



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

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

April 26, 2023

Board of Directors
Housing Authority of the City of Richmond
58 South 15th 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, 2021 to June 30, 2022. 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, 2022, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

A handwritten signature in black ink 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, 2022

HOUSING AUTHORITY OF THE CITY OF RICHMOND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

	<u>Page</u>
Management’s Discussion and Analysis.....	1-8
Independent Auditor’s Report	9-10
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance	12-13
Statement of Net Position – Enterprise Fund	14
Statement of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Fund	15
Statement of Cash Flows – Enterprise Fund	16
Notes to Financial Statements	17-22
Supplementary Information – Statement of Net Position – By Program	23
Supplementary Information – Statement of Revenues, Expenses, and Changes in Fund Net Position – By Program.....	24
Schedule of Expenditures of Federal Awards	25
Summary Schedule of Prior Year Findings	26-27
Schedule of Findings and Questioned Costs	28
Independent Accountant’s Report	29-30
Financial Data Schedule	31-35

HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2022

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, 2022. Please read it in conjunction with the Authority's financial statements.

Financial Highlights

- Federal Grants decreased by \$214,110 or nearly 5.66% due a decrease in operating grants.
- The Authority made more capital improvements throughout the year, which resulted in an increase of \$24,160 and nearly 3.4% of Capital Grant revenue. The increase was also largely due to the addition of Townsend Community Center to Public Housing Portfolio.
- Housing Assistance Payments decreased by \$33,541 or 2.70% 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:

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 Program also handles vacant land properties donated by the City of Richmond that will be used for future affordable housing.

The Homeownership Opportunity Program (HOOP): The HOOP assists tenants in funding a down payment through set 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, 2022 and 2021:

Table 1 – Entity Wide Balance Sheet Comparison

Table 1

Net Position

The Housing Authority of the City of Richmond

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
<u>Assets</u>				
Cash & Cash Equivalents	\$ 425,114	\$ 534,780	\$ (109,666)	-20.51%
Other Current Assets	133,051	59,354	73,697	124.17%
Noncurrent Assets	<u>5,839,090</u>	<u>4,772,622</u>	<u>1,066,468</u>	<u>22.35%</u>
Total Assets	<u>6,397,255</u>	<u>5,366,756</u>	<u>1,030,499</u>	<u>19.20%</u>
<u>Liabilities</u>				
Current Liabilities	141,788	158,764	(16,976)	-10.69%
Noncurrent Liabilities	<u>38,478</u>	<u>87,555</u>	<u>(49,077)</u>	<u>-56.05%</u>
Total Liabilities	<u>180,266</u>	<u>246,319</u>	<u>(66,053)</u>	<u>-26.82%</u>
<u>Net Position</u>				
Net Investment in Capital Assets	5,839,090	4,772,622	1,066,468	22.35%
Restricted Net Position	42,652	71,233	(28,581)	-40.12%
Unrestricted Net Position	<u>335,247</u>	<u>276,582</u>	<u>58,665</u>	<u>21.21%</u>
Total Net Position	<u>\$ 6,216,989</u>	<u>\$ 5,120,437</u>	<u>\$ 1,096,552</u>	<u>21.42%</u>

Cash & cash equivalents decreased by \$109,666 or 20.51%. This decrease is mainly driven by rent collections and other tenant related charges.

Other Current Assets increased by \$73,697 or 124.17%. This increase is due an increase in outstanding inventory and prepaid insurance – accrued as of 6/30/2022.

Current Liabilities decreased by \$16,976 or 10.69%. This decrease is primarily due to less accrued liabilities than 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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
<u>Operating Revenue & Expense</u>				
Operating Revenue	\$ 3,773,687	\$ 4,406,711	\$ (633,024)	-14.36%
Operating Expenses	<u>3,845,823</u>	<u>2,442,628</u>	<u>1,403,195</u>	<u>57.45%</u>
Total Operating Income (Loss)	<u>(72,136)</u>	<u>1,964,083</u>	<u>(2,036,219)</u>	<u>-103.67%</u>
Non-Operating Revenues & Expenses, Net	<u>734,957</u>	<u>(2,130,466)</u>	<u>2,865,423</u>	<u>-134.50%</u>
Income (Loss) in Net Position	662,821	(166,383)	829,204	-498.37%
Prior Period Adjustment	433,731	-	433,731	100.00%
Net Position, Beginning of year	<u>5,120,437</u>	<u>5,286,820</u>	<u>(166,383)</u>	<u>-3.15%</u>
Net Position, End of year	<u>\$ 6,216,989</u>	<u>\$ 5,120,437</u>	<u>\$ 1,096,552</u>	<u>21.42%</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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
<u>Operating Revenue (Loss)</u>				
Tenant Revenue	\$ 492,021	\$ 554,819	\$ (62,798)	-11.32%
Government Operating Grants	2,834,115	3,072,385	(238,270)	-7.76%
Other Income	<u>447,551</u>	<u>69,430</u>	<u>378,121</u>	<u>544.61%</u>
Total Operating Income (Loss)	<u>3,773,687</u>	<u>3,696,634</u>	<u>77,053</u>	<u>2.08%</u>
Government Capital Grants	734,237	710,077	24,160	3.40%
Other Revenue (Expense)	<u>720</u>	<u>(524,066)</u>	<u>524,786</u>	<u>-100.14%</u>
Total Revenue (Loss)	<u>\$ 4,508,644</u>	<u>\$ 3,882,645</u>	<u>\$ 625,999</u>	<u>16.12%</u>

