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May 16, 2022

Board of Directors  
Housing Authority of the City of Richmond  
58 South 15<sup>th</sup> Street  
Richmond, IN 47374

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, 2020 to June 30, 2021. 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, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings included in the report on pages 26-28. Please see the Schedule of Findings and Questioned Costs for further details regarding the findings. Management's Corrective Action Plan appears at the end of the report.

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

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, 2021**

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
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YEAR ENDED JUNE 30, 2021

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HOUSING AUTHORITY OF THE CITY OF RICHMOND  
MANAGEMENT'S DISCUSSION & ANALYSIS  
YEAR ENDED JUNE 30, 2021

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Management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended June 30, 2021. Please read it in conjunction with the Authority's financial statements.

**Financial Highlights**

- Federal Operating Grants increased by \$283,078 or nearly 10.15 percent due to an increase in operating subsidy funding availability for Public Housing.
- The Authority made more capital improvements throughout the year, which resulted in an increase of \$348,058 and nearly 96.14 percent of Capital Grant revenue.
- Housing Assistance Payments decreased by \$217 or 0.02 percent due to a decrease in vouchers being administered.

**Overview of the Financial Statements**

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Authority's accounting records are structured as an enterprise fund with revenues recognized when earned, rather than when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. The accounting for enterprise funds is similar to the accounting used by businesses. See the note to the financial statements for a summary of the Authority's significant accounting policies.

Following the MD&A are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The **Statement of Net Position** presents information similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity and are classified as current and non-current.

Net position is reported in three broad categories:

**Net Investment in Capital Assets:** This component consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Position:** This component consists of assets that are constrained by limitations placed on their use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Unrestricted Net Position:** This component consists of net position that is not restricted and does not meet the definition of Investment in Capital Assets.

The **Statement of Revenues, Expenses, and Changes in Fund Net Position** presents information showing how the Authority's net position changed during the year. This statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and non-operating revenue and expenses, such as grant revenue, investment income, interest expense, and gains or losses from the sale or disposition of capital assets. The focus of the statement is the change in net position, which is similar to net income or loss for a business entity.

The **Statement of Cash Flows** reports net cash provided by or used by operating activities, non-capital financing activities, capital and related financing activities and investing activities.

The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the information included in the financial statements.

In addition to the basic financial statements and accompanying notes, this report includes two types of supplementary information: required supplementary information and other supplementary information. Required supplementary information must be included to conform with generally accepted accounting principles. Management's discussion and analysis is the required supplementary information.

Other supplementary information is not required by generally accepted accounting principles but is presented for additional analysis purposes or to meet other requirements. The financial data schedule is required by the U.S. Department of Housing and Urban Development (HUD). The schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget and *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*.

### **Program Information**

**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 Homeownership Opportunity Program (HOOP):** The HOOP assists tenants in funding a down payment through set asides 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 Position and Analysis**

Table 1 compares the Authority’s financial position for the fiscal years ended June 30, 2021 and 2020:

**Table 1 – Entity Wide Balance Sheet Comparison**

**Table 1**

**Net Position**

The Housing Authority of the City of Richmond

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
<b><u>Assets</u></b>				
Cash & Cash Equivalents	\$ 534,780	\$ 478,549	\$ 56,231	11.75%
Other Current Assets	59,354	243,639	(184,285)	-75.64%
Noncurrent Assets	<u>4,772,622</u>	<u>4,916,902</u>	<u>(144,280)</u>	<u>-2.93%</u>
<b>Total Assets</b>	<u>5,366,756</u>	<u>5,639,090</u>	<u>(272,334)</u>	<u>-4.83%</u>
<b><u>Liabilities</u></b>				
Current Liabilities	158,764	247,208	(88,444)	-35.78%
Noncurrent Liabilities	<u>87,555</u>	<u>105,062</u>	<u>(17,507)</u>	<u>-16.66%</u>
<b>Total Liabilities</b>	<u>246,319</u>	<u>352,270</u>	<u>(105,951)</u>	<u>-30.08%</u>
<b><u>Net Position</u></b>				
Net Investment in Capital Assets	4,772,622	4,916,902	(144,280)	-2.93%
Restricted Net Position	71,233	3,075	68,158	2216.52%
Unrestricted Net Position	<u>276,582</u>	<u>366,843</u>	<u>(90,261)</u>	<u>-24.60%</u>
<b>Total Net Position</b>	<u>\$ 5,120,437</u>	<u>\$ 5,286,820</u>	<u>\$ (166,383)</u>	<u>-3.15%</u>

**Cash & Cash Equivalents** increased by \$56,231 or 11.75 percent. This increase is mainly driven by rented collections and other tenant related charges.

**Other Current Assets** decreased by \$184,285 or 75.64 percent. This decrease is primarily due to a lower amount of prepaid insurance accrued as of 6/30/2021.

**Current Liabilities** decreased by \$88,444 or 35.78 percent. This decrease is primarily due to less accrued liabilities then prior year.

Table 2 focuses on the changes in Net Position:

**Table 2 – Entity Wide Income Statement Comparison**

**Table 2  
Changes in Net Assets**

The Housing Authority of the City of Richmond

	2021	2020	Increase (Decrease)	Percent Variance
<b><u>Operating Revenue &amp; Expense</u></b>				
Operating Revenue	\$ 4,406,711	\$ 3,745,927	\$ 660,784	17.64%
Operating Expenses	2,442,628	2,310,613	132,015	5.71%
<b>Total Operating Income (Loss)</b>	1,964,083	1,435,314	528,769	36.84%
Non-Operating Revenues & Expenses, Net	(2,130,466)	(1,641,084)	(489,382)	29.82%
Income (Loss) in Net Position	(166,383)	(205,770)	39,387	-19.14%
Net Position, Beginning of year	5,286,820	5,492,590	(205,770)	-3.75%
<b>Net Position, End of year</b>	<u>\$ 5,120,437</u>	<u>\$ 5,286,820</u>	<u>\$ (166,383)</u>	<u>-3.15%</u>

Table 3 presents a summary of the Authority's revenue by source:

