



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 11, 2024

Board of Directors
Housing Authority of the City of Richmond
Wayne County, Indiana

We have reviewed the audit report of the Housing Authority of the City of Richmond, which was opined upon by Henderson & Pilleteri, LLC, Independent Public Accountant, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Richmond as of June 30, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Henderson & Pilleteri, LLC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report on page 23. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears at the end of the finding.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

HOUSING AUTHORITY OF THE CITY OF RICHMOND

**FINANCIAL STATEMENTS
&
SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2023

HOUSING AUTHORITY OF THE CITY OF RICHMOND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023

	<u>Page</u>
Management’s Discussion and Analysis.....	1-4
Independent Auditor’s Report	5-6
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>	7
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	8-9
Statement of Net Position – Enterprise Fund	10
Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Fund	11
Statement of Cash Flows – Enterprise Fund	12
Notes to Financial Statements	13-18
Supplementary Information – Statement of Net Position – By Program	19
Supplementary Information – Statement of Revenues, Expenses, and Changes in Fund Net Position – By Program.....	20
Schedule of Expenditures of Federal Awards	21
Schedule of Findings and Questioned Costs	22-23
Independent Accountant’s Report	24-25
Financial Data Schedule	26-30

HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (the "MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Housing Authority of the City of Richmond's, (the "Authority") financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify issues or concerns. This will now be presented at the front of each year's financial statements.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Net position at June 30, 2023, increased to \$7,347,565. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position was \$6,216,989 for 2022.
- The business-type activities operating revenues at June 30, 2023, increased to \$4,082,691. Total operating revenues were \$3,773,687 for 2022.
- The total operating expenses of all programs for June 30, 2023, increased to \$4,331,688. Total operating expenses were \$3,845,823 for 2022.
- Total capital grant contributions at June 30, 2023, increased to \$1,355,119. Total capital grant contributions were \$734,237 for 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity.

This MD&A is intended to serve as an introduction to the Authority's basic financial statements.

The following statements are included:

- Statement of Net Position – reports current financial resources (short-term expendable resources) with capital assets and long-term obligations.
- Statement of Revenue, Expenses, and Changes in Fund Net Position – reports operating and nonoperating revenue, by major source, along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows – reports cash flows from operating, investing, capital, and non-capital activities.

PROGRAMS

Low Income Public Housing – The Authority owns 303 units in Richmond, Indiana. Under the low-income public housing program, the Authority rents units that it owns to low-income households. The program is operated under an annual contributions contract with HUD, and HUD provides operating subsidy and capital funding to enable the Authority to provide housing at a rent that is based on a percentage of household income. The conventional public housing program includes the capital fund program, which is the primary funding source for physical improvements to the Authority's properties. The purpose of the capital fund program is to maintain the physical improvements of the Authority's sites. The Authority requisitions fund from HUD as the Authority expense funds.

Section 8 Housing Choice Vouchers – The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family. The objective of the program is to assist in making tenant-based rental assistance more successful by helping increase housing choices for low-income families and assisting them in obtaining affordable housing.

The Neighborhood Stabilization Program (NSP) – The NSP consists of 10 houses that the City of Richmond, IN has given to the Housing Authority of the City of Richmond for affordable housing. These houses are rented at market rate and are not federally funded. The Program also handles vacant land properties donated by the City of Richmond that will be used for future affordable housing.

The Homeownership Opportunity Program (HOOP) – The HOOP assists tenants in funding a down payment through set aside rents, when approved for a mortgage. There are currently no more homes being rented as all properties have been sold. This program is currently closed.

FINANCIAL ANALYSIS

The following tables focus on the net position and the change in net position of the primary government as a whole.

TABLE 1 – STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Current Assets	\$ 866,804	\$ 558,165	\$ 308,639	55.30%
Capital Assets, Net	6,861,367	5,839,090	1,022,277	17.51%
Other Noncurrent Assets	<u>490,352</u>	<u>-</u>	<u>490,352</u>	100.00%
Total Assets	<u>8,218,523</u>	<u>6,397,255</u>	<u>1,821,268</u>	28.47%
Current Liabilities	220,730	141,788	78,942	55.68%
Noncurrent Liabilities	<u>96,740</u>	<u>38,478</u>	<u>58,262</u>	151.42%
Total Liabilities	<u>317,470</u>	<u>180,266</u>	<u>137,204</u>	76.11%
Deferred Inflows of Resources				
Leases	<u>553,488</u>	<u>-</u>	<u>553,488</u>	100.00%
Net Position				
Net Investment in Capital Assets	6,861,367	5,839,090	1,022,277	17.51%
Restricted	38,845	42,652	(3,807)	-8.93%
Unrestricted	<u>447,353</u>	<u>335,247</u>	<u>112,106</u>	33.44%
Total Net Position	<u>\$ 7,347,565</u>	<u>\$ 6,216,989</u>	<u>\$ 1,130,576</u>	18.19%
Total Liabilities & Net Position	<u>\$ 8,218,523</u>	<u>\$ 6,397,255</u>	<u>\$ 1,821,268</u>	28.47%

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets increased by \$308,639 primarily due to an increase in cash from operations and investing activities, as well as increases in accounts receivable HUD and other miscellaneous sources.

Capital assets increased by \$1,022,277 primarily due to an increase in construction in progress offset by normal accumulated depreciation.

Current liabilities increased by \$78,942 primarily due to an increase in vendor accounts payable.

Noncurrent liabilities increased by \$58,262 due to an increase in the noncurrent portion of accrued compensated absences liabilities.

Deferred inflows of resources increased by \$553,488 due to GASB 87-required financial presentation of leases being implemented this year.

The following schedule compares the revenue and expenses for the current and previous fiscal years. The Authority is engaged only in business-type activities.