Public Housing Operating Grants decreased by \$238,270 or 7.76% due to a decrease in proration of the Operating Fund and Vacancies.

Public Housing Capital Fund increased by \$24,160 or 3.40% due to an increase in capital expenditures during fiscal year 2022.

Other Income increased by \$378,121 or 544.61% mainly due to prior year interfund write off from both NSP and HOOP.

Other Expense (Revenue) increased by \$524,786 or 100% percent primarily due to bad debt expense of collection losses and prior year write off HOOP program close out.

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

	2022	2021	Increase (Decrease)	Percent Variance
Administrative	\$ 938,835	\$ 892,002	\$ 46,833	5.25%
Tenant Services	12,117	2,405	9,712	403.83%
Utilities	345,376	360,660	(15,284)	-4.24%
Maintenance	525,172	843,184	(318,012)	-37.72%
Insurance	129,942	188,091	(58,149)	-30.92%
Housing Assistance Payments	1,207,134	1,240,675	(33,541)	-2.70%
Depreciation Expense	414,695	365,725	48,970	13.39%
General Expense	272,552	156,286	116,266	74.39%
Total Operating Expenses	\$ 3,845,823	\$ 4,049,028	(203,205)	-5.02%
Total Expenses	\$ 3,845,823	\$ 4,049,028	\$ (203,205)	-5.02%

Administrative Expenses increased by \$46,833 or 5.25% due to hiring of consultant to support the running of the Agency due to Management change.

Tenant Services increased by \$9,712 or 403.83% primarily due to an increase in recreation and tenant activities expenses incurred during the year.

Utilities decreased by \$15,284 or 4.24% due to lower occupancy of the low rent program.

Maintenance decreased by \$318,012 or 37.72% due to use of Capital Funds to rehab most of the Public Housing Units.

Insurance decreased by \$58,149 due to lower premiums and mitigation of risks.

Housing Assistance Payments decreased by \$33,541 due to lower Section 8 leasing rate.

Other Expense (Revenue) decreased by \$524,786 or 100% percent primarily due to bad debt expense of collection losses and prior year write off HOOP program close out.

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
2022 Budget vs. Actual Low Rent only**

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
<u>Revenue</u>				
Rental income	\$ 404,251	\$ 426,305	\$ 22,054	5.46%
Operating subsidy	1,433,460	1,531,025	97,565	6.81%
Capital Grant	22,260	734,237	711,977	3,198.46%
Other income	73,200	286,839	213,639	291.86%
Total Revenue	1,933,171	2,978,406	1,045,235	54.07%
<u>Expenses</u>				
Administrative	566,437	628,120	(61,683)	-10.89%
Tenant Services	8,000	11,425	(3,425)	-42.81%
Utilities	370,491	343,829	26,662	7.20%
Maintenance	835,973	480,128	355,845	42.57%
Protective Services	15,450	15,524	(74)	-0.48%
Insurance	96,820	107,483	(10,663)	-11.01%
General Expenses	40,000	52,122	(12,122)	-30.31%
Total Expenses	1,933,171	1,638,631	294,540	15.24%
Income (Over) Under Expenses	\$ -	\$ 1,339,775	\$ 1,339,775	100.00%

Revenue:

Operating Subsidy was greater than budget by \$97,565 or 6.81%. The cause of this was primarily due to an increase in funding levels from HUD and Capital Fund Grants for administration costs.

Capital Grants was greater than budget by \$711,977 or 3,198.46%. This is due to an increase in management funding from Capital Fund 2021 Funding from HUD.

Other Income was more than budget by \$213,639 or 291.86% due to other tenant charges.

Expenses:

Administrative expenses actuals were greater than budget by \$61,683 or 10.89% due to expenditures on consultation and other administrative expenses.

Tenant Services actuals were greater than budget by \$3,425 or 42.81% due to a decrease in resident related expenses.

