

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF
HURON, SOUTH DAKOTA)**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2022

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Huron Housing and Redevelopment Commission
Huron, South Dakota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **the Huron Housing and Redevelopment Commission, a component unit of the City of Huron** (hereinafter referred to as the Commission), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission, as of December 31, 2022, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Commission 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 opinion.

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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for 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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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 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 an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying financial data schedule and 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 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 schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2023, on our consideration of the Commission'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 Commission's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Wohlschlag Ritzman + Co., LLC

Yankton, South Dakota
September 26, 2023

Huron Housing and Redevelopment Commission

Management's Discussion and Analysis

December 31, 2022

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

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

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

Financial Highlights

Total assets of the Authority for the year ended December 31, 2022, were \$7,207,142. Total liabilities were \$4,974,413. Total assets exceeded total liabilities by \$2,232,729 (net position).

Unrestricted net position totals \$343,120.

Total operating and non-operating revenue for the year ended December 31, 2022, was \$2,351,017 and operating and nonoperating expenses totaled \$2,085,167 revenues exceeded expenses by \$265,850.

Overview of the Financial Statements

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

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

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

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Huron Housing and Redevelopment Commission

Management's Discussion and Analysis

December 31, 2022

Financial Analysis

The Authority's basic financial statements are the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. The Statement of Net Position provides a summary of the Authority's assets and liabilities as of the close of business on December 31, 2022. The Statement of Revenues, Expenses and Changes in Net Position summarizes the revenues and sources of those revenues, and expenses incurred in operating the Authority for the year ended December 31, 2022.

Statement of Net Position		
December 31,	2022	2021
Current assets	\$ 1,545,170	\$ 1,337,005
Capital assets, net	\$ 5,661,972	\$ 5,882,582
Total Assets	\$ 7,207,142	\$ 7,219,587
Current liabilities	\$ 464,700	\$ 473,510
Non-current liabilities	\$ 4,509,713	\$ 4,784,923
Total liabilities	\$ 4,974,413	\$ 5,258,433
Net Position		
Invested in capital assets, net of related debt	\$ 888,147	\$ 820,609
Restricted	\$ 1,001,462	\$ 588,949
Unrestricted	\$ 343,120	\$ 551,596
Total Net Position	\$ 2,232,729	\$ 1,961,154
Total Liabilities and Net Position	\$ 7,207,142	\$ 7,219,587

**Huron Housing and Redevelopment Commission
Management's Discussion and Analysis
December 31, 2022**

Comparative Statement of Revenues, Expenses and Changes in Net Position			
FOR THE YEAR ENDED December 31,	2022	2021	Change
Program Revenue			
Tenant revenue	\$ 1,235,437	\$ 1,129,611	\$ 105,826
Other income	\$ 91,086	\$ 105,590	\$ (14,504)
Federal grants and subsidies	\$ 1,020,796	\$ 883,094	\$ 137,702
Interest income	\$ 3,698	\$ 8,583	\$ (4,885)
Total revenue	\$ 2,351,017	\$ 2,126,878	\$ 224,139
Program Expenses			
Administration	\$ 450,299	\$ 279,639	\$ 170,660
Tenant Services	\$ 5,816	\$ -	\$ 5,816
Utilities	\$ 137,441	\$ 127,426	\$ 10,015
Ordinary maintenance & operations	\$ 239,922	\$ 249,357	\$ (9,435)
Insurance expense	\$ 71,978	\$ -	\$ 71,978
General expenses	\$ 25,416	\$ 89,253	\$ (63,837)
Protective services	\$ 145	\$ -	\$ 145
Depreciation	\$ 275,990	\$ 280,651	\$ (4,661)
Interest Expense	\$ 142,964	\$ 176,504	\$ (33,540)
HAP	\$ 735,196	\$ 709,945	\$ 25,251
Total expenses	\$ 2,085,167	\$ 1,912,775	\$ 172,392
Change in Net Position	\$ 265,850	\$ 214,103	\$ 51,747
Beginning Net Position	\$ 1,961,154	\$ 1,747,051	\$ 214,103
Prior Period Adjustment	\$ 5,725	\$ -	\$ 5,725
Beginning Net Position, restated	\$ 1,966,879	\$ 1,747,051	\$ 219,828
Ending Net Position	\$ 2,232,729	\$ 1,961,154	\$ 271,575

Federal grants total \$1,020,796.

Capital Assets

Capital Assets at Year-End, (Net of Depreciation)			
December 31,	2022	2021	Change
Cost			
Land	\$ 594,578	\$ 594,578	\$ -
Buildings and improvements	\$ 9,979,266	\$ 9,923,885	\$ 55,381
Equipment	\$ 580,842	\$ 580,842	\$ -
Total cost	\$11,154,686	\$11,099,305	\$ 55,381
Accumulated depreciation	\$ (5,492,714)	\$ (5,216,723)	\$ (275,991)
Capital Assets, Net	\$ 5,661,972	\$ 5,882,582	\$ (220,610)

Long Term Debt

The Authority has \$4,773,825 in long-term debt.

Huron Housing and Redevelopment Commission
Management's Discussion and Analysis
December 31, 2022

Economic Factors

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

Contacting the Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Authority, at Huron Housing & Redevelopment Commission, 255 Iowa Ave SE, Huron, SD 57350 -- (605) 352-1520.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)**

**STATEMENT OF NET POSITION
DECEMBER 31, 2022**

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,504,072
Accounts receivable:	
Other Government	33,629
Other	304
Prepaid expenses	7,165
Total current assets	<u>1,545,170</u>

Noncurrent assets:

Capital assets:	
Land	594,578
Buildings and improvements	9,979,265
Furniture and equipment	580,842
Accumulated depreciation	<u>(5,492,713)</u>
Total noncurrent assets	<u>5,661,972</u>

Total assets	<u>7,207,142</u>
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LIABILITIES

Current liabilities:

Accounts payable - vendors	58,904
Accrued payroll and taxes	3,549
Accrued interest payable	6,679
Accounts payable - other government	15,717
Tenant security deposits	103,297
Unearned revenue	1,195
Current portion of noncurrent liabilities:	
Accrued compensated absences	11,247
Long-term debt - capital projects/mortgage	264,112
Total current liabilities	<u>464,700</u>

Noncurrent liabilities:

Long-term debt, net current - capital projects/mortgage	<u>4,509,713</u>
Total noncurrent liabilities	<u>4,509,713</u>

Total liabilities	<u>4,974,413</u>
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NET POSITION

Net investment in capital assets	888,147
Restricted	1,001,462
Unrestricted	343,120
Total net position	<u>\$ 2,232,729</u>

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

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)**

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022**

OPERATING REVENUES

Net tenant rental revenue	\$ 1,208,387
Tenant revenue - other	26,668
Fraud recovery	382
Total operating revenues	<u>1,235,437</u>

