

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA,
A COMPONENT UNIT OF THE CITY OF
PIERRE, SOUTH DAKOTA**

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

JUNE 30, 2023

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
The Housing and Redevelopment Commission
of the City of Pierre, South Dakota
Hughes County, South Dakota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **The Housing and Redevelopment Commission of the City of Pierre, South Dakota, a component unit of the City of Pierre, South Dakota** (hereinafter referred to as the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission, as of June 30, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying financial data schedule and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance.

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

Wohlenberg Ritzman + Co., LLC

Yankton, South Dakota
March 22, 2024

*Pierre Housing & Redevelopment Commission
Management's Discussion and Analysis
For the Year Ended June 30, 2023*

Introduction

This Management's Discussion and Analysis (MD&A) of the Pierre Housing & Redevelopment Commission (Commission) provides an introduction and overview to the financial statements of the Pierre Housing & Redevelopment Commission for the fiscal year ended June 30, 2023. The Pierre Housing & Redevelopment Commission presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2023, to assist the reader in focusing on significant financial issues.

The primary focus of the Commission's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Pierre Housing & Redevelopment Commission. The information contained herein this MD&A should be considered in conjunction with the Commission's financial statements and related notes to the financial statements.

The Commission has six individual programs. They include the Low Rent Public Housing Program, the Capital Fund Program (CFP), the Housing Choice Voucher Program (HCV), the Emergency Housing Voucher Program (EHV), the Home Investment Partnerships Program, and State/Local.

- The Low Rent Program consists of 50 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.
- The Capital Fund Program is also a formula based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Commission to provide capital improvements for the current dwelling structures and assist in their operations.
- The Housing Choice Voucher Program provides rental assistance to aid low income families with affordable, decent, safe, and sanitary rental housing. The Commission provides rental assistance in the form of a housing assistance payment to a landlord on behalf of the tenant. The Commission currently has 218 units available. Funds are provided by HUD to provide rental assistance payments. The Commission is provided an administrative fee for the purpose of covering the administrative costs of the program. The administrative fee is computed by HUD on an annual basis.
- The Emergency Housing Voucher Program provides rental assistance to aid individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability. The Commission provides rental assistance in the form of a housing assistance payment to a landlord on behalf of the tenant. The Commission currently has 30 units available. Funds are provided by HUD to provide rental assistance payments. The Commission is provided an administrative fee for the purpose of covering the administrative costs of the program.
- The Home Investment Partnerships Program provides low income families with security deposit assistance.

*Pierre Housing & Redevelopment Commission
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2023*

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Commission's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial situation of the Commission is improving or deteriorating. Net Position is comprised of three individual components:

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of Net Position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- Unrestricted component of Net Position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Commission for the fiscal year ended June 30, 2023, to determine the net change in Net Position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended June 30, 2023.

Financial Highlights

The Pierre Housing & Redevelopment Commission's Net Position increased from \$1,194,062 to \$1,562,622, an increase of \$368,560 or 31%. Total assets increased by \$298,037 or 22%.

Total revenues increased from \$1,416,860 to \$1,847,840, an increase of \$430,980 or 30%.

Total expenses increased by \$247,692 or 20%, from \$1,231,588 to \$1,479,280 for the current year.

*Pierre Housing & Redevelopment Commission
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2023*

Housing Commission Activities & Highlights

The Commission's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the summary of Net Position for the year ended June 30, 2023, and 2022.

**Summary Statement of Net Position
June 30, 2023, and 2022**

<u>Category</u>	<u>FYE 2023</u>	<u>FYE 2022</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 707,103	\$ 791,672	\$ (84,569)	-11%
Noncurrent Assets	\$ 916,820	\$ 534,214	\$ 382,606	72%
Total Assets	\$ 1,623,923	\$ 1,325,886	\$ 298,037	22%
Deferred Outflow of Resources	\$ 56,534	\$ 63,825	\$ (7,291)	-11%
Current Liabilities	\$ 77,545	\$ 103,617	\$ (26,072)	-25%
Noncurrent Liabilities	\$ 6,660	\$ 2,077	\$ 4,583	221%
Total Liabilities	\$ 84,205	\$ 105,694	\$ (21,489)	-20%
Deferred Inflows of Resources	\$ 33,630	\$ 89,955	\$ (56,325)	-63%
Unrestricted	\$ 622,008	\$ 685,978	\$ (63,970)	-9%
Restricted	\$ 25,242	\$ 20,432	\$ 4,810	24%
Net Investment in Capital Assets	\$ 915,372	\$ 487,652	\$ 427,720	88%
Total Net Position	\$ 1,562,622	\$ 1,194,062	\$ 368,560	31%

Current Assets

Current assets decreased by \$84,569. This was primarily due to a decrease in unrestricted cash and investments of \$50,450, a decrease in HUD accounts receivable of \$16,047, and a decrease in other government accounts receivable of \$18,834. This was due to capital expenditures for HVAC, roofing, and boilers and accounts receivable being lower than the prior year.

Noncurrent Assets

The Authority's noncurrent asset balance increased due to an increase in buildings and improvements. Please note the capital asset portion presented in a later section.

Deferred Outflow/Inflow Balances of Resources

Deferred outflow and inflow balances are the result of the Commission's participation in the South Dakota Retirement System (SDRS). These balances increase or decrease yearly due to various factors including the number of employees participating, market conditions, and funding availability.

*Pierre Housing & Redevelopment Commission
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2023*

Current Liabilities

Current liabilities decreased by \$26,072. This was primarily due to a decrease in other current liabilities in the amount of \$31,448 due to the accrual of expenses relating to the replacement of the boiler system in the prior year.

Noncurrent Liabilities

Noncurrent liabilities increased by \$4,583 primarily due to an increase in liabilities associated with the Commission's accrued leave compensation.

Net Position

The Net Position of the Commission increased by \$368,560 when compared to the previous fiscal year.

The Commission's unrestricted component of Net Position changed from \$685,978 to \$622,008, a decrease of \$63,970 or 9% for the current year. This was primarily due to capital expenditures which are now reported as part of the Net Investment in Capital Asset component. The unrestricted component of Net Position is the amount available for future appropriations. This balance is subject to program specific guidelines.

Low Rent Housing Program	\$ 375,432
Housing Choice Vouchers	\$ 212,997
Emergency Housing Vouchers	\$ 34,087
Home Investment Partnership Program	<u>\$ (508)</u>
Total Unrestricted	<u>\$ 622,008</u>

The Commission's restricted component of the Net Position changed from \$20,432 to 25,242. This consists of amounts related to SDRS net pension activity and unspent Housing Assistance Payments (HAP).

*Pierre Housing & Redevelopment Commission
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2023*

**Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended June 30, 2023 and 2022**

<u>Category</u>	<u>FYE 2023</u>	<u>FYE 2022</u>	<u>Change \$</u>	<u>Change %</u>
Tenant Revenue	\$ 220,266	\$ 225,910	\$ (5,644)	-2%
HUD Operating Grants	\$ 1,192,237	\$ 1,035,177	\$ 157,060	15%
Capital Grants	\$ 343,938	\$ 67,021	\$ 276,917	413%
Interest Income	\$ 2,030	\$ 2,879	\$ (849)	-29%
Other Revenue	\$ 89,369	\$ 85,873	\$ 3,496	4%
Total Revenue	\$ 1,847,840	\$ 1,416,860	\$ 430,980	30%
Administration	\$ 230,218	\$ 186,935	\$ 43,283	23%
Tenant Service	\$ 26,223	\$ 24,159	\$ 2,064	9%
Utilities	\$ 67,116	\$ 72,182	\$ (5,066)	-7%
Ordinary Maintenance	\$ 188,398	\$ 129,605	\$ 58,793	45%
General Expense	\$ 75,412	\$ 79,125	\$ (3,713)	-5%
Housing Assistance Payments	\$ 830,749	\$ 691,368	\$ 139,381	20%
Depreciation and Amortization	\$ 61,164	\$ 48,214	\$ 12,950	27%
Total Expenses	\$ 1,479,280	\$ 1,231,588	\$ 247,692	20%
Increase (Decrease) in Net Position	\$ 368,560	\$ 185,272	\$ 183,288	99%
Net Position, Beginning of Year	\$ 1,194,062	\$ 1,008,790	\$ 185,272	18%
Net Position, End of Year	\$ 1,562,622	\$ 1,194,062	\$ 368,560	31%

Results of Operations

Revenues of the Commission are generated principally from Federal and State funded grant income. The Commission's revenue increased by \$430,980 compared to the previous fiscal year. Significant variances include the following:

- HUD operating grants increased by \$157,060. This was primarily due to an increase in HAP funding, administrative fee funding, and special fee funding relating to the EHV program in the amount of \$116,891 and the HCV program in the amount of \$47,687.
- Capital grants increased by \$276,917. This was due to an increase in capital improvement projects funded by the Capital Fund Program.