Utilities actuals were less than the budget by \$26,662 or 7.20% due to vacancies and closer monitoring of utility invoices.

Maintenance actuals were less than budget by \$355,845 or 42.57%. The cause of this is primarily due to a decrease in labor, materials, and other misc. contracts, the use of Capital Funds to turn over the units.

Insurance was more than budget by \$10,663 or 11.01% due to an increase in insurance premiums entity wide.

General Expenses actuals were more than budget by \$12,122 or 30.31%. The increase was due collections and other write off.

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>				
	2022	2021	Increase (Decrease)	Percent Variance
Land	\$ 1,359,156	\$ 925,425	\$ 433,731	46.87%
Buildings	18,318,233	16,672,269	1,645,964	9.87%
Furniture and Equipment - Dwellings	376,851	335,795	41,056	12.23%
Furniture and Equipment - Administration	706,018	704,438	1,580	0.22%
Construction in progress	980,851	1,622,016	(641,165)	-39.53%
	<u>21,741,109</u>	<u>20,259,943</u>	<u>1,481,166</u>	<u>7.31%</u>
Less: accumulated depreciation	<u>(15,902,019)</u>	<u>(15,487,321)</u>	<u>(414,698)</u>	<u>2.68%</u>
Capital Assets, Net	<u><u>\$ 5,839,090</u></u>	<u><u>\$ 4,772,622</u></u>	<u><u>\$ 1,066,468</u></u>	<u><u>22.35%</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 2022 is as follows:

Table 7 – Summary of Capital Fund Grants

Table 7

Capital Funds Available

	Grant	Total Budget	Expended through 6/30/2022	Budget Remaining at 6/30/2022
Capital Fund Program 2018	501-18	691,376	685,178	6,198
Capital Fund Program 2019	501-19	719,661	719,661	-
Capital Fund Program 2020	501-20	770,366	748,062	22,304
Capital Fund Program 2021	501-21	811,480	166,825	644,655
Capital Fund Program 2022	501-22	998,053	-	998,053
				<u><u>\$ 1,671,210</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.
- Covid – 19 effect continues to affect both the Public and Housing Choice Programs with high tenant turnovers due to lack of payment of rent that is due to layover.

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 15th Street
Richmond, IN 47374

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Housing Authority of the City of Richmond (the "Authority"), as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The accompanying supplemental data, including the financial data schedule, is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Department and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and is not a required part of the basic financial statements. The statement of net position – by program, and the statement of revenues, expenses, and changes in fund net position – by program, are presented for purposes of additional analysis as required by the Indiana State Board of Accounts and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, the schedule of expenditures of federal awards, and the statement of net position – by program, and the statement of revenues, expenses, and changes in fund net position – by program, and 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 January 23, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority’s internal control over financial reporting and compliance.

Henderson & Pilleteri, LLC

Birmingham, AL
January 23, 2023

**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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 23, 2023.

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
January 23, 2023

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 & Pilletevi, LLC

Birmingham, AL
January 23, 2023

HOUSING AUTHORITY OF THE CITY OF RICHMOND
STATEMENT OF NET POSITION
ENTERPRISE FUND
JUNE 30, 2022

ASSETS

Current assets:

Unrestricted cash and cash equivalents	\$ 331,222
Restricted cash and cash equivalents	93,892
Tenants receivable, net	17,596
Fraud recovery receivable, net	23,694
Prepaid expenses and other assets	38,166
Inventories, net	<u>53,595</u>
Total current assets	<u>558,165</u>

Noncurrent assets:

Capital assets:

Land and construction in progress	2,340,007
Buildings and equipment, net of depreciation	<u>3,499,083</u>
Total capital assets	<u>5,839,090</u>

Total assets	<u>6,397,255</u>
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LIABILITIES

Current liabilities:

Accounts payable	57,666
Accrued liabilities	21,932
Tenant security deposits	51,240
Unearned revenue	8,711
Compensated absences	<u>2,239</u>
Total current liabilities	<u>141,788</u>

Noncurrent liabilities:

Compensated absences, net of current portion	<u>38,478</u>
Total noncurrent liabilities	<u>38,478</u>

Total liabilities	<u>180,266</u>
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NET POSITION

Net investment in capital assets	5,839,090
Restricted	42,652
Unrestricted	<u>335,247</u>

Total net position	<u>\$ 6,216,989</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, 2022