OPERATING EXPENSES

Administrative	450,299
Tenant services	5,816
Utilities	137,441
Maintenance and operations	239,922
Protective services	145
Insurance	71,978
Other general expenses	25,416
Housing assistance payments	735,196
Depreciation	275,990
Total operating expenses	<u>1,942,203</u>

Operating (loss)	<u>(706,766)</u>
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NONOPERATING REVENUES AND EXPENSES

HUD PHA grants - direct	955,796
Other government grants	65,000
Investment income	3,698
Other revenue	91,086
Interest expense	(142,964)
Total nonoperating revenues and expenses	<u>972,616</u>

Change in net position	<u>265,850</u>
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Net position - beginning of year	1,961,154
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Prior period adjustment	<u>5,725</u>
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Net position - beginning of year - restated	<u>1,966,879</u>
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Net position - end of year	<u>\$ 2,232,729</u>
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The accompanying notes are an integral part
of these financial statements.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)**

STATEMENT OF CASH FLOWS (PAGE 1 OF 2)
YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants	\$ 1,235,629
Receipts from tenants through escrow	(6,991)
Payments to employees	(215,688)
Payments to others for goods and services	(660,216)
Housing assistance payments	<u>(735,196)</u>

Net cash provided by (used in) operating activities	<u>(382,462)</u>
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating grants received	1,007,956
Other revenue	<u>93,222</u>

Net cash provided by (used in) noncapital financing activities	<u>1,101,178</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	(55,380)
Principal payments on long-term debt	(313,148)
Interest payments on long-term debt	<u>(163,647)</u>

Net cash provided by (used in) capital and related financing activities	<u>(532,175)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>3,698</u>
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Net cash provided by (used in) investing activities	<u>3,698</u>
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Net change in cash and cash equivalents	190,239
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Balances - beginning of the year	<u>1,313,833</u>
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Balances - end of the year	<u><u>\$ 1,504,072</u></u>
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The accompanying notes are an integral part
of these financial statements.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)**

STATEMENT OF CASH FLOWS PAGE (2 OF 2)
YEAR ENDED DECEMBER 31, 2022

**Reconciliation of operating (loss) to net cash (used in)
operating activities:**

Operating (loss)	\$ (706,766)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Depreciation expense	275,990
Change in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable - tenants	192
Prepaid expenses	(494)
Increase (decrease) in:	
Accounts payable - vendors	40,811
Accrued payroll and taxes	3,549
Accrued compensated absences	11,247
Tenant security deposits	<u>(6,991)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (382,462)</u></u>

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

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Housing and Redevelopment Commission of the City of Huron, South Dakota (the Commission) was created under SDCL 11-7-7 to provide decent, safe, and affordable dwelling accommodations for persons of low or moderate income. The Commission is qualified as a public housing agency as defined by Section 546 of the Quality Housing and Work Responsibility Act of 1998 and Section 3(b)(6) of the United States Housing Act of 1937. The five members of the Commission are appointed by the mayor, with the approval of the City Commission, for five-year, staggered terms. The Commission elects its own chairperson and recruits and employs its own management personnel and other workers. The City Commission, though, retains the statutory Commission to approve or deny or otherwise modify the Commission's plans to construct low-income housing units, or to issue debt, which gives the City Commission the ability to impose its will on the Commission.

The primary government is the City of Huron, South Dakota. The financial statements present only the net position, changes in net position, and cash flows of the Commission and are not intended to present fairly the net position of the City of Huron and the changes in its net position and the cash flows of its proprietary fund types in conformity with U.S. generally accepted accounting principles.

The Governmental Accounting Standards Board (GASB) establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Commission considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Commission's financial statements.

Nature of Business

The Commission administers a low-income housing assistance payment program in Huron, South Dakota. Project No. SD036 is authorized to operate 259 units under the Section 8 Housing Choice Vouchers Program.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation

All activities of the Commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

The financial statements are presented using the economic resources measurement focus, applied on the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Cash and Cash Equivalents

For purposes of financial statement reporting, the Commission considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit, regardless of maturity, are considered to be cash equivalents.

Accounts Receivable

All tenants and miscellaneous accounts receivable are shown net of an allowance for doubtful accounts. The allowance is calculated based on historical trends.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fraud Recovery

HUD requires the Commission to account for monies recovered from tenants who committed fraud or misrepresentation during the application process for rent calculations and now owe additional rent for prior periods or retroactive rent as fraud recovery. The monies recovered are shared by HUD and the Commission.

Capital Assets

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Purchased capital assets are recorded at cost. Donated capital assets are valued at their estimated acquisition value on the date donated. Interest costs incurred during construction of capital assets are capitalized along with other capital assets costs. Depreciation is computed principally by the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Modernization improvements	15
Equipment	3-5

Land, an inexhaustible capital asset, is not depreciated.

Compensated Absences

Under terms of employment, employees are granted vacation and sick leave benefits in varying amounts. All vested vacation and sick leave are accrued when incurred and are presented as compensated absences in the financial statements. Payments for vacation and sick leave will be made at rates in effect when the benefits are used.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the entity. For the Commission, these revenues are charges for dwelling rents. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the entity. Revenues and expenses not meeting these definitions are reported as nonoperating. The primary nonoperating revenue is HUD PHA grants.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates.

Equity Classifications

Equity is classified as net position and displayed in three components:

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

Application of Net Position

It is the Commission's policy to first use restricted net position (if any), prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Budgets

The Commission is not legally required to adopt a budget, therefore, budgetary data is not included in the required supplementary information. Capital Fund budgets are adopted on a "project length" basis and prepared in accordance with HUD requirements.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. **DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK
AND INTEREST RATE RISK**

Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The Commission’s deposits are made in qualified public depositories as defined by SDCL 4-6A-1. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank’s public debt rating which may not be less than “AA” or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments – As stated in SDCL 11-7-31, a commission shall have power to invest any funds held in reserves or debt service funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control. In general, SDCL 4-5-6 permits housing authority funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a); or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that, in the event of a depository failure, the Commission’s deposits may not be returned to it. The Commission does not have a deposit policy for custodial risk. As of December 31, 2022, the Commission’s deposits were fully insured or collateralized and were not exposed to custodial credit risk.

Investments – As of December 31, 2022, the Commission had no investments.

Authorized Investments by the Commission - The Commission does not have a formal investment policy that further limits investments beyond those imposed by statutes.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

2. DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK, continued

Interest Rate Risk – The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Concentration of Credit Risk – The Commission places no limit on the amount that may be invested in any one issuer.

3. CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2022, is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<i>Capital assets not being depreciated:</i>				
Land	\$ 594,578	\$ -	\$ -	\$ 594,578
Total capital assets not being depreciated	594,578	-	-	594,578
<i>Capital assets being depreciated:</i>				
Buildings and improvements	9,923,885	55,380	-	9,979,265
Equipment, furniture, and fixtures	580,842	-	-	580,842
Total capital assets being depreciated	10,504,727	55,380	-	10,560,107
Buildings and improvements	4,677,216	262,712	-	4,939,928
Equipment, furniture, and fixtures	539,507	13,278	-	552,785
Total accumulated depreciation	5,216,723	275,990	-	5,492,713
Total capital assets being depreciated, net	5,288,004	(220,610)	-	5,067,394
Capital assets, net	\$ 5,882,582	\$ (220,610)	\$ -	\$ 5,661,972

**HURON HOUSING AND REDEVELOPMENT COMMISSION
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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

3. CAPITAL ASSETS, continued

Depreciation expense was charged as follows:

Housing Choice Vouchers	\$ 240
Rural Rental Housing Loan	7,972
Business Activities	<u>267,778</u>
Total Depreciation	<u>\$ 275,990</u>

4. PAYMENTS IN LIEU OF TAXES (PILOT)

Annually the Commission is required to remit payments in lieu of taxes to the Beadle County South Dakota, Treasurer. The amount is computed at 5% of gross rents less utilities. PILOT expense was \$18,883 for the year ended December 31, 2022.

5. LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended December 31, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Notes Payable	\$ 5,086,973	\$ -	\$ (313,148)	\$ 4,773,825	\$ 264,112
Compensated Absences	<u>6,150</u>	<u>11,247</u>	<u>(6,150)</u>	<u>11,247</u>	<u>11,247</u>
Total	<u>\$ 5,093,123</u>	<u>\$ 11,247</u>	<u>\$ (319,298)</u>	<u>\$ 4,785,072</u>	<u>\$ 275,359</u>

**HURON HOUSING AND REDEVELOPMENT COMMISSION
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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

5. LONG-TERM LIABILITIES, continued

Notes Payable

Rural Rental Housing Loan

Bluebird Apartments:

1. The Commission has a mortgage note payable with the United States Department of Agriculture Farmers Home Administration. The note bears interest at a rate of 6.50% per annum and is payable in monthly installments of \$1,117 through the year 2044. Interest payments are temporarily reduced to 1.65%. The savings from the reduced payment are required to be deposited into a reserve cash account for future capital improvements. Interest credits for the year were \$7,976. Once the reserve balance is at a reasonable level as determined by the Department of Agriculture and Rural Development, the Note will revert to the original interest rate. The note is secured by the property and the housing assistance payments. Interest paid and expensed during the year was \$1,796. As of December 31, 2022, the balance of the note was \$154,460.
2. The Commission has a mortgage note payable with the United States Department of Agriculture Farmers Home Administration. The note bears interest at a rate of 6.50% per annum and is payable in monthly installments of \$618 through the year 2044. Interest payments are temporarily reduced to 1.65%. The savings from the reduced payment are required to be deposited into a reserve cash account for future capital improvements. Interest credits for the year were \$4,632. Once the reserve balance is at a reasonable level as determined by the Department of Agriculture and Rural Development, the Note will revert to the original interest rate. The note is secured by the property and the housing assistance payments. Interest paid and expensed during the year was \$1,001. As of December 31, 2022, the balance of the note was \$85,680.
3. The Commission has a mortgage note payable with the United States Department of Agriculture Farmers Home Administration. The note bears interest at a rate of 6.875% per annum and is payable in monthly installments of \$714 through the year 2030. Interest payments are temporarily reduced to 2.0%. The savings from the reduced payment are required to be deposited into a reserve cash account for future capital improvements. Interest credits for the year were \$5,436. Once the reserve balance is at a reasonable level as determined by the Department of Agriculture and Rural Development, the Note will revert to the original interest rate. The note is secured by the property and the housing assistance payments. Interest paid and expensed during the year was \$1,906. As of December 31, 2022, the balance of the note was \$106,121.

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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

5. LONG-TERM LIABILITIES, continued

Future principal and interest payments are as follows:

For the Year Ending December 31,	1	2	3	Total Principal	Total Interest	Total
2023	3,464	1,908	1,312	6,684	22,706	\$ 29,390
2024	3,696	2,036	1,405	7,137	22,253	29,390
2025	3,943	2,172	1,504	7,619	21,770	29,389
2026	4,208	2,317	1,611	8,136	21,253	29,389
2027	4,489	2,473	1,725	8,687	20,702	29,389
2028-2032	27,379	15,081	98,564	141,024	80,342	221,366
2033-2037	37,860	20,855	-	58,715	45,399	104,114
2038-2042	52,354	28,838	-	81,192	22,922	104,114
2043-2047	17,067	10,000	-	27,067	1,296	28,363
Total	<u>\$ 154,460</u>	<u>\$ 85,680</u>	<u>\$ 106,121</u>	<u>\$ 346,261</u>	<u>\$ 258,643</u>	<u>\$ 604,904</u>

Business Activities:

Community Fund:

1. The Commission was issued a line of credit by American Bank & Trust that carries an interest rate of 6.50%. Interest is to be paid monthly on any outstanding balance. Payment is due on demand. At December 31, 2022, the line of credit was unused. The line of credit has an available balance of \$25,000 at December 31, 2022, matures on December 31, 2023 and is collateralized by the reserve account's certificate of deposit.

Field Estates:

1. The Commission was issued a line of credit by American Bank & Trust that carries an interest rate of 6.50%. Interest is to be paid monthly on any outstanding balance. Payment is due on demand. At December 31, 2022, the line was unused. The line of credit has an available balance of \$140,000 at December 31, 2022, matures on December 31, 2023 and is collateralized by the reserve account's certificate of deposit.

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5. LONG-TERM LIABILITIES, continued

Lampe Estates:

1. The Commission was issued a line of credit by American Bank & Trust with an interest rate of 6.50% and interest paid monthly on any outstanding principal not to exceed \$25,000. Payment is due on demand. At December 31, 2022, the balance available on the line of credit was \$25,000. The line of credit matures on December 31, 2023 and is collateralized by the reserve accounts certificate of deposit. The balance on the line of credit as of December 31, 2022 was paid in full. Interest expensed during the year was \$282.
2. On November 2, 2016, the Commission entered into a promissory note with American Bank & Trust in the amount of \$5,450,000. The note bears interest at a rate of 3.7% per annum and is payable in monthly installments of \$32,321 with the remainder of the balance due on November 2, 2026. The note is secured by the real property. Payments are being split between Field Estates and Lampe Estates. Interest paid and expensed during the year was \$158,002. The balance of the note as of December 31, 2022, was \$4,204,056.