TABLE 2 – STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Operating Revenues				
Rental Income	\$ 564,130	\$ 492,021	\$ 72,109	14.66%
Federal Grants	3,307,212	2,834,115	473,097	16.69%
Other	211,349	447,551	(236,202)	-52.78%
Total Operating Revenues	<u>4,082,691</u>	<u>3,773,687</u>	<u>309,004</u>	8.19%
Operating Expenses				
Administration	936,979	938,835	(1,856)	-0.20%
Tenant Services	7,392	12,117	(4,725)	-38.99%
Utilities	418,690	345,376	73,314	21.23%
Maintenance	813,811	509,648	304,163	59.68%
Protective Services	168,048	15,524	152,524	982.50%
General	266,605	402,494	(135,889)	-33.76%
Housing Assistance Payments	1,369,316	1,207,134	162,182	13.44%
Depreciation	350,847	414,695	(63,848)	-15.40%
Total Operating Expenses	<u>4,331,688</u>	<u>3,845,823</u>	<u>485,865</u>	12.63%
Operating Income (loss)	<u>(248,997)</u>	<u>(72,136)</u>	<u>(176,861)</u>	245.18%
Nonoperating revenues (expenses)				
Interest Revenue	24,454	720	23,734	3296.39%
Capital Contributions	1,355,119	734,237	620,882	84.56%
Total Nonoperating Activity	<u>1,379,573</u>	<u>734,957</u>	<u>644,616</u>	87.71%
Change in Net Position	1,130,576	662,821	467,755	70.57%
Prior Period Adjustments	-	433,731	(433,731)	-100.00%
Beginning Net Position	<u>6,216,989</u>	<u>5,120,437</u>	<u>1,096,552</u>	21.42%
Ending Net Position	<u>\$ 7,347,565</u>	<u>\$ 6,216,989</u>	<u>\$ 1,130,576</u>	18.19%

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION

Net position increased by \$1,130,576 due to an excess of total revenues over total expenses during the current fiscal year.

The Authority had an operating loss of \$248,997 including non-cash depreciation expense of \$350,847 versus an operating loss of \$72,136 and depreciation expense of \$414,695 in prior year.

Total operating revenues increased by \$309,004 to \$4,082,691 due to increases in federal grants and rental income, partially offset by decreases in other revenues related to HOOP homes written off in the prior year, write-off of inter-program accounts receivable and payables, and an insurance dividend payment received in the prior year .

Total operating expenses increased by \$485,865 to \$4,331,688 primarily due to increases in maintenance (bed bug treatments), higher utilities in the prior year, protective services with new contracts signed in May 2022, and housing assistance payments. These increases were partially offset by decreases in administration, tenant services, general expenses and depreciation expense.

Capital contributions increased by \$620,882 to \$1,355,119 due to an increase in capital funds spent on unit modernization.

CAPITAL ASSETS

As of June 30, 2023, investment in capital assets for its business-type activities was \$6,861,367 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, and construction in progress.

Major capital asset purchases during the current fiscal year included the following:

- Land
- Unit Renovations

Major capital asset disposals during the current fiscal year included the following:

- Building impairment

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of 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.
- Inflationary pressure on utility rates, supplies, and other costs.

FINANCIAL CONTACT

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

Housing Authority of the City of Richmond
Attn: Keon Jackson
Executive Director
58 South 15th Street
Richmond, IN 47374

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Richmond

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Housing Authority of the City of Richmond (the "Authority"), as of and for the year ended June 30, 2023 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, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2023, 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

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 audit opinions.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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 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:

- 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 Authority'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 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 on pages 1-4 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 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 basic financial statements. The accompanying supplemental data, including the financial data schedule, is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Department and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and is not a required part of the basic financial statements. The statement of net position – by program, and the statement of revenues, expenses, and changes in fund net position – by program, are presented for purposes of additional analysis as required by the Indiana State Board of Accounts 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 subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, the schedule of expenditures of federal awards, the statement of net position – by program, and the statement of revenues, expenses, and changes in fund net position – by program are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Henderson & Pilleteri, LLC

Birmingham, AL
February 7, 2024



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

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Richmond

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 basic financial statements of the Housing Authority of the City of Richmond (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 7, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Henderson & Pilleteri, LLC

Birmingham, AL
February 7, 2024

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Richmond

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Richmond's (the "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 June 30, 2023. 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, 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 June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 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 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 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 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 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:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 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 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.

Report on Internal Control Over Compliance

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

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 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on 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.

Henderson & Pilleteeri, LLC

Birmingham, AL
February 7, 2024

HOUSING AUTHORITY OF THE CITY OF RICHMOND
STATEMENT OF NET POSITION
ENTERPRISE FUND
JUNE 30, 2023

ASSETS

Current assets:

Unrestricted cash and cash equivalents	\$	428,951
Restricted cash and cash equivalents		89,786
Due from HUD		45,466
Miscellaneous receivable		80,963
Tenants receivable, net		31,186
Fraud recovery receivable, net		25,716
Leases receivable, current portion		86,748
Prepaid expenses and other assets		24,392
Inventories, net		<u>53,596</u>
Total current assets		<u>866,804</u>

Noncurrent assets:

Capital assets:

Land and construction in progress		3,699,231
Buildings and equipment, net of depreciation		<u>3,162,136</u>
Total capital assets		6,861,367
Leases receivable, net of current portion		<u>490,352</u>

Total assets		<u>8,218,523</u>
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LIABILITIES

Current liabilities:

Accounts payable		123,776
Accrued liabilities		31,212
Tenant security deposits		50,891
Unearned revenue		5,419
Compensated absences		<u>9,432</u>
Total current liabilities		<u>220,730</u>

Noncurrent liabilities:

Compensated absences, net of current portion		<u>96,740</u>
Total noncurrent liabilities		<u>96,740</u>

Total liabilities		<u>317,470</u>
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DEFERRED INFLOWS OF RESOURCES

Leases		<u>553,488</u>
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NET POSITION

Net investment in capital assets		6,861,367
Restricted		38,845
Unrestricted		<u>447,353</u>

Total net position		<u>\$ 7,347,565</u>
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The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Rental income	\$ 564,130
Federal grants	3,307,212
Other	<u>211,349</u>
 Total operating revenues	 <u>4,082,691</u>
OPERATING EXPENSES	
Administration	936,979
Tenant services	7,392
Utilities	418,690
Maintenance	813,811
Protective services	168,048
General	266,605
Housing assistance payments	1,369,316
Depreciation	<u>350,847</u>
 Total operating expenses	 <u>4,331,688</u>
 Operating income (loss)	 (248,997)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	<u>24,454</u>
 Income (loss) before contributions	 (224,543)
 Capital contributions	 <u>1,355,119</u>
 Change in net position	 1,130,576
Total net position - beginning of the year	<u>6,216,989</u>
Total net position - end of the year	<u><u>\$ 7,347,565</u></u>

