CITY OF RICHMOND

239 W. Main Street, Richmond, KY 40475

Mayor
Robert R. Blythe
City Manager
Rob E. Minerich

Commissioners
Mike Brewer
Tammy Cole
Mendi Goble
Jim Newby

City of Richmond - Request for Proposal

The City of Richmond is requesting proposals from a qualified Respondent to manage and operate its Housing Choice Voucher Program (HCVP).

The City of Richmond will award a firm fixed-price contract. Proposals will be evaluated as described in full RFP package. Proposals must be submitted in accordance with these instructions. Failure to furnish a complete proposal on, or before the time and date due, shall result in the proposal's elimination from consideration.

Copies of the complete RFP package may be obtained from the office of the City Clerk Lisa Cassity at lcassity@richmond.ky.us or City Manager Rob Minerich at rminerich@richmond.ky.us or by calling (859) 623-1000. Sealed proposals should be addressed and submitted to Richmond City Hall, Attn: Lisa Cassity, 239 W. Main Street, Richmond, KY. 40475 and are due by 12:00 Noon. EST. May 5th, 2023. (Proposals received after this time shall be rejected, without opening.)

1. May proposals be hand delivered to the City Manager's office (239 West Main Street, Richmond, KY 40475), with time-stamped receipt of delivery provided, by 12:00 Noon, EST, May 5th, 2023?

   -Yes, they may be hand delivered by 12:00 Noon, EST, May 5th, 2023.

2. HUD submission instructions (HUD-5369-B, pages 19-20 of the RFP) state that (under 9. Offer Submission), "Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope." Is "RFP N" (on the cover page of the RFP) the correct solicitation number?

   Yes

3. In Attachment A: Scope of Service (RFP page 9), the 9th bullet states, "Participates in staff meetings with the Executive Director and other Authority personnel; attends training workshops as required with cost to contractor." Can you provide the average annual cost per person for attending training workshops?

   $100.00

4. The RFP refers to an Attachment E on page 11, item 2: "2. HCV Program staff to be managed by the selected firm, with input from COR on high level staffing decisions. Examples of decisions requiring COR involvement include organizational structure (see Attachment E for currently existing structure), staffing levels, compensation packages, discontinuation of management level staff, or other such decisions at COR discretion. Examples of staffing decisions to be made by selected firm without direct COR input include recruitment, hiring and training of new staff; performance reviews; personnel matters, disciplinary measures, discontinuation of front-line staff, and other similar staffing matters." However, there is no Attachment E included with the RFP. Can you provide Attachment E?

   Please disregard reference to attachment E as it was removed. Please see answer to question 6 for current organization.

5. On page 15 of the RFP, under 1. Proposal Evaluation Process, it states (in the 2nd bullet), "The proposals will first be reviewed to determine if all the requirements outlined have been met. Failure to meet the requirements or being over-budget will result in the proposal being eliminated from consideration." What would constitute "being overbudget?"

   All proposals will be evaluated based in comparison to the current approved budget and additional costs to the City.

6. Can the COR provide a listing of current staffing patterns and job descriptions for each position for the HCV Program?

   Director of Section 8
   Case Manager
   Family Self-Sufficiency Coordinator
   Family Self-Sufficiency Coordinator
   Fiscal Controller
   Sec. 8 Housing Inspector
   Secretary

   Job Descriptions attached.

7. Can we receive a copy of the current AHAP, SEMAP and operational plan for COR's HCV Program?

   Unavailable at this time – will update all potential applicants when available

8. Can we receive a current roster or list of approved HCV units for the area covered?

   Unavailable at this time – will update all potential applicants when available

9. Can we receive a copy of the current HCV budget, as approved by the COR?

   Please see linked document

CITY OF RICHMOND

POSITION DESCRIPTION

CLASS TITLE: Secretary

DEPARTMENT: Section 8 Housing

PAYGRADE: 1

CHARACTERISTICS OF THE CLASS: Under the supervision of the Executive Director, this individual will be responsible for all clerical duties.

DUTIES AND RESPONSIBILITIES:

1. Serve as receptionist, referring telephone calls and answering general questions.
2. Basic knowledge about all aspects of the program.
3. Provide information about the program to all Section 8 participants.
4. Document available housing for prospective landlords.
5. Schedule appointments for the Director and Inspector.
6. Screening and referring calls to other agencies and businesses.
7. Operate database computer with present and future equipment, a well as, other office equipment.
8. Knowledge of Grant writing.
9. Receive and process Housing applications.
10. Process interim, recertification and new tenant data on computer. Type, process and copy related forms.
11. Run reports as needed, type and post.
12. Mail recertification notifications
13. Purge tenant files
14. File folders, paperwork and etc.