Future principal and interest payments are as follows:

For the Year Ending December 31,	Principal	Interest	Total
2023	234,329	153,517	\$ 387,846
2024	242,858	144,988	387,846
2025	252,541	135,305	387,846
2026	3,474,328	115,708	3,590,036
2027	-	-	-
Total	<u>\$ 4,204,056</u>	<u>\$ 549,518</u>	<u>\$ 4,753,574</u>

Manor Apartments:

1. In 2016, an existing promissory note between the Commission and the Bank of the West was refinanced in the amount of \$137,659. The note bears interest at a rate of 4.91% per annum and is payable in monthly installments of \$1,944 through the year 2023. The note is secured by the real property. Interest paid and expensed during the year was \$661. As of December 31, 2022, the balance of the note was paid in full.

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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

5. LONG-TERM LIABILITIES, continued

Manor Apartments, continued:

2. In 2002, the Commission entered into a promissory note with the South Dakota Housing Development Authority in the amount of \$723,358. The note bears no interest and is payable in monthly installments. The payments for the year ended December 31, 2021, were \$2,175 for six months and were reduced on July 1, 2021, to \$1,925. Payments will be reduced again on July 1, 2024 and reduced every year after on July 1 until maturity on June 1, 2035. The note is secured by the real property. As of December 31, 2022, the outstanding balance of the note was \$223,508.

Future principal and interest payments are as follows:

For the Year Ending December 31,	Principal	Interest	Total
2023	23,100	-	\$ 23,100
2024	22,500	-	22,500
2025	21,600	-	21,600
2026	21,000	-	21,000
2027	20,100	-	20,100
2028-2032	84,360	-	84,360
2033-2037	30,848	-	30,848
Total	<u>\$ 223,508</u>	<u>\$ -</u>	<u>\$ 223,508</u>

The annual requirements to amortize all notes payable outstanding as of December 31, 2022, are as follows:

For the Year Ending December 31,	Principal	Interest	Total
2023	\$ 264,112	\$ 176,223	\$ 440,335
2024	273,094	167,241	440,335
2025	283,261	157,075	440,336
2026	3,505,564	136,961	3,642,525
2027	31,787	20,702	52,489
2028-2032	249,033	80,342	329,375
2033-2037	58,715	45,399	104,114
2038-2042	81,192	22,922	104,114
2043-2047	27,067	1,296	28,363
Total	<u>\$ 4,773,825</u>	<u>\$ 808,161</u>	<u>\$ 5,581,986</u>

**HURON HOUSING AND REDEVELOPMENT COMMISSION
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**NOTES TO THE FINANCIAL STATEMENTS
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6. RESTRICTED NET POSITION

The following table shows the Commission's net position restrictions for the year ended December 31, 2022:

Purpose	Restricted By	Amount
Housing Assistance Payment Equity	Grantor Agency	\$ 40,376
Required Reserves	Debt Covenant	55,684
Required Reserves	Debt Covenant	880,402
Certificate of Deposit	Donor	25,000
		<u>\$ 1,001,462</u>

7. RETIREMENT PLAN

The Commission sponsors a Simple IRA retirement plan held with American Funds Group Investment, covering qualified employees, as defined. Employees who received a salary of at least \$5,000 in the two preceding years are eligible to participate in the plan. The Commission matches the employee's contribution up to a maximum of three percent of the eligible employee's compensation. The Commission contributed \$7,583 in matching Simple IRA contributions for the year ended December 31, 2022.

8. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2022 the Commission managed its risks as follows:

Employee Health Insurance

The Commission purchases health insurance for its employees from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

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8. RISK MANAGEMENT, continued

Liability Insurance

The Commission purchases liability insurance risks related to torts, theft, or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation

The Commission purchases liability insurance for worker's compensation from a commercial carrier. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Unemployment Benefits

The Commission provides coverage for unemployment benefits by paying into the unemployment compensation fund established by state law and managed by the State of South Dakota.

9. PRIOR PERIOD ADJUSTMENT

The Commission has determined that payroll clearing cash accounts and related payroll liabilities had not been recognized in prior years' financial statements. Recognition of these assets and liabilities has resulted in an increase in the net position of the Business Activities Program net position of \$5,725.

SUPPLEMENTARY INFORMATION

HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
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FINANCIAL DATA SCHEDULE - BALANCE SHEETS
DECEMBER 31, 2022

Line Item No.	Description	Total Programs	Eliminations	10.415 Rural Rental Housing Loan	10.427 Rural Rental Assistance	14.871 Housing Choice Vouchers	14.239 Investment Partnership	Business Activities
111	Cash - Unrestricted	\$ 399,313	\$ -	\$ 6,285	\$ -	\$ 23,660	\$ 49,357	\$ 320,011
112	Cash - Restricted - Modernization and Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113-010	HAP Funds	\$ 40,376	\$ -	\$ -	\$ -	\$ 40,376	\$ -	\$ -
113	Cash - Other Restricted	\$ 1,001,462	\$ -	\$ 55,684	\$ -	\$ 40,376	\$ 25,000	\$ 880,402
114	Cash - Tenant Security Deposits	\$ 103,297	\$ -	\$ 4,450	\$ -	\$ -	\$ -	\$ 98,847
115	Cash - Restricted for Payment of Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	Total Cash	\$ 1,504,072	\$ -	\$ 66,419	\$ -	\$ 64,036	\$ 74,357	\$ 1,299,260
121	Accounts Receivable - PHA Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122-010	Operating Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122-030	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122	Accounts Receivable - HUD Other Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
124	Accounts Receivable - Other Government	\$ 33,629	\$ -	\$ -	\$ -	\$ -	\$ 33,629	\$ -
125-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125	Accounts Receivable - Miscellaneous	\$ 304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304
126	Accounts Receivable - Tenants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126.1	Allowance for Doubtful Accounts - Tenants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126.2	Allowance for Doubtful Accounts - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127	Notes, Loans, & Mortgages Receivable - Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128	Fraud Recovery	\$ 8,510	\$ -	\$ -	\$ -	\$ 8,510	\$ -	\$ -
128.1	Allowance for Doubtful Accounts - Fraud	\$ (8,510)	\$ -	\$ -	\$ -	\$ (8,510)	\$ -	\$ -
129	Accrued Interest Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$ 33,933	\$ -	\$ -	\$ -	\$ -	\$ 33,629	\$ 304
131	Investments - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
132	Investments - Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
135	Investments - Restricted for Payment of Current Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142	Prepaid Expenses and Other Assets	\$ 7,165	\$ -	\$ -	\$ -	\$ 6,502	\$ -	\$ 663
143	Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
143.1	Allowance for Obsolete Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
144	Inter Program Due From	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
145	Assets Held for Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150	Total Current Assets	\$ 1,545,170	\$ -	\$ 66,419	\$ -	\$ 70,538	\$ 107,986	\$ 1,300,227
161	Land	\$ 594,578	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 578,578
162	Buildings	\$ 9,966,535	\$ -	\$ 437,691	\$ -	\$ -	\$ -	\$ 9,528,844
163	Furniture, Equipment & Machinery - Dwellings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
164	Furniture, Equipment & Machinery - Administration	\$ 580,842	\$ -	\$ 26,527	\$ -	\$ 4,657	\$ -	\$ 549,658
165	Leasehold Improvements	\$ 12,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,730
166	Accumulated Depreciation	\$ (5,492,713)	\$ -	\$ (336,087)	\$ -	\$ (3,877)	\$ -	\$ (5,152,749)
167	Construction in Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
168	Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160	Total Capital Assets, Net of Accumulated Depreciation	\$ 5,661,972	\$ -	\$ 144,131	\$ -	\$ 780	\$ -	\$ 5,517,061
171-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171	Notes, Loans and Mortgages Receivable - Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172	Notes, Loans, & Mortgages Receivable - Noncurrent - Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	Grants Receivable - Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-060	Other Comments - Net Pension Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	Other Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	Investments in Joint Ventures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
180	Total Noncurrent Assets	\$ 5,661,972	\$ -	\$ 144,131	\$ -	\$ 780	\$ -	\$ 5,517,061
190	Total Assets	\$ 7,207,142	\$ -	\$ 210,550	\$ -	\$ 71,318	\$ 107,986	\$ 6,817,288
200	Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290	Total Assets and Deferred Outflows of Resources	\$ 7,207,142	\$ -	\$ 210,550	\$ -	\$ 71,318	\$ 107,986	\$ 6,817,288
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts Payable <= 90 Days	\$ 58,904	\$ -	\$ -	\$ -	\$ 275	\$ 58,629	\$ -
313	Accounts Payable >90 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
321	Accrued Wage/Payroll Taxes Payable	\$ 3,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,549
322	Accrued Compensated Absences - Current Portion	\$ 11,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,247
324	Accrued Contingency Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
325	Accrued Interest Payable	\$ 6,879	\$ -	\$ 373	\$ -	\$ -	\$ -	\$ 6,306
331-010	Operating Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331-030	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331	Accounts Payable - HUD PHA Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
332	Account Payable - PHA Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
333	Accounts Payable - Other Government	\$ 15,717	\$ -	\$ 3,144	\$ -	\$ -	\$ -	\$ 12,573
341	Tenant Security Deposits	\$ 103,297	\$ -	\$ 4,450	\$ -	\$ -	\$ -	\$ 98,847
342-010	Operating Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report