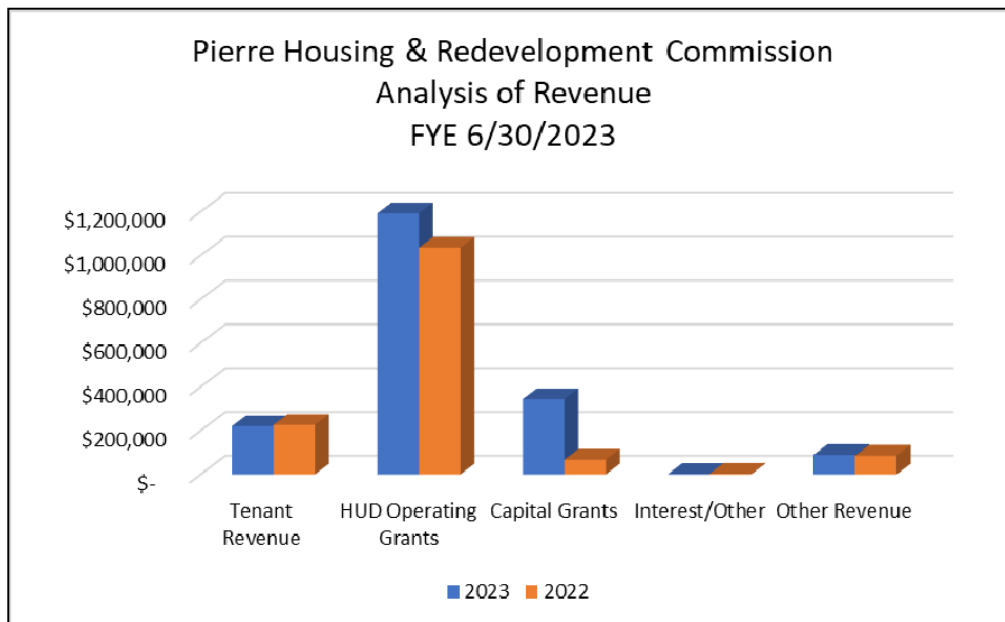
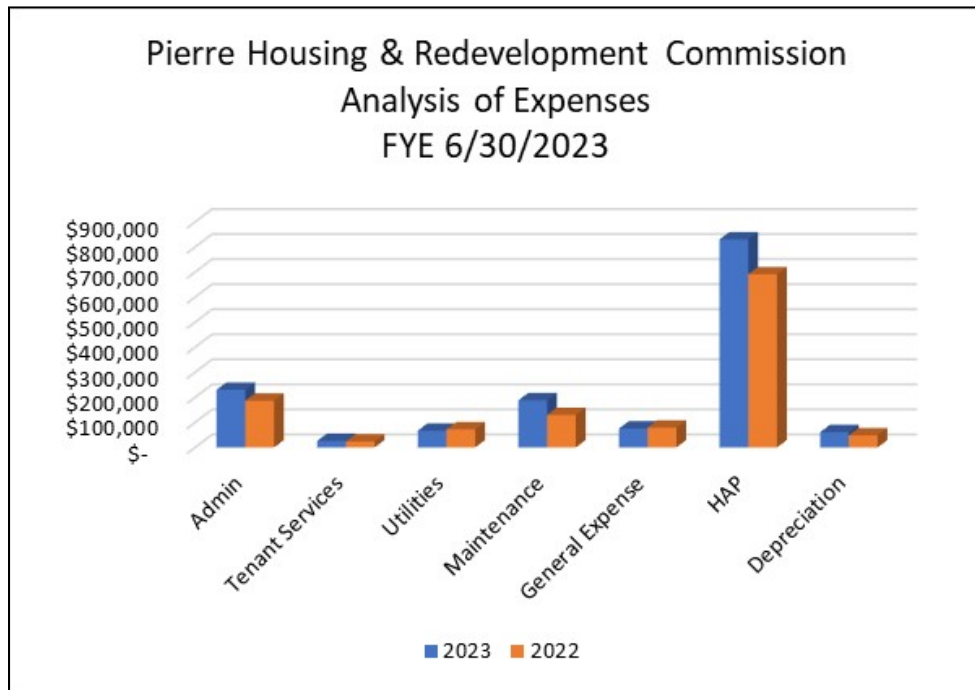
Total expenses increased by \$247,692. Significant variances include the following:

- Administrative expenses increased by \$43,283 primarily due to an increase in employee benefit contribution and the timing of billing for previous fiscal year audit fees.

*Pierre Housing & Redevelopment Commission
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2023*

- Ordinary maintenance increased by \$58,793 due to an increase in maintenance materials and extraordinary maintenance due to bat mitigation.
- Housing assistance payments increased by \$139,381 due to an increase in leased units for the EHV Program and an increase in fair market rent regulations.

The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:



*Pierre Housing & Redevelopment Commission
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2023*

Capital Assets

As of June 30, 2023, the Pierre Housing & Redevelopment Commission's net investment in capital assets was \$916,243. This investment includes land, building improvements, equipment, and intangible leased assets, net of accumulated depreciation.

<u>Category</u>	<u>FYE 2023</u>	<u>FYE 2022</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 80,645	\$ 80,645	\$ -	0%
Buildings	\$ 3,458,811	\$ 2,846,189	\$ 612,622	22%
Equipment	\$ 67,782	\$ 66,532	\$ 1,250	2%
Construction in Progress	\$ -	\$ 132,598	\$ (132,598)	-100%
Intangible leased assets	\$ 6,928	\$ -	\$ 6,928	100%
Accumulated Depreciation	\$ (2,697,923)	\$ (2,638,312)	\$ (59,611)	2%
Total Net Capital Assets	\$ 916,243	\$ 487,652	\$ 428,591	88%

Buildings and improvements increased primarily due to the addition of HVAC units, roofing of East Midtown, and final installation of new boilers. In contrast, construction in progress decreased due to the boilers being put in use during the fiscal year.

Intangible leased assets were added to capital assets due to the implementation of GASB Statement No. 87, Leases.

Long term Debt

The Commission classifies a portion of the employee's leave as long term debt. This is because the Commission does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was \$6,660.

Subsequent Event

As of the time of this analysis, HUD has finalized the funding levels for the 2023 calendar year. The operating subsidy for the Low Rent Housing Program is to be funded at 93.02%.

The amount of funding for the 2023 calendar year for the Housing Choice Voucher Program will include a proration of administrative fees at 97.923% and HAP funding at 100%. HUD has obligated \$620,283 in HAP funding for the 2023 calendar year and \$174,850 in EHV funding.

Request for Information

This financial report is designed to provide a general overview of the Commission's accountability for all those interested.

*Pierre Housing & Redevelopment Commission
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2023*

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Pierre Housing & Redevelopment Commission
Traci Nickels, Executive Director
PO Box 937
Pierre, SD 57501

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

Current assets:	
Cash and cash equivalents	\$ 627,323
Accounts receivable:	
HUD other projects	45,276
Other	3,424
Tenants, net of allowance of \$826	1,259
Fraud recovery, net of allowance of \$6,775	1,360
Interest receivable	727
Prepaid expenses	27,489
Inventories, net of allowance of \$27	245
Total current assets	<u>707,103</u>
Noncurrent assets:	
Capital assets:	
Land	80,645
Buildings and improvements	3,458,811
Furniture and equipment	67,782
Intangible leased assets	6,928
Accumulated depreciation and amortization	(2,697,923)
Net pension asset	577
Total noncurrent assets	<u>916,820</u>
Total assets	<u>1,623,923</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related deferred outflows	<u>56,534</u>
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LIABILITIES

Current liabilities:	
Accounts payable - vendors	10,955
Accrued payroll and taxes	6,415
Accounts payable - other government	15,033
Tenant security deposits	5,812
Unearned revenue	29,568
Other current liabilities	6,970
Current portion of noncurrent liabilities:	
Accrued compensated absences	1,921
Leases payable	871
Total current liabilities	<u>77,545</u>
Noncurrent liabilities:	
Accrued compensated absences	<u>6,660</u>
Total noncurrent liabilities	<u>6,660</u>
Total liabilities	<u>84,205</u>

DEFERRED INFLOWS OF RESOURCES

Pension related deferred inflows	<u>33,630</u>
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NET POSITION

Net investment in capital assets	915,372
Restricted for:	
SDRS pension purposes	23,481
Housing assistance payments	1,761
Unrestricted	<u>622,008</u>
Total net position	<u>\$ 1,562,622</u>