**Table 3 – Entity Wide Revenue Comparison**

**Table 3  
Revenues by source**

The Housing Authority of the City of Richmond

	2021	2020	Increase (Decrease)	Percent Variance
<b><u>Operating Revenue (Loss)</u></b>				
Tenant Revenue	\$ 554,819	\$ 564,140	\$ (9,321)	-1.65%
Government Operating Grants	3,072,385	2,789,307	283,078	10.15%
Government Capital Grants	710,077	362,019	348,058	96.14%
Other Income	69,430	30,461	38,969	127.93%
<b>Total Operating Income (Loss)</b>	4,406,711	3,745,927	660,784	17.64%
<b>Total Revenue (Loss)</b>	<u>\$ 4,406,711</u>	<u>\$ 3,745,927</u>	<u>\$ 660,784</u>	<u>17.64%</u>

**Public Housing Operating Grants** increased by \$283,078 or 10.15 percent due to an increase in operating subsidy funding availability for Public Housing.

**Public Housing Capital Fund** increased by \$348,058 or 96.14 percent due to an increase in capital expenditures during fiscal year 2021.

**Other Income** increased by \$38,969 or 127.93 percent mainly due to Housing Choice Voucher port in admin fees and insurance proceeds.

Table 4 presents a summary of the Authority's operating expenses:

**Table 4 – Entity Wide Expense Comparison**

**Table 4**  
**Operating expenses**

The Housing Authority of the City of Richmond

	2021	2020	Increase (Decrease)	Percent Variance
Administrative	\$ 892,002	\$ 902,174	\$ (10,172)	-1.13%
Tenant Services	2,405	6,099	(3,694)	-60.57%
Utilities	360,660	340,979	19,681	5.77%
Maintenance	843,184	830,601	12,583	1.51%
Insurance	188,091	141,666	46,425	32.77%
General Expense	156,286	89,094	67,192	75.42%
<b>Total Operating Expenses</b>	<b>\$ 2,442,628</b>	<b>\$ 2,310,613</b>	<b>132,015</b>	<b>5.71%</b>
Depreciation Expense	365,725	406,804	(41,079)	-10.10%
Housing Assistance Payments	1,240,675	1,240,892	(217)	-0.02%
Other Expense (Revenue)	524,066	(6,612)	530,678	-8025.98%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,130,466</b>	<b>\$ 1,641,084</b>	<b>489,382</b>	<b>29.82%</b>
<b>Total Expenses</b>	<b>\$ 4,573,094</b>	<b>\$ 3,951,697</b>	<b>\$ 621,397</b>	<b>15.72%</b>

**Tenant Services** decreased by \$3,694 or 60.57 percent primarily due to a decrease in recreation expenses incurred during the year.

**Maintenance** increased by \$12,583 or 1.51 percent. This percentage increase is within a normal acceptable range.

**General Expense** increased by \$67,192 or 75.42 percent primarily due to bad debt expense of collection losses.

**Budgetary Analysis**

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public Housing and Housing Choice Voucher are adopted on the basis of accounting described by HUD, which differs in some respects from generally accepted accounting principles.

Low-Income Public Housing Budgetary Highlights:

**Table 5 - Low Income Public Housing Program - Actual vs. Budget**

**Table 5**

**2021 Budget vs. Actual Low Rent only**

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
<b><u>Revenue</u></b>				
Rental income	\$ 391,737	\$ 452,235	\$ 60,498	15.44%
Operating subsidy	1,299,888	1,567,171	267,283	20.56%
Capital Grant	800,000	710,077	(89,923)	-11.24%
Other income	71,408	41,230	(30,178)	-42.26%
<b>Total Revenue</b>	<b>2,563,033</b>	<b>2,770,713</b>	<b>207,680</b>	<b>8.10%</b>
<b><u>Expenses</u></b>				
Administrative	540,948	710,847	(169,899)	-31.41%
Tenant Services	8,000	2,405	5,595	69.94%
Utilities	359,699	359,299	400	0.11%
Maintenance	733,465	820,130	(86,665)	-11.82%
Protective Services	15,000	-	15,000	100.00%
Insurance	94,000	167,764	(73,764)	-78.47%
General Expenses	20,000	93,611	(73,611)	-368.06%
<b>Total Expenses</b>	<b>1,771,112</b>	<b>2,154,056</b>	<b>(382,944)</b>	<b>-21.62%</b>
<b>Income (Over) Under Expenses</b>	<b>\$ 791,921</b>	<b>\$ 616,657</b>	<b>\$ (175,264)</b>	<b>-22.13%</b>

**Operating Subsidy** was greater than budget by \$267,283 or 20.56 percent. The cause of this was primarily due to an increase in funding levels from HUD and Capital Fund Grants for administration costs.

**Capital Grants** were less than budget by \$89,923 or 11.24 percent. This is due to a decrease in spending for capital improvements.

**Tenant Services** were less than budget by \$5,595 or 69.94 percent due to a decrease in resident related expenses.

**Maintenance** was more than budget by 86,665 or 11.82 percent. The cause of this is primarily due to an increase in labor, materials, and other misc. contracts.

**Insurance** was more than budget by \$73,764 or 78.47 percent due to an increase in insurance premiums entity wide.

**Capital Assets**

Table 6 summarizes the Authority’s investment in capital assets:

**Table 6 – Summary of Entity Wide of Capital Asset Activity**

**Table 6**  
**Changes in Net Capital Assets**

<u>The Housing Authority of the City of Richmond</u>				
	2021	2020	Increase (Decrease)	Percent Variance
Land	\$ 925,425	\$ 1,368,387	\$ (442,962)	-32.37%
Buildings	16,672,269	16,659,737	12,532	0.08%
Furniture and Equipment - Dwellings	335,795	339,957	(4,162)	-1.22%
Furniture and Equipment - Administration	704,438	668,210	36,228	5.42%
Construction in progress	1,622,016	1,183,982	438,034	37.00%
	<u>20,259,943</u>	<u>20,220,273</u>	<u>39,670</u>	<u>0.20%</u>
Less: accumulated depreciation	<u>(15,487,321)</u>	<u>(15,303,371)</u>	<u>(183,950)</u>	<u>1.20%</u>
<b>Capital Assets, Net</b>	<u><u>\$ 4,772,622</u></u>	<u><u>\$ 4,916,902</u></u>	<u><u>\$ (144,280)</u></u>	<u><u>-2.93%</u></u>

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. Additional information and details can be found in the Notes to the Financial Statements.