HURON HOUSING AND REDEVELOPMENT COMMISSION
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FINANCIAL DATA SCHEDULE - BALANCE SHEETS
DECEMBER 31, 2022

Line Item No.	Description	Total Programs	Eliminations	10.415 Rural Rental Housing Loan	10.427 Rural Rental Assistance	14.871 Housing Choice Vouchers	14.239 Investment Partnership	Business Activities
342-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342-030	Other	\$ 1,195	\$ -	\$ -	\$ -	\$ 1,195	\$ -	\$ -
342	Unearned Revenue	\$ 1,195	\$ -	\$ -	\$ -	\$ 1,195	\$ -	\$ -
343-010	CFFP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343-020	Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343	Current Portion of Long-term Debt - Capital Projects/Mortgage	\$ 264,112	\$ -	\$ 6,683	\$ -	\$ -	\$ -	\$ 257,429
344	Current Portion of Long-term Debt - Operating Borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
345	Other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
346	Accrued Liabilities - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
347	Inter Program - Due To	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348	Loan Liability - Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
310	Total Current Liabilities	\$ 464,700	\$ -	\$ 14,650	\$ -	\$ 1,470	\$ 58,629	\$ 389,951
351-010	CFFP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
351-020	Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$ 4,509,713	\$ -	\$ 339,578	\$ -	\$ -	\$ -	\$ 4,170,135
352	Long-term Debt, Net of Current - Operating Borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
353	Noncurrent Liabilities - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
354	Accrued Compensated Absences - Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355	Loan Liability - Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
356	FASB 5 Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357-010	Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357-020	OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357	Accrued Pension and OPEB Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
350	Total Noncurrent Liabilities	\$ 4,509,713	\$ -	\$ 339,578	\$ -	\$ -	\$ -	\$ 4,170,135
300	Total Liabilities	\$ 4,974,413	\$ -	\$ 354,228	\$ -	\$ 1,470	\$ 58,629	\$ 4,560,086
400	Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4	Net Investment in Capital Assets	\$ 888,147	\$ -	\$ (202,130)	\$ -	\$ 780	\$ -	\$ 1,089,497
511.4	Restricted Net Position	\$ 1,001,462	\$ -	\$ 55,684	\$ -	\$ 40,376	\$ 25,000	\$ 880,402
512.4	Unrestricted Net Position	\$ 343,120	\$ -	\$ 2,768	\$ -	\$ 28,692	\$ 24,357	\$ 287,303
513	Total Equity - Net Assets / Position	\$ 2,232,729	\$ -	\$ (143,678)	\$ -	\$ 69,848	\$ 49,357	\$ 2,257,202
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	\$ 7,207,142	\$ -	\$ 210,550	\$ -	\$ 71,318	\$ 107,986	\$ 6,817,288

