

**PENNINGTON COUNTY HOUSING AND
REDEVELOPMENT COMMISSION
(A COMPONENT UNIT OF
PENNINGTON COUNTY)**

INDEPENDENT AUDITOR'S REPORTS,
FINANCIAL STATEMENTS, AND
SUPPLEMENTARY INFORMATION

MARCH 31, 2020 AND 2019



RAPID CITY, SOUTH DAKOTA
GILLETTE, WYOMING

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
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March 31, 2020 and 2019

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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*

Board of Commissioners
Pennington County Housing and Redevelopment Commission
Rapid City, South Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statements of net position, revenues, expenses and changes in net position, and cash flows of Pennington County Housing and Redevelopment Commission, a component unit of Pennington County, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise Pennington County Housing and Redevelopment Commission's basic financial statements and have issued our report thereon dated August 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pennington County Housing and Redevelopment Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness Pennington County Housing and Redevelopment Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Pennington County Housing and Redevelopment 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pennington County Housing and Redevelopment 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness Pennington County Housing and Redevelopment Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pennington County Housing and Redevelopment Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink that reads "Casey Peterson, LTD." The signature is written in a cursive style.

Casey Peterson, Ltd.

Rapid City, South Dakota
August 31, 2020

Independent Auditor's Report on Compliance for
Each Major Program and on Internal Control over
Compliance Required by the Uniform Guidance

Board of Commissioners
Pennington County Housing and Redevelopment Commission
Rapid City, South Dakota

Report on Compliance for Each Major Federal Program

We have audited Pennington County Housing and Redevelopment Commission's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pennington County Housing and Redevelopment Commission's major federal programs for the year ended March 31, 2020. Pennington County Housing and Redevelopment Commission's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Pennington County Housing and Redevelopment Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pennington County Housing and Redevelopment Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Pennington County Housing and Redevelopment Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, Pennington County Housing and Redevelopment Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2020.



Report on Internal Control over Compliance

Management of Pennington County Housing and Redevelopment Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Pennington County Housing and Redevelopment Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pennington County Housing and Redevelopment Commission's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.



Casey Peterson, Ltd.

Rapid City, South Dakota

August 31, 2020

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Schedule of Findings and Questioned Costs
March 31, 2020

SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS

- a. The Independent Auditor's Report expressed an unmodified opinion on the financial statements of Pennington County Housing and Redevelopment Commission.
- b. No material weaknesses or significant deficiencies related to the audit of the financial statements were reported in the Report on Internal Control over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- c. There was no noncompliance material to the financial statements of Pennington County Housing and Redevelopment Commission which would be required to be reported in accordance with *Government Auditing Standards*.
- d. The independent auditor's report on compliance for the major federal award programs of Pennington County Housing and Redevelopment Commission expresses an unmodified opinion on each major federal program.
- e. No noncompliance, material weaknesses, or significant deficiencies in internal control over compliance related to each major federal program were reported in the Independent Auditor's Report on Compliance for Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance.
- f. There were no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
- g. The Commission's major programs for the year ended March 31, 2020 were:
 - Public Housing Capital Fund Program CFDA #14.872
 - Public and Indian Housing CFDA #14.850
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i. The Commission qualified as a low-risk auditee under 2 CFR section 200.520.

FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit.

FINDINGS - MAJOR FEDERAL AWARD PROGRAMS

There were no findings related to the audit of major federal award programs.

Pennington County Housing and Redevelopment Commission

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PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings reported in the prior year financial statement audit.

FINDINGS - MAJOR FEDERAL AWARD PROGRAMS

There were no findings applicable to federal programs in the prior year.



Independent Auditor's Report

Board of Commissioners
Pennington County Housing and Redevelopment Commission
Rapid City, South Dakota

We have audited the accompanying financial statements of Pennington County Housing and Redevelopment Commission, a component unit of Pennington County, which comprise the statements of net position as of March 31, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Pennington County Housing and Redevelopment Commission, as of March 31, 2020 and 2019, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 - 20, Schedule of Net Pension Liability (Asset) on page 54, and Schedule of Pension Contributions on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Pennington County Housing and Redevelopment Commission's basic financial statements. The accompanying Supplementary Schedule of Net Position, Supplementary Schedule of Revenues, Expenses and Changes in Net Position, Financial Data Schedules, Forms RD 3650-10 and 3650-7 and supporting documentation, as required by USDA Rural Development, and Modernization Projects Completed on pages 58 through 92 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards on page 93 is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 August 31, 2020 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Casey Peterson, LTD.

Casey Peterson, Ltd.

Rapid City, South Dakota
August 31, 2020

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020**

This section of Pennington County Housing and Redevelopment Commission's (PCHRC) annual financial report presents our Management's Discussion and Analysis (MD&A) of PCHRC's financial performance during the fiscal year ended March 31, 2020. The MD&A is designed to assist the reader in focusing on significant financial issues, to provide an overview of PCHRC's financial activity and position, and to identify financial trends and concerns. Since this section is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with PCHRC's financial statements.

FINANCIAL HIGHLIGHTS

- The PCHRC implemented GASB 68 in 2016. GASB 68 relates to accounting and financial reporting issues and how pension costs and obligations are measured and reported in audited external financial reports. While there has been a close relationship between how governments fund pensions and how they account and report information until now, the new guidance establishes a decided shift from a funding-based approach to an accounting-based approach. This shift was designed to improve pension information and increase the transparency, consistency, and comparability of pension information across governments. For 2020, the PCHRC's financial statements show a prorated share of the South Dakota Retirement System's Net Pension Asset in the amount of \$7,166.
- In Fiscal Year 2020, PCHRC utilized \$1,678,373 in Capital Fund grants.

AGENCY OVERVIEW

PCHRC is supported largely by HUD. PCHRC's mission is to provide decent, safe, and affordable housing to low and very low-income populations. PCHRC uses the enterprise fund method for financial reporting. This presentation is designed to be corporate-like in that all business-type activities are consolidated into one agency-wide total. While detailed sub-fund information is not presented, separate accounts are maintained for each program or grant to control and manage money for particular purposes or to demonstrate that PCHRC is properly using specific appropriations and grants. The Financial Data Schedule, presented in the Supplementary Information section of the financial statements, provides a balance sheet and income statement by program, as required by HUD. Although the Financial Data Schedule presents several programs, the major operations include administering a Housing Choice Voucher Program and owning and managing Public Housing properties.

Housing Choice Voucher Program

PCHRC administers a Housing Choice Voucher Program with federal funds received from HUD. The Housing Choice Voucher Program is a federal government program for assisting very low-income families to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses, and apartments.

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020**

A family issued a housing voucher chooses a suitable housing unit where the owner agrees to rent under the program. The family pays a portion of the rent based on their income, and the remainder of the rent is paid to the landlord directly by PCHRC.

Eligibility for a housing voucher is determined based on the total annual gross income and family size and is limited to U.S. citizens and specified categories of non-citizens who have eligible immigration status. In general, the family's income may not exceed 50 percent of the median income for the county or metropolitan area in which the family chooses to live. By law, PCHRC must provide 75 percent of its vouchers to applicants whose incomes do not exceed 30 percent of the area median income.

Public Housing Program

Public Housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. PCHRC's Public Housing stock was predominantly built in the late 1970s and comes in all sizes and types, from scattered single-family houses to high-rise apartments. 500 public housing units are owned and managed by PCHRC, which includes 110 single-family homes, 95 townhouses and apartment units, 258 high-rise apartment units, and 37 units in a residential group home setting for developmentally disabled individuals. Occupancy rates remained high in FY 2020 at approximately 95%. HUD provides federal aid to PCHRC so that PCHRC can manage the housing for low-income residents at rents they can afford. Rents charged are based on the family's income. To be eligible for Public Housing, a family's total annual gross income must not exceed 80% of the area median income. Participation is limited to U.S. citizens and specified categories of non-citizens who have eligible immigration status. By law, the PCHRC must provide 40 percent of its Public Housing units to applicants whose incomes do not exceed 30 percent of the area median income.

In addition to federal aid for the operation of Public Housing, HUD also provides PCHRC with Capital Fund program grants for Public Housing modernization. Capital Fund grant revenue has averaged \$809,668 over the past three years which is a 38% increase over the previous three-year average. Expenditure of these funds depends largely on the timing of the construction contracts. Expenditures of Capital Fund grants amounted to \$1,678,373 in 2020 and \$428,278 in 2019. The increase in spending in 2020 is the result of recognizing and receiving revenue as the modernization work is completed.

Other Affordable Housing Programs

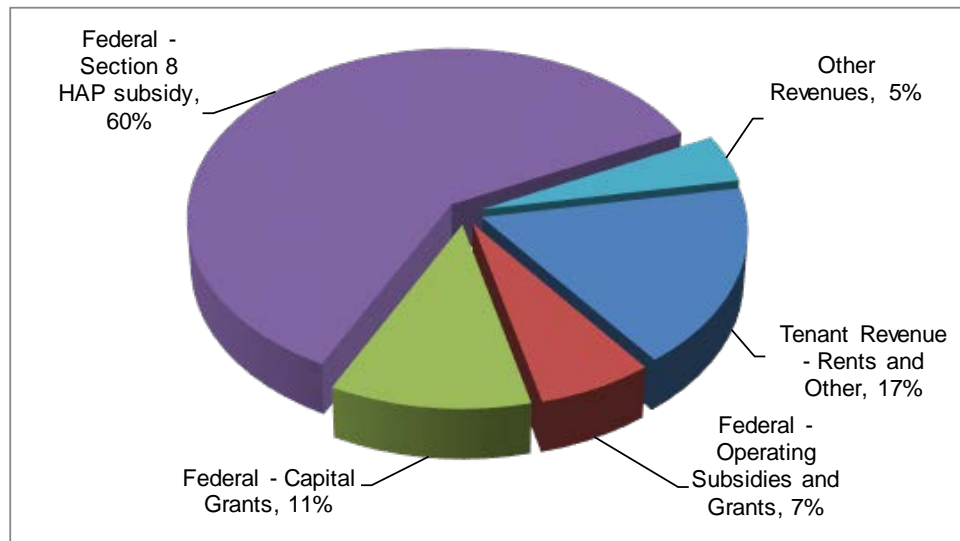
In addition to Public Housing, PCHRC owns and operates several other affordable housing developments. These include one USDA Rural Development property, one HOME development, a former Low-Income Tax Credit property, a former USDA Rural Development property, and a former HOME development. The Rural Development property receives subsidies and mortgage interest credits provided by the USDA Rural Development to provide income-based rents. HOME projects received favorable financing rates which allow rents to be set below market levels.

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020**

Sources and Uses of Funds

The following charts present a breakdown of PCHRC's 2020 sources and uses of funds and make comparisons based on a percentage of the totals. The sources and uses presentation is another method of looking at how PCHRC is utilizing the resources provided to manage its housing programs. It differs slightly from the financial statements on page 25. The difference is that depreciation expense, which does not result in a cash disbursement, is not included here, but capital expenditures, which do require a cash outlay, are included here but not found in the Statements of Revenues, Expenses, and Changes in Net Position. As in previous years, PCHRC was heavily financed by the federal government. In 2020, federal grants and subsidies made up 78 percent of PCHRC's total sources of funds. These funds were provided for general program operation, capital improvements to existing structures, and Section 8 housing assistance subsidies. Tenant revenue, Federal operating subsidies and grants and other revenues all saw a small decrease in 2020. The decrease in Federal Operating Subsidies is the result of the PCHRC exercising the option to transfer a portion of the calendar year Operating Subsidy to the Capital Fund Program for future use. In calendar year 2019, the PCHRC earmarked the allowable 20% of the calendar year 2019 award equaling \$205,453 for this purpose. This subsidy will be recognized as income in the year it is expended. The large increase in Capital Fund grant revenue is due to the timing of the expenditures for this program as Capital Fund grant revenue is recognized when these funds are expended and not when the grant is awarded. Federal Section 8 HAP subsidies increased due to a more aggressive lease-up during the previous year increasing the baseline used in HUD's calculation of our funding. The decrease in other revenue is mostly due to the proceeds of a large insurance claim received in 2019 offset by a larger unrealized gain on investments in 2020.

2020 Sources of Funds

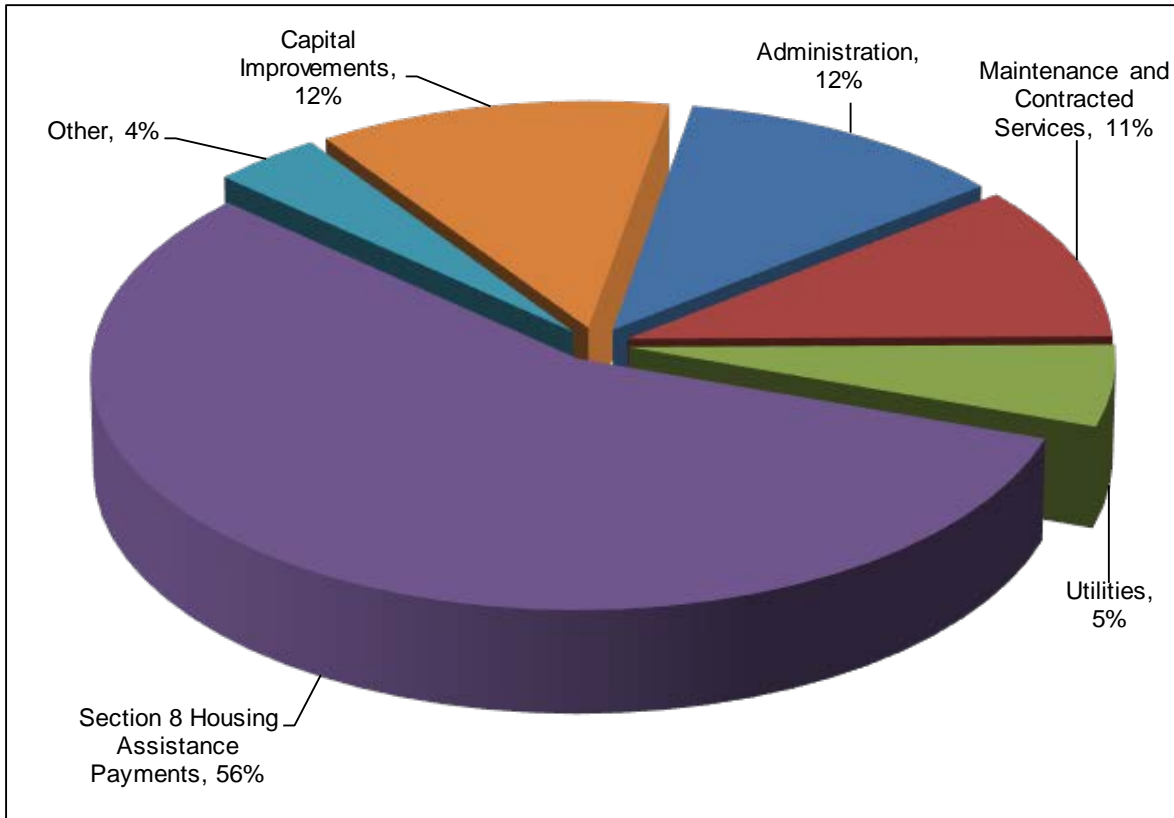


Tenant Revenue - Rents and Other	\$ 2,550,084
Federal - Operating Subsidies and Grants	962,452
Federal - Capital Grants	1,678,373
Federal - Section 8 HAP subsidy	8,842,574
Other Revenues	<u>662,994</u>
Total Sources	<u>\$ 14,696,477</u>

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management’s Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020**

The majority of uses of funds were for housing assistance payments to Section 8 landlords which decreased from 2019 by less than 1%. In 2020, capital uses increased 8% over 2019 while Administration, Maintenance and Contracted Services, Utilities, and Other uses decreased 1% over 2019 when compared to the total uses of funds.

2020 Uses of Funds



Administration	\$ 1,580,481
Maintenance and Contracted Services	1,446,148
Utilities	752,619
Section 8 Housing Assistance Payments	7,734,491
Other	521,907
Capital Improvements	<u>1,685,294</u>
Total Uses	<u>\$ 13,720,940</u>

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements are designed to provide readers with a broad overview of PCHRC's finances in a manner similar to a private sector business. These statements include:

Statements of Net Position which present information on all of PCHRC's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position usually serve as a useful indicator of whether the financial position of PCHRC is improving or deteriorating. The Statements of Net Position are shown on pages 22 and 23.

Statements of Revenues, Expenses, and Changes in Net Position which present information showing how PCHRC's net position changed during the most recent period. These statements show the total revenues and total expenses of PCHRC, and the difference between them is PCHRC's net income. These statements are shown on page 25.

Statements of Cash Flows which present changes in cash and cash equivalents resulting from operations, capital and noncapital financing activities, and investing activities. The Statements of Cash Flows are shown on pages 26 and 27.

The Notes to the Financial Statements provide additional information essential to the full understanding of the data provided in PCHRC's other basic financial statements. The Notes to the Financial Statements can be found on pages 28 through 51 of this report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020

COMPARATIVE FINANCIAL ANALYSIS

The following table provides a comparative analysis of PCHRC's financial position for the fiscal years ended March 31, 2020 and March 31, 2019. March 31, 2018 has been listed for informational purposes only. This table provides a snapshot of PCHRC's economic resources (assets), the claims on these resources (liabilities) by outside creditors, and the net resources (equity) available to PCHRC.

