241,035, revenue exceeded expenses by \$13,255.

Overview of the Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. The Housing Authority's financial statements are presented as program level financial statements because the Housing Authority only has proprietary funds.

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

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

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

WEBSTER HOUSING & REDEV COMM PLEASANT VIEW APARTMENT
Webster, South Dakota

Management's Discussion and Analysis
December 31, 2022

Financial Analysis

The Housing Authority's basic financial statements are the Statement of Net Position and the Statement of Changes in Net Position. The Statement of Net Position provides a summary of the Housing Authority's assets and liabilities as of the close of business on December 31, 2021. The Statement of Changes in Net Position summarizes the revenues and sources of those revenues, and expenses incurred in operating the Housing Authority for the year ended December 31, 2021.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income.

Capital Fund Program- The Capital Fund Program is the primary funding source for physical and management improvements to the Authority's properties.

City Housing / Townhouses – The authority is operating a residential rental facility for moderate income families and individuals that is not funded by HUD.

Statement of Net Position

FOR THE YEAR ENDED December 31	2022	2021
Current assets and prepaid expense	\$346,630	\$326,298
Inventory held for resale	\$0	\$0
Capital assets, net	\$305,172	\$325,811
Pension assets, net		
Total Assets	\$651,802	\$651,609
Deferred Outflows of Resources	\$0	\$0
Current liabilities	\$49,275	\$45,977
Non-current liabilities	\$100,732	\$117,091
Total liabilities	\$150,007	\$163,068
Deferred Inflow of Resources	\$0	\$0
Net Position		
Invested in capital assets, net of related debt	\$200,132	\$193,553
Restricted	\$54,468	\$54,468
Unrestricted	\$247,194	\$240,520
Total Net Position	<u>\$501,795</u>	<u>\$488,541</u>
Total Liabilities, Deferred inflow of Resources and Equity/Net Position	<u>\$651,802</u>	<u>\$651,609</u>

WEBSTER HOUSING & REDEV COMM PLEASANT VIEW APARTMENT
Webster, South Dakota

Management's Discussion and Analysis
December 31, 2022

Comparative Statement of Revenues, Expenses and Changes in Net Position

FOR THE YEAR ENDED December 31	2022	2021	Change
Program Revenue			
Tenant revenue	\$143,162	\$135,028	\$8,134
Other income	\$3,027	\$2,654	\$373
Federal grants and subsidies	\$107,127	\$142,002	(\$34,875)
Interest income	\$973	\$644	\$329
Total revenue	<u>\$254,289</u>	<u>\$280,328</u>	(\$26,039)
Program Expenses			
Administration	\$60,824	\$60,234	\$590
Tenant Services	\$8375	\$6345	\$2030
Utilities	\$58352	\$53,906	\$4446
Ordinary maintenance & operations	\$42136	\$33,664	\$8472
Protective services	\$0	\$0	\$0
General expenses	\$29163	\$26,935	\$742
Non-routine maintenance	\$0	\$0	\$0
Depreciation	\$40,468	\$40,230	\$238
Interest Expense	\$1717	\$3,101	(\$1384)
HAP	\$0	\$0	\$0
Pension net revenue			
Total expenses	<u>\$241035</u>	<u>\$224,415</u>	\$16,620
Gain/loss - disposition of assets	(\$0)	(\$375)	\$375
Transfer of funds	\$0	\$0	\$0
Change in Net Position	<u>\$13,255</u>	<u>\$55,538</u>	(\$42,283)
Beginning Net Position	<u>\$488,541</u>	<u>\$433,004</u>	\$55,537
Pension assets, net			
Pension related deferred outflow			
Ending Net Position	<u>\$501,795</u>	<u>\$488,541</u>	\$13,255

Federal grants total \$142,002.

WEBSTER HOUSING & REDEV COMM PLEASANT VIEW APARTMENT
Webster, South Dakota

Management's Discussion and Analysis
December 31, 2022

Capital Assets

Capital Assets at Year-end
(Net of Accumulated Depreciation)

FOR THE YEAR ENDED December 31	2022	2021	change
Land	\$60,688	\$60,688	\$0
Buildings	\$1,854,689	\$1,850,533	\$4,156
Furniture, Equipment & Machinery - Admin	\$28,867	\$29,987	\$(1,120)
Furniture, Equipment & Machinery - Dwelling	\$0	\$0	(\$0)
Construction in Progress	\$16,172	\$0	\$16,172
Subtotal	\$1,960,416	\$1,941,208	\$19,208
Accumulated Depreciation	(\$1,655,245)	(\$1,615,897)	(\$39,348)
Total Capital assets	<u>\$305,171</u>	<u>\$325,311</u>	<u>\$20,140</u>

Long Term Debt

The Housing Authority has \$100,732 in long-term debt.