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)**

**FINANCIAL DATA SCHEDULE - INCOME STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Description	Total Programs	Eliminations	10.415 Rural Rental Housing Loan	10.427 Rural Rental Assistance	14.871 Housing Choice Vouchers	14.239 Investment Partnership	Business Activities
70300	Net Tenant Rental Revenue	\$ 1,208,387	\$ -	\$ 28,635	\$ -	\$ -	\$ -	\$ 1,179,752
70400	Tenant Revenue - Other	\$ 26,668	\$ -	\$ 45	\$ -	\$ -	\$ -	\$ 26,623
70500	Total Tenant Revenue	\$ 1,235,055	\$ -	\$ 28,680	\$ -	\$ -	\$ -	\$ 1,206,375
70600-010	Housing Assistance Payment	\$ 792,800	\$ -	\$ -	\$ 33,752	\$ 759,048	\$ -	\$ -
70600-020	Ongoing Administrative Fee Earned	\$ 162,996	\$ -	\$ -	\$ -	\$ 153,543	\$ 9,453	\$ -
70600	HUD PHA Operating Grants	\$ 955,796	\$ -	\$ -	\$ 33,752	\$ 912,591	\$ 9,453	\$ -
70610	Capital Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70710	Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70720	Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70730	Bookkeeping Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70740	Front Line Service Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70750	Other Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70700	Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70800	Other Government Grants	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000	\$ -
71100-020	Investment Income - Admin Fee	\$ 74	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ 4
71100	Investment Income - Unrestricted	\$ 395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395
71300	Proceeds from Disposition of Assets Held for Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71310	Cost of Sale of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400	Fraud Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400-010	Fraud Recovery - Housing Assistance Payment	\$ 191	\$ -	\$ -	\$ -	\$ 191	\$ -	\$ -
71400-020	Fraud Recovery - Administrative Fee	\$ 191	\$ -	\$ -	\$ -	\$ 191	\$ -	\$ -
71400	Fraud Recovery	\$ 382	\$ -	\$ -	\$ -	\$ 382	\$ -	\$ -
71500	Other Revenue	\$ 91,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,086
71600	Gain or Loss on Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72000	Investment Income - Restricted	\$ 3,229	\$ -	\$ 84	\$ -	\$ -	\$ -	\$ 3,145
70000	Total Revenue	\$ 2,351,017	\$ -	\$ 28,764	\$ 33,752	\$ 913,043	\$ 74,453	\$ 1,301,005
91100	Administrative Salaries	\$ 228,502	\$ -	\$ 6,624	\$ -	\$ -	\$ 41,488	\$ 180,390
91200	Auditing Fees	\$ 15,200	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 200	\$ 5,000
91300-010	To PHA Administered Program (i.e., COCC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91300-020	To a Third Party/Outside Entity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91300	Management Fee	\$ 2,400	\$ -	\$ -	\$ -	\$ -	\$ 2,400	\$ -
91310	Bookkeeping Fee	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30
91400	Advertising and Marketing	\$ 2,998	\$ -	\$ 276	\$ -	\$ -	\$ 1,955	\$ 767
91500	Employee Benefit contributions - Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91600	Office Expenses	\$ 55,933	\$ -	\$ 2,807	\$ -	\$ 24,888	\$ 5,316	\$ 22,922
91700	Legal Expense	\$ 206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206
91800	Travel	\$ 18,312	\$ -	\$ -	\$ -	\$ 2,937	\$ 1,563	\$ 13,812
91810	Allocated Overhead	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91900	Other	\$ 126,718	\$ -	\$ 1,357	\$ -	\$ 116,795	\$ 100	\$ 8,466
91000	Total Operating - Administrative	\$ 450,299	\$ -	\$ 16,064	\$ -	\$ 149,620	\$ 53,022	\$ 231,593
92000	Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100	Tenant Services - Salaries	\$ 5,816	\$ -	\$ 5,696	\$ -	\$ -	\$ -	\$ 120
92200	Relocation Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92300	Employee Benefit Contributions - Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92400	Tenant Services - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92500	Total Tenant Services	\$ 5,816	\$ -	\$ 5,696	\$ -	\$ -	\$ -	\$ 120
93100	Water	\$ 3,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,678
93200	Electricity	\$ 23,824	\$ -	\$ 7,812	\$ -	\$ -	\$ -	\$ 16,012
93300	Gas	\$ 1,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,563
93400	Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93500	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93600	Sewer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93700	Employee Benefit Contributions - Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93800	Other Utilities Expense	\$ 108,376	\$ -	\$ 4,026	\$ -	\$ -	\$ 90	\$ 104,260
93000	Total Utilities	\$ 137,441	\$ -	\$ 11,838	\$ -	\$ -	\$ 90	\$ 125,513
94100	Ordinary Maintenance and Operations - Labor	\$ 1,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,982
94200	Ordinary Maintenance and Operations - Materials and Other	\$ 91,530	\$ -	\$ 1,726	\$ -	\$ 250	\$ 255	\$ 89,299
94300-010	Garbage and Trash Removal Contracts	\$ 9,058	\$ -	\$ 933	\$ -	\$ -	\$ -	\$ 8,125
94300-020	Heating & Cooling Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-030	Snow Removal Contracts	\$ 29,013	\$ -	\$ 1,058	\$ -	\$ -	\$ -	\$ 27,955
94300-040	Elevator Maintenance Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-050	Landscape & Grounds Contracts	\$ 41,066	\$ -	\$ 2,178	\$ -	\$ -	\$ -	\$ 38,888
94300-060	Unit Turnaround Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-070	Electrical Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-080	Plumbing Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-090	Extermination Contracts	\$ 380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380
94300-100	Janitorial Contracts	\$ 9,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,329
94300-110	Routine Maintenance Contracts	\$ 42,545	\$ -	\$ 6,321	\$ -	\$ -	\$ -	\$ 36,224
94300-120	Miscellaneous Contracts	\$ 15,019	\$ -	\$ -	\$ -	\$ 4,012	\$ -	\$ 11,007
94300	Ordinary Maintenance and Operations Contracts	\$ 146,410	\$ -	\$ 10,490	\$ -	\$ 4,012	\$ -	\$ 131,908
94500	Employee Benefit Contributions - Ordinary Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94000	Total Maintenance	\$ 239,922	\$ -	\$ 12,216	\$ -	\$ 4,262	\$ 255	\$ 223,189
95100	Protective Services - Labor	\$ 145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145
95200	Protective Services - Other Contract Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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HURON, SOUTH DAKOTA
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**FINANCIAL DATA SCHEDULE - INCOME STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

Line Item No.	Description	Total Programs	Eliminations	10.415 Rural Rental Housing Loan	10.427 Rural Rental Assistance	14.871 Housing Choice Vouchers	14.239 Investment Partnership	Business Activities
95300	Protective Services - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95500	Employee Benefit Contributions - Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95000	Total Protective Services	\$ 145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145
96110	Property Insurance	\$ 64,217	\$ -	\$ 3,280	\$ -	\$ -	\$ -	\$ 60,937
96120	Liability Insurance	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -
96130	Workmen's Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96140	All Other Insurance	\$ 7,261	\$ -	\$ 862	\$ -	\$ 2,150	\$ 250	\$ 3,999
96100	Total Insurance Premiums	\$ 71,978	\$ -	\$ 4,142	\$ -	\$ 2,650	\$ 250	\$ 64,936
96200	Other General Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96210	Compensated Absences	\$ 5,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,097
96300	Payments in Lieu of Taxes	\$ 18,883	\$ -	\$ 3,144	\$ -	\$ -	\$ -	\$ 15,739
96400	Bad debt - Tenant Rents	\$ 1,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,436
96500	Bad debt - Mortgages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600-100	Bad debt - Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600-200	Bad debt - Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600	Bad debt - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96800	Severance Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96000	Total Other General Expenses	\$ 25,416	\$ -	\$ 3,144	\$ -	\$ -	\$ -	\$ 22,272
96700	Interest Expense and Amortization Cost	\$ 142,964	\$ -	\$ 4,461	\$ -	\$ -	\$ -	\$ 138,503
96710	Interest of Mortgage (or Bonds) Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96720	Interest on Notes Payable (Short and Long Term)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96730	Amortization of Bond Issue Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96900	Total Operating Expenses	\$ 1,073,981	\$ -	\$ 57,561	\$ -	\$ 156,532	\$ 53,617	\$ 806,271
97000	Excess of Operating Revenue over Operating Expenses	\$ 1,277,036	\$ -	\$ (28,797)	\$ 33,752	\$ 756,511	\$ 20,836	\$ 494,734
97100	Extraordinary Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97200	Casualty Losses - Non-capitalized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97300-049	All Other "Special" Vouchers	\$ 154,475	\$ -	\$ -	\$ -	\$ 154,475	\$ -	\$ -
97300-050	All Other HAP	\$ 580,721	\$ -	\$ -	\$ -	\$ 580,721	\$ -	\$ -
97300	Housing Assistance Payments	\$ 735,196	\$ -	\$ -	\$ -	\$ 735,196	\$ -	\$ -
97350	HAP Portability-In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97400	Depreciation Expense	\$ 275,990	\$ -	\$ 7,972	\$ -	\$ 240	\$ -	\$ 267,778
97500	Fraud Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97600	Capital Outlays - Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97700	Debt Principal Payment - Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97800	Dwelling Units Rent Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90000	Total Expenses	\$ 2,085,167	\$ -	\$ 65,533	\$ -	\$ 891,968	\$ 53,617	\$ 1,074,049
10010	Operating Transfer In	\$ -	\$ (33,752)	\$ 33,752	\$ -	\$ -	\$ -	\$ -
10020	Operating transfer Out	\$ -	\$ 33,752	\$ -	\$ (33,752)	\$ -	\$ -	\$ -
10030-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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)	\$ -	\$ -	\$ 33,752	\$ (33,752)	\$ -	\$ -	\$ -
10000	Excess (Deficiency) of Total Revenue Over (Under) Total	\$ 265,850	\$ -	\$ (3,017)	\$ -	\$ 21,075	\$ 20,836	\$ 226,956
11020	Required Annual Debt Principal Payments	\$ 284,547	\$ -	\$ 6,258	\$ -	\$ -	\$ -	\$ 278,289
11030	Beginning Equity	\$ 1,961,154	\$ -	\$ (140,661)	\$ -	\$ 48,773	\$ 28,521	\$ 2,024,521
11040-010	Prior Period Adjustments and Correction of Errors	\$ 5,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,725
11040-020	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-030	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-040	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-050	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-060	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-070	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-080	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-090	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-100	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-110	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040	Prior Period Adjustments, Equity Transfers and Corrections	\$ 5,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,725
11050	Changes in Compensated Absence Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11060	Changes in Contingent Liability Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**FINANCIAL DATA SCHEDULE - INCOME STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