Table 1
Statement of Net Position

	2020	2019	2019-2020 Variance (%)	2018
Current and Other Assets	\$ 12,091,944	\$ 10,970,433	10.2	\$ 11,068,609
Capital Assets	<u>11,082,087</u>	<u>10,369,364</u>	6.9	<u>10,935,395</u>
Total Assets	<u>23,174,031</u>	<u>21,339,797</u>	7.9	<u>22,004,004</u>
Deferred Outflows	<u>341,211</u>	<u>520,605</u>		<u>628,766</u>
Current Liabilities	648,906	653,744	(0.7)	1,393,389
Long-term Liabilities	<u>2,606,718</u>	<u>2,670,982</u>	(2.4)	<u>2,757,029</u>
Total Liabilities	<u>3,255,624</u>	<u>3,324,726</u>	(2.1)	<u>4,150,418</u>
Deferred Inflows	<u>154,259</u>	<u>118,081</u>		<u>114,237</u>
Net Position:				
Invested in Capital Assets, Net of Related Debt	8,654,546	7,864,237	10.0	7,552,356
Restricted	632,498	661,035	(4.3)	794,527
Unrestricted	<u>10,818,315</u>	<u>9,892,323</u>	9.4	<u>10,021,232</u>
Total Net Position	<u>\$ 20,105,359</u>	<u>\$ 18,417,595</u>	9.2	<u>\$ 18,368,115</u>

Current and other assets increased over 2019 levels by \$1,121,511. The notable change that occurred in current and other assets was an increase in cash and investments at year-end. An increase in tenant accounts receivables, less allowances of \$22,784, and an increase in pre-paid expenses for property insurances accounts for much of the remaining change to current and other assets for 2020.

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020**

The increase in the book value of capital assets is due in large part to the Capital Fund grant projects performed during the year. By the end of 2020, PCHRC had invested \$11,082,087, net of depreciation, in a broad range of capital assets, including land, buildings, various furniture, equipment, and machinery and site improvements. (See Table 2.) This amount represents a net increase (including additions and deductions) of \$712,723, or 6.87%, over the last year.

**Table 2
Change in Capital Assets
(Net of Depreciation)**

	2020	2019	Total Dollar Change	Total Percentage Change
Land	\$ 1,979,446	\$ 1,979,446	\$ -	
Buildings	8,068,880	7,140,404	928,476	13.00%
Furniture, Equipment and Machinery	477,302	625,090	(147,788)	-23.64%
Site Improvements	556,459	624,424	(67,965)	-10.88%
	<u>\$ 11,082,087</u>	<u>\$ 10,369,364</u>	<u>\$ 712,723</u>	6.87%

This year's major capital asset additions included:

- Jackson Heights and Valley View high-rise elevator upgrades \$950,523
- River Ridge high-rise boiler replacement \$241,207
- Family unit window and siding replacements \$168,032
- Roof replacements at various units \$20,000
- Jackson Heights common area carpet replacement \$44,048
- Jackson Heights Administrative office remodel \$140,246

In PCHRC's fiscal year 2021, \$1,139,656 in Capital Fund program funds are scheduled to be used for siding replacement at Prairie Village Apartments, window, roof, and storm door replacements are also planned for the single-family housing. PCHRC has no plans to incur additional debt to fund these additions, rather we will use the above-mentioned resources and general account funds if necessary.

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020**

Current liabilities decreased by \$4,838 while long-term liabilities decreased by \$64,264 resulting in an overall decrease of \$69,102 in total liabilities. Most of the decrease in current liabilities is seen in tenant security deposit liability and accrued absences while accounts payable-vendors, wages and payroll taxes payable, payment in lieu of taxes, and deferred revenues from tenants payable increased. All of these changes are normal in the course of business.

At year-end, PCHRC had \$2,710,602 in compensated absences and long-term mortgage debt obligations. This is a decrease of 3.06% as shown in Table 3 below.

**Table 3
Outstanding Debt and Obligations**

	2020	2019	Total Dollar Change	Total Percentage Change
Compensated Absences	\$ 283,061	\$ 291,102	\$ (8,041)	-2.76%
Long-term Debt, Mortgages	2,427,541	2,505,127	(77,586)	-3.10%
	<u>\$ 2,710,602</u>	<u>\$ 2,796,229</u>	<u>\$ (85,627)</u>	-3.06%

The Commission is liable for accrued vacation and sick leave payable to full-time employees. The increase is due to an increase in the amount of leave accumulated and outstanding at the end of the year as no long-term employees ended their employment with the PCHRC in 2019.

Total net position increased by 9% from 2019. A large portion of PCHRC's net position is in capital assets, net of related debt. Capital assets, net of related debt, comprise 43% of the total net position. Net position mainly represents the buildings and equipment that PCHRC utilizes in housing low to moderate-income individuals and families.

Restricted net position represents funds constrained in use by grantors, contributors, laws, or regulations of the government. In our case, these funds are reserves restricted in use by the USDA Rural Development, the South Dakota Housing Development Authority, the US Department of Housing and Urban Development (HUD) as well as the net effect of the implementation of GASB 68 as it relates to the SDRS. Restricted net position decreased by 4% from 2019. The majority of this decrease is a result of a decrease in the amount related to the SDRS pension plan.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2020

OPERATING ACTIVITIES

PCHRC receives its operating revenues from rental charges and government subsidies and grants provided through HUD and USDA Rural Development. PCHRC also receives funding from HUD for capital improvement expenditures. The following table summarizes and compares the PCHRC's operating and capital transactions between fiscal years 2020 and 2019. 2018 is listed for informational purposes only.

Table 4
Statement of Revenues and Expenses

	2020	2019	2019-2020 Variance (%)	2018
Revenues:				
Dwelling Rental Income	\$ 2,550,084	\$ 2,576,502	(1.0)	\$ 2,437,208
Federal - Section 8 Rent Subsidy	8,743,836	8,628,237	1.3	7,722,834
Federal - Public Housing Operating Subsidy	989,208	999,674	(1.0)	941,232
Other Government Grants	178,474	170,941	4.4	157,921
Investment Return (Loss)	491,119	321,730	(252.6)	72,773
Other Revenue	171,375	448,508	(61.8)	169,638
Total Revenues	<u>13,124,096</u>	<u>13,145,592</u>	(0.2)	<u>11,501,606</u>
Expenses:				
Rental Assistance Payments	7,734,491	7,820,370	(1.1)	7,185,154
Depreciation and Amortization	973,067	1,062,871	(8.4)	1,139,418
Administrative	1,580,481	1,559,632	1.3	1,248,359
Ordinary Maintenance	1,224,103	1,177,608	3.9	968,146
Utilities	752,619	772,574	(2.6)	805,131
General Expenses	487,275	463,549	5.1	477,429
Extraordinary Maintenance	222,045	542,872	(59.1)	226,445
Protective Services	25,000	25,000	0.0	25,000
Tenant Services	9,632	9,993	(3.6)	10,423
Total Expenses	<u>13,008,713</u>	<u>13,434,469</u>	(3.2)	<u>12,085,505</u>
Net Income Before Contributed Capital	115,383	(288,877)	(139.9)	(583,899)
Federal - Capital Fund Grant	1,571,881	334,095	370.5	257,415
Gain (Loss) on Disposition on Equipment	500	4,262	(88.3)	11,578
Change in Net Position	<u>\$ 1,687,764</u>	<u>\$ 49,480</u>	3,311.0	<u>\$ (314,906)</u>

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Management's Discussion and Analysis (Unaudited)
For the Year Ended March 31, 2019**

Revenues to support operations in 2020 were almost flat over 2019 and 14% over 2018. The largest percentage change was from investment income which decreased by 252.6% when compared to 2019, as a result of the required adjustment to market value at year-end resulting in larger unrealized loss on investments in 2020. Section 8 Rent Subsidies increased by 1.3% over 2019.

Section 8 housing assistance payment expenses showed a 1.1% decrease from the 2019 levels. This is due to a slightly lower utilization rate due to slower participant lease-up.

Extraordinary maintenance expense showed the most noteworthy change of a 59.1% decrease. This expense category does not relate well to the past activities of this category when comparing year to year changes due to the atypical nature causing this large change. As in the past, the expense for ordinary maintenance increased by 3.9% over 2019. This increase represents the ever-increasing cost to maintain the aging housing stock. General expenses increased 5.31% over 2019 due mostly to an increase in property insurance premiums and the expense for Tenant bad debts.

Overall total expenses decreased by 3.2% when compared to the 2019 levels. While other expenses may show a large percentage change, none are significant enough in dollar terms to mention here.

Capital Fund grant revenue increased by 370.5% from the 2019 amount. This increase is the result of the timing of the construction projects of the Capital Fund Program as grant revenue is recognized when these funds are expended and not when the grant is awarded. In contrast, in 2019 Capital Fund grant revenue increased by 28.9% from the 2018 amount. The PCHRC's capital expenditures in 2020 were solely for the modernization of existing units.

Several significant economic factors are present that may impact PCHRC in the future.

- In recent years, the Department of Housing and Urban Development has underfunded public housing authorities by prorating the funding allowable under the HUD formula. We do not expect this trend to change-making funding levels uncertain and volatile from year to year. As an example of this, in the calendar year 2012, because of the Public Housing Operating Subsidy Reserve Recapture offset, PCHRC saw a decrease in revenue for FYE 2013 of \$835,478. At this time there is no indication that HUD plans to repeat the offsets in the calendar year 2021. However, with the current contentious political atmosphere, a future offset is certainly not out of the question.
- Inflation, employment trends, and utility costs, which affect resident rent calculations, can significantly affect the amount of rental income collected and Section 8 Housing Assistance Payments made by PCHRC.
- PCHRC is heavily reliant on federal government funding. Many believe that current federal spending levels are unsustainable. HUD funding falls under the category of discretionary federal spending and is likely to be more vulnerable to budget cuts than entitlement programs. PCHRC faces a very real threat of significant funding cuts in the coming years.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of PCHRC's finances and to demonstrate PCHRC's accountability for the appropriations and grants that it receives. If you have any questions about this report or need additional financial information, contact the Pennington County Housing and Redevelopment Commission, ATTN: Executive Director, 1805 West Fulton Street, Suite 101, Rapid City, SD 57702.

FINANCIAL STATEMENTS

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Statements of Net Position
March 31, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and Cash Equivalents - Unrestricted	\$ 2,866,670	\$ 3,089,285
Cash and Cash Equivalents - Restricted	377,677	196,958
Funded Security Deposits	224,925	231,712
Certificates of Deposit - Restricted	60,901	60,017
Tenant Accounts Receivable, Less Allowance for Uncollectible Accounts of \$54,092 in 2020 and \$48,024 in 2019	58,472	35,688
Accounts Receivable - Other	1,454	2,402
Inventories	41,074	39,440
Accrued Interest Receivable	36,666	26,634
Prepaid Expenses and Other Assets	102,032	49,768
Total Current Assets	3,769,871	3,731,904
Non-current Assets:		
Non-current Investments	8,314,907	7,236,993
Net Pension Asset	7,166	1,536
Property and Equipment:		
Land	1,979,446	1,979,446
Buildings	38,132,160	36,474,551
Furniture, Equipment and Machinery	3,406,025	3,431,060
Site Improvements	4,198,315	4,192,415
	47,715,946	46,077,472
Less: Accumulated Depreciation	(36,633,859)	(35,708,108)
Total Non-current Assets	19,404,160	17,607,893
TOTAL ASSETS	23,174,031	21,339,797
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related Deferred Outflows	341,211	520,605
TOTAL DEFERRED OUTFLOWS OF RESOURCES	341,211	520,605

The accompanying notes are an integral part of this statement.

	<u>2020</u>	<u>2019</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	52,858	45,735
Accounts Payable - Other Government	606	-
Accrued Wages and Payroll Taxes	85,030	78,234
Tenant Security Deposits	222,724	229,946
Prepaid Tenant Rents	34,637	25,424
Accrued Interest	29	24
Accrued Payments in Lieu of Taxes	149,138	149,134
Current Portion of Accrued Absences	26,140	47,655
Current Portion of Long-term Debt	<u>77,744</u>	<u>77,592</u>
Total Current Liabilities	<u>648,906</u>	<u>653,744</u>
Non-current Liabilities:		
Accrued Absences, Less Current Portion	256,921	243,447
Long-term Debt, Less Current Maturities	<u>2,349,797</u>	<u>2,427,535</u>
Total Non-current Liabilities	<u>2,606,718</u>	<u>2,670,982</u>
TOTAL LIABILITIES	<u>3,255,624</u>	<u>3,324,726</u>
DEFERRED INFLOWS OF RESOURCES		
Pension-related Deferred Inflows	<u>154,259</u>	<u>118,081</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>154,259</u>	<u>118,081</u>
NET POSITION		
Net Investment in Capital Assets	8,654,546	7,864,237
Restricted for:		
Replacement Reserves	211,056	213,425
Section 8 Housing	227,324	43,550
Pension Purposes	194,118	404,060
Unrestricted Net Position	<u>10,818,315</u>	<u>9,892,323</u>
TOTAL NET POSITION	<u>\$ 20,105,359</u>	<u>\$ 18,417,595</u>

The accompanying notes are an integral part of this statement.

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Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended March 31, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Dwelling Rental Income	\$ 2,221,284	\$ 2,258,760
Dwelling Rental Income - Pledged to Service Long-term Debt	328,800	317,742
Rent Subsidies from HUD and Department of Agriculture	8,922,310	8,799,178
Other Income	171,375	448,508
Total Operating Revenues	11,643,769	11,824,188
OPERATING EXPENSES		
Rental Assistance Payments	7,734,491	7,820,370
Administrative	1,580,481	1,559,632
Ordinary Maintenance and Operation	1,224,103	1,177,608
Depreciation and Amortization	973,067	1,062,871
Utilities	752,619	772,574
Extraordinary Maintenance	222,045	542,872
General Expenses	485,861	441,290
Protective Services	25,000	25,000
Tenant Services	9,632	9,993
Total Operating Expenses	13,007,299	13,412,210
OPERATING LOSS	(1,363,530)	(1,588,022)
NONOPERATING REVENUE (EXPENSE)		
Operating Subsidies from HUD	989,208	999,674
Investment Return	491,119	321,730
Interest Expense	(1,414)	(22,259)
Gain on Disposition of Equipment	500	4,262
Total Nonoperating Revenue	1,479,413	1,303,407
GAIN (LOSS) BEFORE CONTRIBUTED CAPITAL	115,883	(284,615)
CONTRIBUTED CAPITAL - HUD SUBSIDY	1,571,881	334,095
CHANGE IN NET POSITION	1,687,764	49,480
NET POSITION, BEGINNING OF YEAR	18,417,595	18,368,115
NET POSITION, END OF YEAR	\$ 20,105,359	\$ 18,417,595

The accompanying notes are an integral part of this statement.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Statements of Cash Flows
For the Years Ended March 31, 2020 and 2019

	2020	2019
OPERATING ACTIVITIES		
Receipts from Tenant Payments	\$ 2,520,078	\$ 2,571,733
Rent Subsidies Received	8,922,310	8,799,178
Receipts from Others	171,868	153,661
Payments for Operating Expenses	(10,010,608)	(10,171,139)
Payments to Employees	(1,851,875)	(1,918,256)
Net Cash Used by Operating Activities	(248,227)	(564,823)
INVESTING ACTIVITIES		
Interest Earned	213,758	194,545
Proceeds from Redemption of Restricted Certificates of Deposit	(884)	(826)
Cash Paid to Acquire Investments	(9,131,000)	(650,000)
Proceeds from Sale of Investments	8,320,415	2,367,039
Net Cash Provided (Used) by Investing Activities	(597,711)	1,910,758
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from HUD and Department of Agriculture	989,208	999,674
CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed Capital - HUD Subsidy	1,571,881	334,095
Purchases of Property and Equipment	(1,685,294)	(504,575)
Proceeds from Sale of Capital Assets	-	12,000
Insurance Proceeds from Damage of Capital Assets	455	296,829
Mortgage Interest Paid	(1,409)	(25,028)
Principal Payments on Long-term Debt	(77,586)	(877,912)
Net Cash Used by Capital and Related Financing Activities	(191,953)	(764,591)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(48,683)	1,581,018
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,517,955	1,936,937
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,469,272	\$ 3,517,955
CASH AND CASH EQUIVALENTS CONSISTS OF		
Cash and Cash Equivalents - Unrestricted	\$ 2,866,670	\$ 3,089,285
Cash and Cash Equivalents - Restricted	377,677	196,958
Funded Security Deposits	224,925	231,712
	\$ 3,469,272	\$ 3,517,955

The accompanying notes are an integral part of this statement.

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Operating Loss	\$ (1,363,530)	\$ (1,588,022)
Adjustments to Reconcile Operating Loss to Net Cash		
Used by Operating Activities:		
Depreciation and Amortization	973,067	1,062,871
Insurance Proceeds	(455)	(296,829)
Provision for Losses on Accounts Receivable	6,068	3,783
Net Pension (Revenue) Expense	209,946	116,410
Change in Assets and Liabilities:		
Tenant Accounts Receivable	(28,852)	(17,643)
Accounts Receivable - Other	948	1,624
Accounts Receivable - Other Government	-	358
Prepaid Expenses	(52,264)	107,127
Inventories	(1,634)	(9,489)
Accounts Payable	7,729	8,308
Tenant Security Deposits	(7,222)	9,091
Accrued Liabilities	<u>7,972</u>	<u>37,588</u>
Net Cash Used by Operating Activities	<u>\$ (248,227)</u>	<u>\$ (564,823)</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Value Received for Vehicle Trade-in	<u>\$ 4,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements presented in this report represent all the funds and fiscal activities under the control of the Board of Commissioners, a five-member governing board, of Pennington County Housing and Redevelopment Commission (the Commission), a component unit of Pennington County. The Pennington County Commissioners have the authority to approve or deny any new housing projects and to approve or disapprove the Commission's intent to issue long-term debt, by disapproving a proposed project to be so financed.