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

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Net tenant rental revenue	\$ 217,446
Tenant revenue - other	2,820
Fraud recovery	<u>6,044</u>
Total operating revenues	<u>226,310</u>
OPERATING EXPENSES	
Administrative	230,218
Tenant services	26,223
Utilities	67,116
Maintenance and operations	188,398
Protective services	270
Insurance	33,197
Other general expenses	41,875
Housing assistance payments	830,749
Interest	70
Depreciation and amortization	<u>61,164</u>
Total operating expenses	<u>1,479,280</u>
Operating (loss)	<u>(1,252,970)</u>
NONOPERATING REVENUES	
HUD PHA grants - direct	1,192,237
Other government grants	80,050
Investment income	2,030
Other revenue	<u>3,275</u>
Total nonoperating revenues	<u>1,277,592</u>
Income /(Loss) before contributions	24,622
Capital contributions and grants	<u>343,938</u>
Change in net position	368,560
Net position - beginning of year	<u>1,194,062</u>
Net position - end of year	<u>\$ 1,562,622</u>

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

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

STATEMENT OF CASH FLOWS (PAGE 1 OF 2)
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from tenants	\$ 222,868
Receipts from tenants through escrow	(100)
Payments to employees	(225,944)
Payments to others for goods and services	(383,679)
Housing assistance payments	<u>(830,749)</u>
Net cash provided by (used in) operating activities	<u>(1,217,604)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants received	1,307,351
Other revenue	<u>3,275</u>
Net cash provided by (used in) noncapital financing activities	<u>1,310,626</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants received	343,938
Principal paid on leases payable	(1,617)
Acquisition of capital assets	<u>(487,267)</u>
Net cash provided by (used in) capital and related financing activities	<u>(144,946)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>1,474</u>
Net cash provided by (used in) investing activities	<u>1,474</u>
Net change in cash and cash equivalents	(50,450)
Balances - beginning of the year	<u>677,773</u>
Balances - end of the year	<u>\$ 627,323</u>

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

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

STATEMENT OF CASH FLOWS PAGE (2 OF 2)
YEAR ENDED JUNE 30, 2023

Reconciliation of operating (loss) to net cash (used in) operating activities:	
Operating (loss)	\$ (1,252,970)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Depreciation and amortization expense	61,164
Change in operating assets and liabilities:	
(Increase) decrease in:	
Accounts receivable - tenants	880
Accounts receivable - fraud recovery	(1,360)
Prepaid expenses	519
Inventories	(245)
Pension related assets	(3,049)
Increase (decrease) in:	
Accounts payable - vendors	8,421
Accounts payable - other government	(434)
Accrued expenses	1,221
Accrued compensated absences	2,759
Unearned revenue	(2,962)
Other current liabilities	(31,448)
Tenant security deposits	(100)
	<hr/>
Net cash provided by (used in) operating activities	<u>\$ (1,217,604)</u>

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

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Housing and Redevelopment Commission of the City of Pierre, South Dakota (the Commission) was organized in 1972 pursuant to the Municipal Housing and Redevelopment Act of South Dakota as a public housing agency formed to provide financial assistance for low income public housing pursuant to the United States Housing Act of 1937 (42 U.S.C. 1401, et seq.). The mayor and city commission appoint the five members of the governing board for five-year staggered terms. The public housing authority (PHA) board elects its own chairperson and recruits and employs its management personnel and other workers. The local governing board of the City of Pierre, South Dakota retains the statutory authority to approve or deny or otherwise modify the Commission's plans to construct a low-income housing unit, or to issue debt, which gives the governing board the ability to impose its will on the Commission.

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

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

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

Nature of Business

The Commission administers various low-income housing assistance payment programs in Pierre, South Dakota. PAS/LOCCS Project No. SD035 operates 50 units; and Project No. SD035VO is authorized to operate 206 units under the Section 8 Housing Choice Vouchers Program.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Nature of Business, continued

The Fort Pierre Housing and Redevelopment Commission (FPHRC) has signed a joint powers agreement with The Housing and Redevelopment Commission of the City of Pierre, South Dakota (HRCP). This agreement is to establish various rights and responsibilities between FPHRC and the HRCP to operate, manage, and administer the HUD Section 8 Rental Assistance Program of the FPHRC of Fort Pierre, Stanley County, South Dakota. No monies have been exchanged or are due as of and for the year ended June 30, 2023.

Basis of Presentation

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

Measurement Focus and Basis of Accounting

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

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

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

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

Accounts Receivable

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

Fraud Recovery

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

Inventories

Inventories consisting of supplies are valued at cost. An allowance for obsolescence has been calculated based on historical trends.

Capital Assets

All acquisitions of property and equipment in excess of \$750 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Purchased capital assets are recorded at cost. Donated capital assets are valued at their acquisition value on the date donated. Interest costs incurred during construction of capital assets are not capitalized, in accordance with US GAAP. Depreciation/Amortization is computed principally by the straight-line method over the following estimated useful lives:

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

Land, an inexhaustible capital asset, is not depreciated.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Long-Term Liabilities – Leases Payable

The Commission is a lessee for a noncancelable lease of a printer and postage meter. The Commission recognizes a lease liability and an intangible right-to-use lease asset (intangible lease asset) in the financial statements. The Commission recognizes lease liabilities with an initial, individual value of \$750.

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, certain initial direct costs. Subsequently, the intangible lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Commission is reasonably certain to exercise.

The commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Intangible lease assets are reported with other capital assets and lease liabilities are reported with long-term debt of the statement of net position.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the balance sheet reports 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 (expenses) until the applicable future period.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Deferred Inflows and Deferred Outflows of Resources, continued

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent acquisition of net position that applies to a future period or periods. These items will not be recognized as an inflow of resources (revenue) until the applicable future period.

Pensions

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

Compensated Absences

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

Operating Revenues and Expenses

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

Use of Estimates

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

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Equity Classifications

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

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

Application of Net Position

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

Budgets

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

Implementation of New Account Standard and Restatement

In 2023, the Commission implemented the provisions GASB Statement No. 87, Leases. GASB 87 affects any government entity that enters into a lease. The main difference between previous US GAAP and GASB 87 is the recognition of an intangible lease asset and lease liability for the lessee and the recognition of a lease receivable and deferred inflow of resources for the lessor. There was no effect on the beginning net position as a result of implementation of the standard.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

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

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

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that, in the event of a depository failure, the Commission’s deposits may not be returned to it. The Commission does not have a deposit policy for custodial risk. As of June 30, the Commission’s deposits were fully insured or collateralized and were not exposed to custodial credit risk.

Investments – As of June 30, 2023, the Commission had no investments.

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

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

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

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

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

3. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<i>Capital assets not being depreciated/amortized:</i>					
Land	\$ 80,645	\$ -	\$ -	\$ -	\$ 80,645
Construction In Progress	132,598	-	-	(132,598)	-
Total capital assets not being depreciated/amortized	213,243	-	-	(132,598)	80,645
<i>Capital assets being depreciated/amortized:</i>					
Buildings and improvements	2,846,189	486,017	(5,993)	132,598	3,458,811
Equipment	66,532	1,250	-	-	67,782
Intangible lease assets	6,928	-	-	-	6,928
Total capital assets being depreciated/amortized	2,919,649	487,267	(5,993)	132,598	3,533,521
<i>Less accumulated depreciation/amortization for:</i>					
Buildings and improvements	2,587,535	55,844	(5,993)	-	2,637,386
Equipment	50,777	3,703	-	-	54,480
Intangible lease assets	4,440	1,617	-	-	6,057
Total accumulated depreciation/amortization	2,642,752	61,164	(5,993)	-	2,697,923
Total capital assets being depreciated/amortized, net	276,897	426,103	-	132,598	835,598
Capital assets, net	<u>\$ 490,140</u>	<u>\$ 426,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916,243</u>

Depreciation and amortization expense was charged as follows:

Low Rent Program	\$ 49,327
Capital Fund Program	11,430
Section 8 Program	<u>407</u>
Total	<u>\$ 61,164</u>

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

4. ACCOUNTS PAYABLE – OTHER GOVERNMENTS

Annually the Commission is required to remit payments in lieu of taxes to the Hughes County, South Dakota, Treasurer. The amount is computed at 10% of gross rents less utilities. At June 30, 2023, the amount due is \$15,033.

5. LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2023 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Compensated absences	\$ 5,823	\$ 4,601	\$ (1,842)	\$ 8,582	\$ 1,921
Leases payable	2,488	-	(1,617)	871	871
	\$ 8,311	\$ 4,601	\$ (3,459)	\$ 9,453	\$ 2,792

Beginning balance was adjusted to reflect the Commission’s adoption of provisions of GASB Statement No.87, Leases, as noted above, to reflect leases payable.