Capital funding available for 2021 is as follows:

**Table 7 – Summary of Capital Fund Grants**

**Table 7**  
**Capital Funds Available**

	Grant	Total Budget	Expended through 6/30/2021	Budget Remaining at 6/30/2021
Capital Fund Program 2017	501-17	445,208	394,957	50,251
Capital Fund Program 2018	501-18	691,376	546,934	144,442
Capital Fund Program 2019	501-19	719,661	308,229	411,432
Capital Fund Program 2020	501-20	770,366	345,380	424,986
Capital Fund Program 2021	501-21	811,480	-	811,480
				<u><u>\$ 1,842,591</u></u>

**Significant Economic Factors Affecting the Authority**

- The Department of Housing and Urban Development (HUD) has historically been underfunded to meet the subsidy needs of Public Housing Authorities (PHAs). We do not expect this trend to change.
- Even if HUD were fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. Further, increased funding for the Departments of Defense and Homeland Security may result in reduced appropriations for all other domestic program spending.
- Rising cost of utility rates, supplies, and other costs may impact our budgets in future years.

**Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for those interested. If you should have additional questions regarding the financial information, you can contact our offices by writing to the following address:

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

### **Independent Auditor's Report**

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

#### **Report on the Financial Statements**

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2021, 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.

#### ***Other Matters***

##### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1-8, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Authority's basic financial statements. The accompanying supplemental data including the financial data schedule, 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 U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedule, the statement of net position – by program, the statement of revenues, expenses, and changes in fund net position – by program, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, the statement of net position – by program, the statement of revenues, expenses, and changes in fund net position – by program, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022 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 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 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 & Pilletieri, LLC*

Birmingham, AL  
March 30, 2022

**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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 30, 2022.

**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  
March 30, 2022

**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**

We have audited the Housing Authority of the City of Richmond's (the "Authority") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (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, 2021. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance with the compliance requirements referred to above that are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The Authority's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified 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 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 2021-001 and 2021-002 to be significant deficiencies.

The Authority's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 & Pilleteri, LLC*

Birmingham, AL  
March 30, 2022

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
STATEMENT OF NET POSITION  
ENTERPRISE FUND  
JUNE 30, 2021

**ASSETS**

Current assets:

Unrestricted cash and cash equivalents	\$ 198,407
Restricted cash and cash equivalents	123,929
Due from HUD	198,014
Tenants receivable, net	14,430
Prepaid expenses and other assets	30,356
Inventories, net	<u>28,998</u>
Total current assets	<u>594,134</u>

Noncurrent assets:

Capital assets:

Land and construction in progress	2,547,441
Buildings and equipment, net of depreciation	<u>2,225,181</u>
Total capital assets	<u>4,772,622</u>

Total assets	<u>5,366,756</u>
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**LIABILITIES**

Current liabilities:

Accounts payable	84,163
Accrued liabilities	11,450
Tenant security deposits	52,696
Unearned revenue	7,431
Compensated absences	<u>3,024</u>
Total current liabilities	<u>158,764</u>

Noncurrent liabilities:

Compensated absences, net of current portion	27,208
Noncurrent liabilities - other	<u>60,347</u>
Total noncurrent liabilities	<u>87,555</u>

Total liabilities	<u>246,319</u>
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**NET POSITION**

Net investment in capital assets	4,772,622
Restricted	71,233
Unrestricted	<u>276,582</u>

Total net position	<u>\$ 5,120,437</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, 2021

<b>OPERATING REVENUES</b>	
Rental income	\$ 554,819
Federal grants	3,072,385
Other	<u>69,430</u>
Total operating revenues	<u>3,696,634</u>
<b>OPERATING EXPENSES</b>	
Administration	892,002
Tenant services	2,405
Utilities	360,660
Maintenance	843,184
General	344,377
Housing assistance payments	1,240,675
Depreciation	<u>365,725</u>
Total operating expenses	<u>4,049,028</u>
Operating income (loss)	(352,394)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest revenue	796
Loss on disposal of capital assets	<u>(524,862)</u>
Income (loss) before contributions	(876,460)
Capital contributions	<u>710,077</u>
Change in net position	(166,383)
Total net position - beginning of the year	<u>5,286,820</u>
Total net position - end of the year	<u>\$ 5,120,437</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, 2021

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from tenants	\$ 478,775
Federal grants	2,928,062
Other receipts	67,660
Payments to suppliers and Section 8 landlords	(2,661,589)
Payments to or on behalf of employees	<u>(933,689)</u>
Net cash provided (used) by operating activities	<u>(120,781)</u>

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

Purchase of capital assets	(746,305)
Capital contributions	<u>710,077</u>
Net cash provided (used) by capital financing activities	<u>(36,228)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest revenue	<u>796</u>
Net cash provided (used) by investing activities	<u>796</u>

Net increase (decrease) in cash and cash equivalents	(156,213)
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Balances - beginning of the year	<u>478,549</u>
Balances - end of the year	<u><u>\$ 322,336</u></u>

**RECONCILIATION OF INCOME (LOSS) TO NET CASH  
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (352,394)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	365,725
Change in assets and liabilities:	
Receivables, net	(90,348)
Prepays and other assets	62,189
Accounts payable	53,827
Unearned revenue	(21,904)
Accrued liabilities	(120,008)
Compensated absences	(19,452)
Tenant security deposits	<u>1,584</u>
Net cash provided (used) by operating activities	<u><u>\$ (120,781)</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, 2021

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**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 6 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, 2021

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**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 time that has been earned through the last day of work be paid for upon separation. Sick leave accumulated is not paid 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. These do not reflect changes as of November 2021.