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the federal budget for the current year (and future years).

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Rich Galbraith, Executive Director, at Webster Housing & Redev Comm Pleasant View Apartment, 1101 E 7th Street, Webster, South Dakota 57274 -- (605) 345-3181

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
WEBSTER, SOUTH DAKOTA
Project Code: SD040
Annual Contribution Contract Number: DEN-2569

STATEMENT OF NET POSITION -- ENTERPRISE FUNDS
AS OF DECEMBER 31, 2022

	Pleasant View Public Housing Fund	4-Plex Fund	Totals
	-----	-----	-----
ASSETS			
Current assets:			
Cash:			
Petty	100.00		100.00
Checking	683.65	4,794.94	5,478.59
Checking - tenant services	470.05		470.05
Savings - security deposits	11,871.00	3,760.00	15,631.00
Savings	170,724.45	16,050.59	186,775.04
	-----	-----	-----
Total cash	183,849.15	24,605.53	208,454.68
Certificates of deposit - over 90	103,168.12	8,053.05	111,221.17
Accounts receivable - HUD	690.93		690.93
Accounts receivable - miscellaneous	2,214.61		2,214.61
Accounts receivable - tenants	118.50		118.50
Accrued interest receivable	392.19	9.31	401.50
Prepaid insurance	20,360.73	2,650.58	23,011.31
Revolving fund	517.00		517.00
	-----	-----	-----
Total current assets	311,311.23	35,318.47	346,629.70
	-----	-----	-----
Capital assets:			
Land	32,000.00	28,687.91	60,687.91
Buildings and improvements	1,586,143.03	268,546.41	1,854,689.44
Equipment - administration	28,867.38		28,867.38
Construction-in-progress	12,172.17	4,000.00	16,172.17
Accumulated depreciation	(1,449,559.90)	(205,684.93)	(1,655,244.83)
	-----	-----	-----
Total capital assets	209,622.68	95,549.39	305,172.07
	-----	-----	-----
Total assets	520,933.91	130,867.86	651,801.77
	=====	=====	=====
LIABILITIES			
Current liabilities:			
Accounts payable	1,404.62	64.59	1,469.21
Payroll deductions payable	819.81		819.81
Accrued payment in lieu of taxes	5,177.97	1,628.00	6,805.97
Accrued utilities	8,026.67		8,026.67
Accrued interest payable - note		45.24	45.24
Accrued interest payable - bond		114.60	114.60
Tenant security deposits	11,871.00	3,760.00	15,631.00
Tenant activities	470.05		470.05
Prepaid rent	27.00		27.00
Revolving fund		517.00	517.00
Current portion - note		1,483.54	1,483.54
Current portion - bond		13,864.78	13,864.78
	-----	-----	-----
Total current liabilities	27,797.12	21,477.75	49,274.87
	-----	-----	-----
Noncurrent liabilities:			
Long-term debt - note		9,672.25	9,672.25
Long-term debt - bond		91,059.72	91,059.72
	-----	-----	-----
Total liabilities	27,797.12	122,209.72	150,006.84
	=====	=====	=====
NET POSITION:			
Net invested in capital assets	209,622.68	(9,489.71)	200,132.97
Restricted - replacement	54,467.99		54,467.99
Unrestricted	229,046.12	18,147.85	247,193.97
	-----	-----	-----
Total net position	493,136.79	8,658.14	501,794.93
	=====	=====	=====

See accompanying notes.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
WEBSTER, SOUTH DAKOTA

Project Code: SD040
Annual Contribution Contract Number: DEN-2569

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION -- ENTERPRISE FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2022