The lease payable represents the Commission’s liability for the lease of printer from Marco and postage meter from Quadient. The printer lease requires monthly payments of \$105 and postage meter lease requires monthly payments of \$36. The discount rate of 4% is applied to a 5 year and 3 year maturity of the leases, respectively.

The annual requirements to amortize long-term liabilities outstanding as of June 30, 2023, except for compensated absences are as follows:

	Leases Payable		
Year Ending	Principal	Interest	Total
June 30, 2024	\$ 871	\$ 11	\$ 882
Total	\$ 871	\$ 11	\$ 882

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 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 provide 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://www.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. Class A and B eligible spouses of Foundation members will receive a 60 percent joint survivor benefit when the member dies.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN, continued

Benefits Provided, continued

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 percent joint and survivor benefit, or a 100 percent 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 percent of compensation funded by part of the employer contribution. VRAs will receive investment earnings based on investment returns.

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.

Legislation enacted in 2021 reduced the minimum COLA from 0.5 percent to 0.0 percent.

All benefits except those depending on the Member's Accumulated Contributions are annually increased by the Cost-of-Living Adjustment.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN, continued

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 June 30, 2023, 2022, and 2021, equal to required contributions each year, were \$8,843, \$8,608, and \$8,183 respectively.

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

At June 30, 2022, SDRS is 100.10% funded and accordingly has a net pension liability (asset). The proportionate share of the components of the net pension liability (asset) of the South Dakota Retirement System, for the Commission as of the measurement period ending June 30, 2022 and reported by the Commission as of June 30, 2023 are as follows:

Proportionate share of pension liability	\$ 862,525
Less proportionate share of net pension restricted for pension benefits	<u>863,102</u>
Proportionate share of net pension liability (asset)	<u><u>\$ (577)</u></u>

At June 30, 2023, the Commission reported an (asset) of (\$577) for its proportionate share of the net pension (asset). The net pension (asset) was measured as of June 30, 2022 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, 2022, the Commission's proportion was 0.0061100% which is an increase (decrease) of (0.0001923%) from its proportion measured as of June 30, 2021.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN, continued

Pension Liabilities (Asset), Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions, continued

For the year ended June 30, 2023, the Commission recognized pension expense (reduction of pension expense) in the amount of (\$3,050). At June 30, 2023 the Commission reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,991	\$ 38
Changes in assumptions	36,700	32,163
Net difference between projected and actual earnings on pension plan investments	-	1,384
Change in proportionate share	-	45
Commission contributions subsequent to the measurement date	8,843	-
Total	\$ 56,534	\$ 33,630

\$8,843 reported as deferred outflow of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year Ending June 30			
2024	\$	3,781	
2025		8,006	
2026		(9,159)	
2027		11,433	
Total	\$	14,061	

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN, continued

Actuarial Assumptions

The total pension liability (asset) in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	Graded by years of service, from 7.66 percent at entry to 3.15 percent after 25 years of service
Discount Rate	6.50 percent, net of plan investment expense. This is composed of an average inflation rate of 2.50 percent and real returns of 4.00 percent
Future COLAs	2.10 percent

Mortality rates

All mortality rated based on Pub-2010 amount-weighted mortality tables, projected generationally with improvement scale MP-2020.

Active and Terminated Vested Members:

Teachers, Certified Regents, and Judicial: PubT-2010

Other Class A Members: PubG-2010

Public Safety Members: PubS-2010

Retired Members:

Teachers, Certified Regents, and Judicial Retirees: PubT-2010, 108% of rated above age 65

Other Class A Retirees: PubG-2010, 93% of rated through age 74, increasing by 2% per year until 111% of rates at age 83 and above

Public Safety Retirees: PubS-2010, 102% of rates at all ages

Beneficiaries:

PubG-2010 contingent survivor mortality table

Disabled Members:

Public Safety: PubS-2010 disabled member mortality table

Others: PubG-2010 disabled member mortality table

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period of July 1, 2016 to June 30, 2021.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN, continued

Actuarial Assumptions, continued

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, 2022 (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 Expec Real Rate of Ret.</u>
Global Equity	58.0%	3.7%
Fixed Income	30.0%	1.1%
Real Estate	10.0%	2.6%
Cash	<u>2.0%</u>	0.4%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that the 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).

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. PENSION PLAN, continued

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 percent 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 1-percentage point lower (5.50%) or 1-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)	\$ 119,899	\$ (577)	\$ (99,038)

Pension Plan Fiduciary Net Position

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

7. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During the period ended June 30, 2023 the Commission managed its risks as follows:

Employee Health Insurance

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

Liability Insurance

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

Worker's Compensation

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

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

7. RISK MANAGEMENT, continued

Unemployment Benefits

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

REQUIRED SUPPLEMENTARY INFORMATION

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)

South Dakota Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commission's proportion of the net pension liability (asset)	0.0061100%	0.0060800%	0.0063023%	0.0062998%
Commission's proportionate share of net pension liability (asset)	\$ (577)	\$ (46,562)	\$ (275)	\$ (668)
Commission's covered-employee payroll	\$ 143,464	\$ 136,388	\$ 139,613	\$ 130,550
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.40%	34.14%	0.20%	0.51%
Plan fiduciary net position as a percentage of the total net pension liability (asset)	100.10%	105.52%	100.04%	100.09%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commission's proportion of the net pension liability (asset)	0.0064826%	0.0068166%	0.0070142%	0.0071570%
Commission's proportionate share of net pension liability (asset)	\$ (151)	\$ (619)	\$ 23,693	\$ (30,355)
Commission's covered-employee payroll	\$ 135,787	\$ 138,557	\$ 133,383	\$ 130,667
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.11%	0.45%	17.76%	23.23%
Plan fiduciary net position as a percentage of the total net pension liability (asset)	100.02%	100.10%	96.89%	104.10%
	<u>2015</u>			
Commission's proportion of the net pension liability (asset)	0.0073892%			
Commission's proportionate share of net pension liability (asset)	\$ (53,236)			
Commission's covered-employee payroll	\$ 129,217			
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.20%			
Plan fiduciary net position as a percentage of the total net pension liability (asset)	107.30%			

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

See Independent Auditor's Report

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

SCHEDULE OF THE COMMISSION'S CONTRIBUTIONS

South Dakota Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 8,843	\$ 8,608	\$ 8,183	\$ 8,299
Contributions in relation to the contractually required contribution	<u>8,843</u>	<u>8,608</u>	<u>8,183</u>	<u>8,299</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 147,381	\$ 143,464	\$ 136,388	\$ 139,613
Contributions as a percentage of covered-employee payroll	6.00%	6.00%	6.00%	5.94%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 7,788	\$ 8,014	\$ 8,316	\$ 8,003
Contributions in relation to the contractually required contribution	<u>7,788</u>	<u>8,014</u>	<u>8,316</u>	<u>8,003</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 130,550	\$ 135,787	\$ 138,557	\$ 133,383
Contributions as a percentage of covered-employee payroll	5.97%	5.90%	6.00%	6.00%
	<u>2015</u>	<u>2014</u>		
Contractually required contribution	\$ 7,840	\$ 7,753		
Contributions in relation to the contractually required contribution	<u>7,840</u>	<u>7,753</u>		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
Commission's covered-employee payroll	\$ 130,667	\$ 129,217		
Contributions as a percentage of covered-employee payroll	6.00%	6.00%		

See Independent Auditor's Report

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

**Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Contributions**

Changes from Prior Valuation

The June 30, 2022 Actuarial Valuation reflects numerous changes to the actuarial assumptions as a result of an experience analysis completed since the June 30, 2021 Actuarial Valuation. In addition, two changes in actuarial methods have been implemented since the prior valuation.

The details of the changes since the last valuation are as follows:

Benefit Provision Changes

During the 2022 Legislative Session no significant SDRS benefit changes were made and gaming enforcement agent became Class B Public Safety Member.

Actuarial Assumption Changes

As a result of an experience analysis covering the period from July 1, 2016 to June 30, 2021 and presented to the SDRS Board of Trustees in April and June, 2022, significant changes to the actuarial assumptions were recommended by the SDRS Senior Actuary and adopted by the Board of Trustees first effective for this June 30, 2022 actuarial valuation.

The changes to economic assumptions included increasing the price inflation to 2.50% and increasing the wage inflation to 3.15%. The current assumed investment return assumption of 6.50% was retained, lowering the assumed real investment return to 4.00%. The baseline COLA assumption of 2.25% was also retained. Salary increase assumptions were modified to reflect the increase in assumed wage inflation and recent experience. The assumed interest on accumulated contributions was decreased to 2.25%.