Pennington County Housing and Redevelopment Commission, a public housing authority (PHA), is engaged in providing housing and housing assistance to the low and very low-income elderly, family and disabled, through low rent housing programs designed to provide decent, safe, affordable and sanitary housing.

The low rent programs are regulated by HUD as to rental charges and operating methods. The Commission receives subsidies from HUD to assist in covering the costs of the Commission's low rent housing programs. Contributions are received from HUD based on budgeted amounts. The Commission is required to prepare and adopt annual operating budgets for each of its HUD programs.

Low-income families who participate in subsidized or housing assistance programs typically pay a portion of their housing costs, which generally amounts to the higher of either 30% of their adjusted gross income, based on HUD guidelines, or 10% of their gross income; the remaining portion of the rent for the units is paid by HUD either through public housing program annual contributions, subsidies or housing assistance payments or through South Dakota Housing Development Authority (SDHDA) or Rural Development in the form of housing assistance payments.

Pennington County Housing and Redevelopment Commission owns and operates the following low-income housing programs:

- a. HUD Projects SD045000011 and SD045000016, the public housing program, consists of two Public Housing developments with a total of 500 units of conventional housing in Rapid City and Wall, South Dakota under annual contributions contract DEN 371.
- b. The Section 8 Housing Choice Voucher program is a federally subsidized housing program designed to assist very low-income families in renting, in the local market, decent, safe, affordable and sanitary rental housing suitable for their needs and desires. If the unit and rental rate are acceptable, the PHA enters into a housing assistance payments (HAP) contract with the owner of the unit to make up the difference between what the families can afford to pay, based on HUD guidelines, and the total contracted rent. Housing units leased under the Section 8 programs must meet housing quality standards as determined by HUD and the Commission; this is accomplished through unit inspections that must be conducted initially and on a biennial basis thereafter. The Section 8 Housing Choice Voucher Program Administration derives its income from administration of the Section 8 Housing Choice Voucher program; this program provides for an administrative fee based on a HUD-determined administrative rate and the number of rental units administered for each program.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- c. The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). The VA provides these services for participating Veterans at VA medical centers (VAMCs) and community-based outreach clinics. The Commission has 125 HUD-VASH vouchers in its inventory. The financial information for this program is included with the Section 8 Housing Voucher Program within this report.
- d. The Commission owns and operates two HOME Developments through the South Dakota Housing Development Authority, consisting of 39 units for families. The projects are Harney View Apartments and Black Fox Manor, both located in Rapid City, South Dakota.
- e. As of March 31, 2020, the Commission owned and operated one USDA Rural Development project with 25 units for the elderly, disabled, and handicapped. The project is known as Sunny Haven Apartments and is located in New Underwood, South Dakota.
- f. During the year ended March 31, 2018, the Commission paid off the USDA Rural Development loan for Hillyo Manor, located in Hill City, South Dakota. Accordingly, this project is now presented under Section 8 New Construction.
- g. The Central Office account derives its income from management of the Public Housing, HOME, USDA Rural Development project, the Section 8 program of Pennington County Housing and Redevelopment Commission, and from other property managed by the Central Office.
- h. During the year ended March 31, 2014, the Commission purchased Memorial Park Apartments, a former Low-Income Tax Credit property that had reached the end of the "Tax Credit Compliance Period", located in Rapid City, South Dakota. Memorial Park Apartments consists of 60 units of housing designated for the elderly. The property has extended use commitments that require the Commission to lease to residents with income not to exceed 60% of Area Median Income at rents not to exceed established/published Tax Credit rents. During the year ended March 31, 2019, the Commission paid off the loan associated with the Apartments.

Basis of Presentation

The Commission is considered a single enterprise fund for financial reporting purposes. The Commission's financial statements have been prepared on the accrual basis of accounting, consistent with the governmental proprietary fund concept which pertains to financial activities that operate in a manner similar to private business enterprises and are financed through tenant rentals and federal housing assistance programs. The Commission applies all applicable Government Accounting Standards Board (GASB) pronouncements.

Operating income (loss) includes revenues and expenses related to the primary, continuing operations of the Commission. Principal operating revenues are rents charged to tenants, rent subsidies from HUD and Department of Agriculture, and management and administrative fees earned. Principal operating expenses are the costs of providing housing and include administrative expenses, housing assistance payments, and depreciation and amortization. Other revenues and expenses are classified as non-operating in the financial statements. In the accompanying financial statements, interprogram transactions and interprogram receivables and payables have been eliminated.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Commission considers all highly liquid investments with a term to maturity of three months or less when purchased to be cash equivalents.

Certificates of Deposit

Certificates of deposit totaling \$60,901 and \$60,017 at March 31, 2020 and 2019, respectively, are shown as Certificates of Deposits - Restricted in the accompanying financial statements. These certificates represent a portion of the USDA-RD required reserve for replacement accounts for the USDA-RD projects. The certificates bear interest of 1.34% and have maturities of twelve months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Capital Assets

Capital assets, which include land, buildings, and equipment, are reported in the basic financial statements. The Commission defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost.

Expenditures for renewals and improvements that will significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense currently. When depreciable properties are retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	3 - 40 years
Furniture, equipment and machinery	3 - 10 years
Leasehold improvements	15 - 40 years

Investments

The Commission follows an investment policy to invest in authorized investment pools and funds, U.S. Government securities and repurchase agreements. Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values on the Statements of Net Position. Management's intent is to hold all investments to maturity. Realized and unrealized gains and losses are included in investment return on the Statements of Revenues, Expenses, and Changes in Net Position.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a charge to bad debt expense and as an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Inventories

Inventories are valued at cost and consist mainly of maintenance supplies.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statements of Net Position report a separate section for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period or periods. These items will not be recognized as an outflow of resources until the applicable future period. The only deferred outflow of resources reported is a deferred amount arising from the Commission's pension plan for qualified retirees as discussed in Note 6.

In addition to liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisitions of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources until that applicable future period. The only deferred inflow of resources reported is a deferred amount arising from the Commission's pension plan for qualified retirees as discussed in Note 6.

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension revenue, information about the fiduciary net position of the South Dakota Retirement System (SDRS) and additions to/deletions from SDRS' fiduciary net position have been determined on the same basis as they are reported by SDRS, Commission contributions and net pension asset are recognized on the accrual basis of accounting.

Accumulated Unpaid Vacation and Sick Pay

Employees may accumulate vacation pay up to a maximum of 35 days. Employees may also accumulate sick pay up to a maximum of 100 days. Up to 280 hours of vacation pay and up to 50 days of sick pay are paid to employees upon termination.

Prepaid Tenant Rents

Income from tenant prepayments of rent is recognized over the periods to which the revenues are earned or rent payments relate.

Equity Classifications

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

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings (net of unspent related debt proceeds, if any) attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as needed.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Commission is a governmental entity exempt from federal income taxes; therefore, no provision for income taxes has been presented in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - MANAGEMENT AGREEMENTS

Hillyo Manor, Black Fox Manor, Harney View Apartments and Memorial Park Apartments pay a monthly management fee of \$65 per unit per month. The management agreement for Sunny Haven Apartments, approved by Rural Development, provides for the payment of management fees equal to \$65 per month per occupied unit.

NOTE 3 - RURAL RENTAL HOUSING PROGRAMS

During the year ended March 31, 2020, the Commission owned and operated one Rural Development project known as Sunny Haven Apartments, located in New Underwood, South Dakota

As a condition to obtaining financing, the Commission entered into loan agreements with Rural Development. Significant provisions in the loan agreements are as follows:

- a. The Commission must establish and maintain reserve accounts for each project with outstanding debt. Deposits for Sunny Haven Apartments must be made at a rate not less than \$5,373 annually until the amount in the reserves reaches \$53,720. With prior consent of Rural Development, funds in the reserve accounts may be used for payments due on outstanding debt balances, repairs or replacements, improvements, or other purposes as required.

	2020	2019
<u>Sunny Haven Apartments</u>		
Reserve Account Balance	\$ 60,918	\$ 63,901
Required Reserve Balance	53,720	53,720
Surplus	\$ 7,198	\$ 10,181

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NOTE 3 - RURAL RENTAL HOUSING PROGRAMS (CONTINUED)

- b. The Commission must also maintain a separate account for tenant security deposits for each project in an amount equal to the security deposit liability.

	2020	2019
<u>Sunny Haven Apartments</u>		
Tenant Security Deposit Balance	\$ 10,990	\$ 10,841
Security Deposit Liability	10,475	10,714
Surplus (Deficit)	\$ 515	\$ 127

- c. Rents cannot exceed the rates approved by Rural Development.

Segment Information

One Rural Development project has outstanding long-term debt, with rental revenue pledged to secure that debt at March 31, 2020. Summary financial information for the Rural Development Sunny Haven Apartments project is as follows:

	2020	2019
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets	\$ 82,148	\$ 82,283
Capital Assets	73,072	81,153
Total Assets	\$ 155,220	\$ 163,436
Liabilities:		
Current Liabilities	\$ 41,756	\$ 47,229
Long-term Debt	118,104	133,442
Total Liabilities	159,860	180,671
Net Assets:		
Net Investment in Capital Assets	(60,376)	(67,481)
Restricted Net Position	60,918	63,901
Unrestricted Net Position	(5,182)	(13,655)
Total Net Position	(4,640)	(17,235)
Total Liabilities and Net Position	\$ 155,220	\$ 163,436

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NOTE 3 - RURAL RENTAL HOUSING PROGRAMS (CONTINUED)

	2020	2019
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating Revenues (Pledged)	\$ 78,413	\$ 73,112
Rent Subsidies from Department of Agriculture	79,736	70,775
Other Revenues	951	783
Depreciation Expense	(8,081)	(17,045)
Other Operating Expenses	(138,124)	(149,849)
Operating Loss	12,895	(22,224)
Non-operating Revenues (Expenses):		
Investment Return	1,114	940
Interest Expense	(1,414)	(1,579)
Change in Net Position	12,595	(22,863)
Net Position, Beginning of Year	(17,235)	5,628
Net Position, End of Year	\$ (4,640)	\$ (17,235)
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash From (Used for):		
Operating Activities	\$ 14,488	\$ (688)
Investing Activities	230	114
Capital and Related Financing Activities	(16,600)	(45,274)
Net Change in Cash and Cash Equivalents	(1,882)	(45,848)
Cash and Cash Equivalents, Beginning of Year	4,723	50,571
Cash and Cash Equivalents, End of Year	\$ 2,841	\$ 4,723

NOTE 4 - HOME INVESTMENT PARTNERSHIP PROGRAMS

The Commission owns and operates one HOME Development regulated by the South Dakota Housing Development Authority (SDHDA) known as Black Fox Manor located in Rapid City, South Dakota. The Commission also owns and operates one former HOME Development known as Harney View Apartments located in Rapid City, South Dakota.

As a condition to obtaining a reduced rate of financing, the Commission entered into Regulatory Agreements with SDHDA. Significant provisions in the regulatory agreement are as follows:

- a. The Commission must establish and maintain reserve funds for replacements in separate accounts with SDHDA or in a safe and responsible depository. Under the agreements, the owners are required to make monthly deposits to the funds. Disbursements from these funds may be used for repairs and replacements.
- b. Rents cannot exceed the rate schedule established by SDHDA.

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NOTE 4 - HOME INVESTMENT PARTNERSHIP PROGRAMS (CONTINUED)

Segment Information

The Black Fox Manor SDHDA project has outstanding long-term debt, with rental revenue pledged to secure that debt. Summary financial information for the Harney View Apartments SDHDA project is no longer required as the Commission had paid off the debt associated with this property, but the Commission has decided to continue presenting the summary financial information for consistency. Summary financial information for the Harney View Apartments SDHDA project is as follows:

	2020	2019
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets	\$ 60,300	\$ 50,469
Capital Assets	350,021	372,534
Total Assets	\$ 410,321	\$ 423,003
Liabilities:		
Current Liabilities	\$ 97,056	\$ 97,452
Net Position:		
Net Investment in Capital Assets	350,021	372,534
Unrestricted Net Position	(36,756)	(46,983)
Total Net Position	313,265	325,551
Total Liabilities and Net Position	\$ 410,321	\$ 423,003
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION		
Operating Revenues	\$ 87,705	\$ 85,443
Depreciation Expense	(22,512)	(22,242)
Other Operating Expenses	(78,240)	(47,147)
Operating Income	(13,047)	16,054
Non-operating Revenues (Expenses):		
Investment Return	761	21
Loss on Disposition of Equipment	-	(434)
Change in Net Position	(12,286)	15,641
Net Position, Beginning of Year	325,551	309,910
Net Position, End of Year	\$ 313,265	\$ 325,551

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NOTE 4 - HOME INVESTMENT PARTNERSHIP PROGRAMS (CONTINUED)

	2020	2019
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash From (Used for):		
Operating Activities	\$ 7,742	\$ 38,160
Investing Activities	761	21
Capital and Related Financing Activities	-	(15,378)
Net Change in Cash and Cash Equivalents	8,503	22,803
Cash and Cash Equivalents at Beginning of Year	43,758	20,955
Cash and Cash Equivalents at End of Year	\$ 52,261	\$ 43,758

Summary financial information for the Black Fox Manor SDHDA project is as follows:

	2020	2019
CONDENSED STATEMENT OF NET POSITION		
Assets:		
Current Assets	\$ 178,312	\$ 172,863
Capital Assets	606,864	639,807
Total Assets	\$ 785,176	\$ 812,670
Liabilities:		
Current Liabilities	\$ 244,583	\$ 220,778
Long-term Debt	865,783	928,183
Total Liabilities	1,110,366	1,148,961
Net Assets:		
Net Investment in Capital Assets	(321,319)	(350,776)
Restricted Net Position	150,138	149,524
Unrestricted Net Position	(154,009)	(135,039)
Total Net Position	(325,190)	(336,291)
Total Liabilities and Net Position	\$ 785,176	\$ 812,670

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NOTE 4 - HOME INVESTMENT PARTNERSHIP PROGRAMS (CONTINUED)

	2020	2019
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
Operating Revenues (Pledged)	\$ 163,372	\$ 160,027
Depreciation Expense	(38,845)	(38,726)
Other Operating Expenses	(115,685)	(126,039)
Operating Income	8,842	(4,738)
Nonoperating Revenues (Expenses):		
Investment Return	2,259	688
Change in Net Position	11,101	(4,050)
Net Position, Beginning of Year	(336,291)	(332,241)
Net Position, End of Year	\$ (325,190)	\$ (336,291)
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash From (Used for):		
Operating Activities	\$ 66,653	\$ 66,734
Investing Activities	2,259	688
Capital and Related Financing Activities	(68,301)	(62,400)
Net Change in Cash and Cash Equivalents	611	5,022
Cash and Cash Equivalents at Beginning of Year	150,530	145,508
Cash and Cash Equivalents at End of Year	\$ 151,141	\$ 150,530

NOTE 5 - CREDIT RISK CONCENTRATIONS AND INVESTMENTS

Cash and cash equivalent deposits are classified into three categories. Category 1 deposits are fully insured or collateralized with securities held by the Commission or the Commission's agent in the Commission's name. Category 2 deposits are collateralized with securities held by the pledging institution's trust department or agent in the Commission's name. Category 3 deposits are uninsured and uncollateralized.

The Commission's deposits are made and held in qualified public depositories. In South Dakota, 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% 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. The Commission has entered into a general depository agreement in which deposits in excess of the amounts insured by the FDIC shall be fully and continually secured by the bank by the deposit or setting aside of collateral of the types, and in the manner, as is prescribed by State law for the security of public funds.

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NOTE 5 - CREDIT RISK CONCENTRATIONS AND INVESTMENTS (CONTINUED)

All cash balances, including interest earned, where applicable, have market values at March 31, 2020 and 2019 that are substantially the same as the carrying value in the accompanying financial statements.

At March 31, the Commission's cash and cash equivalents consisted of the following:

	<u>2020</u>	<u>2019</u>
Demand Deposits - Unrestricted	\$ 547,433	\$ 881,145
Demand Deposits - Restricted	227,324	43,550
Public Housing Program:		
Money Market Accounts	645,787	901,219
HOME Investments Partnerships Program:		
Bank Reserve Funds - Savings Accounts	150,138	149,524
Bank Savings Accounts	52,264	43,764
Rural Rental Assistance Payments Program:		
Bank Reserve Funds - Savings Accounts	16	3,884
Bank Savings Accounts	1,875	502
Section 8 New Construction:		
Money Market Accounts	265,465	228,550
Other Management:		
Money Market Accounts	521,466	149,620
Bank Savings Accounts	545,150	427,476
Other Housing Needs:		
Money Market Accounts	60,493	272,700
Memorial Park Apartments:		
Money Market Accounts	11,298	107,820
Bank Savings Accounts	<u>215,638</u>	<u>76,489</u>
Total Cash and Cash Equivalents	<u>\$ 3,244,347</u>	<u>\$ 3,286,243</u>
Security Deposits:		
Public Housing Program	\$ 175,281	\$ 182,002
HOME Investments Partnership Program	16,705	17,219
Section 8 New Construction	5,638	5,561
Rural Rental Assistance Payments Program	10,990	10,841
Memorial Park Apartments	<u>16,311</u>	<u>16,089</u>
Total Funded Security Deposits	<u>\$ 224,925</u>	<u>\$ 231,712</u>

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NOTE 5 - CREDIT RISK CONCENTRATIONS AND INVESTMENTS (CONTINUED)

In general, SDCL 11-7-31 permits 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. Supplemental to this authority, SDCL 4-5-6 permits public 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 of its fiscal agent. The Commission's investment policy limits short-term investments to U.S. Treasury bills and limits long-term investments to U.S. Treasury notes and bond obligations and accounts with financial institutions insured under Federal plans.