	Pleasant View Public Housing Fund	4-Plex Fund	Totals
	-----	-----	-----
Operating revenues:			
Dwelling rents	109,059.00	33,490.00	142,549.00
Excess utilities	143.00	470.00	613.00
Other income	3,027.21		3,027.21
	-----	-----	-----
Total operating revenues	112,229.21	33,960.00	146,189.21
	-----	-----	-----
Operating expenses:			
Administration	57,350.15	3,473.74	60,823.89
Tenant services	8,374.92		8,374.92
Utilities	57,422.29	929.91	58,352.20
Maintenance and operations	36,454.24	5,682.00	42,136.24
General expenses	23,959.34	5,204.10	29,163.44
Depreciation	29,048.72	11,418.93	40,467.65
	-----	-----	-----
Total operating expenses	212,609.66	26,708.68	239,318.34
	-----	-----	-----
Operating income (loss):	(100,380.45)	7,251.32	(93,129.13)
Nonoperating revenues (expenses):			
HUD - operating subsidy	94,545.00		94,545.00
Interest earned	903.52	69.70	973.22
Interest expense - notes		(674.86)	(674.86)
Interest expense - mortgage		(1,041.91)	(1,041.91)
	-----	-----	-----
Total nonoperating revenues (expenses):	95,448.52	(1,647.07)	93,801.45
	-----	-----	-----
Net income (loss) before contributions	(4,931.93)	5,604.25	672.32
HUD capital contributions	12,582.20		12,582.20
	-----	-----	-----
Total HUD capital contribution	12,582.20	0.00	12,582.20
	-----	-----	-----
Change in net position	7,650.27	5,604.25	13,254.52
Net position:			
January 1, 2022	485,486.52	3,053.89	488,540.41
	-----	-----	-----
December 31, 2022	493,136.79	8,658.14	501,794.93
	=====	=====	=====

See accompanying notes.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
WEBSTER, SOUTH DAKOTA
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Annual Contribution Contract Number: DEN-2569

STATEMENT OF CASH FLOWS -- ENTERPRISE FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2022

	Pleasant View Public Housing Fund	4-Plex Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from renters	115,636.05	35,037.00	150,673.05
Payments to employees for services	428.32		428.32
Payments to suppliers for goods and services	(185,911.87)	(15,748.47)	(201,660.34)
Net cash provided (used) by operating activities	(69,847.50)	19,288.53	(50,558.97)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
HUD operating subsidy	93,854.07		93,854.07
Revolving fund	(517.00)	517.00	0.00
Net cash provided (used) by non-capital financing activities	93,337.07	517.00	93,854.07
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
HUD capital contribution	12,582.20		12,582.20
Cash paid for buildings and improvements	(16,328.82)	(4,000.00)	(20,328.82)
Mortgage payments - principle		(14,036.93)	(14,036.93)
Mortgage payments - interest		(1,119.37)	(1,119.37)
Bank notes payments - principle		(1,403.72)	(1,403.72)
Bank notes payments - interest		(674.86)	(674.86)
Net cash provided (used) by capital financing activities	(3,746.62)	(21,234.88)	(24,981.50)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	893.97	89.36	983.33
Purchase certificates of deposit	(98.89)	(49.56)	(148.45)
Net cash provided (used) by investing activities	795.08	39.80	834.88
Net increase (decrease) in cash	20,538.03	(1,389.55)	19,148.48
Cash and cash equivalents:			
January 1, 2021	163,311.12	25,995.08	189,306.20
December 31, 2021	183,849.15	24,605.53	208,454.68
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(100,380.45)	7,251.32	(93,129.13)
Adjustments required for reconciliation:			
Depreciation expense	29,048.72	11,418.93	40,467.65
Change in:			
Accounts receivable - tenants	(57.50)		(57.50)
Accounts receivable - other	3,296.84	77.00	3,373.84
Prepaid insurance	(2,811.91)	(341.90)	(3,153.81)
Accounts payable	(463.60)	(150.23)	(613.83)
Accrued salary and benefits	428.32		428.32
Accrued expenses	265.20	33.41	298.61
Prepaid rents	(7.00)		(7.00)
Tenant security deposits	1,380.00	1,000.00	2,380.00
Tenant cash deposits	(546.12)		(546.12)
Net cash provided (used) by operating activities	(69,847.50)	19,288.53	(50,558.97)
Noncash financing, capital, and investing activities:			
None			
See accompanying notes.			

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity:

The funds included in this report are controlled by or dependent upon the Webster Housing & Redevelopment Commission's (Commission) Board of Commissioners. The Commission is a component unit of the City of Webster, South Dakota which owns the project and approves all members of the Commission's Board.