The demographic assumptions were also reviewed and revised. The mortality assumption was changed to the Pub-2010 amount-weighted tables using separate tables for teachers, general, and public safety retirees, with assumptions for retirees adjusted based on credible experience. The mortality assumption for active and terminated vested members was changed to the unadjusted amount-weighted Pub-2010 tables, again by member classification and the assumption for beneficiaries was changed to the amount-weighted Pub-2010 general contingent survivor table. Adjustments based on experience were also made to the assumptions regarding retirement, termination, disability, age of spouses for married Foundation members, percentage of terminated vested members electing a refund, and benefit commencement age for terminated vested Public Safety members with 15 or more years of service.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

**Schedule of the Proportionate Share of the Net Pension Liability (Asset) and
Schedule of Contributions, continued**

Actuarial Assumption Changes, continued

The SDRS COLA equals the percentage increase in the most recent third calendar quarter CPI-W over the prior year, no less than 0% (0.5% prior to 2021) and no greater than 3.5%. However, if the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (currently 2.25%) is less than 100%, the maximum COLA payable will be limited to the increase that if assumed on a long-term basis, results in a FVFR equal to or exceeding 100%.

As of June 30, 2021, the FVFR assuming the long-term COLA is equal to the baseline COLA assumption (2.25%) was greater than 100% and the full 0% to 3.5% COLA range was payable. For the June 30, 2021 Actuarial Valuation, future COLAs were assumed to equal the baseline COLA assumption of 2.25%.

As of June 30, 2022, the FVFR assuming future COLAs equal to the baseline COLA assumption of 2.25% is less than 100% and the July 2023 SDRS COLA is limited to a restricted maximum of 2.10%. The July 2023 SDRS COLA will equal inflation, between 0% and 2.10%. For this June 30, 2022 Actuarial Valuation, future COLAs were assumed to equal the restricted maximum COLA of 2.10%.

Actuarial assumptions are reviewed for reasonability annually and reviewed in depth periodically, with the next experience analysis anticipated before the June 30, 2027 Actuarial Valuation and any recommended 7 changes approved by the Board of Trustees are anticipated to be first implemented in the June 30, 2027 Actuarial Valuation.

Actuarial Method Changes

Actuarial method changes with minor impact were implemented for this valuation after recommendation by Cavanaugh Macdonald Consulting as part of their reviews of prior valuations. As a result, liabilities and normal costs for refund benefits and the Generational Variable Retirement Account are now calculated using the entry age normal cost method with normal costs based on the expected value of these accounts rather than the actual balance.

SUPPLEMENTARY INFORMATION

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF PIERRE, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - BALANCE SHEETS
JUNE 30, 2023

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	14.871 Housing Choice Vouchers	14.871 Emergency Housing Voucher	14.239 Home Investment Partnership Program	State/Local
111	Cash - Unrestricted - Comment 1	\$ 619,750	\$ -	\$ 363,551	\$ 192,763	\$ 63,436	\$ -	\$ -
112	Cash - Restricted - Modernization and Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Cash - Other Restricted	\$ 1,761	\$ -	\$ -	\$ -	\$ 1,761	\$ -	\$ -
114	Cash - Tenant Security Deposits	\$ 5,812	\$ -	\$ 5,812	\$ -	\$ -	\$ -	\$ -
115	Cash - Restricted for Payment of Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	Total Cash	\$ 627,323	\$ -	\$ 369,363	\$ 192,763	\$ 65,197	\$ -	\$ -
121	Accounts Receivable - PHA Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122-010	Operating Subsidy	\$ 14,462	\$ -	\$ 14,462	\$ -	\$ -	\$ -	\$ -
122-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
122-030	Other	\$ 30,814	\$ -	\$ -	\$ 30,814	\$ -	\$ -	\$ -
122	Accounts Receivable - HUD Other Projects	\$ 45,276	\$ -	\$ 14,462	\$ 30,814	\$ -	\$ -	\$ -
124	Accounts Receivable - Other Government	\$ 3,424	\$ -	\$ -	\$ -	\$ -	\$ 3,424	\$ -
125-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125	Accounts Receivable - Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
126	Accounts Receivable - Tenants	\$ 2,085	\$ -	\$ 2,085	\$ -	\$ -	\$ -	\$ -
126.1	Allowance for Doubtful Accounts - Tenants	\$ (826)	\$ -	\$ (826)	\$ -	\$ -	\$ -	\$ -
126.2	Allowance for Doubtful Accounts - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
127	Notes, Loans, & Mortgages Receivable - Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
128	Fraud Recovery	\$ 8,135	\$ -	\$ 1,617	\$ 6,518	\$ -	\$ -	\$ -
128.1	Allowance for Doubtful Accounts - Fraud	\$ (6,775)	\$ -	\$ (257)	\$ (6,518)	\$ -	\$ -	\$ -
129	Accrued Interest Receivable	\$ 727	\$ -	\$ 727	\$ -	\$ -	\$ -	\$ -
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$ 52,046	\$ -	\$ 17,808	\$ 30,814	\$ -	\$ 3,424	\$ -
131	Investments - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
132	Investments - Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
135	Investments - Restricted for Payment of Current Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
142	Prepaid Expenses and Other Assets	\$ 27,489	\$ -	\$ 26,803	\$ 606	\$ 80	\$ -	\$ -
143	Inventories	\$ 272	\$ -	\$ 272	\$ -	\$ -	\$ -	\$ -
143.1	Allowance for Obsolete Inventories	\$ (27)	\$ -	\$ (27)	\$ -	\$ -	\$ -	\$ -
144	Inter Program Due From	\$ -	\$ (9,820)	\$ 9,820	\$ -	\$ -	\$ -	\$ -
145	Assets Held for Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
150	Total Current Assets	\$ 707,103	\$ (9,820)	\$ 424,039	\$ 224,183	\$ 65,277	\$ 3,424	\$ -
161	Land	\$ 80,645	\$ -	\$ 80,645	\$ -	\$ -	\$ -	\$ -
162	Buildings	\$ 3,458,811	\$ -	\$ 3,458,811	\$ -	\$ -	\$ -	\$ -
163	Furniture, Equipment & Machinery - Dwellings	\$ 366	\$ -	\$ -	\$ 366	\$ -	\$ -	\$ -
164	Furniture, Equipment & Machinery - Administration	\$ 67,416	\$ -	\$ 67,416	\$ -	\$ -	\$ -	\$ -
165	Leasehold Improvements	\$ 6,928	\$ -	\$ 5,710	\$ 1,218	\$ -	\$ -	\$ -
166	Accumulated Depreciation	\$ (2,697,923)	\$ -	\$ (2,697,923)	\$ (1,161)	\$ -	\$ -	\$ -
167	Construction in Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
168	Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160	Total Capital Assets, Net of Accumulated Depreciation	\$ 916,243	\$ -	\$ 915,820	\$ 423	\$ -	\$ -	\$ -
171-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171	Notes, Loans and Mortgages Receivable - Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
172	Notes, Loans, & Mortgages Receivable - Noncurrent - Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
173	Grants Receivable - Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174-050	Other	\$ 577	\$ -	\$ 395	\$ 164	\$ 18	\$ -	\$ -
174-060	Other Comments - Net Pension Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
174	Other Assets	\$ 577	\$ -	\$ 395	\$ 164	\$ 18	\$ -	\$ -
176-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
176	Investments in Joint Ventures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
180	Total Noncurrent Assets	\$ 916,820	\$ -	\$ 916,215	\$ 587	\$ 18	\$ -	\$ -
190	Total Assets	\$ 1,623,923	\$ (9,820)	\$ 1,340,254	\$ 224,770	\$ 65,295	\$ 3,424	\$ -
200	Deferred Outflow of Resources	\$ 56,534	\$ -	\$ 38,719	\$ 16,069	\$ 1,746	\$ -	\$ -
290	Total Assets and Deferred Outflow of Resources	\$ 1,680,457	\$ (9,820)	\$ 1,378,973	\$ 240,839	\$ 67,041	\$ 3,424	\$ -
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts Payable <= 90 Days	\$ 10,955	\$ -	\$ 9,084	\$ 1,173	\$ 698	\$ -	\$ -
313	Accounts Payable >90 Days Past Due	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
321	Accrued Wage/Payroll Taxes Payable	\$ 6,415	\$ -	\$ 4,700	\$ 1,524	\$ 191	\$ -	\$ -
322	Accrued Compensated Absences - Current Portion	\$ 1,921	\$ -	\$ 1,247	\$ 674	\$ -	\$ -	\$ -
324	Accrued Contingency Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
325	Accrued Interest Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331-010	Operating Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331-030	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
331	Accounts Payable - HUD PHA Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
332	Account Payable - PHA Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
333	Accounts Payable - Other Government	\$ 15,033	\$ -	\$ 15,033	\$ -	\$ -	\$ -	\$ -
341	Tenant Security Deposits	\$ 5,812	\$ -	\$ 5,812	\$ -	\$ -	\$ -	\$ -
342-010	Operating Subsidy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342-020	Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342-030	Other	\$ 29,568	\$ -	\$ 1,028	\$ -	\$ 28,540	\$ -	\$ -
342	Unearned Revenue	\$ 29,568	\$ -	\$ 1,028	\$ -	\$ 28,540	\$ -	\$ -
343-010	CEFP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343-020	Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
343	Current Portion of Long-term Debt - Capital Projects/Mortgage	\$ 871	\$ -	\$ 519	\$ 352	\$ -	\$ -	\$ -
344	Current Portion of Long-term Debt - Operating Borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
345	Other Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
346	Accrued Liabilities - Other	\$ 6,970	\$ -	\$ 6,970	\$ -	\$ -	\$ -	\$ -
347	Inter Program - Due To	\$ -	\$ (9,820)	\$ -	\$ 5,888	\$ -	\$ 3,932	\$ -
348-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF PIERRE, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - BALANCE SHEETS
JUNE 30, 2023