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants	\$ 489,652
Federal grants	3,261,746
Other receipts	100,698
Payments to suppliers and Section 8 landlords	(2,847,972)
Payments to or on behalf of employees	<u>(966,495)</u>
Net cash provided (used) by operating activities	<u>37,629</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Purchase of capital assets	(1,399,165)
Capital contributions	<u>1,355,119</u>
Net cash provided (used) by capital financing activities	<u>(44,046)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Collection of interest income	24,454
Collection of principal payment on leases receivable	<u>75,586</u>
Net cash provided (used) by investing activities	<u>100,040</u>

Net increase (decrease) in cash and cash equivalents	93,623
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Balances - beginning of the year	<u>425,114</u>
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Balances - end of the year	<u><u>\$ 518,737</u></u>
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**RECONCILIATION OF INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (248,997)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	350,847
Change in assets and liabilities:	
Receivables, net	(241,240)
Prepays and other assets	13,774
Accounts payable	66,110
Unearned revenue	(3,292)
Accrued liabilities	9,280
Compensated absences	65,455
Tenant security deposits	<u>25,692</u>
Net cash provided (used) by operating activities	<u><u>\$ 37,629</u></u>

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority of the City of Richmond (the “Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management’s Discussion and Analysis (MD&A) section providing an analysis of the Authority’s overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of –
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Fund Net Position
 - Statement of Cash Flows
- Notes to financial statements
- Required supplemental information other than MD&A

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the “enterprise fund” in the basic financial statements. Significant Authority policies are described below.

A. The Reporting Entity

The Housing Authority of the City of Richmond was established by the City of Richmond pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Authority is a special-purpose governmental unit as an entity under the United States Housing Act of 1937 for the purpose of providing affordable housing to low- and moderate-income families in Wayne County, Indiana. The governing body of the Authority is composed of a 7-member appointed Board of Commissioners (the “Board”). The mayor appoints the Board, who in turn hires the Executive Director. The Authority is governed by its charter and by-laws, state and local laws and federal regulations. The Board is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Authority’s management. The Authority has no component units.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority’s financial statements are accounted for on the flow of economic resources management focus using the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and changes in cash flow.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund’s activities are included on the Statement of Net Position. Proprietary fund net position is segregated into Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. Revenues are recognized when they are earned and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are rental charges to tenants and operating subsidy grants from HUD. Operating expenses for proprietary funds include the cost of administrative expenses, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Authority applies restricted resources to fund restricted costs and unrestricted resources to fund unrestricted costs when restricted and unrestricted net position is available. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements.

The Authority has previously adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with this statement, the Authority accounted for all grants that qualify as non-exchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses, and Changes in Fund Net Position after income before contributions and before changes in net position.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component on net position.

C. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and money market accounts. For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported on the balance sheet approximate fair values because of the short maturities of those investments.

D. Receivables

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

E. Restricted Assets and Liabilities

Debt covenants, HUD regulations, and inter-local agreements restrict the use of certain assets. Restricted assets are offset by related liabilities in accordance with their liquidity.

F. Inventories

Inventories are accounted for under the consumption method and recorded at the lower of cost or market, net of an allowance for obsolete inventories. Materials and supplies are recorded as inventories when purchased and as expenditures when used. Allowances are reported when materials and supplies are deemed obsolete.

G. Prepaid Items

Prepaid items consist of payments made to vendors for services that will benefit future periods.

H. Capital Assets

Capital assets include property, furniture, equipment, and machinery. Capital assets with initial, individual costs that equal or exceed \$500 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Construction in progress consists of capital improvements funded by modernization grant programs. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-27.5
Furniture, equipment, and machinery	5-10

I. Compensated Absences

Full-time employees are allowed to accrue annual leave and sick leave on the last day of each month. The Authority's policy allows each employee to accumulate unused vacation and sick time that has been earned through the last day of work, no to exceed 120 vacation hours and 288 sick hours, be paid for upon separation. The majority of employees utilize their annual accrual of vacation during the year accrued. The Authority records compensated absences in the period they are earned and use a 10 percent short-term and 90 percent long-term allocation process to allocate between short-term and long-term liability classification.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Unearned Revenue

The Authority recognizes revenues as earned. An amount received in advance of the period in which it is earned is recorded as a liability under unearned revenue.

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Recent Accounting Pronouncements

The Authority has adopted GASB Statement No. 94, which provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs). It has guidance for P3 arrangements, including those that are outside of the scope of the GASB's existing literature for those transactions, namely Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 87, Leases. The adoption of GASB Statement No. 94 had no material effect on the Authority's June 30, 2023 financial statements.

The Authority has adopted GASB Statement No. 96, which provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, Leases. The adoption of GASB Statement No. 96 had no material effect on the Authority's June 30, 2023 financial statements.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

Cash and investments may be invested in the following HUD and the State of Indiana IC 36-7-18-19 approved vehicles:

- Direct obligations of the federal government backed by the full faith and credit of the United States;
- Obligations of government agencies;
- Securities of government sponsored agencies;
- Demand and savings deposits; and,
- Time deposits and repurchase agreements.

At June 30, 2023, cash was in bank deposits or money market accounts which were insured or collateralized with securities held by the Authority or by its agent in the Authority's name. The cash balance at June 30, 2023 totaled \$518,737. The Authority did not have any investments.

Interest Rate Risk – The Authority's formal investment policy does not specifically address the exposure to this risk.