OPERATING REVENUES	
Rental income	\$ 492,021
Federal grants	2,834,115
Other	<u>447,551</u>
 Total operating revenues	 <u>3,773,687</u>
OPERATING EXPENSES	
Administration	938,835
Tenant services	12,117
Utilities	345,376
Maintenance	509,648
Protective services	15,524
General	402,494
Housing assistance payments	1,207,134
Depreciation	<u>414,695</u>
 Total operating expenses	 <u>3,845,823</u>
 Operating income (loss)	 (72,136)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	<u>720</u>
 Income (loss) before contributions	 (71,416)
 Capital contributions	 <u>734,237</u>
 Change in net position	 662,821
 Total net position - beginning of the year	 5,120,437
 Prior period adjustments	 <u>433,731</u>
 Total net position - beginning of the year, as restated	 <u>5,554,168</u>
 Total net position - end of the year	 <u>\$ 6,216,989</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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants	\$ 345,511
Federal grants	3,032,129
Other receipts	377,708
Payments to suppliers and Section 8 landlords	(2,326,615)
Payments to or on behalf of employees	<u>(1,013,488)</u>
Net cash provided (used) by operating activities	<u>415,245</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of capital assets	(1,047,424)
Capital contributions	<u>734,237</u>
Net cash provided (used) by capital financing activities	<u>(313,187)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest revenue	<u>720</u>
Net cash provided (used) by investing activities	<u>720</u>

Net increase (decrease) in cash and cash equivalents	102,778
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Balances - beginning of the year	<u>322,336</u>
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Balances - end of the year	<u>\$ 425,114</u>
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RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ (72,136)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	414,695
Change in assets and liabilities:	
Receivables, net	171,154
Inventories, net	(24,597)
Prepays and other assets	(7,810)
Accounts payable	(26,497)
Unearned revenue	1,280
Other liabilities	(60,347)
Accrued liabilities	10,482
Compensated absences	10,485
Tenant security deposits	<u>(1,464)</u>
Net cash provided (used) by operating activities	<u>\$ 415,245</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, 2022

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, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

C. Cash, Cash Equivalents, and Investments

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

D. Receivables

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

E. Restricted Assets and Liabilities

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

F. Inventories

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

G. Prepaid Items

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

H. Capital Assets

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

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

I. Compensated Absences

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.87, *Leases*. Among other things, this statement requires that government lessee: recognize the following: (a) a lease liability and (b) an intangible asset representing the lessee’s right to use the leased asset; and - report in its financial statements: (a) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability and (c) note disclosures about the lease. This statement also requires that government lessors: recognize: (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements: (a) lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease. The adoption of GASB Statement No. 87 had no material effect on the Authority’s June 30, 2022 financial statements.

The Authority has adopted GASB Statement No.91, *Conduit Debt Obligation*. This statement clarifies what is a conduit debt obligation, clarifies how government issuers should account for and report commitments and arrangements associated with conduit debt obligations, and enhances note disclosures. The adoption of GASB Statement No. 91 had no material effect on the Authority’s June 30, 2022 financial statements.

The Authority has adopted GASB Statement No.97, *Certain Component Unit Criteria*, and *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this statement (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The adoption of GASB Statement No. 97 had no material effect on the Authority’s June 30, 2022 financial statements.

The Authority has adopted GASB Statement No.98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The adoption of GASB Statement No. 98 had no material effect on the Authority’s June 30, 2022 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, 2022, 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, 2022 totaled \$425,114.

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (Continued)

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

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

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

NOTE 3 – CAPITAL ASSETS

A. Changes in Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Prior Period Adjustments	Beginning Balance, as Restated	Additions	Reclassifications	Ending Balance
Capital assets not being depreciated						
Land	\$ 925,425	\$ 433,731	\$ 1,359,156	\$ -	\$ -	\$ 1,359,156
Construction in progress	1,622,016	-	1,622,016	734,237	(1,375,402)	980,851
Total capital assets not being depreciated	<u>2,547,441</u>	<u>433,731</u>	<u>2,981,172</u>	<u>734,237</u>	<u>(1,375,402)</u>	<u>2,340,007</u>
Capital assets being depreciated						
Buildings and improvements	16,672,270	-	16,672,270	312,599	1,333,364	18,318,233
Equipment	1,040,243	-	1,040,243	588	42,038	1,082,869
Total capital assets being depreciated	<u>17,712,513</u>	<u>-</u>	<u>17,712,513</u>	<u>313,187</u>	<u>1,375,402</u>	<u>19,401,102</u>
Less accumulated depreciation for:						
Buildings and improvements	(14,605,339)	-	(14,605,339)	(373,997)	-	(14,979,336)
Equipment	(881,985)	-	(881,985)	(40,698)	-	(922,683)
Total accumulated depreciation	<u>(15,487,324)</u>	<u>-</u>	<u>(15,487,324)</u>	<u>(414,695)</u>	<u>-</u>	<u>(15,902,019)</u>
Capital assets, net	<u>\$ 4,772,630</u>	<u>\$ 433,731</u>	<u>\$ 5,206,361</u>	<u>\$ 632,729</u>	<u>\$ -</u>	<u>\$ 5,839,090</u>

B. Capital Contributions

The Authority receives capital grants from HUD. The Authority recognized \$734,237 in capital contributions for the fiscal year ended June 30, 2022.

