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DELAWARE
STATE AUDITOR

Delaware State Housing Authority

Basic Financial Statement Audit
for Fiscal Year 2021

What Was Performed? A financial statement audit that includes a review of internal controls over the financial reporting of the Delaware State Housing Authority for Fiscal Year ended June 30, 2021.

Why This Engagement? This engagement was performed in accordance with 31 *Del. C.* § 4015 and 29 *Del. C.* § 2906.

The mission of the Delaware State Housing Authority (DSHA) is to provide – and to help others with providing – quality, affordable housing opportunities and appropriate supportive services to low- and moderate-income Delawareans.

What Was Found? Although the overall report contains an unmodified opinion¹, the internal controls review section contains two findings:

- **Finding 1:** Auditors identified several errors in the financial statement balances, which required significant journal entry adjustments. The adjustments increased assets by \$719,000, decreased liabilities by \$866,000, decreased inter-fund balances by \$1.6 million and increased expenses by \$3 million. A similar finding was also reported the previous year. Management ultimately made the corrections in the financial statements, which allowed for the overall unmodified opinion.
- **Finding 2:** DSHA identified potential errors in the processing and payment of assistance totaling approximately \$1 million during the fiscal year ended June 30, 2021. Additionally, potential errors totaling approximately \$2.2 million occurred between July 1, 2021, and Sept. 30, 2021.

The Delaware State Housing Authority's Basic Financial Statement Audit for Fiscal Year ended June 30, 2021 can be found on our [website](#).

Please do not reply to this email. For any questions regarding the attached report, please contact State Auditor Kathleen McGuinness at 302-739-5055 or Kathleen.Mcguinness@delaware.gov.

¹ An unmodified opinion is sometimes referred to as a "clean" opinion. It is one in which the auditor expresses an opinion that the financial statements present fairly, in all material respects, an entity's financial position, results of operations and cash flows in conformity with generally accepted accounting principles.