Credit Risk – The Authority's formal investment policy does not specifically address credit risk, other than the limitations of Indiana state law and/or HUD regulations. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

Custodial Credit Risk – The Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Concentration of Credit Risk – The Authority's investment policy does not restrict the amount that the Authority may invest in any one issuer.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 3 – CAPITAL ASSETS

A. Changes in Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Capital assets not being depreciated					
Land	\$ 1,359,156	\$ 4,105	\$ -	\$ -	\$ 1,363,261
Construction in progress	<u>980,851</u>	<u>1,355,119</u>	<u>-</u>	<u>-</u>	<u>2,335,970</u>
Total capital assets not being depreciated	<u>2,340,007</u>	<u>1,359,224</u>	<u>-</u>	<u>-</u>	<u>3,699,231</u>
Capital assets being depreciated					
Buildings and improvements	18,318,234	15,800	(26,032)	-	18,308,002
Equipment	<u>1,082,860</u>	<u>24,141</u>	<u>-</u>	<u>-</u>	<u>1,107,001</u>
Total capital assets being depreciated	<u>19,401,094</u>	<u>39,941</u>	<u>(26,032)</u>	<u>-</u>	<u>19,415,003</u>
Less accumulated depreciation for:					
Buildings and improvements	(14,979,337)	(308,603)	-	-	(15,287,940)
Equipment	<u>(922,683)</u>	<u>(42,244)</u>	<u>-</u>	<u>-</u>	<u>(964,927)</u>
Total accumulated depreciation	<u>(15,902,020)</u>	<u>(350,847)</u>	<u>-</u>	<u>-</u>	<u>(16,252,867)</u>
Capital assets, net	<u>\$ 5,839,081</u>	<u>\$ 1,048,318</u>	<u>\$ (26,032)</u>	<u>\$ -</u>	<u>\$ 6,861,367</u>

B. Capital Contributions

The Authority receives capital grants from HUD. The Authority recognized \$1,355,119 in capital contributions for the fiscal year ended June 30, 2023.

NOTE 4 – LEASES RECEIVABLE

The Authority, as a lessor, has entered into three lease agreements that fall under the purview of GASB 87, Leases. A summary of these leases are as follows:

Community Building Leases

On December 30, 2020, the Authority entered into a community building lease agreement with CAECI/Head Start (the “lessee”) for the purpose of providing the lessee office space at the Townsend Center community building.

The initial term is fifteen years. The lease will automatically renew for another fifteen years unless either party terminates with a thirty day notice. The annual rent to be paid to the Authority is \$39,240 throughout the life of the lease and any lease extensions. The lessee is also responsible for supplying water, gas, electricity, sewer and trash.

On May 26, 2021, the Authority entered into a community building lease agreement with The Boys and Girls Club (the “lessee”) for the purpose of providing the lessee office space at the Townsend Center community building.

The initial term is five years. The lease will automatically renew for another five years unless either party terminates with a sixty day notice. The annual rent to be paid to the Authority is \$60,000 throughout the life of the lease and any lease extensions. The lessee is also responsible for supplying water, gas, electricity, sewer and trash.

On May 20, 2023, the Authority entered into a community building lease agreement with Every Child Can Read (the “lessee”) for the purpose of providing the lessee office space at the Townsend Center community building.

The initial term is three years. The lease will automatically renew for another three years unless either party terminates with a thirty day notice. The annual rent to be paid to the Authority is \$9,000 throughout the life of the lease and any lease extensions. The lessee is also responsible for supplying water, gas, electricity, sewer and trash.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 4 – LEASES RECEIVABLE (Continued)

As of June 30, 2023, the Authority had combined leases receivable of \$577,100, recognized interest revenue of \$23,654, recognized lease revenue of \$83,759, and recorded corresponding deferred inflows of resources of \$553,488. Principal and interest collected on these leases receivable amounted to \$75,586 and \$23,654, respectively.

Future minimum lease payments receivable associated with these lease obligations are as follows:

	Principal	Interest	Total
For the year ending 6/30/2024	\$ 86,748	\$ 21,492	\$ 108,240
For the year ending 6/30/2025	90,376	17,864	108,240
For the year ending 6/30/2026	89,156	14,084	103,240
For the year ending 6/30/2027	27,547	11,693	39,240
For the year ending 6/30/2028	28,647	11,593	40,240
For the years ending 6/30/2029-6/30/2032	126,486	30,474	156,960
For the years ending 6/30/2033-6/30/2035	128,140	9,200	137,340
	<u>\$ 577,100</u>	<u>\$ 116,400</u>	<u>\$ 693,500</u>

NOTE 5 – NONCURRENT LIABILITIES

Noncurrent liabilities at June 30, 2023 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 40,717	\$ 65,455	-	\$ 106,172	\$ 9,432
Total noncurrent liabilities	<u>\$ 40,717</u>	<u>\$ 65,455</u>	<u>\$ -</u>	<u>\$ 106,172</u>	<u>\$ 9,432</u>

NOTE 6 – DEFINED CONTRIBUTION PENSION PLAN

The Authority provides benefits for all of its full-time employees through a defined contribution plan, which is administered by Edward Jones. The plan was adopted by the Board of Commissioners in 1997. Only the Board has the authority to approve any amendments to the plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The Authority contributes an amount equal to 8% of each employee's base salary each month to the plan. As determined by the plan provisions, employees are not required to, nor did they, make contributions to the plan. During the year ended June 30, 2023, the Authority's contributions were \$54,652.

NOTE 7 – INTER-PROGRAM BALANCES

	Due From	Due To
Public and Indian Housing	\$ 24,523	\$ -
PIH Family Self-Sufficiency Program	-	24,523
Total	<u>\$ 24,523</u>	<u>\$ 24,523</u>

These inter-program balances exist because in the normal course of operations, certain programs may pay for common costs or advance funds to meet the operational needs of the program which create inter-program receivables or payables. The balances have been repaid in full subsequent to the balance sheet date. In addition, these inter-program balances have been eliminated in the preparation of the Authority's enterprise fund financial statements.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has mitigated this risk by obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the funds affected. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductibles and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. During the current year and the prior three years, settled claims have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with prior year.

NOTE 9 – CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on availability of funding.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE 11 – RESTRICTED NET POSITION

Restricted net position consists of excess Housing Assistance Payment (HAP) funds available to the Authority under the Section 8 Housing Choice Vouchers program. These funds are to be used only for current and future HAP expenditures for the program. Total restricted net position related to this excess was \$38,845 as of the end of the fiscal year.

NOTE 12 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through February 7, 2024 (the date the financial statements were available to be issued) and concluded that the following subsequent events have occurred that require recognition in the financial statements or disclosure in the notes to the financial statements.