Fair Value Measurement - The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Level I - Investments are valued using inputs that are quoted prices in active markets accessible at the measurement date of identical assets. These inputs include those traded on an active exchange, such as New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers and brokers in active over-the-counter markets.

Level II - Investments are valued using inputs that are significant other observable inputs such as quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Investments that are included in this level include corporate bonds and loans, and less liquid and restricted equities.

Level III - Investments are valued using inputs that are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or decision.

At March 31, 2020, the Commission's investments were all valued using other observable inputs (Level II inputs).

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At March 31, 2020 and 2019, all investments of the Commission were classified as insured or registered, or the securities were held by the Commission or its agent in the Commission's name.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a depository failure, the Commission will not be able to recover deposits. Commission deposits in excess of depository insurance must be 100% collateralized. Collateral is valued at the lower of cost or market as reported in the quarterly call reports prepared by the qualified public depositories pursuant to SDCL 4-6A. As of March 31, 2020 and 2019, all of the Commission's demand deposits and certificates of deposit were adequately insured or collateralized as required by statute.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Commission does not have a policy regarding concentration of credit risk.

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NOTE 5 - CREDIT RISK CONCENTRATIONS AND INVESTMENTS (CONTINUED)

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Commission prohibits the use of investments that do not pay in U.S. dollars.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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. The following chart summarizes the Commission's investments using segmented time distribution.

Investments as of March 31 consisted of the following:

	Credit Rating	Fair Value		Maturity Date			Call Date	
		March 31, 2019	March 31, 2020	Less Than 1 Year	1 - 5 Years	5 or More Years	Less Than 1 Year	1 - 3 Years
Public Housing:								
Government Bonds	AAA	\$ 3,232,487 *	\$ 2,878,274 *	\$ -	\$ 300,168	\$ 2,578,106	\$ 1,860,641	\$ 416,509
Government Bonds	Not Rated	1,196,865 *	1,245,827 *	-	-	1,245,827	-	-
Marketable Certificates of Deposit	FDIC Insured	<u>1,154,920 *</u>	<u>2,524,142 *</u>	<u>1,347,066</u>	<u>976,826</u>	<u>200,250</u>	<u>1,427,673</u>	<u>-</u>
		<u>5,584,272</u>	<u>6,648,243</u>	<u>1,347,066</u>	<u>1,276,994</u>	<u>4,024,183</u>	<u>3,288,314</u>	<u>416,509</u>
Other Management:								
Government Bonds	AAA	245,197	250,140	-	250,140	-	250,140	-
Government Bonds	Not Rated	84,263	81,929	-	-	81,929	-	-
Marketable Certificates of Deposit	FDIC Insured	<u>341,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>670,941</u>	<u>332,069</u>	<u>-</u>	<u>250,140</u>	<u>81,929</u>	<u>250,140</u>	<u>-</u>
Other Housing Needs:								
Government Bonds	AAA	499,435 *	500,265 *	-	-	500,265	500,265	-
Government Bonds	Not Rated	134,486	140,266	-	-	140,266	-	-
Marketable Certificates of Deposit	FDIC Insured	<u>248,198</u>	<u>494,064</u>	<u>251,360</u>	<u>242,704</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>882,119</u>	<u>1,134,595</u>	<u>251,360</u>	<u>242,704</u>	<u>640,531</u>	<u>500,265</u>	<u>-</u>
Memorial Park Apts.:								
Marketable Certificates of Deposit	FDIC Insured	<u>99,661</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>99,661</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments		<u>\$ 7,236,993</u>	<u>\$ 8,314,907</u>	<u>\$ 1,798,426</u>	<u>\$ 1,769,838</u>	<u>\$ 4,746,643</u>	<u>\$ 4,038,719</u>	<u>\$ 416,509</u>

*Represents 5% or more of total investments

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NOTE 5 - CREDIT RISK CONCENTRATIONS AND INVESTMENTS (CONTINUED)

Investment return is summarized as follows:

	2020	2019
Interest Income	\$ 223,790	\$ 191,680
Net Realized and Unrealized Losses	267,329	130,050
Total Investment Return	\$ 491,119	\$ 321,730

NOTE 6 - PENSION PLAN

Plan Information

All employees, working more than 20 hours per week during the year, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple-employer hybrid defined benefit pension plan administered by SDRS to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability, and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering, and amending plan provisions are found in SDCL 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at <http://sdrs.sd.gov/publications.aspx> or by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Benefits Provided

SDRS has three different classes of employees, Class A general members, Class B public safety and judicial members, and Class C Cement Plant Retirement Fund members.

Members that were hired before July 1, 2017, are Foundation members. Class A Foundation members and Class B Foundation members who retire after age 65 with three years of contributory service are entitled to an unreduced annual retirement benefit. An unreduced annual retirement benefit is also available after age 55 for Class A Foundation members where the sum of age and credited service is equal to or greater than 85 or after age 55 for Class B Foundation judicial members where the sum of age and credited service is equal to or greater than 80. Class B Foundation public safety members can retire with an unreduced annual retirement benefit after age 55 with three years of contributory service. An unreduced annual retirement benefit is also available after age 45 for Class B Foundation public safety members where the sum of age and credited service is equal to or greater than 75. All Foundation retirement benefits that do not meet the above criteria may be payable at a reduced level.

Members that were hired on/after July 1, 2017, are Generational members. Class A Generational members and Class B Generational judicial members who retire after age 67 with three years of contributory service are entitled to an unreduced annual retirement benefit. Class B Generational public safety members can retire with an unreduced annual retirement benefit after age 57 with three years of contributory service. At retirement, married Generational members may elect a single-life benefit, a 60% joint and survivor benefit, or a 100% joint and survivor benefit. All Generational retirement benefits that do not meet the above criteria may be payable at a reduced level. Generational members will also have a variable retirement account (VRA) established, in which they will receive up to 1.5 of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

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NOTE 6 - PENSION PLAN (CONTINUED)

Legislation enacted in 2017 established the current COLA process. At each valuation date:

- Baseline actuarial accrued liabilities will be calculated assuming the COLA is equal to the long-term inflation assumption of 2.25%.
- If the fair value of assets is greater or equal to the baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than 3.5%.
- If the fair value of assets is less than the baseline actuarial accrued liabilities, the COLA will be:
 - The increase in the 3rd quarter CPI-W, no less than 0.5% and no greater than a restricted maximum such that, that if the restricted maximum is assumed for future COLAs, the fair value of assets will be greater or equal to the accrued liabilities.

All benefits except those depending on the member's accumulated contributions are annually increased by the cost-of-living adjustment.

Contributions

Per SDCL 3-12, contribution requirements of the active employees and the participating employers are established and may be amended by the SDRS Board. Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 6.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The Commission's share of contributions to the SDRS for the fiscal years ended March 31, 2020, 2019, and 2018 were \$82,506, \$85,775, and \$81,493, respectively, equal to the required contributions each year.

Pension Liabilities (Assets), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions:

At June 30, 2019, SDRS is 100.09% funded and accordingly has a net pension asset. The proportionate shares of the components of the net pension asset of South Dakota Retirement System, for the Commission as of this measurement period and reported by the Commission as of March 31, 2020 are as follows:

Proportionate Share of Pension Liability	\$ 8,425,943
Less: Proportionate Share of Net Pension Restricted for Pension Benefits	8,433,109
Proportionate Share of Net Pension Liability (Asset)	\$ (7,166)

At March 31, 2020, the Commission reported an asset of \$7,166 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019 and the total pension asset used to calculate the net pension asset was based on a projection of the Commission's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2019, the Commission's proportion was .06761200% which is an increase of .0017576% from its proportion measured as of June 30, 2018.

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NOTE 6 - PENSION PLAN (CONTINUED)

For the year ended March 31, 2020, the Commission recognized pension expense (reduction of pension expense) of \$209,946. At March 31, 2020 the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience.	\$ 28,106	\$ 3,243
Changes in Assumption	247,462	101,447
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	41,276
Changes in Proportion and Difference between Commission Contributions and Proportionate Share of Contributions	4,525	8,293
Commission Contributions Subsequent to the Measurement Date	<u>61,118</u>	<u>-</u>
Totals	<u>\$ 341,211</u>	<u>\$ 154,259</u>

\$61,118 reported as deferred outflow of resources related to pensions resulting from Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending March 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (reduction of pension expense) as follows:

<u>Year Ended March 31</u>	
2020	\$ 157,163
2021	(25,483)
2022	(18,711)
2023	12,865
2024	-
Thereafter	-
	<u>\$ 125,834</u>

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NOTE 6 - PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability (asset) in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded by years of service, from 6.50% at entry to 3.00% after 25 years of service
Discount Rate	6.50% net of plan investment expense
Future COLAs	1.88%

Mortality rates were based on 97% of the RP-2014 Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016, white-collar rates for females and total dataset rates for males. Mortality rates for disabled members were based on the RP-2014 Disabled Retiree Mortality Table, adjusted to 2006 and projected generationally with Scale MP-2016.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period of July 1, 2011 to June 30, 2016.

Investment portfolio management is the statutory responsibility of the South Dakota Investment Council (SDIC), which may utilize the services of external money managers for management of a portion of the portfolio. SDIC is governed by the Prudent Man Rule (i.e., the council should use the same degree of care as a prudent man). Current SDIC investment policies dictate limits on the percentage of assets invested in various types of vehicles (equities, fixed income securities, real estate, cash, private equity, etc.). The long-term expected rate of return on pension plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table using geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	58.0%	4.7%
Fixed Income	30.0%	1.7%
Real Estate	10.0%	4.3%
Cash	2.0%	0.9%
	<u>100.0%</u>	

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NOTE 6 - PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that matching employer contributions from will be made at rates equal to the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of Liability (Asset) to Changes in the Discount Rate:

The following presents the Commission's proportionate share of net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the Commission's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Commission's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,189,253	\$ (7,166)	\$ (982,030)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued SDRS financial report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 7 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the years ended March 31 is as follows:

	2020			Balance 3/31/2020
	Balance 3/31/2019	Increase	Decrease	
Non-depreciable:				
Land	\$ 1,979,446	\$ -	\$ -	\$ 1,979,446
Depreciable:				
Buildings	36,474,551	1,657,609	-	38,132,160
Furniture, Equipment and Machinery	3,431,060	25,779	(50,814)	3,406,025
Site Improvements	4,192,415	5,900	-	4,198,315
Subtotal	<u>46,077,472</u>	<u>1,689,288</u>	<u>(50,814)</u>	<u>47,715,946</u>
Less Accumulated Depreciation for:				
Buildings	29,334,147	729,132	-	30,063,279
Furniture, Equipment and Machinery	2,805,970	170,069	(47,316)	2,928,723
Site Improvements	3,567,991	73,866	-	3,641,857
Subtotal	<u>35,708,108</u>	<u>973,067</u>	<u>(47,316)</u>	<u>36,633,859</u>
Net Capital Assets	<u>\$ 10,369,364</u>	<u>\$ 716,221</u>	<u>\$ (3,498)</u>	<u>\$ 11,082,087</u>
	2019			Balance 3/31/2019
	Balance 3/31/2018	Increase	Decrease	
Non-depreciable:				
Land	\$ 1,979,446	\$ -	\$ -	\$ 1,979,446
Depreciable:				
Buildings	36,032,423	445,540	(3,412)	36,474,551
Furniture, Equipment and Machinery	3,463,547	52,359	(84,846)	3,431,060
Site Improvements	4,185,736	6,679	-	4,192,415
Subtotal	<u>45,661,152</u>	<u>504,578</u>	<u>(88,258)</u>	<u>46,077,472</u>
Less Accumulated Depreciation for:				
Buildings	28,545,153	790,831	(1,837)	29,334,147
Furniture, Equipment and Machinery	2,701,731	182,922	(78,683)	2,805,970
Site Improvements	3,478,873	89,118	-	3,567,991
Subtotal	<u>34,725,757</u>	<u>1,062,871</u>	<u>(80,520)</u>	<u>35,708,108</u>
Net Capital Assets	<u>\$ 10,935,395</u>	<u>\$ (558,293)</u>	<u>\$ (7,738)</u>	<u>\$ 10,369,364</u>

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 8 - PAYMENTS IN LIEU OF TAXES

Public housing authorities are not required to pay property taxes based on the normal property value assessment and tax levy procedures for real property owned, but rather they make payments in lieu of (property) taxes (PILOT) based on calculations determined by the State of South Dakota. This calculation is based on the amount of dwelling rent collected during the calendar year which differs from the Commission's fiscal year. Therefore, the liability reflects an additional three months over the one year reflected in the expense.

Payments in lieu of taxes expense of \$118,679 and \$119,869 for the years ended March 31, 2020 and 2019, respectively, were determined by program as follows:

	2020					
	Public Housing	Black Fox Manor	Harney View Apartments	Sunny Haven Apartments	Memorial Park Apartments	Section 8 New Construction
Dwelling Rent Collected	<u>\$ 1,567,238</u>	<u>\$ 148,797</u>	<u>\$ 84,299</u>	<u>\$ 71,405</u>	<u>\$ 426,948</u>	<u>\$ 74,908</u>
5% of Dwelling Rent Collected (PILOT)	<u>\$ 78,362</u>	<u>\$ 7,440</u>	<u>\$ 4,215</u>	<u>\$ 3,570</u>	<u>\$ 21,347</u>	<u>\$ 3,745</u>
	2019					
	Public Housing	Black Fox Manor	Harney View Apartments	Sunny Haven Apartments	Memorial Park Apartments	Section 8 New Construction
Dwelling Rent Collected	<u>\$ 1,614,671</u>	<u>\$ 151,283</u>	<u>\$ 83,671</u>	<u>\$ 60,057</u>	<u>\$ 417,562</u>	<u>\$ 70,114</u>
5% of Dwelling Rent Collected (PILOT)	<u>\$ 80,734</u>	<u>\$ 7,564</u>	<u>\$ 4,184</u>	<u>\$ 3,003</u>	<u>\$ 20,878</u>	<u>\$ 3,506</u>

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 9 - LONG-TERM DEBT AND OTHER LIABILITIES

The following is a summary of changes in long-term debt, including the current portion for the year ended March 31, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
8.5% reducing to an effective rate of 1% note payable to Rural Development, due in monthly installments of \$1,234, plus overage, including interest, to October 31, 2028, secured by land, building, equipment and rents of Sunny Haven Apartments.	\$ 131,921	\$ -	\$ (13,557)	\$ 118,364	\$ 13,698
8.75% reducing to an effective rate of 1% note payable to Rural Development, due in monthly installments of \$149, including interest, to June 15, 2029, secured by land, building, equipment and rents of Sunny Haven Apartments.	16,713	-	(1,629)	15,084	1,646
0% HOME loan payable to SDHDA, due in monthly installments of \$299 increasing to \$5,690, from June 1, 2005 through June 1, 2034, secured by all real and personal property and rents of Black Fox Manor.	990,583	-	(62,400)	928,183	62,400
0% forgivable loan payable to SDHDA, secured by real and personal property and rents of LaCrosse Apartments. Payment is deferred until expiration of the 20 year period of affordability which begins at the project completion date of September 29, 2011, at which time any amount then due and payable will be forgiven. If the property is sold or no longer used for affordable housing during the period of affordability, the loan becomes immediately due and payable in full.	1,365,910	-	-	1,365,910	-
	<u>\$ 2,505,127</u>	<u>\$ -</u>	<u>\$ (77,586)</u>	<u>\$ 2,427,541</u>	<u>\$ 77,744</u>

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 9 - LONG-TERM DEBT AND OTHER LIABILITIES (CONTINUED)

A summary of required principal and interest payments on the long-term debt is as follows:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 77,744	\$ 1,252	\$ 78,996
2022	77,896	1,100	78,996
2023	78,051	945	78,996
2024	78,207	789	78,996
2025	78,364	632	78,996
2026 - 2030	391,411	951	392,362
2031 - 2035	279,958	-	279,958
SDHDA Forgivable Mortgage	1,365,910	-	1,365,910
	<u>\$ 2,427,541</u>	<u>\$ 5,669</u>	<u>\$ 2,433,210</u>

The following is a summary of changes in long-term debt, including the current portion, presented in a condensed format for comparative purposes for the year ended March 31, 2019:

Balance, Beginning of Year	\$ 3,383,039
Additions	-
Reductions	<u>(877,912)</u>
	2,505,127
Less: Current Balance	<u>(77,592)</u>
Balance, End of Year	<u>\$ 2,427,535</u>

The following is a summary of the changes in accrued absences for the years ended March 31:

	<u>2020</u>	<u>2019</u>
Balance, Beginning of Year	\$ 291,102	\$ 265,490
Increase in Accrued Absences	135,646	140,992
Decrease in Accrued Absences	<u>(143,687)</u>	<u>(115,380)</u>
	283,061	291,102
Less: Current Balance	<u>(26,140)</u>	<u>(47,655)</u>
Balance, End of Year	<u>\$ 256,921</u>	<u>\$ 243,447</u>

The Low Rent Program, Section 8 Housing Choice Voucher Program, and Central Office funds typically have been used to liquidate accrued compensated absences in prior years.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 10 - PLEDGE OF FUTURE REVENUES

As discussed in Note 9, the Commission has pledged future rent revenues related to Sunny Haven Apartments and Black Fox Manor. The pledged rent revenues provide security under various loan agreements with Rural Development and SDHDA. Proceeds from the loans provided financing for the construction of, and improvements related to, the aforementioned projects. 100% of the rent revenues related to these projects have been pledged through the maturity dates of each applicable loan as listed in Note 9. The total principal and interest remaining to be paid on the notes as of March 31, 2020, which represents the approximate amount of each pledge, along with a comparison of the pledged revenues recognized during the year then ended to the principal and interest requirements, by project, is as follows:

	Sunny Haven Apartments	Black Fox Manor
Principal and Interest Remaining	\$ 133,448	\$ 928,183
Pledged Revenues Recognized	78,413	163,372
Principal and Interest Requirements	16,596	62,400

NOTE 11 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Commission's operations are concentrated in serving families of the multi-family real estate market. In addition, the Commission operates in a heavily regulated environment. The operations of the Commission are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD, SDHDA, and Rural Development. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 12 - RISK MANAGEMENT

The Commission purchases insurance for risks related to torts, theft, or damage to property; errors and omissions of public officials; general workmen's compensation; and property insurance from commercial insurance carriers including State Farm Fire and Casualty Company, Travelers Casualty Insurance Company of America, and Dakota Truck Underwriters.