Line Item No.	Description	Total Programs	Eliminations	Total Low Rent and Capital Fund	14.871 Housing Choice Vouchers	14.871 Emergency Housing Voucher	14.239 Home Investment Partnership Program	State/Local
348-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
348-060	Other Comments							
348	Loan Liability - Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
310	Total Current Liabilities	\$ 77,545	\$ (9,820)	\$ 44,393	\$ 9,611	\$ 29,429	\$ 3,932	\$ -
351-010	CFFP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
351-020	Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
352	Long-term Debt, Net of Current - Operating Borrowings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
353	Noncurrent Liabilities - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
354	Accrued Compensated Absences - Noncurrent	\$ 6,660	\$ -	\$ 4,733	\$ 1,927	\$ -	\$ -	\$ -
355-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
355-060	Other Comments							
355	Loan Liability - Noncurrent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
356	FASB 5 Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357-010	Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357-020	OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
357	Accrued Pension and OPEB Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
350	Total Noncurrent Liabilities	\$ 6,660	\$ -	\$ 4,733	\$ 1,927	\$ -	\$ -	\$ -
300	Total Liabilities	\$ 84,205	\$ (9,820)	\$ 49,126	\$ 11,538	\$ 29,429	\$ 3,932	\$ -
400	Deferred Inflow of Resources	\$ 33,630	\$ -	\$ 23,032	\$ 9,561	\$ 1,037	\$ -	\$ -
508.4	Net Investment in Capital Assets	\$ 915,372	\$ -	\$ 915,301	\$ 71	\$ -	\$ -	\$ -
511.4	Restricted Net Position - Comment 2	\$ 25,242	\$ -	\$ 16,082	\$ 6,672	\$ 2,488	\$ -	\$ -
512.4	Unrestricted Net Position	\$ 622,008	\$ -	\$ 375,432	\$ 212,997	\$ 34,087	\$ (508)	\$ -
513	Total Equity - Net Assets / Position	\$ 1,562,622	\$ -	\$ 1,306,815	\$ 219,740	\$ 36,575	\$ (508)	\$ -
600	Total Liab., Def. Inflow of Res., and Equity - Net Assets / Position	\$ 1,680,457	\$ (9,820)	\$ 1,378,973	\$ 240,839	\$ 67,041	\$ 3,424	\$ -

Comment 1: Investments reported on the unaudited submission have been included in cash on the audited submission.

Comment 2: Restricted net position consists of amounts related to the SDRS net pension activity and unspent Housing Assistance Payments (HAP).

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF PIERRE, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENTS
YEAR ENDED JUNE 30, 2023

Line Item No.	Description	Total Programs	Eliminations	14.850	14.872	14.871	14.871	14.239	State/Local
				Low Rent	Capital Fund Program	Housing Choice Vouchers	Emergency Housing Voucher	Home Investment Partnership Program	
70300	Net Tenant Rental Revenue	\$ 217,446	\$ -	\$ 217,446	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant Revenue - Other	\$ 2,820	\$ -	\$ 2,820	\$ -	\$ -	\$ -	\$ -	\$ -
70500	Total Tenant Revenue	\$ 220,266	\$ -	\$ 220,266	\$ -	\$ -	\$ -	\$ -	\$ -
70600	HUD PHA Operating Grants	\$ 1,192,237	\$ -	\$ 138,044	\$ 54,583	\$ 771,201	\$ 228,409	\$ -	\$ -
70610	Capital Grants	\$ 343,938	\$ -	\$ -	\$ 343,938	\$ -	\$ -	\$ -	\$ -
70710	Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70720	Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70730	Bookkeeping Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70740	Front Line Service Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70750	Other Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70700	Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70800	Other Government Grants	\$ 80,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,155	\$ 63,895
71100	Investment Income - Unrestricted	\$ 2,030	\$ -	\$ 2,030	\$ -	\$ -	\$ -	\$ -	\$ -
71200	Mortgage Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71300	Proceeds from Disposition of Assets Held for Sale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71310	Cost of Sale of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400	Fraud Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71400-010	Fraud Recovery - Housing Assistance Payment	\$ 3,022	\$ -	\$ -	\$ -	\$ 1,788	\$ 1,234	\$ -	\$ -
71400-020	Fraud Recovery - Administrative Fee	\$ 3,022	\$ -	\$ -	\$ -	\$ 1,788	\$ 1,234	\$ -	\$ -
71500	Other Revenue	\$ 3,275	\$ -	\$ 3,108	\$ -	\$ 146	\$ 21	\$ -	\$ -
71600	Gain or Loss on Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72000	Investment Income - Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70000	Total Revenue	\$ 1,847,840	\$ -	\$ 363,448	\$ 398,521	\$ 774,923	\$ 230,898	\$ 16,155	\$ 63,895
91100	Administrative Salaries	\$ 101,895	\$ -	\$ 55,474	\$ -	\$ 41,413	\$ 4,500	\$ 508	\$ -
91200	Auditing Fees	\$ 22,975	\$ -	\$ 15,623	\$ -	\$ 6,885	\$ 467	\$ -	\$ -
91300-010	To PHA Administered Program (i.e., COCC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91300-020	To a Third Party/Outside Entity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91300	Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91310	Bookkeeping Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91400	Advertising and Marketing	\$ 504	\$ -	\$ 343	\$ -	\$ 141	\$ 20	\$ -	\$ -
91500	Employee Benefit contributions - Administrative	\$ 58,078	\$ -	\$ 32,144	\$ -	\$ 23,272	\$ 2,662	\$ -	\$ -
91600	Office Expenses	\$ 11,685	\$ -	\$ 6,969	\$ 1,433	\$ 2,799	\$ 484	\$ -	\$ -
91700	Legal Expense	\$ 783	\$ -	\$ 626	\$ -	\$ 137	\$ 20	\$ -	\$ -
91800	Travel	\$ 3,733	\$ -	\$ 626	\$ 2,918	\$ 165	\$ 24	\$ -	\$ -
91810	Allocated Overhead	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91900	Other	\$ 30,565	\$ -	\$ 16,325	\$ 3,200	\$ 7,041	\$ 3,999	\$ -	\$ -
91000	Total Operating - Administrative	\$ 230,218	\$ -	\$ 128,130	\$ 7,551	\$ 81,853	\$ 12,176	\$ 508	\$ -
92000	Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100	Tenant Services - Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92200	Relocation Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92300	Employee Benefit Contributions - Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92400	Tenant Services - Other	\$ 26,223	\$ -	\$ 157	\$ -	\$ -	\$ 26,066	\$ -	\$ -
92500	Total Tenant Services	\$ 26,223	\$ -	\$ 157	\$ -	\$ -	\$ 26,066	\$ -	\$ -
93100	Water	\$ 21,416	\$ -	\$ 21,416	\$ -	\$ -	\$ -	\$ -	\$ -
93200	Electricity	\$ 16,072	\$ -	\$ 16,072	\$ -	\$ -	\$ -	\$ -	\$ -
93300	Gas	\$ 8,886	\$ -	\$ 8,886	\$ -	\$ -	\$ -	\$ -	\$ -
93400	Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93500	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93600	Sewer	\$ 16,270	\$ -	\$ 16,270	\$ -	\$ -	\$ -	\$ -	\$ -
93700	Employee Benefit Contributions - Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93800	Other Utilities Expense	\$ 4,472	\$ -	\$ 4,472	\$ -	\$ -	\$ -	\$ -	\$ -
93000	Total Utilities	\$ 67,116	\$ -	\$ 67,116	\$ -	\$ -	\$ -	\$ -	\$ -
94100	Ordinary Maintenance and Operations - Labor	\$ 44,311	\$ -	\$ 44,311	\$ -	\$ -	\$ -	\$ -	\$ -
94200	Ordinary Maintenance and Operations - Materials and Other	\$ 34,818	\$ -	\$ 25,918	\$ 8,900	\$ -	\$ -	\$ -	\$ -
94300-010	Garbage and Trash Removal Contracts	\$ 7,776	\$ -	\$ 7,776	\$ -	\$ -	\$ -	\$ -	\$ -
94300-020	Heating & Cooling Contracts	\$ 10,712	\$ -	\$ 10,712	\$ -	\$ -	\$ -	\$ -	\$ -
94300-030	Snow Removal Contracts	\$ 200	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -
94300-040	Elevator Maintenance Contracts	\$ 6,495	\$ -	\$ 6,495	\$ -	\$ -	\$ -	\$ -	\$ -
94300-050	Landscape & Grounds Contracts	\$ 363	\$ -	\$ 363	\$ -	\$ -	\$ -	\$ -	\$ -
94300-060	Unit Turnaround Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94300-070	Electrical Contracts	\$ 4,876	\$ -	\$ 4,876	\$ -	\$ -	\$ -	\$ -	\$ -
94300-080	Plumbing Contracts	\$ 8,645	\$ -	\$ 8,645	\$ -	\$ -	\$ -	\$ -	\$ -
94300-090	Extermination Contracts	\$ 2,752	\$ -	\$ 2,752	\$ -	\$ -	\$ -	\$ -	\$ -
94300-100	Janitorial Contracts	\$ 14,449	\$ -	\$ 14,449	\$ -	\$ -	\$ -	\$ -	\$ -
94300-110	Routine Maintenance Contracts	\$ 354	\$ -	\$ 354	\$ -	\$ -	\$ -	\$ -	\$ -
94300-120	Miscellaneous Contracts	\$ 11,745	\$ -	\$ 11,245	\$ 500	\$ -	\$ -	\$ -	\$ -
94300	Ordinary Maintenance and Operations Contracts	\$ 68,367	\$ -	\$ 67,867	\$ 500	\$ -	\$ -	\$ -	\$ -
94500	Employee Benefit Contributions - Ordinary Maintenance	\$ 22,590	\$ -	\$ 22,590	\$ -	\$ -	\$ -	\$ -	\$ -
94000	Total Maintenance	\$ 170,086	\$ -	\$ 160,686	\$ 9,400	\$ -	\$ -	\$ -	\$ -
95100	Protective Services - Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200	Protective Services - Other Contract Costs	\$ 270	\$ -	\$ 270	\$ -	\$ -	\$ -	\$ -	\$ -
95300	Protective Services - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95500	Employee Benefit Contributions - Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95000	Total Protective Services	\$ 270	\$ -	\$ 270	\$ -	\$ -	\$ -	\$ -	\$ -
96110	Property Insurance	\$ 25,163	\$ -	\$ 25,163	\$ -	\$ -	\$ -	\$ -	\$ -