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

NOTE 13 – FINANCIAL DATA SCHEDULE

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes housing assistance payments and depreciation expense from operating activities and includes investment revenue and capital grant revenue in operating activities, which differs from the presentation of the basic financial statements.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
SUPPLEMENTARY INFORMATION – STATEMENT OF NET POSITION – BY PROGRAM
JUNE 30, 2023

	PUBLIC HOUSING	SECTION 8	NSP	BUSINESS ACTIVITIES	TOTAL
ASSETS					
Current assets:					
Unrestricted cash and cash equivalents	\$ 271,009	\$ 87,757	\$ 65,030	\$ 5,155	\$ 428,951
Restricted cash and cash equivalents	45,185	38,845	5,756	-	89,786
Due from HUD	45,466	-	-	-	45,466
Miscellaneous receivable, net	73,157	7,806	-	-	80,963
Tenants receivable, net	29,786	638	762	-	31,186
Fraud recovery receivable, net	12,418	13,298	-	-	25,716
Leases receivable, current portion	86,748	-	-	-	86,748
Prepaid expenses and other assets	21,509	1,995	888	-	24,392
Inventories, net	53,596	-	-	-	53,596
Total current assets	<u>638,874</u>	<u>150,339</u>	<u>72,436</u>	<u>5,155</u>	<u>866,804</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	3,233,395	-	32,105	433,731	3,699,231
Buildings and equipment, net of depreciation	2,962,252	7,336	192,548	-	3,162,136
Total capital assets	6,195,647	7,336	224,653	433,731	6,861,367
Leases receivable, net of current portion	490,352	-	-	-	490,352
Total assets	<u>7,324,873</u>	<u>157,675</u>	<u>297,089</u>	<u>438,886</u>	<u>8,218,523</u>
LIABILITIES					
Current liabilities:					
Accounts payable	118,017	2,648	3,111	-	123,776
Accrued liabilities	24,577	6,113	522	-	31,212
Tenant security deposits	45,135	-	5,756	-	50,891
Unearned revenue	5,419	-	-	-	5,419
Compensated absences	7,799	1,417	216	-	9,432
Total current liabilities	<u>200,947</u>	<u>10,178</u>	<u>9,605</u>	<u>-</u>	<u>220,730</u>
Noncurrent liabilities:					
Compensated absences, net of current portion	82,040	12,756	1,944	-	96,740
Total noncurrent liabilities	<u>82,040</u>	<u>12,756</u>	<u>1,944</u>	<u>-</u>	<u>96,740</u>
Total liabilities	<u>282,987</u>	<u>22,934</u>	<u>11,549</u>	<u>-</u>	<u>317,470</u>
DEFERRED INFLOWS OF RESOURCES					
Leases	553,488	-	-	-	553,488
NET POSITION					
Net investment in capital assets	6,195,647	7,336	224,653	433,731	6,861,367
Restricted	-	38,845	-	-	38,845
Unrestricted	292,751	88,560	60,887	5,155	447,353
Total net position	<u>\$ 6,488,398</u>	<u>\$ 134,741</u>	<u>\$ 285,540</u>	<u>\$ 438,886</u>	<u>\$ 7,347,565</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 SUPPLEMENTARY INFORMATION – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
 NET POSITION – BY PROGRAM
 YEAR ENDED JUNE 30, 2023

	PUBLIC HOUSING	SECTION 8	NSP	BUSINESS ACTIVITIES	TOTAL
OPERATING REVENUES					
Rental income	\$ 495,126	\$ -	\$ 69,004	\$ -	\$ 564,130
Federal grants	1,787,119	1,520,093	-	-	3,307,212
Other	149,114	51,023	1,025	10,187	211,349
	<u>2,431,359</u>	<u>1,571,116</u>	<u>70,029</u>	<u>10,187</u>	<u>4,082,691</u>
Total operating revenues					
OPERATING EXPENSES					
Administration	695,792	170,297	59,072	11,818	936,979
Tenant services	5,942	890	560	-	7,392
Utilities	416,366	75	2,249	-	418,690
Maintenance	773,421	3,130	33,622	3,638	813,811
Protective services	168,048	-	-	-	168,048
General	234,029	22,753	9,823	-	266,605
Housing assistance payments	-	1,369,316	-	-	1,369,316
Depreciation	340,469	2,984	7,394	-	350,847
	<u>2,634,067</u>	<u>1,569,445</u>	<u>112,720</u>	<u>15,456</u>	<u>4,331,688</u>
Total operating expenses					
Operating income (loss)	(202,708)	1,671	(42,691)	(5,269)	(248,997)
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	24,106	202	134	12	24,454
	<u>24,106</u>	<u>202</u>	<u>134</u>	<u>12</u>	<u>24,454</u>
Income (loss) before contributions	(178,602)	1,873	(42,557)	(5,257)	(224,543)
Capital contributions	1,355,119	-	-	-	1,355,119
	<u>1,355,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,355,119</u>
Change in net position	1,176,517	1,873	(42,557)	(5,257)	1,130,576
Total net position - beginning of the year	5,311,881	132,868	328,097	444,143	6,216,989
	<u>5,311,881</u>	<u>132,868</u>	<u>328,097</u>	<u>444,143</u>	<u>6,216,989</u>
Total net position - end of the year	\$ 6,488,398	\$ 134,741	\$ 285,540	\$ 438,886	\$ 7,347,565
	<u>\$ 6,488,398</u>	<u>\$ 134,741</u>	<u>\$ 285,540</u>	<u>\$ 438,886</u>	<u>\$ 7,347,565</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Amounts to Subrecipients</u>
U.S. Department of Housing and Urban Development			
Direct Program:			
Public & Indian Housing	14.850	\$ 1,417,992	
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871	<u>1,541,273</u>	
Total Housing Voucher Cluster		<u>1,541,273</u>	
Public Housing Capital Fund Program	14.872	<u>1,699,723</u>	
PIH Family Self Sufficiency Program	14.896	<u>24,523</u>	
Total Federal Awards Expended		<u>\$ 4,683,511</u>	<u>\$ -</u>

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended June 30, 2023. 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 the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? _____ Yes x No

Are any significant deficiencies identified? _____ Yes x None Reported

Is any noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified? _____ Yes x No

Are any significant deficiencies identified? x Yes _____ None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes x No

Identification of major federal programs and clusters:

ALN 14.850 - Public and Indian Housing

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

Auditee qualified as low-risk auditee? x Yes _____ No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings

See page 23

HOUSING AUTHORITY OF THE CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Subject: Allowable Costs Cost Principles
Federal Agency: Housing and Urban Development
Federal Program: Public and Indiana Housing
Assistance Listing Number: 14.850
Compliance Requirements: Allowable Costs Cost Principles
Audit Findings: Significant Deficiency
Finding Number: 2023-001

Criteria: Internal controls preventing unallowable costs must support a low assessed level of control risk as required by 2 CFR § 200.514 as a lack of internal controls could lead to unallowable cost under 2 CFR 200. Also, in accordance with 2 CFR 200 Subpart E - Cost Principles, costs must be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-Federal entity.