The policies provide that the above coverage will be provided with a \$5,000,000 limit on liability coverage and a \$55,974,300 limit on property. As of March 31, 2020, the Commission carried the following deductibles related to insurance coverage:

- General Liability - None
- Property - \$5,000 or \$10,000
- Automobile - \$500
- Crime - \$250

In prior years, settled claims resulting from these risks have not exceeded the Commission's liability coverage.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Notes to Financial Statements
March 31, 2020 and 2019

NOTE 13 - EMERGING ACCOUNTING PRONOUNCEMENTS

In June 2017, the Government Accounting Standards Board issued GASB Statement No. 87, Leases. GASB 87 affects any government entity that enters into a lease. The main difference between previous GAAP and GASB 87 is the recognition of lease assets and lease liabilities for the lessee and the recognition of a lease receivable and deferred inflow of resources for the lessor. The effective date for GASB 87 was postponed 18 months as a result of GASB Statement No. 95 issued May 2020 in response to the COVID-19 pandemic. GASB 87 is effective for years beginning after June 15, 2021. The Commission has not yet implemented this update and is in the process of assessing the effect on the Commission's financial statements.

NOTE 14 - SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been an impact on the Commission's operating functions including intake, recertifications, and maintenance. Changes to the operating environment may increase operating costs. Future potential impacts may include disruptions or restrictions on the employees' ability to work or tenants' ability to pay the required monthly rent as a result of job loss or other pandemic related issues. The Commission receives a significant amount of rental assistance, which would mitigate some of the potential for losses in tenant rent. The future effects of these issues are unknown.

Subsequent events have been evaluated through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Schedule of the Commission's Proportionate Share
of the Net Pension Liability (Asset)
South Dakota Retirement System**

Year*	Commission's Proportion of Net Pension Liability (Asset)	Commission's Proportionate Share of Net Pension Liability (Asset) (a)	Commission's Covered- employee Payroll (b)	Commission's Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered- employee Payroll (a/b)	Plan Fiduciary Net Pension as a Percentage of its Total Pension Liability (Asset)
6/30/2019	.0676120%	\$ (7,166)	\$ 1,437,572	-0.50%	100.09%
6/30/2018	.0658544%	\$ (1,536)	\$ 1,369,049	-0.11%	100.02%
6/30/2017	.0654733%	\$ (5,942)	\$ 1,330,291	-0.45%	100.10%
6/30/2016	.0692783%	\$ 234,015	\$ 1,317,334	17.76%	96.89%
6/30/2015	.0694403%	\$ (294,516)	\$ 1,267,782	-23.23%	104.10%

*The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30. Until a full 10-year trend is compiled, Pennington County Housing and Redevelopment Commission will present information for those years for which information is available.

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Schedule of Pension Contributions
South Dakota Retirement System**

Year*	Contractually- required Contribution (a)	Contributions in Relation to the Contractually- required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Commission's Covered- employee Payroll (c)	Contributions as a Percentage of Covered- employee Payroll (b/c)
3/31/2020	\$ 82,506	\$ 82,506	\$ -	\$ 1,375,096	6.00%
3/31/2019	\$ 85,775	\$ 85,775	\$ -	\$ 1,429,585	6.00%
3/31/2018	\$ 81,493	\$ 81,493	\$ -	\$ 1,358,215	6.00%
3/31/2017	\$ 79,796	\$ 79,796	\$ -	\$ 1,329,929	6.00%
3/31/2016	\$ 78,163	\$ 78,163	\$ -	\$ 1,302,730	6.00%

*The amounts presented for each year were determined as of the Commission's fiscal year end. Until a full 10-year trend is compiled, Pennington County Housing and Redevelopment Commission will present information for those years for which information is available.

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SUPPLEMENTARY INFORMATION

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Supplementary Schedule of Net Position
March 31, 2020

	Public Housing Program	Section 8 Housing Choice Voucher Program	Rural Rental Assistance Payments
ASSETS			
Current Assets:			
Cash and Cash Equivalents - Unrestricted	\$ 669,871	\$ 402,478	\$ 2,824
Cash and Cash Equivalents - Restricted	-	227,522	17
Funded Security Deposits	175,281	-	10,990
Certificates of Deposit - Restricted	-	-	60,901
Tenant Accounts Receivable, Less Allowance	48,784	-	347
Accounts Receivable - Other	-	1,328	-
Inventories	27,755	-	-
Accrued Interest Receivable	31,571	-	199
Prepaid Expenses and Other Assets	57,900	1,476	6,870
Interprogram Receivables	-	-	-
Total Current Assets	<u>1,011,162</u>	<u>632,804</u>	<u>82,148</u>
Non-current Assets:			
Non-current Investments	6,648,243	-	-
Net Pension Asset	2,414	1,362	-
Property and Equipment:			
Land	843,321	-	25,555
Buildings	31,909,674	-	733,614
Furniture, Equipment and Machinery	2,995,708	36,219	246
Leasehold Improvements	3,653,384	-	72,732
	<u>39,402,087</u>	<u>36,219</u>	<u>832,147</u>
Less: Accumulated Depreciation	<u>(33,139,905)</u>	<u>(19,682)</u>	<u>(759,075)</u>
Total Non-current Assets	<u>12,912,839</u>	<u>17,899</u>	<u>73,072</u>
TOTAL ASSETS	<u>13,924,001</u>	<u>650,703</u>	<u>155,220</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related Deferred Outflows	<u>104,574</u>	<u>67,978</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>104,574</u>	<u>67,978</u>	<u>-</u>

See independent auditor's report.

HOME Investment Partnerships Program	Memorial Park Apartments	Capital Fund Program Cluster	Central Office Cost Center	Section 8 New Construction	Eliminations	Total
\$ 53,264	\$ 227,436	\$ -	\$ 1,244,832	\$ 265,965	\$ -	\$ 2,866,670
150,138	-	-	-	-	-	377,677
16,705	16,311	-	-	5,638	-	224,925
-	-	-	-	-	-	60,901
6,446	428	-	-	2,467	-	58,472
-	-	-	126	-	-	1,454
-	-	-	13,319	-	-	41,074
-	53	-	4,843	-	-	36,666
12,059	11,419	-	5,572	6,736	-	102,032
-	-	-	281,296	-	(281,296)	-
<u>238,612</u>	<u>255,647</u>	<u>-</u>	<u>1,549,988</u>	<u>280,806</u>	<u>(281,296)</u>	<u>3,769,871</u>
-	200,000	-	1,466,664	-	-	8,314,907
-	-	-	3,390	-	-	7,166
-	-	-	1,089,767	20,803	-	1,979,446
2,062,244	839,989	1,878,675	599	707,365	-	38,132,160
20,634	38,622	-	293,609	20,987	-	3,406,025
<u>313,548</u>	<u>-</u>	<u>38,422</u>	<u>-</u>	<u>120,229</u>	<u>-</u>	<u>4,198,315</u>
<u>2,396,426</u>	<u>878,611</u>	<u>1,917,097</u>	<u>1,383,975</u>	<u>869,384</u>	<u>-</u>	<u>47,715,946</u>
<u>(1,439,541)</u>	<u>(190,758)</u>	<u>(44,293)</u>	<u>(253,379)</u>	<u>(787,226)</u>	<u>-</u>	<u>(36,633,859)</u>
<u>956,885</u>	<u>887,853</u>	<u>1,872,804</u>	<u>2,600,650</u>	<u>82,158</u>	<u>-</u>	<u>19,404,160</u>
<u>1,195,497</u>	<u>1,143,500</u>	<u>1,872,804</u>	<u>4,150,638</u>	<u>362,964</u>	<u>(281,296)</u>	<u>23,174,031</u>
-	-	-	168,659	-	-	341,211
-	-	-	168,659	-	-	341,211

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Supplementary Schedule of Net Position (Continued)
March 31, 2020

	Public Housing Program	Section 8 Housing Choice Voucher Program	Rural Rental Assistance Payments
LIABILITIES			
Current Liabilities:			
Accounts Payable	12,345	13,260	3,475
Accounts Payable - HUD PHA Programs	-	198	-
Accounts Payable - Other Governments	-	-	-
Accrued Wages and Payroll Taxes	30,129	17,158	-
Tenant Security Deposits	175,281	-	10,475
Prepaid Tenant Rents	24,304	1,930	551
Accrued Interest	-	-	29
Accrued Payments in Lieu of Taxes	98,711	-	4,382
Current Portion of Accrued Absences	15,080	1,120	-
Current Portion of Long-term Debt	-	-	15,344
Interprogram Payables	-	25,701	7,500
Total Current Liabilities	<u>355,850</u>	<u>59,367</u>	<u>41,756</u>
Non-current Liabilities:			
Accrued Absences, Less Current Portion	65,596	57,355	-
Long-term Debt, Less Current Maturities	1,365,910	-	118,104
Net Pension Liability	-	-	-
Total Non-current Liabilities	<u>1,431,506</u>	<u>57,355</u>	<u>118,104</u>
TOTAL LIABILITIES	<u>1,787,356</u>	<u>116,722</u>	<u>159,860</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related Deferred Inflows	<u>49,355</u>	<u>30,206</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>49,355</u>	<u>30,206</u>	<u>-</u>
NET POSITION			
Net Investment in Capital Assets	4,896,272	16,537	(60,376)
Restricted for:			
Replacement Reserves	-	-	60,918
Section 8 Housing	-	227,324	-
Pension Purposes	57,633	39,134	-
Unrestricted Net Position	<u>7,237,959</u>	<u>288,758</u>	<u>(5,182)</u>
TOTAL NET POSITION	<u>\$ 12,191,864</u>	<u>\$ 571,753</u>	<u>\$ (4,640)</u>

See independent auditor's report.

HOME Investment Partnerships Program	Memorial Park Apartments	Capital Fund Program Cluster	Central Office Cost Center	Section 8 New Construction	Eliminations	Total
1,649	524	-	19,557	2,048	-	52,858
-	-	-	-	-	-	198
-	-	-	-	408	-	408
-	-	-	37,743	-	-	85,030
16,200	15,500	-	-	5,268	-	222,724
3,017	2,721	-	-	2,114	-	34,637
-	-	-	-	-	-	29
14,721	26,668	-	-	4,656	-	149,138
-	-	-	9,940	-	-	26,140
62,400	-	-	-	-	-	77,744
<u>243,652</u>	<u>4,443</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(281,296)</u>	<u>-</u>
<u>341,639</u>	<u>49,856</u>	<u>-</u>	<u>67,240</u>	<u>14,494</u>	<u>(281,296)</u>	<u>648,906</u>
-	-	-	133,970	-	-	256,921
865,783	-	-	-	-	-	2,349,797
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>865,783</u>	<u>-</u>	<u>-</u>	<u>133,970</u>	<u>-</u>	<u>-</u>	<u>2,606,718</u>
<u>1,207,422</u>	<u>49,856</u>	<u>-</u>	<u>201,210</u>	<u>14,494</u>	<u>(281,296)</u>	<u>3,255,624</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>74,698</u>	<u>-</u>	<u>-</u>	<u>154,259</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>74,698</u>	<u>-</u>	<u>-</u>	<u>154,259</u>
28,702	687,853	1,872,804	1,130,596	82,158	-	8,654,546
150,138	-	-	-	-	-	211,056
-	-	-	-	-	-	227,324
-	-	-	97,351	-	-	194,118
<u>(190,765)</u>	<u>405,791</u>	<u>-</u>	<u>2,815,442</u>	<u>266,312</u>	<u>-</u>	<u>10,818,315</u>
<u>\$ (11,925)</u>	<u>\$ 1,093,644</u>	<u>\$ 1,872,804</u>	<u>\$ 4,043,389</u>	<u>\$ 348,470</u>	<u>\$ -</u>	<u>\$ 20,105,359</u>

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Supplementary Schedule of Revenues, Expenses and
Changes in Net Position
For the Year Ended March 31, 2020

	Public Housing Program	Section 8 Housing Choice Voucher Program	Rural Rental Assistance Payments
OPERATING REVENUES			
Dwelling Rental Income	\$ 1,702,708	\$ -	\$ -
Dwelling Rental Income - Pledged to Service Long-term Debt	-	-	78,413
Rent Subsidies from HUD and Department of Agriculture	-	8,743,836	79,736
Other Income	125,043	30,082	951
Total Operating Revenues	<u>1,827,751</u>	<u>8,773,918</u>	<u>159,100</u>
OPERATING EXPENSES			
Rental Assistance Payments	-	7,734,491	-
Administrative	713,209	798,743	22,002
Ordinary Maintenance and Operation	926,099	-	47,657
Depreciation and Amortization	807,870	3,828	8,081
Utilities	554,874	-	41,763
Extraordinary Maintenance	89,726	-	10,102
General Expenses	349,741	7,836	16,600
Protective Services	25,000	-	-
Tenant Services	4,162	-	-
Total Operating Expenses	<u>3,470,681</u>	<u>8,544,898</u>	<u>146,205</u>
OPERATING INCOME (LOSS)	<u>(1,642,930)</u>	<u>229,020</u>	<u>12,895</u>
NONOPERATING REVENUE (EXPENSE)			
Operating Subsidies from HUD	882,716	-	-
Investment Return	394,657	3,456	1,114
Interest Expense	-	-	(1,414)
Gain (Loss) on Disposition of Equipment	500	-	-
Total Nonoperating Revenue (Expense)	<u>1,277,873</u>	<u>3,456</u>	<u>(300)</u>

See independent auditor's report.

HOME Investment Partnerships Program	Memorial Park Apartments	Capital Fund Program Cluster	Central Office Cost Center	Section 8 New Construction	Eliminations	Total
\$ -	\$ 437,727	\$ -	\$ -	\$ 80,849	\$ -	\$ 2,221,284
250,387	-	-	-	-	-	328,800
-	-	-	-	98,738	-	8,922,310
690	-	-	1,182,419	685	(1,168,495)	171,375
<u>251,077</u>	<u>437,727</u>	<u>-</u>	<u>1,182,419</u>	<u>180,272</u>	<u>(1,168,495)</u>	<u>11,643,769</u>
-	-	-	-	-	-	7,734,491
34,890	62,549	106,492	813,343	26,596	(997,343)	1,580,481
59,645	59,022	-	266,739	36,093	(171,152)	1,224,103
61,357	29,487	32,482	20,804	9,158	-	973,067
33,094	75,443	-	182	47,263	-	752,619
30,705	58,572	-	23,363	9,577	-	222,045
35,591	39,848	-	25,985	10,260	-	485,861
-	-	-	-	-	-	25,000
-	5,470	-	-	-	-	9,632
<u>255,282</u>	<u>330,391</u>	<u>138,974</u>	<u>1,150,416</u>	<u>138,947</u>	<u>(1,168,495)</u>	<u>13,007,299</u>
<u>(4,205)</u>	<u>107,336</u>	<u>(138,974)</u>	<u>32,003</u>	<u>41,325</u>	<u>-</u>	<u>(1,363,530)</u>
-	-	106,492	-	-	-	989,208
3,020	5,507	-	79,913	3,452	-	491,119
-	-	-	-	-	-	(1,414)
-	-	-	-	-	-	500
<u>3,020</u>	<u>5,507</u>	<u>106,492</u>	<u>79,913</u>	<u>3,452</u>	<u>-</u>	<u>1,479,413</u>

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Supplementary Schedule of Revenues, Expenses and
Changes in Net Position (Continued)
For the Year Ended March 31, 2020

	Public Housing Program	Section 8 Housing Choice Voucher Program	Rural Rental Assistance Payments
INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, LOSSES AND TRANSFERS	(365,057)	232,476	12,595
CONTRIBUTED CAPITAL - HUD SUBSIDY	-	-	-
EQUITY TRANSFERS	25,935	-	-
CHANGES IN NET POSITION	(339,122)	232,476	12,595
NET POSITION, BEGINNING OF YEAR	12,530,986	339,277	(17,235)
NET POSITION, END OF YEAR	<u>\$ 12,191,864</u>	<u>\$ 571,753</u>	<u>\$ (4,640)</u>

See independent auditor's report.