The Commission is a Public Housing Authority, established under the authority of SDCL 11-7, to operate 32 low-income public housing units, know as Pleasant View. These units are subsidized by the U.S. Dept. of Housing and Urban Development (HUD) to provide housing to low income, elderly and disabled persons. The Commission also operates 4 unsubsidized rental housing units, known as the 4-Plax.

At December 31, 2022, the Commission's officials were:

Mayor, City of Webster
John Hawkins

Contracting Officer:
Rich Galbraith

Board of Commissioners:
Betty Zenk, President
Arnie Anderson
Gary Huggett
David Jesme
Ray Lardy

Attorney:
Danny R. Smeins

Program Specialist:
Julie Berger

The Commission complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

b. Fund Accounting:

The accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. The funds in this financial report are classified as an "enterprise" fund type.

Enterprise funds:

Enterprise funds are used to account for activity for which a fee is charged to external users for goods or services. The Commission maintains Pleasant View fund with 32 subsidized rental units. These units were a Section 23 leased facility which were converted to an owned public housing project on November 1, 1994. The Commission also maintains the 4-Plex fund with 4 unsubsidized rental units. The 4-Plex fund is for moderate income families and individuals and was financed with Essential Function Housing Development Bonds, 25% of which is guaranteed by the City of Webster. Both of these funds are major funds.

c. Measurement Focus and Basis of Accounting:

Measurement focus refers to what financial resources make up a fund. Basis of accounting refers to when revenues and expenses are recognized by a fund and reported in the financial statements.

Enterprise Funds:

Measurement Focus - All enterprise funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with a fund are included in its statement of net position. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net position.

Basis of Accounting - All enterprise funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash is received or paid. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements are satisfied.

d. Capital Assets and Depreciation:

Capital assets must cost at least \$1,000. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date donated.

Approximately 0% of the December 31, 2022 enterprise fund capital assets are determined by estimates of historical cost.

The cost of normal maintenance and repairs that do not add value of the assets, or materially extend asset lives, are not capitalized. Improvements that add value, or materially extend asset lives, are capitalized.

Depreciation of all exhaustible capital assets used by the enterprise funds is charged as an expense against that fund's operation. Depreciation has been provided over estimated useful life using the straight-line method. Buildings are given a useful life of 15 or 40 years. Improvements are given a useful life of 5 to 15 years. Equipment is given a useful life of 5 years. Accumulated depreciation is reported on the enterprise fund statement of net position.

Interest cost incurred during construction of capital assets is not capitalized along with other capital asset costs.

e. Long-term Liabilities:

Long-term liabilities consist of notes and bond payable. The portion due in the next year is reported as a current liability and balance is reported as a long-term liability.

f. Operating and Nonoperating Revenues:

Operating revenues are those associated with tenant activity such as rents, utilities, and laundry. Nonoperating revenues are those not associated with tenant activity such as the HUD subsidy, interest income and interest expense.

Pleasant View rental units generally are subsidized based on the higher of 30% of adjusted gross income (based on HUD guidelines) or 10% of gross income. HUD pays the remainder of the rent.

g. Net Position Classifications:

Net position is displayed in up to three components:

1. Net Invested in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position - Consists of net position with constraints placed on their use by either (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted Net Position - All other net position that does not meet the criteria of 1 or 2 above.

h. Application of Net Position:

It is the Commission's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred which can be charged to either restricted or unrestricted net position.

i. Interfund Transactions:

Transactions that constitute reimbursements to a fund for disbursements made from it, and that are properly applicable to another fund, are recorded as a disbursement in the reimbursing fund and as a reduction of a disbursement in the fund that is reimbursed. All other interfund transactions are reported as transfers.

j. Allowance for Doubtful Accounts:

Write-off of any unpaid rent is minimal. However, when rent receivables exist a small amount of allowance for doubtful accounts is reported.

k. Accounting Estimates:

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates and assumptions. Following are some of the estimates made by management during the year:

- * Allowance for doubtful accounts -- estimated uncollectables
- * Depreciation -- estimated service lives

2. VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

None reported.

3. DEPOSITS, INVESTMENTS, RISK AND CASH FLOWS

Deposits - The Commission deposits are made in qualified public depositories as defined by SDCL 4-6A-1. Qualified depositories are required by SDCL 4-6A-3 to maintain, at all times, segregated from their other assets, eligible collateral with a value equal to at least 100 percent of the public deposit accounts that exceed deposit insurance such as FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of

that bank's public debt rating which may not be less than "AA" or better, or a qualified public depository may furnish a corporate surety bond from a corporation authorized to do business in South Dakota.