Condition: During our audit, we identified deficiencies in internal controls where the Authority was not following its Board approved check signing policy. The Housing Authority of the City of Richmond's Board approved policy determined that all checks, regardless of the amount, must be signed by the Executive Director or designee and a Board member.

Amount of Questioned Costs: None noted.

Context: Per the Authorities Board-approved check signing policy, all checks must be signed by 2 individuals (ED or other designee, and a Board Member). Of the 25 checks tested, all of them only had one signature, which goes against this policy.

Cause: The Authority's internal controls over the accounts payables and check signing processes were inadequate in monitoring and identifying where disbursements failed to adhere to the corresponding policies, allowing checks with one signature to be processed. The Authority requires all checks to be signed by the Executive Director or a designee, as well as a Board Member, all of whom are approved as a bank signatory. The Authority printed the checks for payment without having an approved board member review over the checks and supporting backup prior to making the payments.

Effect: A lack of internal controls could lead to unallowable costs under 24 CFR 200. During our audit we did not identify any unallowable cost; however, the Authority could have incurred unallowable costs related to the checks that were paid during the year because of this lack of adequate internal controls over the monitoring of check disbursements.

Auditor's Recommendation: The Authority should review board approved policies to ensure that segregation of duties are adequately performed. We recommend the Authority and the Board of Commissioners review the Check Signing Policy and make the necessary amendments to this Policy to allow for this Policy to be more effective and efficient.

Subsequent to year end, the Authority made the appropriate changes and implementation to its check signing policy that checks under \$10,000 require one signature for approval and all non recurring monthly expenses over \$10,000 require two signatures for approval.

Grantee Response: Management acknowledges the finding and will follow the auditor's recommendation. The Authority requires all checks to be signed by the Executive Director as primary signer or Financial Operations manager / Director of Finance as secondary signer as well as chairman of Board in emergency role if primary or secondary is unavailable, all of whom are approved as a bank signatory. All checks under \$10,000 require one signature from primary check signer (Executive Director / President-CEO) and All non-recurring monthly expenses over \$10,000 require two signatures for approval consisting of any combination Executive Director as primary signer or Financial Operations manager / Director of Finance as secondary signer, or as chairman of Board in emergency role if primary or secondary is unavailable.

To the Board of Commissioners
Housing Authority of the City of Richmond

Independent Accountant's Report

We have performed the procedures enumerated below, which was agreed to by the Housing Authority of the City of Richmond ("the Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package for the year ended June 30, 2023. The Authority's management is responsible for accuracy and completeness of the electronic submission for the year ended June 30, 2023.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit 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 electronic submission of the items listed in the chart below under "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and, if applicable, the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States, and/or any other standards or requirements to be followed. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below for the year ended June 30, 2023. 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.

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Balance Sheet and Revenue and Expense	Financial Data Schedule, all CFDA's, If applicable	X	
2	Footnotes	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS	Auditor's supplemental report on FDS	X	
4	Audit findings narrative	Schedule of Findings and Questioned Costs	X	
5	General Information	OMB Data Collection Form	X	
6	Financial Statement report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal program report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
8	Type of Compliance Requirement	OMB Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Henderson & Pilleteri, LLC

Birmingham, AL
February 7, 2024

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 JUNE 30, 2023

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$271,009	\$5,155	\$65,030	\$87,757		\$428,951		\$428,951
112 Cash - Restricted - Modernization and Development								
113 Cash - Other Restricted	\$50			\$38,845		\$38,895		\$38,895
114 Cash - Tenant Security Deposits	\$45,135		\$5,756			\$50,891		\$50,891
115 Cash - Restricted for Payment of Current Liabilities								
100 Total Cash	\$316,194	\$5,155	\$70,786	\$126,602	\$0	\$518,737	\$0	\$518,737
121 Accounts Receivable - PHA Projects								
122 Accounts Receivable - HUD Other Projects	\$20,943				\$24,523	\$45,466		\$45,466
124 Accounts Receivable - Other Government								
125 Accounts Receivable - Miscellaneous	\$73,157			\$7,806		\$80,963		\$80,963
126 Accounts Receivable - Tenants	\$46,481		\$762	\$638		\$47,881		\$47,881
126.1 Allowance for Doubtful Accounts -Tenants	(\$16,695)		\$0	\$0		(\$16,695)		(\$16,695)
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$86,748					\$86,748		\$86,748
128 Fraud Recovery	\$12,418			\$20,958		\$33,376		\$33,376
128.1 Allowance for Doubtful Accounts - Fraud	\$0			(\$7,660)		(\$7,660)		(\$7,660)
129 Accrued Interest Receivable								
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$223,052	\$0	\$762	\$21,742	\$24,523	\$270,079	\$0	\$270,079
131 Investments - Unrestricted								
132 Investments - Restricted								
135 Investments - Restricted for Payment of Current Liability								
142 Prepaid Expenses and Other Assets	\$21,509		\$888	\$1,995		\$24,392		\$24,392
143 Inventories	\$53,596					\$53,596		\$53,596
143.1 Allowance for Obsolete Inventories	\$0					\$0		\$0
144 Inter Program Due From	\$24,523					\$24,523	(\$24,523)	\$0
145 Assets Held for Sale								
150 Total Current Assets	\$638,874	\$5,155	\$72,436	\$150,339	\$24,523	\$891,327	(\$24,523)	\$866,804
161 Land	\$897,425	\$433,731	\$32,105			\$1,363,261		\$1,363,261
162 Buildings	\$18,046,602		\$261,400			\$18,308,002		\$18,308,002
163 Furniture, Equipment & Machinery - Dwellings	\$397,694		\$3,288			\$400,982		\$400,982
164 Furniture, Equipment & Machinery - Administration	\$652,233			\$53,786		\$706,019		\$706,019
165 Leasehold Improvements								
166 Accumulated Depreciation	(\$16,134,277)		(\$72,140)	(\$46,450)		(\$16,252,867)		(\$16,252,867)
167 Construction in Progress	\$2,335,970					\$2,335,970		\$2,335,970
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,195,647	\$433,731	\$224,653	\$7,336	\$0	\$6,861,367	\$0	\$6,861,367
171 Notes, Loans and Mortgages Receivable - Non-Current	\$490,352					\$490,352		\$490,352
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due								
173 Grants Receivable - Non Current								
174 Other Assets								
176 Investments in Joint Ventures								
180 Total Non-Current Assets	\$6,685,999	\$433,731	\$224,653	\$7,336	\$0	\$7,351,719	\$0	\$7,351,719