NOTE 4 – NONCURRENT LIABILITIES

Noncurrent liabilities at June 30, 2022 consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 30,232	\$ 10,485	-	\$ 40,717	\$ 2,239
Noncurrent liabilities - other	60,347	-	60,347	-	-
Total noncurrent liabilities	<u>\$ 90,579</u>	<u>\$ 10,485</u>	<u>\$ 60,347</u>	<u>\$ 40,717</u>	<u>\$ 2,239</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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% from July 1, 2021 to December 31, 2021 and 8% from January 1, 2022 to June 30, 2022 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, 2022, the Authority's contributions were \$82,509.

NOTE 6 – 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 7 – 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 8 – 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 9 – 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 \$42,652 as of the end of the fiscal year.

NOTE 10 – PRIOR PERIOD ADJUSTMENTS

The Authority reported a net prior period adjustment of \$433,731. This amount is related to land owned by the Authority. This amount was disposed of in the prior year but adjusted back in the current year as the Authority has retained ownership of the land. These adjustments had no effect on current year income.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 11 – 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 January 23, 2023 (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 12 – 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, 2022

	PUBLIC HOUSING	SECTION 8	NSP	BUSINESS ACTIVITIES	TOTAL
ASSETS					
Current assets:					
Unrestricted cash and cash equivalents	\$ 140,615	\$ 84,906	\$ 95,289	\$ 10,412	\$ 331,222
Restricted cash and cash equivalents	45,767	42,652	5,473	-	93,892
Tenants receivable, net	17,596	-	-	-	17,596
Fraud recovery receivable, net	20,340	3,354	-	-	23,694
Prepaid expenses and other assets	30,512	2,565	5,089	-	38,166
Inventories, net	53,595	-	-	-	53,595
Total current assets	<u>308,425</u>	<u>133,477</u>	<u>105,851</u>	<u>10,412</u>	<u>558,165</u>
Noncurrent assets:					
Capital assets:					
Land and construction in progress	1,874,276	-	32,000	433,731	2,340,007
Buildings and equipment, net of depreciation	3,290,821	10,320	197,942	-	3,499,083
Total capital assets	<u>5,165,097</u>	<u>10,320</u>	<u>229,942</u>	<u>433,731</u>	<u>5,839,090</u>
Total assets	<u>5,473,522</u>	<u>143,797</u>	<u>335,793</u>	<u>444,143</u>	<u>6,397,255</u>
LIABILITIES					
Current liabilities:					
Accounts payable	50,657	6,660	349	-	57,666
Accrued liabilities	19,872	1,529	531	-	21,932
Tenant security deposits	45,767	-	5,473	-	51,240
Unearned revenue	8,711	-	-	-	8,711
Compensated absences	1,831	274	134	-	2,239
Total current liabilities	<u>126,838</u>	<u>8,463</u>	<u>6,487</u>	<u>-</u>	<u>141,788</u>
Noncurrent liabilities:					
Compensated absences, net of current portion	34,803	2,466	1,209	-	38,478
Total noncurrent liabilities	<u>34,803</u>	<u>2,466</u>	<u>1,209</u>	<u>-</u>	<u>38,478</u>
Total liabilities	<u>161,641</u>	<u>10,929</u>	<u>7,696</u>	<u>-</u>	<u>180,266</u>
NET POSITION					
Net investment in capital assets	5,165,097	10,320	229,942	433,731	5,839,090
Restricted	-	42,652	-	-	42,652
Unrestricted	146,784	79,896	98,155	10,412	335,247
Total net position	<u>\$ 5,311,881</u>	<u>\$ 132,868</u>	<u>\$ 328,097</u>	<u>\$ 444,143</u>	<u>\$ 6,216,989</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, 2022