Deposits are reported at costs, plus interest, if the account is an add-on type.

The actual bank balances at December 31, 2022 were: Insured \$265,393 and Collateralized** \$63,627 for a total of \$329,020.

** Uninsured, collateral jointly held by state's/Commission's agent in the name of the state and the pledging financial institution. The carrying amount of these deposits at December 31, 2022 (plus petty cash of \$100) was \$319,676.

Investments - In general, SDCL 11-7-31 permits Housing & Redevelopment Commission funds ".to invest any funds held in reserves or debt service funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control."

Additionally, SDCL 4-5-6 permits Housing & Redevelopment Commission funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Because certificates of deposit are insured, they are considered to be deposits. The Commission had no investments during the year ending December 31, 2022.

Investment Risk - State law limits eligible investments for the Commission as discussed above. The Commission has no investment policy that would further limit its investment choices.

Interest Rate Risk - The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All certificates of deposits are at fixed interest rates for a specified term.

Concentration of Credit Risk - The Commission places no limit on the amount that may be deposited or invested in any one institution. At December 31, 2022, all of the Commission's cash and certificates of deposit are deposited in Dakota Bank and First Interstate Bank.

Credit Risk - In 2022 the Commission had no credit risks because all deposits are FDIC insured or collateralized.

Custodial Risk - The risk that, in the event of a depository failure, the Commission's deposits may not be returned to it. As of December 31, 2022, the Commission's deposits in financial institutions were not exposed to custodial credit risk because all deposits are FDIC insured or collateralized.

Cash Flows - For the purposes of the statement of cash flows, the Commission considers all highly liquid investments and deposits (including restricted assets) with a term to maturity of three months or less when purchased to be cash equivalents.

4. RECEIVABLES AND PREPAID EXPENSES

Receivables are not aggregated in these financial statements. The Commission expects to collect all receivables within one year.

Prepaid expenses of \$23,011 is for prepaid insurance.

5. PAYABLES, ACCRUED EXPENSES, AND DEPOSITS

Payables are not aggregated in these financial statements. Payables are for amounts due to vendors of \$1,469 and payroll deductions of \$820.

Accrued expenses are for payment-in-lieu of taxes of \$6,806, utility costs of \$8,026 and note and bond interest of \$160.

Tenant security deposits are \$15,631, tenant activities deposit are \$470, and tenant prepaid rents is \$27.

6. CHANGES IN CAPITAL ASSETS (see schedule one, page 18)

A summary of the changes in capital assets for the one year ending December 31, 2022 is presented in schedule one at the end of these footnotes. There is construction in progress at December 31, 2022.

7. LONG-TERM LIABILITIES (see schedule two, page 19)

A summary of changes in long-term liabilities is presented in schedule two at the end of these footnotes. Long-term liabilities were paid down by \$15,441. All payments are current.

All 4-Plex net revenues (after normal operating, repair and maintenance expenses) is pledged to secure an Essential Function Housing Development Bond which has a remaining balance of \$104,924. The bond was issued to construct the 4-plex rental unit and is described on page 19. The bond will mature June 1, 2030. In 2022 the bond had pledged revenue of \$18,670 and principal and interest payments of \$15,156.

Debt related to the original acquisition and early modernization of the public housing development is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith or credit by Commission. Accordingly, this debt has not been recorded in the financial statements of the Webster Housing & Redevelopment Commission. HUD no longer provides the Commission with debt service information since the Commission has no obligation for this debt.

The Commission has no: (a) unused lines-of-credit, (b) short-term debt, (c) debt extinguishments, defeasances, refundings or troubled debt restructuring, (d) special assessment debt, (e) conduit debt, (f) derivatives or hedging of variable rate debt, (g) debt related to claims and judgments, or (h) other than the collateral specified, terms in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences or (3) subjective acceleration clauses.

8. INTERFUND ACTIVITY

At December 31, 2022 the 4-plex owed \$517 to public housing for operations. This amount is expected to be repaid within a year.

9. ECONOMIC DEPENDENCY AND HUD GRANTS

The Commission receives approximately 42% of its revenues from HUD. If the amount of revenues received from HUD falls, the Commissions operations would be adversely affected. In 2022 the Commission received from HUD an operating subsidy of \$94,545 and a capital contribution of \$12,582.