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

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**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.95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Statement No. 95 postpones the effective dates of the following GASB Statements and Implementation Guides for one year from their original effective dates to provide relief to governments and other stakeholders in light of the COVID-19 pandemic:

- Statement 83—reporting periods beginning after June 15, 2019
- Statement 84 and Implementation Guide 2019-2—reporting periods beginning after December 15, 2019
- Statement 87 and Implementation Guide 2019-3—fiscal years beginning after June 15, 2021, and all reporting periods thereafter
- Statement 88—reporting periods beginning after June 15, 2019
- Statement 89—reporting periods beginning after December 15, 2020
- Statement 90—reporting periods beginning after December 15, 2019
- Statement 91—reporting periods beginning after December 15, 2021
- Statement 92, paragraphs 6 and 7—fiscal years beginning after June 15, 2021
- Statement 92, paragraphs 8, 9, and 12—reporting periods beginning after June 15, 2021
- Statement 92, paragraph 10—government acquisitions occurring in reporting periods beginning after June 15, 2021
- Statement 93, paragraphs 13 and 14 (relating to lease modifications)—fiscal years beginning after June 15, 2021, and all reporting periods thereafter
- Implementation Guide 2017-3, Questions 4.484 and 4.491- the first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019
- Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1–5.4—actuarial valuations as of December 15, 2018, or later
- Implementation Guide 2018-1—reporting periods beginning after June 15, 2019
- Implementation Guide 2019-1—reporting periods beginning after June 15, 2020

The GASB encourages and permits earlier application of these standards to the extent specified in each pronouncement as originally issued. The adoption of GASB Statement No. 95 had no material effect on the Authority's June 30, 2021 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, 2021, 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, 2021 totaled \$322,336.

*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.

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

**NOTE 2 – CASH DEPOSITS AND INVESTMENTS (Continued)**

*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.

**NOTE 3 – CAPITAL ASSETS**

**A. Changes in Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Capital assets not being depreciated					
Land	\$ 1,368,387	\$ -	\$(442,962)	\$ -	\$ 925,425
Construction in progress	1,183,982	710,077	-	(272,043)	1,622,016
Total capital assets not being depreciated	<u>2,552,369</u>	<u>710,077</u>	<u>(442,962)</u>	<u>(272,043)</u>	<u>2,547,441</u>
Capital assets being depreciated					
Buildings and improvements	16,659,737	-	(259,511)	272,043	16,672,269
Equipment	1,008,167	36,228	(4,162)	-	1,040,233
Total capital assets being depreciated	<u>17,667,904</u>	<u>36,228</u>	<u>(263,673)</u>	<u>272,043</u>	<u>17,712,502</u>
Less accumulated depreciation for:					
Buildings and improvements	(14,460,295)	(322,653)	177,612	-	(14,605,336)
Equipment	(843,074)	(43,072)	4,161	-	(881,985)
Total accumulated depreciation	<u>(15,303,369)</u>	<u>(365,725)</u>	<u>181,773</u>	<u>-</u>	<u>(15,487,321)</u>
Capital assets, net	<u>\$ 4,916,904</u>	<u>\$ 380,580</u>	<u>\$(524,862)</u>	<u>\$ -</u>	<u>\$ 4,772,622</u>

**B. Capital Contributions**

The Authority receives capital grants from HUD. The Authority recognized \$710,077 in capital contributions for the fiscal year ended June 30, 2021.

**C. Capital Asset Dispositions**

During the year, the Authority disposed of three Homeownership Opportunity Program (HOOP) properties by Quit-Claim Deed to the HOOP assists tenants in exchange for approximately \$602.

**NOTE 4 – NONCURRENT LIABILITIES**

Noncurrent liabilities at June 30, 2021 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 49,684	\$ 44,815	64,267	\$ 30,232	\$ 3,024
Noncurrent liabilities - other	60,347	-	-	60,347	-
Total noncurrent liabilities	<u>\$ 110,031</u>	<u>\$ 44,815</u>	<u>\$ 64,267</u>	<u>\$ 90,579</u>	<u>\$ 3,024</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

**NOTE 5 – 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 14.5% 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, 2021, the Authority’s contributions were \$72,049. These do not reflect changes made as of January 2022.

**NOTE 6 – INTER-PROGRAM BALANCES**

	Due From	Due To
Low Rent Public Housing Program	\$ -	\$ 318,762
State/Local	171,339	-
Business Activities	147,423	-
Total	\$ 318,762	\$ 318,762

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.

**NOTE 7 – 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 8 – 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 9 – 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 10 – RELATED PARTIES TRANSACTIONS**

There was one related party transaction during the year between the Authority and the Boys and Girls Club. Former Executive Director Derek White and Board Chairman Ronald Maze are on the Board for the Boys and Girls club. The Authority's CPA, Bob Rentals, is also the CPA for the Boys and Girls Club. Derek White retired from the Authority on June 30, 2021, and Ronald Maze resigned from the board of commissioners on December 31, 2021. Total amount paid to the Boys and Girls Club during the year amounted to \$78,197.

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021

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**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 HAP expenditures for the program. Total restricted net position related to this excess was \$71,233 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 March 30, 2022 (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, 2021