	PUBLIC HOUSING	SECTION 8	NSP	BUSINESS ACTIVITIES	TOTAL
OPERATING REVENUES					
Rental income	\$ 426,305	\$ -	\$ 65,716	\$ -	\$ 492,021
Federal grants	1,531,025	1,303,090	-	-	2,834,115
Other	286,517	30,714	-	130,320	447,551
Total operating revenues	<u>2,243,847</u>	<u>1,333,804</u>	<u>65,716</u>	<u>130,320</u>	<u>3,773,687</u>
OPERATING EXPENSES					
Administration	628,120	192,491	55,238	62,986	938,835
Tenant services	11,425	-	692	-	12,117
Utilities	343,829	1,253	294	-	345,376
Maintenance	480,128	10,114	19,406	-	509,648
Protective services	15,524	-	-	-	15,524
General	159,605	9,723	89,584	143,582	402,494
Housing assistance payments	-	1,207,134	-	-	1,207,134
Depreciation	404,825	2,984	6,886	-	414,695
Total operating expenses	<u>2,043,456</u>	<u>1,423,699</u>	<u>172,100</u>	<u>206,568</u>	<u>3,845,823</u>
Operating income (loss)	200,391	(89,895)	(106,384)	(76,248)	(72,136)
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	322	255	90	53	720
Income (loss) before contributions	200,713	(89,640)	(106,294)	(76,195)	(71,416)
Capital contributions	734,237	-	-	-	734,237
Change in net position	934,950	(89,640)	(106,294)	(76,195)	662,821
Total net position - beginning of the year	4,376,931	222,508	434,391	86,607	5,120,437
Prior period adjustments	-	-	-	433,731	433,731
Total net position - beginning of the year, as restated	<u>4,376,931</u>	<u>222,508</u>	<u>434,391</u>	<u>520,338</u>	<u>5,554,168</u>
Total net position - end of the year	<u>\$ 5,311,881</u>	<u>\$ 132,868</u>	<u>\$ 328,097</u>	<u>\$ 444,143</u>	<u>\$ 6,216,989</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Amounts to Subrecipients</u>
U.S. Department of Housing and Urban Development			
Direct Program:			
Public and Indian Housing Program	14.850	\$ 1,291,763	
Total Public and Indian Housing Program		<u>1,291,763</u>	
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher Program	14.871	<u>1,320,309</u>	
Total Housing Voucher Cluster		<u>1,320,309</u>	
Public Housing Capital Fund Program	14.872	<u>973,499</u>	
Total Federal Awards Expended		<u>\$ 3,585,571</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, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of 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
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2022

2021-001 ALN 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.

Current Year Status: No instances of this finding in the current year.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2022

2021-002 ALN 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.

Current Year Status: No instances of this finding in the current year.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

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? _____ Yes x None Reported

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

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

Identification of major federal programs and clusters:

ALN 14.872 - Public Housing Capital Funds Program
Housing Voucher Cluster

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

None

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, 2022. The Authority's management is responsible for accuracy and completeness of the electronic submission for the year ended June 30, 2022.

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, 2022. 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
January 23, 2023

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 JUNE 30, 2022

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$140,615	\$10,412	\$95,289	\$84,906	\$331,222		\$331,222
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			\$0	\$42,652	\$42,652		\$42,652
114 Cash - Tenant Security Deposits	\$45,767		\$5,473		\$51,240		\$51,240
115 Cash - Restricted for Payment of Current Liabilities							
100 Total Cash	\$186,382	\$10,412	\$100,762	\$127,558	\$425,114	\$0	\$425,114
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	\$31,045			\$0	\$31,045		\$31,045
126.1 Allowance for Doubtful Accounts - Tenants	(\$13,449)			\$0	(\$13,449)		(\$13,449)
126.2 Allowance for Doubtful Accounts - Other							
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery	\$20,340			\$20,506	\$40,846		\$40,846
128.1 Allowance for Doubtful Accounts - Fraud	\$0			(\$17,152)	(\$17,152)		(\$17,152)
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$37,936	\$0	\$0	\$3,354	\$41,290	\$0	\$41,290
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$30,512		\$5,089	\$2,565	\$38,166		\$38,166
143 Inventories	\$53,595				\$53,595		\$53,595
143.1 Allowance for Obsolete Inventories	\$0				\$0		\$0
144 Inter Program Due From	\$0				\$0		\$0
145 Assets Held for Sale							
150 Total Current Assets	\$308,425	\$10,412	\$105,851	\$133,477	\$558,165	\$0	\$558,165
161 Land	\$893,425	\$433,731	\$32,000		\$1,359,156		\$1,359,156
162 Buildings	\$18,058,833	\$0	\$259,400		\$18,318,233		\$18,318,233
163 Furniture, Equipment & Machinery - Dwellings	\$373,563	\$0	\$3,288		\$376,851		\$376,851
164 Furniture, Equipment & Machinery - Administration	\$652,232			\$53,786	\$706,018		\$706,018
165 Leasehold Improvements							
166 Accumulated Depreciation	(\$15,793,807)	\$0	(\$64,746)	(\$43,466)	(\$15,902,019)		(\$15,902,019)
167 Construction in Progress	\$980,851				\$980,851		\$980,851
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,165,097	\$433,731	\$229,942	\$10,320	\$5,839,090	\$0	\$5,839,090
171 Notes, Loans and Mortgages Receivable - Non-Current							
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due							
173 Grants Receivable - Non Current							
174 Other Assets							
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$5,165,097	\$433,731	\$229,942	\$10,320	\$5,839,090	\$0	\$5,839,090