10. PAYMENT IN LIEU OF TAXES

The Commission does not pay property taxes based tax levies against the real property owned by the Commission. Instead, they make "payments in lieu of taxes" (PILOT) based on a percentage of gross rents less utility costs.

PILOT for the 2022 year was determined as follows:

	Total	Pleasant View	4-Plex Apartments (*)
Rental income	142,692	109,202	33,490
Less: utility costs	(58,352)	(57,422)	(930)
	-----	-----	-----
Net shelter rent	84,340	51,780	32,560
	=====	=====	=====
PILOT percentage		10%	5%
PILOT for 2022	6,806	5,178	1,628
	=====	=====	=====

(*) The 4-Plex will not owe any property taxes until its Essential Function Bonds are paid off in 2030 or the building is sold to a private party.

Because the Commission is a component unit of the City of Webster, it is a governmental entity and is exempt from federal income taxes. The State of South Dakota does not have an income tax.

11. COMMITMENTS AND CONTINGENCIES

Litigation:

The Commission was not involved in any litigation at December 31, 2022.

Examination:

The Commission is subject to possible examination made by federal and state authorities who determine compliance with terms, conditions, laws and regulations governing grants given to the Commission in the current and prior years. There were no examinations during the year ending December 31, 2022.

Grant Disallowances:

Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Commission. The amount of expenditures, if any, which may be disallowed by HUD cannot be determined at this time. The Commission would expect such amounts, if any, to be immaterial.

12. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft, damage, or destruction of assets; errors and omissions; injuries to employees' and natural disasters. During the one year ending December 31, 2022, the Commission managed its risks as follows:

Health insurance: None

Property and Liability insurance: The Commission maintains property and liability insurance through a commercial carrier. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

Worker's compensation: Through the City of Webster.

Unemployment benefits: The Commission maintains unemployment insurance through the State of South Dakota.

13. OTHER DISCLOSURES

The Commission is not involved in any litigation. However, as discussed in the risk management note above, the Commission has liability coverage which would mitigate any material adverse affect on the financial statements from such litigation.

In 2023 the Commission received approval for future construction of a second 4-plex of Governor Homes.

In 2023 the Commission increased flat rents to \$413 for a 1 bedroom unit and \$524 for a 2 bedroom unit.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE ONE
CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2022

	Beginning 12-31-21	Book Adjustments	Additions	(Deletions)	Ending 12-31-22	Accumulated Depreciation 12-31-21	Book Adjustments	(Additions)	Deletions	Ending 12-31-22	Remaining Cost 12-31-22
Pleasant View Fund:											
Land	32,000.00				32,000.00					-	32,000.00
Buildings and improvement	1,581,986.38		4,156.65		1,586,143.03	(1,391,643.31)	(0.60)	(29,048.61)		(1,420,692.52)	165,450.51
Equipment - dwellings	-				-	-				-	-
Equipment - administratio	29,987.38			(1,120.00)	28,867.38	(29,987.38)			1,120.00	(28,867.38)	-
Construction-in-progress	-		12,172.17		12,172.17	-				-	12,172.17
	<u>1,643,973.76</u>	<u>-</u>	<u>16,328.82</u>	<u>(1,120.00)</u>	<u>1,659,182.58</u>	<u>(1,421,630.69)</u>	<u>(0.60)</u>	<u>(29,048.61)</u>	<u>1,120.00</u>	<u>(1,449,559.90)</u>	<u>209,622.68</u>
Carpet			2,337.63								
Internet upgrade			1,819.02								
Site improvements			12,172.17								
			<u>16,328.82</u>								
4-Flex Fund:											
Land	28,687.91				28,687.91					-	28,687.91
Land improvements					-					-	-
Buildings and improvement	268,546.41				268,546.41	(194,266.00)	(0.10)	(11,418.83)		(205,684.93)	62,861.48
Equipment - dwellings	-				-	-				-	-
Equipment - administratio	-				-	-				-	-
Construction-in-progress	-		4,000.00		4,000.00	-				-	4,000.00
	<u>297,234.32</u>	<u>-</u>	<u>4,000.00</u>	<u>-</u>	<u>301,234.32</u>	<u>(194,266.00)</u>	<u>(0.10)</u>	<u>(11,418.83)</u>	<u>-</u>	<u>(205,684.93)</u>	<u>95,549.39</u>
Construction costs			4,000.00								
			<u>4,000.00</u>								