	PUBLIC HOUSING	SECTION 8	NSP	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
<b>ASSETS</b>						
Current assets:						
Unrestricted cash and cash equivalents	\$ 26,344	\$ 150,798	\$ 21,265	\$ -	\$ -	\$ 198,407
Restricted cash and cash equivalents	47,223	71,233	5,473	-	-	123,929
Due from HUD	198,014	-	-	-	-	198,014
Due from public housing	-	-	171,339	147,423	(318,762)	-
Tenants receivable, net	7,824	-	6,606	-	-	14,430
Prepaid expenses and other assets	28,838	1,518	-	-	-	30,356
Inventories, net	28,998	-	-	-	-	28,998
Total current assets	<u>337,241</u>	<u>223,549</u>	<u>204,683</u>	<u>147,423</u>	<u>(318,762)</u>	<u>594,134</u>
Noncurrent assets:						
Capital assets:						
Land and construction in progress	2,515,441	-	32,000	-	-	2,547,441
Buildings and equipment, net of depreciation	2,007,047	13,304	204,830	-	-	2,225,181
Total capital assets	<u>4,522,488</u>	<u>13,304</u>	<u>236,830</u>	<u>-</u>	<u>-</u>	<u>4,772,622</u>
Total assets	<u>4,859,729</u>	<u>236,853</u>	<u>441,513</u>	<u>147,423</u>	<u>(318,762)</u>	<u>5,366,756</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	73,129	9,188	1,377	469	-	84,163
Accrued liabilities	9,775	1,591	84	-	-	11,450
Due to other program	318,762	-	-	-	(318,762)	-
Tenant security deposits	47,223	-	5,473	-	-	52,696
Unearned revenue	7,431	-	-	-	-	7,431
Compensated absences	2,648	357	19	-	-	3,024
Total current liabilities	<u>458,968</u>	<u>11,136</u>	<u>6,953</u>	<u>469</u>	<u>(318,762)</u>	<u>158,764</u>
Noncurrent liabilities:						
Compensated absences, net of current portion	23,830	3,209	169	-	-	27,208
Noncurrent liabilities - other	-	-	-	60,347	-	60,347
Total noncurrent liabilities	<u>23,830</u>	<u>3,209</u>	<u>169</u>	<u>60,347</u>	<u>-</u>	<u>87,555</u>
Total liabilities	<u>482,798</u>	<u>14,345</u>	<u>7,122</u>	<u>60,816</u>	<u>(318,762)</u>	<u>246,319</u>
<b>NET POSITION</b>						
Net investment in capital assets	4,522,488	13,304	236,830	-	-	4,772,622
Restricted	-	71,233	-	-	-	71,233
Unrestricted	<u>(145,557)</u>	<u>137,971</u>	<u>197,561</u>	<u>86,607</u>	<u>-</u>	<u>276,582</u>
Total net position	<u>\$ 4,376,931</u>	<u>\$ 222,508</u>	<u>\$ 434,391</u>	<u>\$ 86,607</u>	<u>\$ -</u>	<u>\$ 5,120,437</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, 2021

	PUBLIC HOUSING	SECTION 8	NSP	BUSINESS ACTIVITIES	ELIMINATION	TOTAL
<b>OPERATING REVENUES</b>						
Rental income	\$ 452,235	\$ -	\$ 92,134	\$ 10,450	\$ -	\$ 554,819
Federal grants	1,567,171	1,505,214	-	-	-	3,072,385
Other	<u>41,011</u>	<u>28,405</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>69,430</u>
Total operating revenues	<u>2,060,417</u>	<u>1,533,619</u>	<u>92,134</u>	<u>10,464</u>	<u>-</u>	<u>3,696,634</u>
<b>OPERATING EXPENSES</b>						
Administration	710,847	137,246	41,015	2,894	-	892,002
Tenant services	2,405	-	-	-	-	2,405
Utilities	359,299	1,134	227	-	-	360,660
Maintenance	820,130	3,108	13,841	6,105	-	843,184
General	261,375	17,084	65,918	-	-	344,377
Housing assistance payments	-	1,240,675	-	-	-	1,240,675
Depreciation	<u>349,788</u>	<u>2,984</u>	<u>6,889</u>	<u>6,064</u>	<u>-</u>	<u>365,725</u>
Total operating expenses	<u>2,503,844</u>	<u>1,402,231</u>	<u>127,890</u>	<u>15,063</u>	<u>-</u>	<u>4,049,028</u>
Operating income (loss)	(443,427)	131,388	(35,756)	(4,599)	-	(352,394)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest revenue	219	359	64	154	-	796
Loss on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(524,862)</u>	<u>-</u>	<u>(524,862)</u>
Income (loss) before contributions	(443,208)	131,747	(35,692)	(529,307)	-	(876,460)
Capital contributions	<u>710,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>710,077</u>
Change in net position	266,869	131,747	(35,692)	(529,307)	-	(166,383)
Total net position - beginning of the year	<u>4,110,062</u>	<u>90,761</u>	<u>470,083</u>	<u>615,914</u>	<u>-</u>	<u>5,286,820</u>
Total net position - end of the year	<u>\$ 4,376,931</u>	<u>\$ 222,508</u>	<u>\$ 434,391</u>	<u>\$ 86,607</u>	<u>\$ -</u>	<u>\$ 5,120,437</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Amounts to Subrecipients</u>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Program:			
Public and Indian Housing Program	14.850	\$ 1,233,958	
Public Housing CARES Act Funding	14.850	<u>179,819</u>	
Total Public and Indian Housing Program		<u>1,413,777</u>	
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871	1,467,547	
HCV CARES Act Funding	14.871	<u>62,792</u>	
Total Housing Voucher Cluster		<u>1,530,339</u>	
Public Housing Capital Fund Program	14.872	<u>863,471</u>	
<b>Total Federal Awards Expended</b>		<u>\$ 3,807,587</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, 2021. 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, 2021

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**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)?   x   Yes        No

Identification of major federal programs and clusters:

CFDA #14.872 - Public Housing Capital Funds Program

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 pages 27-28

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021

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2021-001                      CFDA#14.872 Public Housing Capital Funds Program - Procurement and Suspension and Debarment

*Condition and Criteria:*                      During our audit, it was determined that internal control deficiencies over compliance existed related to the Authority's compliance with the Capital Funds Program's procurement and suspension and debarment compliance provisions. It was determined that these internal controls were likely ineffective as current management explained that they were unable to locate necessary documents maintained by previous management. This included procurement files and supporting documentation to support procurement actions during the fiscal year ended June 30, 2021.

In accordance with 2 CFR part 215.40 through 215.48, all procurement transactions should be conducted in a manner in which to provide, to the maximum extent practical, open and free competition. It also states that some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Lastly, in accordance with the Authority's Procurement Policy, small purchase procedures for purchases or procurements of goods and services in excess of \$3,000, or \$2,000 for construction services, but not exceeding \$75,000 requires documentation of at least three quotes that must be maintained in the procurement file. Contracts in excess of \$75,000 require sealed bidding procedures and is also required to be maintained in the procurement file.