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 JUNE 30, 2022

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
200 Deferred Outflow of Resources							
290 Total Assets and Deferred Outflow of Resources	\$5,473,522	\$444,143	\$335,793	\$143,797	\$6,397,255	\$0	\$6,397,255
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$50,657		\$349	\$6,660	\$57,666		\$57,666
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$19,872		\$531	\$1,529	\$21,932		\$21,932
322 Accrued Compensated Absences - Current Portion	\$1,831		\$134	\$274	\$2,239		\$2,239
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government							
341 Tenant Security Deposits	\$45,767		\$5,473		\$51,240		\$51,240
342 Unearned Revenue	\$8,711				\$8,711		\$8,711
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities							
346 Accrued Liabilities - Other							
347 Inter Program - Due To							
348 Loan Liability - Current							
310 Total Current Liabilities	\$126,838	\$0	\$6,487	\$8,463	\$141,788	\$0	\$141,788
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current	\$34,803		\$1,209	\$2,466	\$38,478		\$38,478
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities							
350 Total Non-Current Liabilities	\$34,803	\$0	\$1,209	\$2,466	\$38,478	\$0	\$38,478
300 Total Liabilities	\$161,641	\$0	\$7,696	\$10,929	\$180,266	\$0	\$180,266
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	\$5,165,097	\$433,731	\$229,942	\$10,320	\$5,839,090		\$5,839,090
511.4 Restricted Net Position	\$0			\$42,652	\$42,652		\$42,652
512.4 Unrestricted Net Position	\$146,784	\$10,412	\$98,155	\$79,896	\$335,247		\$335,247
513 Total Equity - Net Assets / Position	\$5,311,881	\$444,143	\$328,097	\$132,868	\$6,216,989	\$0	\$6,216,989
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$5,473,522	\$444,143	\$335,793	\$143,797	\$6,397,255	\$0	\$6,397,255

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2022

	Project Total	1 Business Activities	2 State/Local	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$383,986		\$65,716		\$449,702		\$449,702
70400 Tenant Revenue - Other	\$42,319				\$42,319		\$42,319
70500 Total Tenant Revenue	\$426,305	\$0	\$65,716	\$0	\$492,021	\$0	\$492,021
70600 HUD PHA Operating Grants	\$1,531,025			\$1,303,090	\$2,834,115		\$2,834,115
70610 Capital Grants	\$734,237				\$734,237		\$734,237
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants							
71100 Investment Income - Unrestricted	\$322	\$53	\$90	\$255	\$720		\$720
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery				\$9,496	\$9,496		\$9,496
71500 Other Revenue	\$286,517	\$130,320		\$21,218	\$438,055		\$438,055
71600 Gain or Loss on Sale of Capital Assets	\$0				\$0		\$0
72000 Investment Income - Restricted				\$0	\$0		\$0
70000 Total Revenue	\$2,978,406	\$130,373	\$65,806	\$1,334,059	\$4,508,644	\$0	\$4,508,644
91100 Administrative Salaries	\$325,049	\$62,036	\$5,163	\$86,226	\$478,474		\$478,474
91200 Auditing Fees	\$16,159		\$3,437	\$6,104	\$25,700		\$25,700
91300 Management Fee	\$0				\$0		\$0
91310 Book-keeping Fee							
91400 Advertising and Marketing	\$62				\$62		\$62
91500 Employee Benefit contributions - Administrative	\$144,971		\$894	\$41,078	\$186,943		\$186,943
91600 Office Expenses	\$23,765		\$1,278	\$15,754	\$40,797		\$40,797
91700 Legal Expense	\$5,651		\$239	\$1,302	\$7,192		\$7,192
91800 Travel	\$4,886				\$4,886		\$4,886
91810 Allocated Overhead	\$9,267	\$0	\$44,227	\$42,027	\$95,521		\$95,521
91900 Other	\$98,310	\$950			\$99,260		\$99,260
91000 Total Operating - Administrative	\$628,120	\$62,986	\$55,238	\$192,491	\$938,835	\$0	\$938,835
92000 Asset Management Fee							
92100 Tenant Services - Salaries							
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services							
92400 Tenant Services - Other	\$11,425		\$692		\$12,117		\$12,117
92500 Total Tenant Services	\$11,425	\$0	\$692	\$0	\$12,117	\$0	\$12,117
93100 Water	\$82,090		\$99	\$83	\$82,272		\$82,272
93200 Electricity	\$140,410		\$95	\$558	\$141,063		\$141,063
93300 Gas	\$14,932		\$86	\$529	\$15,547		\$15,547