				10.415	10.427	14.871	14.239	
Line Item No.	Description	Total Programs	Eliminations	Rural Rental Housing Loan	Rural Rental Assistance	Housing Choice Vouchers	Investment Partnership	Business Activities
11070	Changes in Unrecognized Pension Transition Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11080	Changes in Special Term/Severance Benefits Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11100	Changes in Allowance for Doubtful Accounts - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-001	Administrative Fee Equity - Beginning Balance	\$ 32,440	\$ -	\$ -	\$ -	\$ 32,440	\$ -	\$ -
11170-010	Administrative Fee Revenue	\$ 153,543	\$ -	\$ -	\$ -	\$ 153,543	\$ -	\$ -
11170-020	Hard to House Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-021	FSS Coordinator Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-030	Audit Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-040	Investment Income	\$ 70	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ -
11170-045	Fraud Recovery Revenue	\$ 191	\$ -	\$ -	\$ -	\$ 191	\$ -	\$ -
11170-050	Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-051	Comment for Other Revenue							
11170-060	Total Admin Fee Revenues	\$ 153,804	\$ -	\$ -	\$ -	\$ 153,804	\$ -	\$ -
11170-080	Total Operating Expenses	\$ 156,532	\$ -	\$ -	\$ -	\$ 156,532	\$ -	\$ -
11170-090	Depreciation	\$ 240	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ -
11170-095	Housing Assistance Payment Portability In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-100	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-101	Comment for Other Expenses							
11170-110	Total Expenses	\$ 156,772	\$ -	\$ -	\$ -	\$ 156,772	\$ -	\$ -
11170-002	Net Administrative Fee	\$ (2,968)	\$ -	\$ -	\$ -	\$ (2,968)	\$ -	\$ -
11170-003	Administrative Fee Equity - Ending Balance	\$ 29,472	\$ -	\$ -	\$ -	\$ 29,472	\$ -	\$ -
11170-005	Pre-2004 Administrative Fee Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-006	Post-2003 Administrative Fee Reserves	\$ 29,472	\$ -	\$ -	\$ -	\$ 29,472	\$ -	\$ -
11170	Administrative Fee Equity	\$ 29,472	\$ -	\$ -	\$ -	\$ 29,472	\$ -	\$ -
11180-001	Housing Assistance Payments Equity - Beginning Balance	\$ 16,333	\$ -	\$ -	\$ -	\$ 16,333	\$ -	\$ -
11180-010	Housing Assistance Payment Revenues	\$ 759,048	\$ -	\$ -	\$ -	\$ 759,048	\$ -	\$ -
11180-015	Fraud Recovery Revenue	\$ 191	\$ -	\$ -	\$ -	\$ 191	\$ -	\$ -
11180-020	Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-021	Comments for Other Revenue							
11180-025	Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-030	Total Housing Assistance Payments Revenues	\$ 759,239	\$ -	\$ -	\$ -	\$ 759,239	\$ -	\$ -
11180-080	Housing Assistance Payments	\$ 735,196	\$ -	\$ -	\$ -	\$ 735,196	\$ -	\$ -
11180-090	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-091	Comments for Other Expenses							
11180-100	Total Housing Assistance Payments Expenses	\$ 735,196	\$ -	\$ -	\$ -	\$ 735,196	\$ -	\$ -
11180-002	Net Housing Assistance Payments	\$ 24,043	\$ -	\$ -	\$ -	\$ 24,043	\$ -	\$ -
11180-003	Housing Assistance Payments Equity - Ending Balance	\$ 40,376	\$ -	\$ -	\$ -	\$ 40,376	\$ -	\$ -
11180	Housing Assistance Payments Equity	\$ 40,376	\$ -	\$ -	\$ -	\$ 40,376	\$ -	\$ -
11190-210	Total ACC HCV Units	\$ 4,908	\$ 96	\$ -	\$ -	\$ 3,108	\$ -	\$ 1,704
11190-220	Unfunded Units	\$ (631)	\$ -	\$ -	\$ -	\$ (631)	\$ -	\$ -
11190-230	Other Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190	Unit Months Available	\$ 4,277	\$ 96	\$ -	\$ -	\$ 2,477	\$ -	\$ 1,704
11210	Number of Unit Months Leased	\$ 3,740	\$ 96	\$ -	\$ -	\$ 2,110	\$ -	\$ 1,534
11270	Excess Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11610	Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11630	Furniture & Equipment - Dwelling Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11640	Furniture & Equipment - Administrative Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11650	Leasehold Improvements Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11660	Infrastructure Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13510	CFFP Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13901	Replacement Housing Factor Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)