<u>HOME Investment Partnerships Program</u>	<u>Memorial Park Apartments</u>	<u>Capital Fund Program Cluster</u>	<u>Central Office Cost Center</u>	<u>Section 8 New Construction</u>	<u>Eliminations</u>	<u>Total</u>
(1,185)	112,843	(32,482)	111,916	44,777	-	115,883
<u>-</u>	<u>-</u>	<u>1,571,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,571,881</u>
<u>-</u>	<u>-</u>	<u>(25,935)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,185)	112,843	1,513,464	111,916	44,777	-	1,687,764
<u>(10,740)</u>	<u>980,801</u>	<u>359,340</u>	<u>3,931,473</u>	<u>303,693</u>	<u>-</u>	<u>18,417,595</u>
<u>\$ (11,925)</u>	<u>\$ 1,093,644</u>	<u>\$ 1,872,804</u>	<u>\$ 4,043,389</u>	<u>\$ 348,470</u>	<u>\$ -</u>	<u>\$ 20,105,359</u>

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Financial Data Schedule - Entity-wide Balance Sheet
March 31, 2020

				14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers
			Project Total			
111	Cash - Unrestricted		\$669,871		\$2,824	\$402,478
112	Cash - Restricted - Modernization and Development					
113	Cash - Other Restricted				\$17	\$227,324
114	Cash - Tenant Security Deposits		\$175,281		\$10,990	
115	Cash - Restricted for Payment of Current Liabilities					\$198
100	Total Cash		\$845,152	\$0	\$13,831	\$630,000
121	Accounts Receivable - PHA Projects					
122	Accounts Receivable - HUD Other Projects					
124	Accounts Receivable - Other Government					
125	Accounts Receivable - Miscellaneous					\$56,744
126	Accounts Receivable - Tenants		\$86,551		\$5,331	
126.1	Allow ance for Doubtful Accounts -Tenants		-\$37,768		-\$4,984	
126.2	Allow ance for Doubtful Accounts - Other					-\$55,416
127	Notes, Loans, & Mortgages Receivable - Current					
128	Fraud Recovery					
128.1	Allow ance for Doubtful Accounts - Fraud					
129	Accrued Interest Receivable		\$31,571		\$199	
120	Total Receivables, Net of Allow ances for Doubtful Accounts		\$80,354	\$0	\$546	\$1,328
131	Investments - Unrestricted		\$6,648,243			
132	Investments - Restricted				\$60,901	
135	Investments - Restricted for Payment of Current Liability					
142	Prepaid Expenses and Other Assets		\$57,900		\$6,870	\$1,476
143	Inventories		\$27,755			
143.1	Allow ance for Obsolete Inventories		\$0			
144	Inter Program Due From					
145	Assets Held for Sale					
150	Total Current Assets		\$7,659,404	\$0	\$82,148	\$632,804
161	Land		\$843,321		\$25,555	
162	Buildings		\$32,422,440	\$1,365,910	\$733,614	
163	Furniture, Equipment & Machinery - Dw ellings		\$273,324		\$246	
164	Furniture, Equipment & Machinery - Administration		\$2,722,383			\$36,219
165	Leasehold Improvements		\$3,691,806		\$72,732	
166	Accumulated Depreciation		-\$32,868,635	-\$315,562	-\$759,075	-\$19,682
167	Construction in Progress					
168	Infrastructure					
160	Total Capital Assets, Net of Accumulated Depreciation		\$7,084,639	\$1,050,348	\$73,072	\$16,537
171	Notes, Loans and Mortgages Receivable - Non-Current					
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173	Grants Receivable - Non Current					
174	Other Assets		\$2,414			\$1,362
176	Investments in Joint Ventures					
180	Total Non-Current Assets		\$7,087,053	\$1,050,348	\$73,072	\$17,899

See independent auditor's report.

14.182 N/C S/R Section 8 Programs	14.239 HOME Investment Partnerships Program	1 Business Activities	COCC	Subtotal	ELIM	Total
\$265,965	\$53,263	\$227,436	\$1,244,833	\$2,866,670		\$2,866,670
	\$150,138			\$377,479		\$377,479
\$5,638	\$16,706	\$16,311		\$224,926		\$224,926
				\$198		\$198
\$271,603	\$220,107	\$243,747	\$1,244,833	\$3,469,273	\$0	\$3,469,273
			\$126	\$56,870		\$56,870
\$2,467	\$15,008	\$3,206		\$112,563		\$112,563
\$0	-\$8,562	-\$2,778		-\$54,092		-\$54,092
			\$0	-\$55,416		-\$55,416
		\$53	\$4,843	\$36,666		\$36,666
\$2,467	\$6,446	\$481	\$4,969	\$96,591	\$0	\$96,591
		\$200,000	\$1,466,664	\$8,314,907		\$8,314,907
				\$60,901		\$60,901
\$6,736	\$12,059	\$11,419	\$5,572	\$102,032		\$102,032
			\$13,319	\$41,074		\$41,074
			\$0	\$0		\$0
			\$281,296	\$281,296	-\$281,296	\$0
\$280,806	\$238,612	\$455,647	\$3,016,653	\$12,366,074	-\$281,296	\$12,084,778
\$20,803			\$1,089,767	\$1,979,446		\$1,979,446
\$707,365	\$2,062,244	\$839,989	\$599	\$38,132,161		\$38,132,161
\$19,880	\$15,802	\$38,622		\$347,874		\$347,874
\$1,107	\$4,831		\$293,609	\$3,058,149		\$3,058,149
\$120,229	\$313,548			\$4,198,315		\$4,198,315
-\$787,226	-\$1,439,540	-\$190,758	-\$253,378	-\$36,633,856		-\$36,633,856
\$82,158	\$956,885	\$687,853	\$1,130,597	\$11,082,089	\$0	\$11,082,089
			\$3,390	\$7,166		\$7,166
\$82,158	\$956,885	\$687,853	\$1,133,987	\$11,089,255	\$0	\$11,089,255

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Financial Data Schedule - Entity-wide Balance Sheet (Continued)
March 31, 2020

				14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers
			Project Total			
200	Deferred Outflow of Resources		\$104,574			\$67,978
290	Total Assets and Deferred Outflow of Resources		\$14,851,031	\$1,050,348	\$155,220	\$718,681
311	Bank Overdraft					
312	Accounts Payable <= 90 Days		\$12,345		\$3,475	\$10,094
313	Accounts Payable >90 Days Past Due					
321	Accrued Wage/Payroll Taxes Payable		\$30,131			\$17,158
322	Accrued Compensated Absences - Current Portion		\$15,080			\$1,120
324	Accrued Contingency Liability					
325	Accrued Interest Payable				\$29	
331	Accounts Payable - HUD PHA Programs					\$198
332	Account Payable - PHA Projects					
333	Accounts Payable - Other Government		\$98,711		\$4,382	
341	Tenant Security Deposits		\$175,281		\$10,475	
342	Unearned Revenue		\$24,304		\$551	\$1,930
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				\$15,344	
344	Current Portion of Long-term Debt - Operating Borrowings					
345	Other Current Liabilities					\$3,166
346	Accrued Liabilities - Other					
347	Inter Program - Due To				\$7,500	\$25,701
348	Loan Liability - Current					
310	Total Current Liabilities		\$355,852	\$0	\$41,756	\$59,367
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$1,365,910	\$118,104	
352	Long-term Debt, Net of Current - Operating Borrowings					
353	Non-current Liabilities - Other					
354	Accrued Compensated Absences - Non Current		\$65,596			\$57,355
355	Loan Liability - Non Current					
356	FASB 5 Liabilities					
357	Accrued Pension and OPEB Liabilities					
350	Total Non-Current Liabilities		\$65,596	\$1,365,910	\$118,104	\$57,355
300	Total Liabilities		\$421,448	\$1,365,910	\$159,860	\$116,722
400	Deferred Inflow of Resources		\$49,355			\$30,206
508.4	Net Investment in Capital Assets		\$7,084,639	-\$315,562	-\$60,376	\$16,537
511.4	Restricted Net Position		\$57,633	\$0	\$60,918	\$266,458
512.4	Unrestricted Net Position		\$7,237,956	\$0	-\$5,182	\$288,758
513	Total Equity - Net Assets / Position		\$14,380,228	-\$315,562	-\$4,640	\$571,753
600	Total Liabilities, Deferred Inflows of Resources and Equity - Net		\$14,851,031	\$1,050,348	\$155,220	\$718,681

See independent auditor's report.

14.182 N/C S/R Section 8 Programs	14.239 HOME Investment Partnerships Program	1 Business Activities	COCC	Subtotal	ELIM	Total
			\$168,659	\$341,211		\$341,211
\$362,964	\$1,195,497	\$1,143,500	\$4,319,299	\$23,796,540	-\$281,296	\$23,515,244
\$2,048	\$1,649	\$524	\$19,557	\$49,692		\$49,692
			\$37,744	\$85,033		\$85,033
			\$9,940	\$26,140		\$26,140
				\$29		\$29
				\$198		\$198
\$5,064	\$14,721	\$26,668		\$149,546		\$149,546
\$5,268	\$16,200	\$15,500		\$222,724		\$222,724
\$2,114	\$3,017	\$2,721		\$34,637		\$34,637
	\$62,400			\$77,744		\$77,744
				\$3,166		\$3,166
	\$243,652	\$4,443		\$281,296	-\$281,296	\$0
\$14,494	\$341,639	\$49,856	\$67,241	\$930,205	-\$281,296	\$648,909
	\$865,783			\$2,349,797		\$2,349,797
			\$133,970	\$256,921		\$256,921
\$0	\$865,783	\$0	\$133,970	\$2,606,718	\$0	\$2,606,718
\$14,494	\$1,207,422	\$49,856	\$201,211	\$3,536,923	-\$281,296	\$3,255,627
			\$74,698	\$154,259		\$154,259
\$82,159	\$28,702	\$687,853	\$1,130,597	\$8,654,549	\$0	\$8,654,549
	\$150,138	\$0	\$97,351	\$632,498	\$0	\$632,498
\$266,311	-\$190,765	\$405,791	\$2,815,442	\$10,818,311	\$0	\$10,818,311
\$348,470	-\$11,925	\$1,093,644	\$4,043,390	\$20,105,358	\$0	\$20,105,358
\$362,964	\$1,195,497	\$1,143,500	\$4,319,299	\$23,796,540	-\$281,296	\$23,515,244

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Financial Data Schedule - Entity-wide Income Statement
For the Year Ended March 31, 2020

	Project Total	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue	\$1,605,667		\$71,697	
70400 Tenant Revenue - Other	\$97,041		\$6,716	
70500 Total Tenant Revenue	\$1,702,708	\$0	\$78,413	\$0
70600 HUD PHA Operating Grants	\$989,208			\$8,743,836
70610 Capital Grants	\$1,571,881			
70710 Management Fee				
70720 Asset Management Fee				
70730 Book Keeping Fee				
70740 Front Line Service Fee				
70750 Other Fees				
70700 Total Fee Revenue				
70800 Other Government Grants			\$79,736	
71100 Investment Income - Unrestricted	\$394,657		\$194	\$3,456
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				\$30,072
71500 Other Revenue	\$125,042		\$951	\$10
71600 Gain or Loss on Sale of Capital Assets	\$500			
72000 Investment Income - Restricted			\$920	\$0
70000 Total Revenue	\$4,783,996	\$0	\$160,214	\$8,777,374
91100 Administrative Salaries	\$128,107			\$275,710
91200 Auditing Fees	\$7,110		\$800	\$19,160
91300 Management Fee	\$445,001		\$18,270	\$189,024
91310 Book-keeping Fee	\$43,163			\$118,140
91400 Advertising and Marketing	\$891			
91500 Employee Benefit contributions - Administrative	\$58,672			\$138,676
91600 Office Expenses	\$59,640		\$1,066	\$53,804
91700 Legal Expense	\$10,556		\$1,827	
91800 Travel	\$4,456			\$1,572
91810 Allocated Overhead				
91900 Other	\$2,105		\$36	\$2,657
91000 Total Operating - Administrative	\$759,701	\$0	\$21,999	\$798,743
92000 Asset Management Fee	\$60,000			
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$4,162			
92500 Total Tenant Services	\$4,162	\$0	\$0	\$0

See independent auditor's report.

14.182 NC S/R Section 8 Programs	14.239 HOME Investment Partnerships Program	1 Business Activities	COCC	Subtotal	ELIM	Total
\$75,637	\$240,256	\$427,795		\$2,421,052		\$2,421,052
\$5,212	\$10,131	\$9,932		\$129,032		\$129,032
\$80,849	\$250,387	\$437,727	\$0	\$2,550,084	\$0	\$2,550,084
				\$9,733,044		\$9,733,044
				\$1,571,881		\$1,571,881
			\$751,302	\$751,302	-\$751,302	\$0
			\$72,750	\$72,750	-\$72,750	\$0
			\$161,303	\$161,303	-\$161,303	\$0
			\$985,355	\$985,355	-\$985,355	\$0
\$98,738				\$178,474		\$178,474
\$3,452	\$952	\$5,507	\$79,914	\$488,132		\$488,132
				\$30,072		\$30,072
\$685	\$690		\$197,064	\$324,442	-\$183,140	\$141,302
				\$500		\$500
	\$2,067			\$2,987		\$2,987
\$183,724	\$254,096	\$443,234	\$1,262,333	\$15,864,971	-\$1,168,495	\$14,696,476
			\$482,615	\$886,432		\$886,432
\$310	\$600	\$930	\$2,790	\$31,700		\$31,700
\$18,144	\$29,484	\$46,116		\$746,039	-\$746,039	\$0
				\$161,303	-\$161,303	\$0
\$132			\$2,270	\$3,293		\$3,293
			\$226,830	\$424,178		\$424,178
\$2,028	\$987	\$4,873	\$76,150	\$198,548	-\$12,328	\$186,220
\$1,238	\$916	\$786	\$510	\$15,833		\$15,833
\$983		\$385	\$20,854	\$28,250	-\$4,456	\$23,794
\$12	\$1,102	\$2,261	\$1,324	\$9,497	-\$467	\$9,030
\$22,847	\$33,089	\$55,351	\$813,343	\$2,505,073	-\$924,593	\$1,580,480
\$3,750	\$1,800	\$7,200		\$72,750	-\$72,750	\$0
		\$5,470		\$9,632		\$9,632
\$0	\$0	\$5,470	\$0	\$9,632	\$0	\$9,632

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Financial Data Schedule - Entity-wide Income Statement (Continued)
For the Year Ended March 31, 2020

	Project Total	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers
93100 Water	\$90,084		\$7,080	
93200 Electricity	\$278,762		\$33,096	
93300 Gas	\$102,395			
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense	\$83,633		\$1,587	
93000 Total Utilities	\$554,874	\$0	\$41,763	\$0
94100 Ordinary Maintenance and Operations - Labor	\$352,116			
94200 Ordinary Maintenance and Operations - Materials and Other	\$143,691		\$3,911	
94300 Ordinary Maintenance and Operations Contracts	\$240,156		\$43,747	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$190,137			
94000 Total Maintenance	\$926,100	\$0	\$47,658	\$0
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs	\$25,000			
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$25,000	\$0	\$0	\$0
96110 Property Insurance	\$208,739		\$6,641	
96120 Liability Insurance				
96130 Workmen's Compensation				\$3,356
96140 All Other Insurance				
96100 Total insurance Premiums	\$208,739	\$0	\$6,641	\$3,356
96200 Other General Expenses	\$2,572			
96210 Compensated Absences	\$13,452			\$4,480
96300 Payments in Lieu of Taxes	\$78,362		\$3,570	
96400 Bad debt - Tenant Rents	\$46,616		\$6,389	
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$141,002	\$0	\$9,959	\$4,480
96710 Interest of Mortgage (or Bonds) Payable			\$1,414	
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$1,414	\$0
96900 Total Operating Expenses	\$2,679,578	\$0	\$129,434	\$806,579
97000 Excess of Operating Revenue over Operating Expenses	\$2,104,418	\$0	\$30,780	\$7,970,795

See independent auditor's report.