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS -- SCHEDULE TWO
CHANGES IN LONG-TERM LIABILITIES
FOR THE YEAR ENDING DECEMBER 31, 2022

	Beginning 12-31-21 -----	Additions -----	(Deletions) -----	Ending 12-31-22 -----	Due in 2023 -----
DIRECT BORROWING					
2001 Essential Function Housing Development Revenue Bond:					
Original issue of \$280,000					
Maturing on June 1, 2030					
Payable in monthly installments of \$1,263.02					
Interest at 1.31% at December 31, 2022					
Interest rate subject to adjustment every 5 years					
Callable as provided by SDCL 6-8B-23					
Secured by real and personal property of the 4-plex built with this bond					
The City of Webster has guaranteed 25% of this bond					
Paid by 4-plex fund	118,961		(14,037)	104,924	13,865
2019 unsecured bank loan:					
Original issue of \$15,846.52					
Maturing on May 5, 2024					
Payable in monthly installments of \$173.22					
Interest at 5.60%					
Paid by 4-plex fund	12,560		(1,404)	11,156	1,484
	-----	-----	-----	-----	-----
	131,521	0	(15,441)	116,080	15,349
	=====	=====	=====	=====	=====

Payment Schedules:	Total Payments -----	Principal -----	Interest -----	Balance -----
2001 Essential Function Housing Development Revenue Bond:				
2023	15,156	13,865	1,291	91,059
2024	15,156	13,963	1,193	77,096
2025	15,157	14,146	1,011	62,950
2026	15,156	14,332	824	48,618
2027	15,156	14,519	637	34,099
2028-2030	34,859	34,099	760	0
	-----	-----	-----	-----
	110,640	104,924	5,716	
	=====	=====	=====	
2019 unsecured bank loan:				
2023	2,079	1,484	595	9,672
2024	9,893	9,672	221	0
	-----	-----	-----	
	11,972	11,156	816	
	=====	=====	=====	

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

Board of Commissioners
Webster Housing & Redevelopment Commission
Webster, South Dakota

Independent Auditor's Report

I 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 each major fund of the Webster Housing & Redevelopment Commission (Commission), a component unit of the City of Webster, South Dakota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued my report thereon dated September 29, 2023, which was unmodified.

Report on Internal Control Over Financial Reporting:

In planning and performing my audit of the financial statements, I considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of Webster Housing & Redevelopment Commission's internal control.

A deficiency in internal control exist 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission'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 the attention of those charged with governance.

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

I did note minor matters involving internal control over financial reporting that I reported to the governing body and management of the Commission in a separate Letter of Comments dated September 29, 2023.

Report on Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 my audit and, accordingly, I do not express such an opinion.

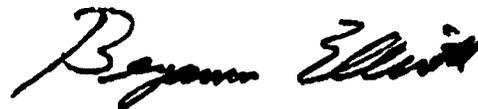
The results of my tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota



September 29, 2023

WEBSTER HOUSING & REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
DECEMBER 31, 2022

SCHEDULE OF PRIOR AUDIT FINDINGS

There are no prior written audit findings to report.

SCHEDULE OF CURRENT AUDIT FINDINGS AND RESPONSES

There are no current written audit findings to report.

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
DECEMBER 31, 2022

Financial Data Schedule

Financial Data Schedule (FDS)
For the One Year Ending December 31, 2022
Required by the Dept. of Housing
and Urban Development (HUD)