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 JUNE 30, 2023

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
200 Deferred Outflow of Resources								
290 Total Assets and Deferred Outflow of Resources	\$7,324,873	\$438,886	\$297,089	\$157,675	\$24,523	\$8,243,046	(\$24,523)	\$8,218,523
311 Bank Overdraft								
312 Accounts Payable <= 90 Days	\$118,017		\$3,111	\$2,648		\$123,776		\$123,776
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable	\$24,577		\$522	\$6,113		\$31,212		\$31,212
322 Accrued Compensated Absences - Current Portion	\$7,799		\$216	\$1,417		\$9,432		\$9,432
324 Accrued Contingency Liability								
325 Accrued Interest Payable								
331 Accounts Payable - HUD PHA Programs								
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government								
341 Tenant Security Deposits	\$45,135		\$5,756			\$50,891		\$50,891
342 Unearned Revenue	\$5,419					\$5,419		\$5,419
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue								
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities								
346 Accrued Liabilities - Other								
347 Inter Program - Due To	\$0				\$24,523	\$24,523	(\$24,523)	\$0
348 Loan Liability - Current								
310 Total Current Liabilities	\$200,947	\$0	\$9,605	\$10,178	\$24,523	\$245,253	(\$24,523)	\$220,730
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue								
352 Long-term Debt, Net of Current - Operating Borrowings								
353 Non-current Liabilities - Other								
354 Accrued Compensated Absences - Non Current	\$82,040		\$1,944	\$12,756		\$96,740		\$96,740
355 Loan Liability - Non Current								
356 FASB 5 Liabilities								
357 Accrued Pension and OPEB Liabilities								
350 Total Non-Current Liabilities	\$82,040	\$0	\$1,944	\$12,756	\$0	\$96,740	\$0	\$96,740
300 Total Liabilities	\$282,987	\$0	\$11,549	\$22,934	\$24,523	\$341,993	(\$24,523)	\$317,470
400 Deferred Inflow of Resources	\$553,488					\$553,488		\$553,488
508.4 Net Investment in Capital Assets	\$6,195,647	\$433,731	\$224,653	\$7,336		\$6,861,367		\$6,861,367
511.4 Restricted Net Position				\$38,845		\$38,845		\$38,845
512.4 Unrestricted Net Position	\$292,751	\$5,155	\$60,887	\$88,560	\$0	\$447,353		\$447,353
513 Total Equity - Net Assets / Position	\$6,488,398	\$438,886	\$285,540	\$134,741	\$0	\$7,347,565	\$0	\$7,347,565
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$7,324,873	\$438,886	\$297,089	\$157,675	\$24,523	\$8,243,046	(\$24,523)	\$8,218,523

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2023

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$438,790		\$69,004			\$507,794		\$507,794
70400 Tenant Revenue - Other	\$56,336					\$56,336		\$56,336
70500 Total Tenant Revenue	\$495,126	\$0	\$69,004	\$0	\$0	\$564,130	\$0	\$564,130
70600 HUD PHA Operating Grants	\$1,762,596			\$1,520,093	\$24,523	\$3,307,212		\$3,307,212
70610 Capital Grants	\$1,355,119					\$1,355,119		\$1,355,119
70710 Management Fee								
70720 Asset Management Fee								
70730 Book Keeping Fee								
70740 Front Line Service Fee								
70750 Other Fees								
70700 Total Fee Revenue						\$0	\$0	\$0
70800 Other Government Grants								
71100 Investment Income - Unrestricted	\$24,106	\$12	\$134	\$202		\$24,454		\$24,454
71200 Mortgage Interest Income								
71300 Proceeds from Disposition of Assets Held for Sale								
71310 Cost of Sale of Assets								
71400 Fraud Recovery				\$11,453		\$11,453		\$11,453
71500 Other Revenue	\$149,114	\$10,187	\$1,025	\$39,570		\$199,896		\$199,896
71600 Gain or Loss on Sale of Capital Assets								
72000 Investment Income - Restricted								
70000 Total Revenue	\$3,786,061	\$10,199	\$70,163	\$1,571,318	\$24,523	\$5,462,264	\$0	\$5,462,264
91100 Administrative Salaries	\$336,340	\$10,575	\$21,628	\$95,846	\$20,372	\$484,761		\$484,761
91200 Auditing Fees	\$17,149		\$770	\$1,460		\$19,379		\$19,379
91300 Management Fee	\$0					\$0		\$0
91310 Book-keeping Fee								
91400 Advertising and Marketing	\$3,196		\$162	\$292		\$3,650		\$3,650
91500 Employee Benefit contributions - Administrative	\$128,355	\$1,121	\$23,582	\$42,341	\$4,151	\$199,550		\$199,550
91600 Office Expenses	\$33,255		\$2,657	\$6,766		\$42,678		\$42,678
91700 Legal Expense	\$6,459		\$1,053	\$1,442		\$8,954		\$8,954
91800 Travel								
91810 Allocated Overhead								
91900 Other	\$146,515	\$122	\$9,220	\$22,150		\$178,007		\$178,007
91000 Total Operating - Administrative	\$671,269	\$11,818	\$59,072	\$170,297	\$24,523	\$936,979	\$0	\$936,979
92000 Asset Management Fee								
92100 Tenant Services - Salaries								
92200 Relocation Costs	\$2,345					\$2,345		\$2,345
92300 Employee Benefit Contributions - Tenant Services								
92400 Tenant Services - Other	\$3,597		\$560	\$890		\$5,047		\$5,047
92500 Total Tenant Services	\$5,942	\$0	\$560	\$890	\$0	\$7,392	\$0	\$7,392
93100 Water	\$104,866		\$200	\$5		\$105,071		\$105,071
93200 Electricity	\$177,458		\$477	\$70		\$178,005		\$178,005
93300 Gas	\$13,730		\$994			\$14,724		\$14,724