*Amount of Questioned Costs:*                      None

*Context:*    As a result of the determination that the internal controls over procurement and suspension and debarment were ineffective, and due to the fact that the Authority explained that they could not locate all of the procurement documentation that was necessary in the procurement files for our audit, exceptions were noted. There were three contracts selected for testing. For one contract, there was no bidding process and the necessary quotes were not obtained. While testing one of the other contracts for proper procurement compliance, the Authority was unable to provide the actual bids received for this contract. For two of the contracts tested, the authority was unable to provide the actual signed contract for these contracts.

*Cause:*    The Authority's previous management's internal controls over the Capital Funds Program's procurement and suspension and debarment compliance provision that were in place were deficient. Authority employees with the ability to procure goods and services were not complying with Federal procurement regulations or the Board-approved Procurement Policy as adequate documentation of all procurement actions was not being maintained on file, including documentation of bids or quotes.

*Effect:*    As a result of a lack of supporting procurement documentation on file, the Authority may have procured goods and services that did not provide for open and free competition, or that were not reasonably priced, which could have led to Federal funding waste.

*Auditor's Recommendation:*                      The Authority has had a change in management that has already begun to implement newly designed internal controls to address the outlined internal control deficiencies. We recommend that the Authority review over all of their ongoing contracts and, for those contracts that are either missing or expired, perform the necessary procurement actions and ensure that all procurement actions are adequately documented and maintained on file in accordance with the Authority's Board-approved Procurement Policy.

*Grantee Response:*                                      Management acknowledges the finding and will follow the auditor's recommendation.

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021

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2021-002            CFDA#14.872 Public Housing Capital Funds Program - Special Tests & Provisions- Wage Rate Requirements

*Condition and Criteria:*            During our audit, it was determined that the Authority failed to obtain certified payrolls for construction contracts ongoing during the year that were in excess of \$2,000 for all contracts selected for testing. The Authority was unable to provide any documentation evidencing that the required prevailing wage rate clauses were included in the contract or subcontract and that for each week in which work was performed under the contract or subcontract, the contractor or subcontractor submitted the required certified payrolls.

In accordance with 29 CFR Part 5, Section 5.5 (a)(3)(ii), "Contract provisions and related matters," the contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the agency. Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor who pays or supervises the payment of the persons employed under the contract and shall certify the following: that all applicable information provided under Section 5.5 (a)(3)(ii) of 29 CFR part 5, that each laborer or mechanic employed during the payroll period has been paid the full weekly wages earned, and that each laborer or mechanic has been paid not less than the applicable wage rates for the classification of work performed. Documentation must be maintained in order to evidence whether or not that the required prevailing wage rate clauses were included in the contract or subcontract.

*Amount of Questioned Costs:*    None

*Context:*                                Out of the three contracts selected for testing, the Authority was not able to provide any documentation evidencing that the required prevailing wage rate clauses were included in the contract or subcontract and that for each week in which work was performed under the contract or subcontract, the contractor or subcontractor submitted the required certified payrolls.

*Cause:*                                    Due to a change in management from the prior year, the Authority failed to comply with existing procedures for the Capital Fund Program requiring contractors to submit weekly wage reports with all applicable information in accordance with Davis Bacon requirements as they were unable to locate any of this documentation.

*Effect:*                                    As a result of being unable to provide documentation of obtaining weekly wage reports from the contractors and that the prevailing wage rate clauses were included in the contract, laborers or mechanics employed on the contract may not have been paid the full weekly wages earned or could have been paid less than the applicable wages rates for the classification of work performed.

*Auditor's Recommendation:*        We recommend the Authority review the internal controls over Davis Bacon compliance requirements and restore applicable procedures to maintain documentation that the prevailing wage rates were included in the contract and to follow up on the obligations of contractors to produce weekly wage reports to ensure compliance with applicable wage rates.

*Grantee Response:*                    Management acknowledges the finding and will follow the auditor's recommendation.

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, 2021. The Authority's management is responsible for accuracy and completeness of the electronic submission for the year ended June 30, 2021.

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, 2021. 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  
March 30, 2022