Line Item #	Audit 12-31-22	Reclass	Low Rent Public Housing CFDA # 14.850a 12-31-22	Public Housing CARES Funding CFDA # 21.019 12-31-22	Business Activity (4 plex) 12-31-22
ASSETS					
Current assets:					
111.00	Cash - unrestricted	6,049		1,254	4,795
114.00	Cash - tenant security deposits	15,631	337	11,534	3,760
122.00	Accounts rec - HUD	691		691	
125.00	Accounts rec - miscellaneous	2,215		2,215	
126.00	Accounts rec - tenants	441		441	
126.10	Allowance for doubtful accts - tenants	(323)		(323)	
129.00	Accrued interest receivable	401		392	9
131.00	Investments - unrestricted	297,996	(337)	274,229	24,104
142.00	Prepaid expenses and other asset	23,012		20,361	2,651
144.00	Inter Program due from	517		517	
150.00	Total current assets:	346,630	0	311,311	35,319
Noncurrent assets:					
161.00	Land	60,688		32,000	28,688
162.00	Buildings	1,854,690		1,586,144	268,546
164.00	Furniture, equipment - administr	28,867		28,867	
166.00	Accumulated depreciation	(1,655,245)		(1,449,560)	(205,685)
167.00	Construction-in-progress	16,172		12,172	4,000
160.00	Total non-current assets:	305,172	0	209,623	95,549
190.00	Total assets	651,802	0	520,934	130,868
LIABILITIES					
Current liabilities:					
312.00	Accounts payable <= 90 days	1,469	(337)	1,741	65
321.00	Accrued payroll payable	820		820	
325.00	Accrued interest payable	160			160
333.00	Accounts payable - other governm	6,806		5,178	1,628
341.00	Tenant security deposits	15,631	337	11,534	3,760
342.00	Prepaid tenant rents	27		27	
343.00	Current portion of long-tem debt	15,348			15,348
346.00	Accrued liabilities - other	8,027		8,027	
347.00	Inter Program due to	517			517
353.00	Tenant activities	470	470		
310.00	Total current liabilities	49,275	470	27,327	21,478
Noncurrent liabilities:					
351.00	Non-current portion of long-tem	100,732			100,732
353.00	Tenant activities	0	(470)	470	
300.00	Total liabilities	150,007	0	27,797	122,210
NET POSITION					
508.40	Net investment in capital assets	200,133	11,201	209,623	(20,691)
511.40	Restricted net position	54,468		54,468	
512.40	Unrestricted net position	247,194	(11,201)	229,046	29,349
513.00	Total net position	501,795	0	493,137	8,658
600.00	Total liabilities and net positior	651,802	0	520,934	130,868

WEBSTER HOUSING AND REDEVELOPMENT COMMISSION

A COMPONENT UNIT OF THE CITY OF WEBSTER, SOUTH DAKOTA
 DECEMBER 31, 2022

			Financial Data Schedule		
Financial Data Schedule (FDS)			Low Rent	Public Housing	Business
For the One Year Ending December 31, 2022			Public	CARES	Activity
Required by the Dept. of Housing			Housing	Funding	(4 plex)
and Urban Development			CFDA #	CFDA #	
Line	Audit	Reclass	14.850a	21.019	
Item #	12-31-22		12-31-22	12-31-22	12-31-22
REVENUE					
703.00	Net tenant rental revenue		109,059		33,490
704.00	Tenant revenue - other		143		470
706.00	HUD operating grants	(94,545)	94,545		
706.10	HUD capital grants	(12,582)	12,582		
711.00	Investment income - unrestricted	(974)	904		70
715.00	Other revenue		3,027		
700.00	Total revenue	(108,101)	220,260	0	34,030
EXPENSES					
Expenses - administrative:					
912.00	Auditing fees		4,183		517
913.00	Management fee		40,460		1,672
916.00	Office expenses		10,185		1,285
919.00	Other		2,522		
Expenses - tenant services:					
921.00	Salaries		5,281		
923.00	Employee benefit contributions		419		
924.00	Other		2,675		
Expenses - utilities:					
931.00	Water		7,295		888
932.00	Electricity		33,424		23
933.00	Gas				19
936.00	Sewer		16,703		
Expenses - ordinary maint. & operation:					
941.00	Labor		12,076		588
942.00	Materials and other		6,346		319
943.00	Ordinary maint. & operations con		17,072		4,775
945.00	Employee benefit contributions		960		
Expenses - general:					
961.10	Property		18,117		3,576
961.30	Workmen's compensation		342		
963.00	Payment in lieu of taxes		5,178		1,628
964.00	Bad debts - tenant rents		323		
967.20	Interest expense	(1,717)			1,717
Other expenses:					
974.00	Depreciation		29,049		11,419
900.00	Total expenses	(1,717)	212,610	0	28,426
Other financing sources (uses):					
706.00	HUD operating grant	94,545	94,545		
711.00	Investment income - unrestricted	974	974		
967.20	Interest expense	(1,717)	(1,717)		
100.10	Transfer in	0	0		
100.20	Transfer out	0	0		
101.00	Total other financing sources (use)	93,802	93,802	0	0
	Net income (loss) before contribut	672	(12,582)	7,650	5,604
706.10	HUD capital grants	12,582	12,582		
100.00	Change in net position	13,254	0	7,650	5,604
NET POSITION					
110.30	Beginning	488,541	485,487	0	3,054
	Ending	501,795	493,137	0	8,658