Financial Data Schedule - Memo Account Information
Year Ended December 31, 2022

Financial Statements		
Element	Description	Value
G3000-005	Financial Statements Using Basis Other Than GAAP	NO
G3000-010	Fund Opinion(s)	Single Fund
-	Modified Opinion	NO
-	Unmodified Opinion	YES
-	Adverse Opinion	NO
-	Disclaimer Opinion	NO
G3000-020	"Going Concern" Indicator	NO
G3000-030	Significant Deficiency Indicator	NO
G3000-230	Does the Deficiency relate to the Low Rent or Capital Fund?	N/A
G3000-240	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-040	Material Weakness Indicator	NO
G3000-250	Does the material weakness relate to the Low Rent or Capital Fund Program?	N/A
G3000-260	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-050	Material Noncompliance Indicator	NO
G3000-270	Does the non-compliance relate to the Low Rent or Capital Fund Program?	N/A
G3000-280	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-060	Fraud	NO
G3000-290	Does the activity relate to the Low Rent or Capital Fund Program?	N/A
G3000-300	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-070	Illegal Acts	NO
G3000-310	Does the activity relate to the Low Rent or Capital Fund Program?	N/A
G3000-320	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-
G3000-080	Abuse	NO
G3000-330	Does the activity relate to the Low Rent or Capital Fund Program?	N/A
G3000-340	Enter number of occurrences that relate to the Low Rent or Capital Fund Program.	-

See Independent Auditor's Report

HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)

Financial Data Schedule - Memo Account Information
Year Ended December 31, 2022

Financial Statement Fund Opinion Details		
Element	Description	Details
G3000-200	Fund Type of the fund containing the listed program	MAJOR
G3000-210	Fund Opinion of the fund containing the listed program	UNMODIFIED
G3000-220	Is the departure or qualification related to the Capital Fund or Low Rent Programs?	N/A

Federal Programs		
Element	Description	Value
G4000-020	Dollar Threshold Used to Distinguish Type A and Type B Programs	\$750,000
G4000-030	Low-Risk Auditee Indicator	YES
G4000-040	Indicator-Any Audit Findings Disclosed that are Required to be Reported	NO
G4000-080	Was a Schedule of Prior Audit Findings prepared?	YES
G4100-040	Total Federal Awards Expended (This cell is populated by G4100-030 from the "Federal Award Details" Tab)	\$1,326,360

See Independent Auditor's Report

HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)

Financial Data Schedule - Memo Account Information
Year Ended December 31, 2022

Federal Award Details		
Element	Description	Details
G4100-030	Amount Expended	\$1,326,360
G4200-010	Major Federal Program Indicator	YES
G4200-050	Type of Opinion on Major Federal Program	UNMODIFIED
G4200-060	Number of A-133 Compliance Audit Findings	0
G4200-100	Significant Deficiency Indicator	NO
G4200-200	Number of Significant Deficiencies	0
G4200-110	Material Weakness Indicator	NO
G4200-210	Number of Material Weaknesses	0
G4200-120	Material Noncompliance Indicator	NO
G4200-220	Number of Material Noncompliance	0
G4200-070	Audit Finding Reference Number	N/A
G4200-090	Are Awards Received Directly from a Federal Agency?	YES
G4100-050	Total Amount of Questioned Costs	\$0

Supplementary Information		
Element	Description	Value
G3100-040	SAS 29 "in relation to" opinion on the Financial Data Schedule	FAIRLY STATED
G3100-050	Is MD&A omitted ?	NO
G3100-060	Is other supplementary information omitted?	NO

See Independent Auditor's Report

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number		Disbursements/ Expenditures
U.S. DEPARTMENT OF THE HOUSING AND URBAN DEVELOPMENT:			
Direct Funding:			
HOME Investment Partnership Program	14.239		\$ 9,453
Housing Choice Voucher Cluster:			
Section 8 Housing Choice Vouchers Program	14.871		912,591
U.S. DEPARTMENT OF AGRICULTURE:			
Direct Funding:			
Rural Rental Assistance Payments	10.427		33,752
Rural Rental Housing Loans:	10.415		
Rural Rental Housing Loan		\$ 352,520	
Rural Rental Housing Loan (Interest Credit)		<u>18,044</u>	<u>370,564</u>
Housing Choice Voucher Cluster:			
Total Federal Funding			<u>\$ 1,326,360</u>

Note 1: The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Commission under programs of the federal government for the year ended December 31, 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 Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Note 2: 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. The Commission has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: The mortgage with the United States Department of Agriculture was determined to be a Type B Federal Financial Assistance Program (ALN #10.415) based on the total amount as of and for the year ended December 31, 2022. The outstanding loan balance as of December 31, 2022, was \$346,261.

See Independent Auditor's Report



**INDEPENDENT AUDITOR'S 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**

To the Board of Commissioners
Huron Housing and Redevelopment Commission
Huron, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **the Huron Housing and Redevelopment Commission, a component unit of the City of Huron, South Dakota** (hereinafter referred to as the Commission) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated September 26, 2023.

Report on Internal Control over Financial Reporting

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 financial statements. 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 report is not suitable for any other purpose. However, as required by South Dakota Codified Law 4-11-11, this report is matter of public record and its distribution is not limited.

Wohlenberg Ritzman + Co., LLC

Yankton, South Dakota
September 26, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

To the Board of Commissioners
Huron Housing and Redevelopment Commission
Huron, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Huron Housing and Redevelopment Commission, a component unit of the City of Huron, South Dakota** (hereinafter referred to as the Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended December 31, 2022. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 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 the Commission 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 the Commission'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, regulation, rules, and provision of contracts or grant agreements applicable to the Commission'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 the Commission'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 generally accepted auditing standards, *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 judgement made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement 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 risk. Such procedures include examining, on a test basis, evidence regarding the Commission'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 the Commission'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 the Commission'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 considered 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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wohlschlag Ritzman + Co., LLC

Yankton, South Dakota
September 26, 2023

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022**

FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no financial statement audit findings reported.

FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no major federal award programs audit findings reported.

**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> </u> <u>X</u> no
Significant deficiencies identified?	<u> </u> yes	<u> </u> <u>X</u> none reported

Noncompliance material to financial statements noted?	<u> </u> yes	<u> </u> <u>X</u> no
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Federal Awards

Internal Control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> </u> <u>X</u> no
Significant deficiencies identified?	<u> </u> yes	<u> </u> <u>X</u> none reported

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

Audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)	<u> </u> yes	<u> </u> <u>X</u> no
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Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B Programs:	\$750,000
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Auditee qualified as low-risk auditee?	<u> </u> <u>X</u> yes	<u> </u> no
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**HURON HOUSING AND REDEVELOPMENT COMMISSION
HURON, SOUTH DAKOTA
(A COMPONENT UNIT OF THE CITY OF HURON, SOUTH DAKOTA)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued
YEAR ENDED DECEMBER 31, 2022**

SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT

There are no financial statement findings reported.

**SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

There are no major federal award program findings reported.