14.182 NC S/R Section 8 Programs	14.239 HOME Investment Partnerships Program	1 Business Activities	COCC	Subtotal	ELIM	Total
\$9,431	\$21,910	\$14,739		\$143,244		\$143,244
\$31,362	\$10,839	\$44,598		\$398,657		\$398,657
	\$229	\$8,897		\$111,521		\$111,521
\$6,470	\$117	\$7,208	\$182	\$99,197		\$99,197
\$47,263	\$33,095	\$75,442	\$182	\$752,619	\$0	\$752,619
			\$138,059	\$490,175		\$490,175
\$2,635	\$8,169	\$7,663	\$50,434	\$216,503	-\$52,502	\$164,001
\$33,458	\$51,474	\$51,359	\$8,592	\$428,786	-\$118,650	\$310,136
			\$69,653	\$259,790		\$259,790
\$36,093	\$59,643	\$59,022	\$266,738	\$1,395,254	-\$171,152	\$1,224,102
				\$25,000		\$25,000
\$0	\$0	\$0	\$0	\$25,000	\$0	\$25,000
\$6,515	\$16,730	\$15,085		\$253,710		\$253,710
			\$13,299	\$16,655		\$16,655
\$6,515	\$16,730	\$15,085	\$13,299	\$270,365	\$0	\$270,365
				\$2,572		\$2,572
			\$12,686	\$30,618		\$30,618
\$3,745	\$11,655	\$21,347		\$118,679		\$118,679
	\$7,207	\$3,416		\$63,628		\$63,628
\$3,745	\$18,862	\$24,763	\$12,686	\$215,497	\$0	\$215,497
				\$1,414		\$1,414
\$0	\$0	\$0	\$0	\$1,414	\$0	\$1,414
\$120,213	\$163,219	\$242,333	\$1,106,248	\$5,247,604	-\$1,168,495	\$4,079,109
\$63,511	\$90,877	\$200,901	\$156,085	\$10,617,367	\$0	\$10,617,367

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Financial Data Schedule - Entity-wide Income Statement (Continued)
For the Year Ended March 31, 2020

	Project Total	14.256 Neighborhood Stabilization Program (Recovery Act Funded)	10.427 Rural Rental Assistance Payments	14.871 Housing Choice Vouchers
97100 Extraordinary Maintenance	\$89,105		\$10,103	
97200 Casualty Losses - Non-capitalized	\$621			
97300 Housing Assistance Payments				\$7,734,491
97350 HAP Portability-In				
97400 Depreciation Expense	\$803,794	\$36,557	\$8,081	\$3,828
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dw elling Units Rent Expense				
90000 Total Expenses	\$3,573,098	\$36,557	\$147,618	\$8,544,898
10010 Operating Transfer In				
10020 Operating transfer Out				
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 betw een Program and Project - In				
10094 Transfers betw een Project and Program - Out				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$1,210,898	-\$36,557	\$12,596	\$232,476
11020 Required Annual Debt Principal Payments	\$0	\$0	\$15,187	\$0
11030 Beginning Equity	\$13,169,330	-\$279,005	-\$17,236	\$339,277
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allow ance for Doubtful Accounts - Dw elling Rents				
11100 Changes in Allow ance for Doubtful Accounts - Other				
11170 Administrative Fee Equity				\$344,429
11180 Housing Assistance Payments Equity				\$227,324
11190 Unit Months Available	6000	0	300	16596
11210 Number of Unit Months Leased	5755	0	274	15752
11270 Excess Cash	\$7,002,032			
11610 Land Purchases	\$0			
11620 Building Purchases	\$1,571,881			
11630 Furniture & Equipment - Dw elling Purchases	\$0			
11640 Furniture & Equipment - Administrative Purchases	\$0			
11650 Leasehold Improvements Purchases	\$0			
11660 Infrastructure Purchases	\$0			
13510 CFFP Debt Service Payments	\$0			
13901 Replacement Housing Factor Funds	\$0			

See independent auditor's report.

14.182 N/C S/R Section 8 Programs	14.239 HOME Investment Partnerships Program	1 Business Activities	COCC	Subtotal	ELIM	Total
\$9,577	\$30,706	\$58,572	\$23,363	\$221,426		\$221,426
				\$621		\$621
				\$7,734,491		\$7,734,491
\$9,158	\$61,357	\$29,487	\$20,804	\$973,066		\$973,066
\$138,948	\$255,282	\$330,392	\$1,150,415	\$14,177,208	-\$1,168,495	\$13,008,713
\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$44,776	-\$1,186	\$112,842	\$111,918	\$1,687,763	\$0	\$1,687,763
\$0	\$62,400	\$0	\$0	\$77,587	\$0	\$77,587
\$303,694	-\$10,739	\$980,802	\$3,931,472	\$18,417,595		\$18,417,595
				\$344,429		\$344,429
				\$227,324		\$227,324
288	468	732	0	24384	0	24384
284	455	721	0	23241	0	23241
				\$7,002,032		\$7,002,032
			\$0	\$0		\$0
			\$0	\$1,571,881		\$1,571,881
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0
			\$0	\$0		\$0

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Financial Data Schedule - Projects Balance Sheet
March 31, 2020

	SD045000011	SD045000016	Total
111 Cash - Unrestricted	\$374,242	\$295,629	\$669,871
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$98,115	\$77,166	\$175,281
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$472,357	\$372,795	\$845,152
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$21,350	\$65,201	\$86,551
126.1 Allowance for Doubtful Accounts -Tenants	-\$6,990	-\$30,778	-\$37,768
126.2 Allowance for Doubtful Accounts - Other			
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable	\$27,150	\$4,421	\$31,571
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$41,510	\$38,844	\$80,354
131 Investments - Unrestricted	\$5,506,395	\$1,141,848	\$6,648,243
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$14,075	\$43,825	\$57,900
143 Inventories	\$1,608	\$26,147	\$27,755
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$6,035,945	\$1,623,459	\$7,659,404
161 Land	\$263,496	\$579,825	\$843,321
162 Buildings	\$17,555,766	\$14,866,674	\$32,422,440
163 Furniture, Equipment & Machinery - Dwellings	\$237,473	\$35,851	\$273,324
164 Furniture, Equipment & Machinery - Administration	\$2,446,776	\$275,607	\$2,722,383
165 Leasehold Improvements	\$1,630,229	\$2,061,577	\$3,691,806
166 Accumulated Depreciation	-\$18,489,892	-\$14,378,743	-\$32,868,635
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,643,848	\$3,440,791	\$7,084,639
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			
173 Grants Receivable - Non Current			
174 Other Assets	\$1,130	\$1,284	\$2,414
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$3,644,978	\$3,442,075	\$7,087,053

See independent auditor's report.

	SD045000011	SD045000016	Total
200 Deferred Outflow of Resources	\$52,994	\$51,580	\$104,574
290 Total Assets and Deferred Outflow of Resources	\$9,733,917	\$5,117,114	\$14,851,031
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$8,491	\$3,854	\$12,345
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$13,930	\$16,201	\$30,131
322 Accrued Compensated Absences - Current Portion	\$2,520	\$12,560	\$15,080
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$70,525	\$28,186	\$98,711
341 Tenant Security Deposits	\$98,115	\$77,166	\$175,281
342 Unearned Revenue	\$17,867	\$6,437	\$24,304
343 Current Portion of Long-term Debt - Capital			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$211,448	\$144,404	\$355,852
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	\$9,784	\$55,812	\$65,596
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$9,784	\$55,812	\$65,596
300 Total Liabilities	\$221,232	\$200,216	\$421,448
400 Deferred Inflow of Resources	\$24,359	\$24,996	\$49,355
508.4 Net Investment in Capital Assets	\$3,643,848	\$3,440,791	\$7,084,639
511.4 Restricted Net Position	\$29,765	\$27,868	\$57,633
512.4 Unrestricted Net Position	\$5,814,713	\$1,423,243	\$7,237,956
513 Total Equity - Net Assets / Position	\$9,488,326	\$4,891,902	\$14,380,228
600 Total Liabilities, Deferred Inflows of Resources and Equity	\$9,733,917	\$5,117,114	\$14,851,031

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Financial Data Schedule - Projects Income Statement
March 31, 2020

	SD045000011	SD045000016	Total
70300 Net Tenant Rental Revenue	\$1,137,644	\$468,023	\$1,605,667
70400 Tenant Revenue - Other	\$51,672	\$45,369	\$97,041
70500 Total Tenant Revenue	\$1,189,316	\$513,392	\$1,702,708
70600 HUD PHA Operating Grants	\$511,727	\$477,481	\$989,208
70610 Capital Grants	\$1,344,798	\$227,083	\$1,571,881
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$305,867	\$88,790	\$394,657
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$95,832	\$29,210	\$125,042
71600 Gain or Loss on Sale of Capital Assets		\$500	\$500
72000 Investment Income - Restricted			
70000 Total Revenue	\$3,447,540	\$1,336,456	\$4,783,996
91100 Administrative Salaries	\$83,332	\$44,775	\$128,107
91200 Auditing Fees	\$4,687	\$2,423	\$7,110
91300 Management Fee	\$273,461	\$171,540	\$445,001
91310 Book-keeping Fee	\$27,795	\$15,368	\$43,163
91400 Advertising and Marketing	\$697	\$194	\$891
91500 Employee Benefit contributions - Administrative	\$37,772	\$20,900	\$58,672
91600 Office Expenses	\$33,776	\$25,864	\$59,640
91700 Legal Expense	\$1,509	\$9,047	\$10,556
91800 Travel	\$3,728	\$728	\$4,456
91810 Allocated Overhead			
91900 Other	\$1,649	\$456	\$2,105
91000 Total Operating - Administrative	\$468,406	\$291,295	\$759,701
92000 Asset Management Fee	\$38,760	\$21,240	\$60,000
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$3,556	\$606	\$4,162
92500 Total Tenant Services	\$3,556	\$606	\$4,162

See independent auditor's report.

	SD045000011	SD045000016	Total
93100 Water	\$59,844	\$30,240	\$90,084
93200 Electricity	\$256,959	\$21,803	\$278,762
93300 Gas	\$97,769	\$4,626	\$102,395
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense	\$79,901	\$3,732	\$83,633
93000 Total Utilities	\$494,473	\$60,401	\$554,874
94100 Ordinary Maintenance and Operations - Labor	\$135,176	\$216,940	\$352,116
94200 Ordinary Maintenance and Operations - Materials and	\$46,407	\$97,284	\$143,691
94300 Ordinary Maintenance and Operations Contracts	\$156,792	\$83,364	\$240,156
94500 Employee Benefit Contributions - Ordinary Maintenance	\$68,912	\$121,225	\$190,137
94000 Total Maintenance	\$407,287	\$518,813	\$926,100
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs	\$16,480	\$8,520	\$25,000
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$16,480	\$8,520	\$25,000
96110 Property Insurance	\$48,957	\$159,782	\$208,739
96120 Liability Insurance			
96130 Workmen's Compensation			
96140 All Other Insurance			
96100 Total insurance Premiums	\$48,957	\$159,782	\$208,739
96200 Other General Expenses	\$214	\$2,358	\$2,572
96210 Compensated Absences	-\$10,250	\$23,702	\$13,452
96300 Payments in Lieu of Taxes	\$56,083	\$22,279	\$78,362
96400 Bad debt - Tenant Rents	\$12,449	\$34,167	\$46,616
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$58,496	\$82,506	\$141,002
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,536,415	\$1,143,163	\$2,679,578

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Financial Data Schedule - Projects Income Statement (Continued)
March 31, 2020

	SD045000011	SD045000016	Total
97000 Excess of Operating Revenue over Operating Expenses	\$1,911,125	\$193,293	\$2,104,418
97100 Extraordinary Maintenance	\$76,668	\$12,437	\$89,105
97200 Casualty Losses - Non-capitalized		\$621	\$621
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$342,738	\$461,056	\$803,794
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$1,955,821	\$1,617,277	\$3,573,098
10010 Operating Transfer In			
10020 Operating transfer Out			
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$1,491,719	-\$280,821	\$1,210,898
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$7,996,607	\$5,172,723	\$13,169,330
11040 Prior Period Adjustments, Equity Transfers and			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	3876	2124	6000
11210 Number of Unit Months Leased	3706	2049	5755
11270 Excess Cash	\$5,684,877	\$1,317,155	\$7,002,032
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$1,344,798	\$227,083	\$1,571,881
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

See independent auditor's report.

Project Name: SUNNY HAVEN APTS State: 47 Servicing Office: 603 County: 52
 Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM Borr ID: 350543919 Prj Nbr: 02-2 Paid Code: Active
 Classification: A Fiscal Year: 2020 Version: TRANSMITD-0001 Totals: By Project

Item	Current	Previous	Comment
Effective Dates:	04/01/2019	04/01/2018	
Ending Dates:	03/31/2020	03/31/2019	

ASSETS**CURRENT ASSETS**

1. GENERAL OPERATING ACCOUNT	2,823.78	839.37	
2. R.E. TAX @ INSURANCE ACCNT	0.00	0.00	
3. RESERVE ACCOUNT	60,917.84	63,901.33	
4. SECURITY DEPOSIT ACCOUNT	10,990.11	10,840.54	
5. OTHER CASH (identify)	0.00	0.00	
6. OTHER (identify)	0.00	470.31	
7A. ACCTS RCVBL 0-30 DAYS	505.00	179.21	
7B. ACCTS RCVBL 30-60 DAYS	-203.00	1,368.80	
7C. ACCTS RCVBL 60-90 DAYS	186.00	80.00	
7D. ACCTS RCVBL OVER 90 DAYS	4,843.19	6,816.13	
7. TTL ACCTS RCVBL (7A - 7D)	5,331.19	8,444.14	
8. LESS:DOUBTFUL ACCTS ALLWNC	-4,984.00	-6,911.00	
9. INVENTORIES (supplies)	0.00	0.00	
10. PREPAYMENTS	6,870.00	4,485.74	
11.	198.99	213.15	ACCRUED INTEREST RECEIVABLE
12. TTL CUR ASSETS (1 thru 11)	82,147.91	82,283.58	

FIXED ASSETS

13. LAND	25,554.62	25,554.62	
14. BUILDINGS	806,346.20	806,346.20	
15. LESS: ACCUM. DEPRECIATION	-758,829.00	-750,748.00	
16. FURNITURE @ EQUIPMENT	245.99	245.99	
17. LESS: ACCUM. DEPRECIATION	-245.00	-245.00	
18.	0.00	0.00	
19. TTL FXD ASSETS(13 thru 18)	73,072.81	81,153.81	

OTHER ASSETS

20.	0.00	0.00	
21. TOTAL ASSETS (12+19+20)	155,220.72	163,437.39	

CURRENT LIABILITIES

22A. ACCTS PAYBLE 0-30 DAYS	3,475.22	13,112.43	
22B. ACCTS PAYBLE 30-60 DAYS	0.00	0.00	
22C. ACCTS PAYBLE 60-90 DAYS	0.00	0.00	
22D. ACCTS PAYBLE OVER 90 DAYS	7,500.00	3,750.00	2 YEARS OF ASSET MGMT FEES NOT ABLE TO TAKE BY OWNER
22. TTL ACCTS PYBL (22A - 22D)	10,975.22	16,862.43	
23. NOTES PAYABLE	4,961.91	4,461.40	NOT NOTES PAYABLE, PILOT PREPAID RENT AND ACCRUED INTEREST PAY
24. SECURITY DEPOSITS	10,475.00	10,714.00	
25. TTL CUR LIABS (22 thru 24)	26,412.13	32,037.83	

LONG-TERM LIABILITIES

26. NOTES PAYABLE RURL DVLPMNT	133,447.70	148,634.37	
27. OTHER (Identify)	0.00	0.00	
28. TTL LNG-TERM LIABS (26+27)	133,447.70	148,634.37	
29. TOTAL LIABILITIES (25+28)	159,859.83	180,672.20	
30. OWNERS EQUITY (21-29)	-4,639.11	-17,234.81	
31. TTL LIB @ OWN EQTY (29+30)	155,220.72	163,437.39	

See independent auditor's report.

Project Name:	SUNNY HAVEN APTS
Borrower Name:	PENNINGTON COUNTY HSG & REDEV COMM
Borrower ID and Project No:	350543919 02-2
Date of Operation:	10/31/1978

Loan/Transfer Amount:	
Note Rate Payment:	
IC Payment:	\$1,383.00

Reporting Period

Annual
 Quarterly
 Monthly

Budget Type

Initial
 Regular Report
 Rent Change
 SMR
 Other Servicing

Project Rental Type

Family
 Elderly
 Congregate
 Group Home
 Mixed LH

Profit Type

Full Profit
 Limited Profit
 Non-Profit

___ I hereby request ___ units of RA. Current number of RA units 22 .

The following utilities are master metered:

Gas
 Electricity
 Water
 Sewer
 Trash
 Other

Borrower Accounting Method

Cash
 Accrual

See independent auditor's report.

Project Name: SUNNY HAVEN APTS State: 47 Servicing Office: 603 County: 52
 Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM Borr ID: 350543919 Prj Nbr: 02-2 Paid Code: Active
 Classification: A Fiscal Year: 2020 Version: 04/01/2019 TRANSMITD Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	04/01/2019	04/01/2019	04/01/2020	
Ending Dates:	03/31/2020	03/31/2020	03/31/2021	
PART I - CASH FLOW STATEMENT				
Operational Cash Sources				
1. Rental Income	165,000.00	65,308.04	172,500.00	
2. RHS Rental Assist. Received		80,955.00		
3. Application Fee Received		0.00		
4. Laundry And Vending	775.00	812.29	900.00	
5. Interest Income	500.00	964.27	1,200.00	
6. Tenant Charges	4,555.00	6,855.42	5,853.00	
7. Other - Project Sources	2,520.00	0.00	0.00	
8. Less (Vcncy @ Cntgncy Allw)	-16,500.00		-17,250.00	
9. Less (Agncy Aprvd Incentv)	0.00		0.00	
10. Sub-Ttl [(1 thru 7)-(8@9)]	156,850.00	154,895.02	163,203.00	
Non-Operational Cash Sources				
11. Cash - Non Project	0.00	0.00	0.00	
12. Authorized Loan (Non-RHS)	0.00	0.00	0.00	
13. Transfer From Reserve	7,400.00	3,903.20	10,000.00	
14. Sub-Total (11 thru 13)	7,400.00	3,903.20	10,000.00	
15. Total Cash Sources (10+14)	164,250.00	158,798.22	173,203.00	
Operational Cash Uses				
16. Ttl O@M Exp (From Part II)	127,426.00	127,831.57	129,107.00	
17. RHS Debt Payment	16,596.00	16,596.00	16,596.00	
18. RHS Payment (Overage)		1,219.00		
19. RHS Payment (Late Fee)		0.00		
20. Reductn In Prior Yr Pybles		0.00		
21. Tenant Utility Payments		0.00		
22. Transfer to Reserve	0.00	919.71	0.00	
23. RTN Owner/NP Asset Mgt Fee	3,750.00	0.00	3,750.00	
24. Sub-Total (16 thru 23)	147,772.00	146,566.28	149,453.00	
Non-Operational Cash Uses				
25. Authzd Debt Pymnt (NonRHS)	0.00	0.00	0.00	
26. Capital Budget (III 4-6)	7,400.00	3,903.20	10,000.00	
27. Miscellaneous	0.00	8,080.61	0.00	DEPRECIATION
28. Sub-Total (25 thru 27)	7,400.00	11,983.81	10,000.00	
29. Total Cash Uses (24+28)	155,172.00	158,550.09	159,453.00	
30. Net (Deficit) (15-29)	9,078.00	248.13	13,750.00	
Cash Balance				
31. Beginning Cash Balance	500.00	839.37	5,000.00	
32. Accrual To Cash Adjustment		1,736.28		
33. Ending Cash Bal (30+31+32)	9,578.00	2,823.78	18,750.00	

See independent auditor's report.