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2023

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
93400 Fuel								
93500 Labor								
93600 Sewer	\$51,450		\$578			\$52,028		\$52,028
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense	\$68,862					\$68,862		\$68,862
93000 Total Utilities	\$416,366	\$0	\$2,249	\$75	\$0	\$418,690	\$0	\$418,690
94100 Ordinary Maintenance and Operations - Labor	\$233,347	\$3,353	\$3,117			\$239,817		\$239,817
94200 Ordinary Maintenance and Operations - Materials and Other	\$56,702		\$2,698	\$381		\$59,781		\$59,781
94300 Ordinary Maintenance and Operations Contracts	\$406,177	(\$210)	\$27,807	\$2,749		\$436,523		\$436,523
94500 Employee Benefit Contributions - Ordinary Maintenance	\$77,195	\$495				\$77,690		\$77,690
94000 Total Maintenance	\$773,421	\$3,638	\$33,622	\$3,130	\$0	\$813,811	\$0	\$813,811
95100 Protective Services - Labor								
95200 Protective Services - Other Contract Costs								
95300 Protective Services - Other	\$168,048					\$168,048		\$168,048
95500 Employee Benefit Contributions - Protective Services								
95000 Total Protective Services	\$168,048	\$0	\$0	\$0	\$0	\$168,048	\$0	\$168,048
96110 Property Insurance	\$81,990		\$7,376	\$8,108		\$97,474		\$97,474
96120 Liability Insurance	\$17,005		\$875	\$1,813		\$19,693		\$19,693
96130 Workmen's Compensation	\$6,614		\$336	\$559		\$7,509		\$7,509
96140 All Other Insurance	\$8,539		\$419	\$840		\$9,798		\$9,798
96100 Total insurance Premiums	\$114,148	\$0	\$9,006	\$11,320	\$0	\$134,474	\$0	\$134,474
96200 Other General Expenses								
96210 Compensated Absences	\$53,203		\$817	\$11,433		\$65,453		\$65,453
96300 Payments in Lieu of Taxes								
96400 Bad debt - Tenant Rents	\$66,678					\$66,678		\$66,678
96500 Bad debt - Mortgages								
96600 Bad debt - Other								
96800 Severance Expense								
96000 Total Other General Expenses	\$119,881	\$0	\$817	\$11,433	\$0	\$132,131	\$0	\$132,131
96710 Interest of Mortgage (or Bonds) Payable								
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,269,075	\$15,456	\$105,326	\$197,145	\$24,523	\$2,611,525	\$0	\$2,611,525
97000 Excess of Operating Revenue over Operating Expenses	\$1,516,986	(\$5,257)	(\$35,163)	\$1,374,173	\$0	\$2,850,739	\$0	\$2,850,739
97100 Extraordinary Maintenance								
97200 Casualty Losses - Non-capitalized								
97300 Housing Assistance Payments				\$1,348,136		\$1,348,136		\$1,348,136
97350 HAP Portability-In				\$21,180		\$21,180		\$21,180

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2023

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
97400 Depreciation Expense	\$340,469		\$7,394	\$2,984		\$350,847		\$350,847
97500 Fraud Losses								
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	\$2,609,544	\$15,456	\$112,720	\$1,569,445	\$24,523	\$4,331,688	\$0	\$4,331,688
10010 Operating Transfer In	\$278,611					\$278,611	(\$278,611)	\$0
10020 Operating transfer Out	(\$278,611)					(\$278,611)	\$278,611	\$0
10030 Operating Transfers from/to Primary Government								
10040 Operating Transfers from/to Component Unit								
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								
10070 Extraordinary Items, Net Gain/Loss								
10080 Special Items (Net Gain/Loss)								
10091 Inter Project Excess Cash Transfer In								
10092 Inter Project Excess Cash Transfer Out								
10093 Transfers between Program and Project - In								
10094 Transfers between Project and Program - Out								
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,176,517	(\$5,257)	(\$42,557)	\$1,873	\$0	\$1,130,576	\$0	\$1,130,576
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$5,311,881	\$444,143	\$328,097	\$132,868	\$0	\$6,216,989		\$6,216,989
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors								
11050 Changes in Compensated Absence Balance								
11060 Changes in Contingent Liability Balance								
11070 Changes in Unrecognized Pension Transition Liability								
11080 Changes in Special Term/Severance Benefits Liability								
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents								
11100 Changes in Allowance for Doubtful Accounts - Other								
11170 Administrative Fee Equity				\$95,896		\$95,896		\$95,896
11180 Housing Assistance Payments Equity				\$38,845		\$38,845		\$38,845
11190 Unit Months Available	3,413		120	3,276		6,809		6,809
11210 Number of Unit Months Leased	3,315		120	3,199		6,634		6,634
11270 Excess Cash	\$179,182					\$179,182		\$179,182
11610 Land Purchases	\$4,000					\$4,000		\$4,000
11620 Building Purchases	\$1,368,919					\$1,368,919		\$1,368,919
11630 Furniture & Equipment - Dwelling Purchases	\$24,141					\$24,141		\$24,141
11640 Furniture & Equipment - Administrative Purchases	\$0					\$0		\$0
11650 Leasehold Improvements Purchases	\$0					\$0		\$0
11660 Infrastructure Purchases	\$0					\$0		\$0
13510 CFFP Debt Service Payments	\$0					\$0		\$0
13901 Replacement Housing Factor Funds	\$0					\$0		\$0