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF PIERRE, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENTS
YEAR ENDED JUNE 30, 2023

Line Item No.	Description	Total Programs	Eliminations	14.850	14.872	14.871	14.871	14.239	State/Local
				Low Rent	Capital Fund Program	Housing Choice Vouchers	Emergency Housing Voucher	Home Investment Partnership Program	
96120	Liability Insurance	\$ 2,650	\$ -	\$ 1,799	\$ -	\$ 750	\$ 101	\$ -	\$ -
96130	Workmen's Compensation	\$ 2,568	\$ -	\$ 1,746	\$ -	\$ 738	\$ 84	\$ -	\$ -
96140	All Other Insurance	\$ 2,816	\$ -	\$ 2,512	\$ -	\$ 286	\$ 18	\$ -	\$ -
96100	Total insurance Premiums	\$ 33,197	\$ -	\$ 31,220	\$ -	\$ 1,774	\$ 203	\$ -	\$ -
96200	Other General Expenses	\$ 16,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,155	\$ -
96210	Compensated Absences	\$ 5,245	\$ -	\$ 3,316	\$ -	\$ 1,929	\$ -	\$ -	\$ -
96300	Payments in Lieu of Taxes	\$ 16,875	\$ -	\$ 16,875	\$ -	\$ -	\$ -	\$ -	\$ -
96400	Bad debt - Tenant Rents	\$ 3,600	\$ -	\$ 3,600	\$ -	\$ -	\$ -	\$ -	\$ -
96500	Bad debt - Mortgages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600	Bad debt - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600-100	Bad debt - Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96600-200	Bad debt - Housing Assistance Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96800	Severance Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96000	Total Other General Expenses	\$ 41,875	\$ -	\$ 23,791	\$ -	\$ 1,929	\$ -	\$ 16,155	\$ -
96710	Interest of Mortgage (or Bonds) Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96720	Interest on Notes Payable (Short and Long Term)	\$ 70	\$ -	\$ 47	\$ -	\$ 23	\$ -	\$ -	\$ -
96730	Amortization of Bond Issue Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96700	Total Interest Expense and Amortization Cost	\$ 70	\$ -	\$ 47	\$ -	\$ 23	\$ -	\$ -	\$ -
96900	Total Operating Expenses	\$ 569,055	\$ -	\$ 411,417	\$ 16,951	\$ 85,579	\$ 38,445	\$ 16,663	\$ -
97000	Excess of Operating Revenue over Operating Expenses	\$ 1,278,785	\$ -	\$ (47,969)	\$ 381,570	\$ 689,344	\$ 192,453	\$ (508)	\$ 63,895
97100	Extraordinary Maintenance	\$ 18,312	\$ -	\$ -	\$ 18,312	\$ -	\$ -	\$ -	\$ -
97200	Casualty Losses - Non-capitalized	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97300	Housing Assistance Payments	\$ 830,749	\$ -	\$ -	\$ -	\$ 654,268	\$ 176,481	\$ -	\$ -
97350	HAP Portability-In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97400	Depreciation Expense	\$ 61,164	\$ -	\$ 49,327	\$ 11,308	\$ 529	\$ -	\$ -	\$ -
97500	Fraud Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97600	Capital Outlays - Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97700	Debt Principal Payment - Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97800	Dwelling Units Rent Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
90000	Total Expenses	\$ 1,479,280	\$ -	\$ 460,744	\$ 46,571	\$ 740,376	\$ 214,926	\$ 16,663	\$ -
10010	Operating Transfer In	\$ -	\$ (19,320)	\$ 19,320	\$ -	\$ -	\$ -	\$ -	\$ -
10020	Operating transfer Out	\$ -	\$ 19,320	\$ -	\$ (19,320)	\$ -	\$ -	\$ -	\$ -
10030-010	Not For Profit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-020	Partnership	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-030	Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-040	Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-050	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030-060	Other Comments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10030	Operating Transfers from/to Primary Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10040	Operating Transfers from/to Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10050	Proceeds from Notes, Loans and Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10060	Proceeds from Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10070	Extraordinary Items, Net Gain/Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10080	Special Items (Net Gain/Loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10091	Inter Project Excess Cash Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10092	Inter Project Excess Cash Transfer Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10093	Transfers between Program and Project - In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10094	Transfers between Project and Program - Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10100	Total Other financing Sources (Uses)	\$ -	\$ -	\$ 19,320	\$ (19,320)	\$ -	\$ -	\$ -	\$ -
10000	Excess (Deficiency) of Total Revenue Over (Under) Total	\$ 368,560	\$ -	\$ (77,976)	\$ 332,630	\$ 34,547	\$ 15,972	\$ (508)	\$ 63,895
11020	Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030	Beginning Equity	\$ 1,194,062	\$ -	\$ 988,266	\$ -	\$ 185,193	\$ 20,603	\$ -	\$ -
11040-010	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-020	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-030	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-040	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-050	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-060	Prior Period Adjustments and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-070	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-080	Equity Transfers	\$ -	\$ -	\$ 31,382	\$ (31,382)	\$ -	\$ -	\$ -	\$ -
11040-090	Equity Transfers	\$ -	\$ -	\$ 63,895	\$ -	\$ -	\$ -	\$ -	\$ (63,895)
11040-100	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040-110	Equity Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11040	Prior Period Adjustments, Equity Transfers and Correcti	\$ -	\$ -	\$ 95,277	\$ (31,382)	\$ -	\$ -	\$ -	\$ (63,895)
11050	Changes in Compensated Absence Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11060	Changes in Contingent Liability Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11070	Changes in Unrecognized Pension Transition Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11080	Changes in Special Term/Severance Benefits Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11100	Changes in Allowance for Doubtful Accounts - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170	Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-001	Administrative Fee Equity - Beginning Balance	\$ 179,773	\$ -	\$ -	\$ -	\$ 179,773	\$ -	\$ -	\$ -
11170-010	Administrative Fee Revenue	\$ 124,140	\$ -	\$ -	\$ -	\$ 124,140	\$ -	\$ -	\$ -
11170-020	Hard to House Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-021	FSS Coordinator Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-030	Audit Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE HOUSING AND REDEVELOPMENT COMMISSION OF THE CITY OF PIERRE, SOUTH DAKOTA