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
 FINANCIAL DATA SCHEDULE – BALANCE SHEET  
 JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	2 State/Local	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$26,344	\$0		\$21,265	\$0	\$150,798	\$198,407		\$198,407
112 Cash - Restricted - Modernization and Development	\$0	\$0		\$0	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$0		\$0	\$0	\$71,233	\$71,233		\$71,233
114 Cash - Tenant Security Deposits	\$47,223	\$0		\$5,473	\$0	\$0	\$52,696		\$52,696
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0		\$0	\$0	\$0	\$0		\$0
100 Total Cash	\$73,567	\$0	\$0	\$26,738	\$0	\$222,031	\$322,336	\$0	\$322,336
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$198,014	\$0	\$0	\$0	\$0	\$0	\$198,014		\$198,014
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
126 Accounts Receivable - Tenants	\$8,694	\$0	\$0	\$61,578	\$0	\$0	\$70,272		\$70,272
126.1 Allowance for Doubtful Accounts - Tenants	(\$870)	\$0	\$0	(\$54,972)	\$0	\$0	(\$55,842)		(\$55,842)
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$205,838	\$0	\$0	\$6,606	\$0	\$0	\$212,444	\$0	\$212,444
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$28,838	\$0	\$0	\$0	\$0	\$1,518	\$30,356		\$30,356
143 Inventories	\$28,998	\$0	\$0	\$0	\$0	\$0	\$28,998		\$28,998
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
144 Inter Program Due From	\$0	\$0	\$147,423	\$171,339	\$0	\$0	\$318,762	(\$318,762)	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
150 Total Current Assets	\$337,241	\$0	\$147,423	\$204,683	\$0	\$223,549	\$912,896	(\$318,762)	\$594,134
161 Land	\$893,425	\$0	\$0	\$32,000	\$0	\$0	\$925,425		\$925,425
162 Buildings	\$16,412,869	\$0	\$0	\$259,400	\$0	\$0	\$16,672,269		\$16,672,269
163 Furniture, Equipment & Machinery - Dwellings	\$332,507	\$0	\$0	\$3,288	\$0	\$0	\$335,795		\$335,795
164 Furniture, Equipment & Machinery - Administration	\$650,652	\$0	\$0	\$0	\$0	\$53,786	\$704,438		\$704,438
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
166 Accumulated Depreciation	(\$15,388,981)	\$0	\$0	(\$57,858)	\$0	(\$40,482)	(\$15,487,321)		(\$15,487,321)
167 Construction in Progress	\$1,622,016	\$0	\$0	\$0	\$0	\$0	\$1,622,016		\$1,622,016
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,522,488	\$0	\$0	\$236,830	\$0	\$13,304	\$4,772,622	\$0	\$4,772,622
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
180 Total Non-Current Assets	\$4,522,488	\$0	\$0	\$236,830	\$0	\$13,304	\$4,772,622	\$0	\$4,772,622
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
 FINANCIAL DATA SCHEDULE – BALANCE SHEET  
 JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	2 State/Local	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	\$4,859,729	\$0	\$147,423	\$441,513	\$0	\$236,853	\$5,685,518	(\$318,762)	\$5,366,756
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
312 Accounts Payable <= 90 Days	\$73,129	\$0	\$469	\$1,377	\$0	\$9,188	\$84,163		\$84,163
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$9,775	\$0	\$0	\$84	\$0	\$1,591	\$11,450		\$11,450
322 Accrued Compensated Absences - Current Portion	\$2,648	\$0	\$0	\$19	\$0	\$357	\$3,024		\$3,024
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
341 Tenant Security Deposits	\$47,223	\$0	\$0	\$5,473	\$0	\$0	\$52,696		\$52,696
342 Unearned Revenue	\$7,431	\$0	\$0	\$0	\$0	\$0	\$7,431		\$7,431
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
347 Inter Program - Due To	\$318,762	\$0	\$0	\$0	\$0	\$0	\$318,762	(\$318,762)	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
310 Total Current Liabilities	\$458,968	\$0	\$469	\$6,953	\$0	\$11,136	\$477,526	(\$318,762)	\$158,764
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
353 Non-current Liabilities - Other	\$0	\$0	\$60,347	\$0	\$0	\$0	\$60,347		\$60,347
354 Accrued Compensated Absences - Non Current	\$23,830	\$0	\$0	\$169	\$0	\$3,209	\$27,208		\$27,208
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities						\$0	\$0		\$0
350 Total Non-Current Liabilities	\$23,830	\$0	\$60,347	\$169	\$0	\$3,209	\$87,555	\$0	\$87,555
300 Total Liabilities	\$482,798	\$0	\$60,816	\$7,122	\$0	\$14,345	\$565,081	(\$318,762)	\$246,319
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$4,522,488	\$0	\$0	\$236,830	\$0	\$13,304	\$4,772,622		\$4,772,622
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$71,233	\$71,233		\$71,233
512.4 Unrestricted Net Position	(\$145,557)	\$0	\$86,607	\$197,561	\$0	\$137,971	\$276,582		\$276,582
513 Total Equity - Net Assets / Position	\$4,376,931	\$0	\$86,607	\$434,391	\$0	\$222,508	\$5,120,437	\$0	\$5,120,437
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,859,729	\$0	\$147,423	\$441,513	\$0	\$236,853	\$5,685,518	(\$318,762)	\$5,366,756