Project Name: SUNNY HAVEN APTS State: 47 Servicing Office: 603 County: 52
 Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM Borr ID: 350543919 Prj Nbr: 02-2 Paid Code: Active
 Classification: A Fiscal Year: 2020 Version: 04/01/2019 TRANSMITD Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	04/01/2019	04/01/2019	04/01/2020	
Ending Dates:	03/31/2020	03/31/2020	03/31/2021	
PART II - O@M EXPENSE SCHEDULE				
1. Maint. @ Repairs Payroll	0.00	0.00	0.00	
2. Maint. @ Repairs Supply	3,450.00	3,911.25	3,450.00	
3. Maint. @ Repairs Contract	29,505.00	35,622.87	35,060.00	
4. Painting	0.00	0.00	0.00	
5. Snow Removal	400.00	880.08	2,200.00	
6. Elevator Maint./Contract	0.00	0.00	0.00	
7. Grounds	220.00	250.00	250.00	
8. Services	750.00	1,114.00	915.00	FIRE ALARM SERVICES
9. Cptl Bgt (Part V operating)	3,500.00	6,199.35	2,000.00	
10. Other Operating Expenses	0.00	0.00	0.00	
11. Sub-Ttl O@M (1 thru 10)	37,825.00	47,977.55	43,875.00	
12. Electricity	36,600.00	33,095.52	36,250.00	
13. Water	7,600.00	7,080.00	7,100.00	
14. Sewer	0.00	0.00	0.00	
15. Fuel (Oil/Coal/Gas)	0.00	0.00	0.00	
16. Garbage @ Trash Removal	5,750.00	5,879.60	5,825.00	
17. Other Utilities	6,578.00	1,586.84	1,140.00	CABLE TV
18. Sub-Ttl Util. (12 thru 17)	56,528.00	47,641.96	50,315.00	
19. Site Management Payroll	0.00	0.00	0.00	
20. Management Fee	18,900.00	18,270.00	19,500.00	
21. Project Auditing Expense	800.00	800.00	800.00	
22. Proj. Bookkeeping/Accting	0.00	0.00	0.00	
23. Legal Expenses	1,700.00	1,827.12	2,334.00	
24. Advertising	250.00	0.00	250.00	
25. Phone @ Answering Service	1,160.00	1,065.74	1,065.00	
26. Office Supplies	0.00	0.00	0.00	
27. Office Furniture @ Equip.	0.00	0.00	0.00	
28. Training Expense	0.00	0.00	0.00	
29. Hlth Ins. @ Other Benefits	0.00	0.00	0.00	
30. Payroll Taxes	0.00	0.00	0.00	
31. Workmans Compensation	0.00	0.00	0.00	
32. Other Admin. Expenses	325.00	37.91	100.00	BANK SERVICE CHARGES
33. Sub-Ttl Admin (19 thru 32)	23,135.00	22,000.77	24,049.00	
34. Real Estate Taxes	3,957.00	3,570.25	4,068.00	PAYMENT IN LIEU OF TAXES
35. Special Assessments	0.00	0.00	0.00	
36. Othr Taxes, Lcnse, Permts	0.00	0.00	0.00	
37. Property @ Liability Ins.	5,981.00	6,641.04	6,800.00	
38. Fidelity Coverage Ins.	0.00	0.00	0.00	
39. Other Insurance	0.00	0.00	0.00	
40. Sub-Ttl Tx/In (34 thru 39)	9,938.00	10,211.29	10,868.00	
41. Ttl O@M Exps (11+18+33+40)	127,426.00	127,831.57	129,107.00	

See independent auditor's report.

Project Name: SUNNY HAVEN APTS State: 47 Servicing Office: 603 County: 52
 Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM Borr ID: 350543919 Prj Nbr: 02-2 Paid Code: Active
 Classification: A Fiscal Year: 2020 Version: 04/01/2019 TRANSMITD Totals: By Project Analyzed: Y

Item	Current Budget	Actual	Proposed Budget	Comment
Effective Dates:	04/01/2019	04/01/2019	04/01/2020	
Ending Dates:	03/31/2020	03/31/2020	03/31/2021	

PART III - ACCT BUDGET/STATUS

Reserve Account

1. Beginning Balance	81,268.00	63,901.33	56,999.00	
2. Transfer to Reserve	0.00	919.71	0.00	INTEREST INCOME

Transfer From Reserve

3. Operating Deficit	0.00	0.00	0.00	
4. Cptl Bgt (Part V reserve)	7,400.00	3,903.20	10,000.00	
5. Building @ Equip Repair	0.00	0.00	0.00	
6. Othr Non-Operating Expenses	0.00	0.00	0.00	
7. Total (3 thru 6)	7,400.00	3,903.20	10,000.00	
8. Ending Balance [(1+2)-7]	73,868.00	60,917.84	46,999.00	

General Operating Account

Beginning Balance		893.37		
Ending Balance		2,323.78		

Real Estate Tax And Ins Escrow

Beginning Balance		0.00		
Ending Balance		0.00		

Tenant Security Deposit Acct

Beginning Balance		10,840.54		
Ending Balance		10,990.11		

Number of Applicants on Waiting List	0	Reserve Acct. Req. Balance	-5,586.40
Number of Applicants Needing RA		Amount Ahead/Behind	66,504.24

See independent auditor's report.

Project Name: SUNNY HAVEN APTS State: 47 Servicing Office: 603 County: 52
 Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM Borr ID: 350543919 Prj Nbr: 02-2 Paid Code: Active
 Classification: A Fiscal Year: 2020 Version: 04/01/2019 TRANSMITD Totals: By Project Analyzed: Y

PART IV RENT SCHEDULE

A. CURRENT APPROVED RENTS/UTILITY ALLOWANCE: 04/01/2019

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	1	All	F		25	550	682	0	165,000	204,600	0	0
CURRENT RENT TOTALS									165,000	204,600	0	

EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 04/01/2019

Unit Description					Utility Types						
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Water	Other	Total Allow
N	1	All			0	0	0	0	0	0	0

B. PROPOSED CHANGE OF RENTS/UTILITY ALLOWANCE: 04/01/2020

Unit Description						Rental Rates			Potential Income From Each Rate			Utility
Type	Size	HC	Rev	Unit	Number	Basic	Note	HUD	Basic	Note	HUD	Allowance
N	1	All			25	575	707	0	172,500	212,100	0	0
PROPOSED RENT TOTALS									172,500	212,100	0	

EFFECTIVE DATE OF RENTS/UTILITY ALLOWANCE: 04/01/2020

Unit Description					Utility Types						
Type	Size	HC	Rev	Unit	Elect	Gas	Sewer	Trash	Water	Other	Total Allow
N	1	All			0	0	0	0	0	0	0

See independent auditor's report.

Project Name: SUNNY HAVEN APTS State: 47 Servicing Office: 603 County: 52
 Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM Borr ID: 350543919 Prj Nbr: 02-2 Paid Code: Active
 Classification: A Fiscal Year: 2020 Version: 04/01/2019 TRANSMITD Totals: By Project Analyzed: Y

Item	Current Number Units/Items	Current From Reserve	Actual From Reserve	Current From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	04/01/2019	04/01/2019	04/01/2019	04/01/2019	04/01/2019	04/01/2019	04/01/2019
Ending Dates:	03/31/2020	03/31/2020	03/31/2020	03/31/2020	03/31/2020	03/31/2020	03/31/2020
ANNUAL CAPITAL BUDGET							
Appliances							
Appliances - Range	2	0.00	0.00	800.00	0.00	0.00	0
Appliances - Refrigerator	2	0.00	0.00	800.00	0.00	0.00	0
Appliances - Range Hood	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Washers @ Dryers	0	0.00	0.00	0.00	0.00	0.00	0
Appliances - Other	0	0.00	0.00	0.00	0.00	0.00	0
Carpet and Vinyl							
Carpet @ Vinyl - 1 Br.	2	0.00	0.00	1,900.00	3,499.35	3,499.35	4
Carpet @ Vinyl - 2 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 3 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - 4 Br.	0	0.00	0.00	0.00	0.00	0.00	0
Carpet @ Vinyl - Other	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets							
Cabinets - Kitchens	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Bathroom	0	0.00	0.00	0.00	0.00	0.00	0
Cabinets - Other	0	0.00	0.00	0.00	0.00	0.00	0
Doors							
Doors - Exterior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Interior	0	0.00	0.00	0.00	0.00	0.00	0
Doors - Other	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings							
Window Coverings - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Window Coverings - Other	0	0.00	0.00	0.00	0.00	0.00	0
Heat and Air Conditioning							
Heat @ Air - Heating	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Air Conditioning	0	0.00	0.00	0.00	0.00	0.00	0
Heat @ Air - Other	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing							
Plumbing - Water Heater	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Bath Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Kitchen Sinks	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Faucets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Toilets	0	0.00	0.00	0.00	0.00	0.00	0
Plumbing - Other	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical							
Major Electrical - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Major Electrical - Other	0	0.00	0.00	0.00	0.00	0.00	0
Structures							
Structures - Windows	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Screens	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Walls	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Roofing	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Siding	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Exterior Painting	0	0.00	0.00	0.00	0.00	0.00	0
Structures - Other	0	1,400.00	0.00	0.00	0.00	0.00	0

See independent auditor's report.

Project Name: SUNNY HAVEN APTS State: 47 Servicing Office: 603 County: 52
 Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM Borr ID: 350543919 Prj Nbr: 02-2 Paid Code: Active
 Classification: A Fiscal Year: 2020 Version: 04/01/2019 TRANSMITD Totals: By Project Analyzed: Y

Item	Current Number Units/Items	Current From Reserve	Actual From Reserve	Current From Operating	Actual From Operating	Actual Total Cost	Total Actual Units/Items
Effective Dates:	04/01/2019	04/01/2019	04/01/2019	04/01/2019	04/01/2019	04/01/2019	04/01/2019
Ending Dates:	03/31/2020	03/31/2020	03/31/2020	03/31/2020	03/31/2020	03/31/2020	03/31/2020
Paving							
Paving - Asphalt	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Concrete	0	6,000.00	0.00	0.00	0.00	0.00	0
Paving - Seal and Stripe	0	0.00	0.00	0.00	0.00	0.00	0
Paving - Other	0	0.00	0.00	0.00	0.00	0.00	0
Landscape and Grounds							
Lndscp@Grnds - Landscaping	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Lawn Equipment	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Fencin	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Recreation Area	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Signs	0	0.00	0.00	0.00	0.00	0.00	0
Lndscp@Grnds - Other	0	0.00	0.00	0.00	0.00	0.00	0
Accessibility Features							
Accessibility Features - Detail	0	0.00	0.00	0.00	0.00	0.00	0
Accessibility Features - Other	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equipment							
Automation Equip. -Site Mngt.	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Common Area	0	0.00	0.00	0.00	0.00	0.00	0
Automation Equip. -Other	0	0.00	0.00	0.00	0.00	0.00	0
Other							
List: ?	0	0.00	1,903.20	0.00	0.00	1,903.20	0
List: ?	0	0.00	2,000.00	0.00	2,700.00	4,700.00	0
List: ?	0	0.00	0.00	0.00	0.00	0.00	0
Total Capital Expenses	0	7,400.00	3,903.20	3,500.00	6,199.35	10,102.55	0

See independent auditor's report.

Project Name: SUNNY HAVEN APTS	State: 47	Servicing Office: 603	County: 52
Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM	Borr ID: 350543919	Prj Nbr: 02-2	Paid Code: Active
Classification: A	Fiscal Year: 2020	Version: 04/01/2019 TRANSMITD	Totals: By Project Analyzed: Y

Part VI - SIGNATURES, DATES AND COMMENTS

Warning	Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.
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I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

<hr/>	<u>PENNINGTON COUNTY HSG & REDEV CO</u>	<u>MA044965</u>
(Date Submitted)	(Management Agency)	(MA#)

<hr/>	<hr/>
(Date)	(Signature of Borrower or Borrower's Representative)

<hr/>	<hr/>
(Title)	

<u>Gayle L. Beach</u>	<u>July 30, 2020</u>
Agency Approval (Rural Development Approval Official):	(Date)

See independent auditor's report.

Project Name: SUNNY HAVEN APTS	State: 47	Servicing Office: 603	County: 52
Borrower Name: PENNINGTON COUNTY HSG & REDEV COMM	Borr ID: 350543919	Prj Nbr: 02-2	Paid Code: Active
Classification: A	Fiscal Year: 2020	Version: 04/01/2019 TRANSMITD	Totals: By Project Analyzed: Y

Narrative:

Accrual to Cash Adjustment Line 32Add Back Depreciation 8,080.61 Decrease in TAR 3,112.95 Decrease in Allow For
Doubtful Accts -1,926.97Decrease in A/R-COCC, Other. 470.31 Decrease in Interest Receivable 14.16 Increase in
Prepays -2,384.26Decrease in Security Deposit Liability -239.00Decrease in Accounts Payables-Vendors -
5,887.21Increase in Payment in Lieu of Taxes 497.60 Decrease in Tenant Prepaid Rents -1.91Accrual To Cash Adjustment
1,736.28

See independent auditor's report.

Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Supporting Documentation for Forms RD 3560-10 and RD3560-7
March 31, 2020

Rural Rental Assistance - Sunny Haven

Accounts Receivable (3560-10, Line 7)

Accounts Receivable - Tenants	\$ <u>5,331</u>
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Other (3560-10, Line 11)

Accrued Interest Receivable	\$ <u>199</u>
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Accounts Payable (3560-10, Line 22)

Accounts Payable	\$ 3,475
Accounts Payable - Interprogram	<u>7,500</u>
	<u>\$ 10,975</u>

Notes Payable (3560-10, Line 23)

Accrued Payments in Lieu of Taxes	\$ 4,382
Accrued Interest Payable	29
Prepaid Tenant Rents	<u>551</u>
	<u>\$ 4,962</u>

Tenant Charges (3560-7, Line 6)

Tenant Damage Charges	\$ 5,176
Tenant Other Charges	1,419
Tenant Late Charges	<u>260</u>
	<u>\$ 6,855</u>

Accrual To Cash Adjustment (3560-7, Line 32)

Assets:

Accounts Receivable - Tenant	\$ 3,113
Allowance for Doubtful Accounts	(1,927)
Accounts Receivable - Other	470
Accrued Interest Receivable	14
Prepaid Expenses	<u>(2,384)</u>

Liabilities:

Accounts Payable	(5,887)
Accrued Payments in Lieu of Taxes	497
Security Deposits and Prepaid Rents	<u>(241)</u>

Other Adjustments:

Depreciation	8,081
	<u>\$ 1,736</u>

See independent auditor's report.

**Pennington County Housing and Redevelopment Commission
 (A Component Unit of Pennington County)
 Modernization Projects Completed
 March 31, 2020**

PUBLIC HOUSING CAPITAL FUND PROGRAM

<u>Classification</u>	<u>Project #</u> <u>SD01P045501-17</u>
Fees and Costs	\$ 14,800
Site Improvement	38,422
Dwelling Structures	531,230
Dwelling Equipment	-
Non-dwelling Equipment	-
Administration Costs	<u>64,939</u>
Total Capital Fund Project Expenditures	<u>\$ 649,391</u>
Capital Fund Advances Received through March 31, 2020	<u>\$ 649,391</u>
Total Capital Fund Amount Approved	<u>\$ 649,391</u>

NOTE 1: All costs on the above project have been paid and all liabilities, actual and contingent, have been discharged through payments.

NOTE 2: The Actual Modernization Cost Certificate, Form HUD 53001, for this project was submitted to HUD and approved on January 17, 2020.

See independent auditor's report.

**Pennington County Housing and Redevelopment Commission
(A Component Unit of Pennington County)
Schedule of Expenditures of Federal Awards
March 31, 2020**

CFDA Number	Cluster/Program Name	Amount
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Federal Funding:		
Section 8 Project Based Cluster:		
14.182	Section 8 New Construction and Substantial Rehabilitation	\$ 98,738
Housing Voucher Cluster:		
14.871	Section 8 Housing Choice Vouchers	8,743,836
14.850	Public and Indian Housing	882,716
14.872	Public Housing Capital Fund	<u>1,678,373</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u>11,403,663</u>
U.S. DEPARTMENT OF AGRICULTURE		
Direct Federal Funding:		
10.427	Rural Rental Housing Loan	148,634
10.427	Rural Rental Housing Loan - Interest Reduction Subsidy	9,391
10.427	Rural Rental Assistance Payments	<u>79,736</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>237,761</u>
		<u>\$ 11,641,424</u>

NOTE 1: The accompanying schedule of expenditures of federal awards presents the activity of all federal financial award programs of Pennington County Housing and Redevelopment Commission presented on the accrual basis of accounting. The Commission's reporting entity is defined in the notes to the component unit financial statements of the Commission. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

NOTE 3: The balance of federal loans outstanding as of March 31, 2020 was \$133,448.

NOTE 4: The Commission has not passed any awards through to subrecipients.

See independent auditor's report.