FINANCIAL DATA SCHEDULE - INCOME STATEMENTS
YEAR ENDED JUNE 30, 2023

Line Item No.	Description	Total Programs	Eliminations	14.850	14.872	14.871	14.871	14.239	State/Local
				Low Rent	Capital Fund Program	Housing Choice Vouchers	Emergency Housing Voucher	Home Investment Partnership Program	
11170-040	Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-045	Fraud Recovery Revenue	\$ 1,788	\$ -	\$ -	\$ -	\$ 1,788	\$ -	\$ -	\$ -
11170-050	Other Revenue	\$ 146	\$ -	\$ -	\$ -	\$ 146	\$ -	\$ -	\$ -
11170-051	Comment for Other Revenue								\$ -
11170-060	Total Admin Fee Revenues	\$ 126,074	\$ -	\$ -	\$ -	\$ 126,074	\$ -	\$ -	\$ -
11170-080	Total Operating Expenses	\$ 85,579	\$ -	\$ -	\$ -	\$ 85,579	\$ -	\$ -	\$ -
11170-090	Depreciation	\$ 529	\$ -	\$ -	\$ -	\$ 529	\$ -	\$ -	\$ -
11170-095	Housing Assistance Payment Portability In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-100	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170-101	Comment for Other Expenses								\$ -
11170-110	Total Expenses	\$ 86,108	\$ -	\$ -	\$ -	\$ 86,108	\$ -	\$ -	\$ -
11170-002	Net Administrative Fee	\$ 39,966	\$ -	\$ -	\$ -	\$ 39,966	\$ -	\$ -	\$ -
11170-003	Administrative Fee Equity - Ending Balance	\$ 219,739	\$ -	\$ -	\$ -	\$ 219,739	\$ -	\$ -	\$ -
11170-005	Pre-2004 Administrative Fee Reserves	\$ 11,678	\$ -	\$ -	\$ -	\$ 11,678	\$ -	\$ -	\$ -
11170-006	Post-2003 Administrative Fee Reserves	\$ 208,061	\$ -	\$ -	\$ -	\$ 208,061	\$ -	\$ -	\$ -
11180	Housing Assistance Payments Equity								\$ -
11180-001	Housing Assistance Payments Equity - Beginning Balance	\$ 5,419	\$ -	\$ -	\$ -	\$ 5,419	\$ -	\$ -	\$ -
11180-010	Housing Assistance Payment Revenues	\$ 821,911	\$ -	\$ -	\$ -	\$ 821,911	\$ -	\$ -	\$ -
11180-015	Fraud Recovery Revenue	\$ 1,788	\$ -	\$ -	\$ -	\$ 1,788	\$ -	\$ -	\$ -
11180-020	Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-021	Comments for Other Revenue								\$ -
11180-025	Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-030	Total Housing Assistance Payments Revenues	\$ 823,699	\$ -	\$ -	\$ -	\$ 823,699	\$ -	\$ -	\$ -
11180-080	Housing Assistance Payments	\$ 830,749	\$ -	\$ -	\$ -	\$ 830,749	\$ -	\$ -	\$ -
11180-090	Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-091	Comments for Other Expenses								\$ -
11180-100	Total Housing Assistance Payments Expenses	\$ 830,749	\$ -	\$ -	\$ -	\$ 830,749	\$ -	\$ -	\$ -
11180-002	Net Housing Assistance Payments	\$ (7,050)	\$ -	\$ -	\$ -	\$ (7,050)	\$ -	\$ -	\$ -
11180-003	Housing Assistance Payments Equity - Ending Balance	\$ (1,631)	\$ -	\$ -	\$ -	\$ (1,631)	\$ -	\$ -	\$ -
11190	Unit Months Available								\$ -
11190-210	Total ACC HCV Units	\$ 3,492	\$ -	\$ 600	\$ -	\$ 2,892	\$ -	\$ -	\$ -
11190-220	Unfunded Units	\$ (350)	\$ -	\$ -	\$ -	\$ (350)	\$ -	\$ -	\$ -
11190-230	Other Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190	Unit Months Available	\$ 3,502	\$ -	\$ 600	\$ -	\$ 2,542	\$ 360	\$ -	\$ -
11210	Number of Unit Months Leased	\$ 2,398	\$ -	\$ 571	\$ -	\$ 1,518	\$ 309	\$ -	\$ -
11270	Excess Cash	\$ 317,322	\$ -	\$ 317,322	\$ -	\$ -	\$ -	\$ -	\$ -
11610	Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building Purchases	\$ 486,017	\$ -	\$ 143,329	\$ 342,688	\$ -	\$ -	\$ -	\$ -
11630	Furniture & Equipment - Dwelling Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11640	Furniture & Equipment - Administrative Purchases	\$ 1,250	\$ -	\$ -	\$ 1,250	\$ -	\$ -	\$ -	\$ -
11650	Leasehold Improvements Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11660	Infrastructure Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13510	CFFP Debt Service Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13901	Replacement Housing Factor Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information
Year Ended June 30, 2023

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

See Independent Auditor's Report

THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information
Year Ended June 30, 2023

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

Federal Programs		
Element	Description	Value
G4000-020	Dollar Threshold Used to Distinguish Type A and Type B Programs	\$750,000
G4000-030	Low-Risk Auditee Indicator	YES
G4000-040	Indicator-Any Audit Findings Disclosed that are Required to be Reported	NO
G4000-080	Was a Schedule of Prior Audit Findings prepared?	YES
G4100-040	Total Federal Awards Expended (This cell is populated by G4100-030 from the "Federal Award Details" Tab)	\$1,552,330

See Independent Auditor's Report

THE HOUSING AND REVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA

Financial Data Schedule - Memo Account Information
Year Ended June 30, 2023

Federal Award Details		
Element	Description	Details
G4100-030	Amount Expended	\$1,552,330
G4200-010	Major Federal Program Indicator	YES
G4200-050	Type of Opinion on Major Federal Program	UNMODIFIED
G4200-060	Number of A-133 Compliance Audit Findings	0
G4200-100	Significant Deficiency Indicator	NO
G4200-200	Number of Significant Deficiencies	0
G4200-110	Material Weakness Indicator	NO
G4200-210	Number of Material Weaknesses	0
G4200-120	Material Noncompliance Indicator	NO
G4200-220	Number of Material Noncompliance	0
G4200-070	Audit Finding Reference Number	N/A
G4200-090	Are Awards Received Directly from a Federal Agency?	YES
G4100-050	Total Amount of Questioned Costs	\$0

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

See Independent Auditor's Report

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Disbursements/ Expenditures
U.S. DEPARTMENT OF THE HOUSING AND URBAN DEVELOPMENT:		
Direct Funding:		
Public and Indian Housing Program:		
Operating Subsidy	14.850	\$ 138,044
Public Housing Capital Fund Program:		
Grant - SD01P035501-19	14.872	2,365
Grant - SD01P035501-20		8,844
Grant - SD01P035501-21		89,865
Grant - SD01E035501-21		<u>297,447</u>
		398,521
HOME Investment Partnership Program	14.239	16,155
Housing Choice Voucher Cluster:		
Section 8 Housing Choice Vouchers Program	14.871	771,201
COVID 19: Emergency Housing Voucher Program		<u>228,409</u>
		<u>999,610</u>
 Total Federal Funding		 <u>\$ 1,552,330</u>

Note 1: The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Commission under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Commission.

Note 2: Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Commission has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
The Housing and Redevelopment Commission
of the City of Pierre, South Dakota
Hughes County, South Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing and Redevelopment Commission of the City of Pierre, South Dakota, a component unit of the City of Pierre, South Dakota (hereinafter referred to as the Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated March 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) 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 of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Wohlenberg Ritzman + Co., LLC

Yankton, South Dakota
March 22, 2024

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

To the Board of Commissioners
The Housing and Redevelopment Commission
of the City of Pierre, South Dakota
Hughes County, South Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing and Redevelopment Commission of the City of Pierre, South Dakota, a component unit of the City of Pierre, South Dakota's (hereinafter referred to as the Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2023. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Wohlberg Ritzman + Co., LLC

Yankton, South Dakota
March 22, 2024

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no prior financial statement audit findings reported.

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

There were no prior major federal award program audit findings reported.

**THE HOUSING AND REDEVELOPMENT COMMISSION
OF THE CITY OF PIERRE, SOUTH DAKOTA**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	<u> X </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported	
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ yes	<u> X </u> no	
Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported	
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>		
Audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	_____ yes	<u> X </u> no	

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Voucher Program

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
YEAR ENDED JUNE 30, 2023

SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT

There are no financial statements audit findings reported.

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

There are no major federal award programs audit findings reported.