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2022

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
93400 Fuel							
93500 Labor							
93600 Sewer							
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense	\$106,397		\$14	\$83	\$106,494		\$106,494
93000 Total Utilities	\$343,829	\$0	\$294	\$1,253	\$345,376	\$0	\$345,376
94100 Ordinary Maintenance and Operations - Labor	\$154,932		\$1,104		\$156,036		\$156,036
94200 Ordinary Maintenance and Operations - Materials and Other	\$82,461		\$1,089	\$4,859	\$88,409		\$88,409
94300 Ordinary Maintenance and Operations Contracts	\$138,911		\$17,213	\$5,255	\$161,379		\$161,379
94500 Employee Benefit Contributions - Ordinary Maintenance	\$103,824				\$103,824		\$103,824
94000 Total Maintenance	\$480,128	\$0	\$19,406	\$10,114	\$509,648	\$0	\$509,648
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs	\$15,524				\$15,524		\$15,524
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$15,524	\$0	\$0	\$0	\$15,524	\$0	\$15,524
96110 Property Insurance	\$52,817		\$826	\$2,487	\$56,130		\$56,130
96120 Liability Insurance	\$17,326		\$289	\$1,831	\$19,446		\$19,446
96130 Workmen's Compensation	\$16,292			\$3,055	\$19,347		\$19,347
96140 All Other Insurance	\$21,048		\$11,621	\$2,350	\$35,019		\$35,019
96100 Total insurance Premiums	\$107,483	\$0	\$12,736	\$9,723	\$129,942	\$0	\$129,942
96200 Other General Expenses		\$143,582	\$61,429		\$205,011		\$205,011
96210 Compensated Absences							
96300 Payments in Lieu of Taxes							
96400 Bad debt - Tenant Rents	\$52,122		\$15,419	\$0	\$67,541		\$67,541
96500 Bad debt - Mortgages							
96600 Bad debt - Other							
96800 Severance Expense							
96000 Total Other General Expenses	\$52,122	\$143,582	\$76,848	\$0	\$272,552	\$0	\$272,552
96710 Interest of Mortgage (or Bonds) Payable				\$0	\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)				\$0	\$0		\$0
96730 Amortization of Bond Issue Costs				\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,638,631	\$206,568	\$165,214	\$213,581	\$2,223,994	\$0	\$2,223,994
97000 Excess of Operating Revenue over Operating Expenses	\$1,339,775	(\$76,195)	(\$99,408)	\$1,120,478	\$2,284,650	\$0	\$2,284,650
97100 Extraordinary Maintenance							
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments				\$1,189,915	\$1,189,915		\$1,189,915
97350 HAP Portability-In				\$17,219	\$17,219		\$17,219

HOUSING AUTHORITY OF THE CITY OF RICHMOND
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2022

	Project Total	1 Business Activities	2 State/Local	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
97400 Depreciation Expense	\$404,825		\$6,886	\$2,984	\$414,695		\$414,695
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$2,043,456	\$206,568	\$172,100	\$1,423,699	\$3,845,823	\$0	\$3,845,823
10010 Operating Transfer In	\$162,296				\$162,296	(\$162,296)	\$0
10020 Operating transfer Out	(\$162,296)				(\$162,296)	\$162,296	\$0
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss							
10080 Special Items (Net Gain/Loss)							
10091 Inter Project Excess Cash Transfer In							
10092 Inter Project Excess Cash Transfer Out							
10093 Transfers between Program and Project - In							
10094 Transfers between Project and Program - Out							
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$934,950	(\$76,195)	(\$106,294)	(\$89,640)	\$662,821	\$0	\$662,821
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$4,376,931	\$86,607	\$434,391	\$222,508	\$5,120,437		\$5,120,437
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$433,731		\$0	\$433,731		\$433,731
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				\$90,216	\$90,216		\$90,216
11180 Housing Assistance Payments Equity				\$42,652	\$42,652		\$42,652
11190 Unit Months Available	3,636		120	3,276	7,032		7,032
11210 Number of Unit Months Leased	3,450		120	3,196	6,766		6,766
11270 Excess Cash	(\$32,658)				(\$32,658)		(\$32,658)
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$1,046,836				\$1,046,836		\$1,046,836
11630 Furniture & Equipment - Dwelling Purchases	\$588				\$588		\$588
11640 Furniture & Equipment - Administrative Purchases	\$0				\$0		\$0
11650 Leasehold Improvements Purchases	\$0				\$0		\$0
11660 Infrastructure Purchases	\$0				\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0		\$0