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT  
 YEAR ENDED JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	2 State/Local	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$383,032	\$0	\$10,450	\$92,134	\$0	\$0	\$485,616		\$485,616
70400 Tenant Revenue - Other	\$69,203	\$0	\$0	\$0	\$0	\$0	\$69,203		\$69,203
70500 Total Tenant Revenue	\$452,235	\$0	\$10,450	\$92,134	\$0	\$0	\$554,819	\$0	\$554,819
70600 HUD PHA Operating Grants	\$1,387,352	\$179,819	\$0	\$0	\$62,792	\$1,442,422	\$3,072,385		\$3,072,385
70610 Capital Grants	\$710,077					\$0	\$710,077		\$710,077
70710 Management Fee									
70720 Asset Management Fee									
70730 Book Keeping Fee									
70740 Front Line Service Fee									
70750 Other Fees			\$0				\$0		\$0
70700 Total Fee Revenue							\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$219	\$0	\$154	\$64	\$0	\$359	\$796		\$796
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$1,770	\$1,770		\$1,770
71500 Other Revenue	\$41,011	\$0	\$14	\$0	\$0	\$26,635	\$67,660		\$67,660
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	(\$524,862)	\$0	\$0	\$0	(\$524,862)		(\$524,862)
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
70000 Total Revenue	\$2,590,894	\$179,819	(\$514,244)	\$92,198	\$62,792	\$1,471,186	\$3,882,645	\$0	\$3,882,645
91100 Administrative Salaries	\$209,646	\$104,895	\$0	\$17,386	\$27,972	\$30,418	\$390,317		\$390,317
91200 Auditing Fees	\$5,270	\$0	\$0	\$380	\$0	\$1,950	\$7,600		\$7,600
91300 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
91400 Advertising and Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
91500 Employee Benefit contributions - Administrative	\$113,759	\$45,105	\$0	\$7,853	\$12,028	\$17,370	\$196,115		\$196,115
91600 Office Expenses	\$114,834	\$0	\$2,291	\$6,297	\$22,792	\$24,716	\$170,930		\$170,930
91700 Legal Expense	\$4,131	\$0	\$0	\$263	\$0	\$0	\$4,394		\$4,394
91800 Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
91900 Other	\$97,586	\$15,621	\$603	\$8,836	\$0	\$0	\$122,646		\$122,646
91000 Total Operating - Administrative	\$545,226	\$165,621	\$2,894	\$41,015	\$62,792	\$74,454	\$892,002	\$0	\$892,002
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
92400 Tenant Services - Other	\$2,405	\$0	\$0	\$0	\$0	\$0	\$2,405		\$2,405
92500 Total Tenant Services	\$2,405	\$0	\$0	\$0	\$0	\$0	\$2,405	\$0	\$2,405
93100 Water	\$73,170	\$0	\$0	\$28	\$0	\$140	\$73,338		\$73,338
93200 Electricity	\$163,749	\$0	\$0	\$100	\$0	\$498	\$164,347		\$164,347
93300 Gas	\$8,344	\$0	\$0	\$81	\$0	\$407	\$8,832		\$8,832
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT  
 YEAR ENDED JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	2 State/Local	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
93600 Sewer	\$114,036	\$0	\$0	\$0	\$0	\$89	\$114,125		\$114,125
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$18	\$0	\$0	\$18		\$18
93000 Total Utilities	\$359,299	\$0	\$0	\$227	\$0	\$1,134	\$360,660	\$0	\$360,660
94100 Ordinary Maintenance and Operations - Labor	\$170,880	\$0	\$0	\$1,201	\$0	\$504	\$172,585		\$172,585
94200 Ordinary Maintenance and Operations - Materials and Other	\$74,820	\$14,198	\$0	\$1,395	\$0	\$537	\$90,950		\$90,950
94300 Ordinary Maintenance and Operations Contracts	\$443,643	\$0	\$6,105	\$10,559	\$0	\$1,779	\$462,086		\$462,086
94500 Employee Benefit Contributions - Ordinary Maintenance	\$116,589	\$0	\$0	\$686	\$0	\$288	\$117,563		\$117,563
94000 Total Maintenance	\$805,932	\$14,198	\$6,105	\$13,841	\$0	\$3,108	\$843,184	\$0	\$843,184
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$90,496	\$0	\$0	\$10,561	\$0	\$3,248	\$104,305		\$104,305
96120 Liability Insurance	\$42,532	\$0	\$0	\$0	\$0	\$3,221	\$45,753		\$45,753
96130 Workmen's Compensation	\$25,342	\$0	\$0	\$0	\$0	\$2,119	\$27,461		\$27,461
96140 All Other Insurance	\$9,394	\$0	\$0	\$0	\$0	\$1,178	\$10,572		\$10,572
96100 Total insurance Premiums	\$167,764	\$0	\$0	\$10,561	\$0	\$9,766	\$188,091	\$0	\$188,091
96200 Other General Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96210 Compensated Absences	\$37,112	\$0	\$0	\$385	\$0	\$7,318	\$44,815		\$44,815
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96400 Bad debt - Tenant Rents	\$56,499	\$0	\$0	\$54,972	\$0	\$0	\$111,471		\$111,471
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$93,611	\$0	\$0	\$55,357	\$0	\$7,318	\$156,286	\$0	\$156,286
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,974,237	\$179,819	\$8,999	\$121,001	\$62,792	\$95,780	\$2,442,628	\$0	\$2,442,628
97000 Excess of Operating Revenue over Operating Expenses	\$616,657	\$0	(\$523,243)	(\$28,803)	\$0	\$1,375,406	\$1,440,017	\$0	\$1,440,017
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$0	\$1,215,550	\$1,215,550		\$1,215,550
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$25,125	\$25,125		\$25,125
97400 Depreciation Expense	\$349,788	\$0	\$6,064	\$6,889	\$0	\$2,984	\$365,725		\$365,725
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									

HOUSING AUTHORITY OF THE CITY OF RICHMOND  
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT  
 YEAR ENDED JUNE 30, 2021

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	2 State/Local	14.HCC HCV CARES Act Funding	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
90000 Total Expenses	\$2,324,025	\$179,819	\$15,063	\$127,890	\$62,792	\$1,339,439	\$4,049,028	\$0	\$4,049,028
10010 Operating Transfer In	\$153,394	\$0	\$0	\$0	\$0	\$0	\$153,394	(\$153,394)	\$0
10020 Operating transfer Out	(\$153,394)	\$0	\$0	\$0	\$0	\$0	(\$153,394)	\$153,394	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0						\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0						\$0		\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$266,869	\$0	(\$529,307)	(\$35,692)	\$0	\$131,747	(\$166,383)	\$0	(\$166,383)
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$4,110,062	\$0	\$615,914	\$470,083	\$0	\$90,761	\$5,286,820		\$5,286,820
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
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						\$151,275	\$151,275		\$151,275
11180 Housing Assistance Payments Equity						\$71,233	\$71,233		\$71,233
11190 Unit Months Available	3,475	0	0	0	0	3,276	6,751		6,751
11210 Number of Unit Months Leased	3,309	0	0	0	0	3,207	6,516		6,516
11270 Excess Cash	(\$327,803)						(\$327,803)		(\$327,803)
11610 Land Purchases	\$0						\$0		\$0
11620 Building Purchases	\$710,077						\$710,077		\$710,077
11630 Furniture & Equipment - Dwelling Purchases	\$0						\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$36,228						\$36,228		\$36,228
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



HOUSING AUTHORITY OF THE CITY OF RICHMOND  
ACTION PLAN  
YEAR ENDED JUNE 30, 2021

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**2021-001 CFDA#14.872 Public Housing Capital Funds Program - Procurement and Suspension and Debarment**

Management acknowledges the finding and will follow the Auditor's recommendations as listed in the Schedule of Findings and Questioned Costs.

**Person Responsible for Correction of Finding:**

Mr. Keon Jackson, Executive Director

**Projected Completion Date:** June 30, 2022



HOUSING AUTHORITY OF THE CITY OF RICHMOND  
ACTION PLAN  
YEAR ENDED JUNE 30, 2021

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**2021-002 CFDA#14.872 Public Housing Capital Funds Program - Special Tests & Provisions- Wage Rate Requirements**

Management acknowledges the finding and will follow the Auditor's recommendations as listed in the Schedule of Findings and Questioned Costs.

**Person Responsible for Correction of Finding:**

Mr. Keon Jackson, Executive Director

**Projected Completion Date:** June 30, 2022