15. Process all Portability paperwork

16. Process all Termination paperwork

17. Receive and sort mail

18. Attend training sessions as needed

19. Other duties and responsibilities are not limited to the above

TRAINING AND EXPERIENCE: Graduation from an accredited high school or equivalent GED supplemented by three (3) years of progressive related responsible experience.

SPECIAL KNOWLEDGE, SKILLS AND ABILITIES: Must be able to work well with the public and fellow employees. Have thorough knowledge of the program, work with other public agencies. Must have ability to operate database computer and office equipment. Must have confidentiality, integrity and ability to maintain confidential information.

CITY OF RICHMOND

POSITION DESCRIPTION

CLASS TITLE: Housing Inspector

DEPARTMENT: Section 8

PAYGRADE: 4

CHARACTERISTICS OF THE CLASS: The Housing Inspector is under the supervision of the Executive Director. The fundamental reason this classification exists is to conduct initial move-in, annual occupied and special inspections on single family residences, town houses and apartments to ensure that properties meet federal and local housing quality standards required for eligibility in the Section 8 Housing Choice Voucher Program. Incumbents make independent judgments in the field in accordance with departmental policy, and must effectively communicate these decisions to others to obtain compliance.

DUTIES AND RESPONSIBILITIES:

1. Inspects properties for compliance with Housing and Urban Development (HUD) Housing Quality Standards (HQS);
2. Inspects properties for compliance with applicable local building codes and zoning ordinances that have been added to the HQS requirements by the City and approved for inclusion by HUD;
3. Assesses damages, determines who is responsible for correction, and establishes deadlines for completion of work;
4. Completes inspection reports and related documentation;
5. Documents efforts to bring properties into compliance and conducts follow-up inspections to ensure that work is completed;
6. Testifies and presents evidence in administrative hearings .and court proceedings;
7. Assures all inspections are scheduled, performed, and inputted into the software system in a timely manner;
8. Provides information on other City agencies and departments when needed;
9. Demonstrates continuous effort to improve operations, decrease turnaround times, streamline work processes, and work cooperatively and jointly to provide quality seamless customer service.
10. Maintain and submit Section Eight Management Assessment Program (SEMAP) Reports.
11. Attend training sessions as needed.
12. Conduct Rent Reasonableness comparability's per HUD Guidelines with all related documentations.
13. Other duties and responsibilities are not limited to the above.

SPECIAL KNOWLEDGE, SKILLS, AND ABILITIES:

Knowledge of:

- Federal Housing Quality Standards.
- Local ordinances and building codes incorporated into the HQS for the Section 8 Program in City of Richmond.
- Building trades and construction methods.
- ·General understanding of the Section 8 Program and the Landlord/Tenant Act.
- City agencies and departments.
- City of Richmond, Berea and Madison County streets.
- Computer skills

Ability to:

- Communicate orally with customers, clients or the public in face-to-face one-to-one settings, using a telephone, or in group settings.
- Comprehend and make inferences from written materials.
- Objectively interpret and consistently apply regulations in accordance with department policies.
- Operate a variety of standard office equipment requiring continuous or repetitive arm-hand movements.
- Learn job-related material primarily through oral instruction and observation. This learning takes place mainly in an on-the-job training setting.
- Produce written documents with clearly organized thoughts using proper sentence construction, punctuation, and grammar.
- Enter data or information into a terminal, PC, or other keyboard device.
- Observe or monitor objects to determine compliance with prescribed operating or safety standards.
- Perceive the full range of the color spectrum, such as when working with electrical wires.
- Measure distances using a tape measure.
- Work in a variety of weather conditions with exposure to the outdoor elements. Bend or stoop repeatedly or continually while performing inspections.
- Travel over rough, uneven, or rocky surfaces. Make independent decisions to resolve problems or conflicts, and to enforce housing program rules and regulations.
- Work cooperatively with the Executive Director, City employees, housing applicants and residents, community workers, and the public.
- Work safely without presenting a direct threat to self or others.

TRAINING AND EXPERIENCE: Two years of experience in building inspections or in a technical trade such as plumbing, electrical, or HVAC, including some public contact work. Other combinations of experience and education that meet the minimum requirements may be substituted.

SPECIAL NECESSARY REQUIREMENTS: Valid Driver's License

CITY OF RICHMOND

POSITION DESCRIPTION

CLASS TITLE: Fiscal Controller

DEPARTMENT: Section 8 Housing Program

PAYGRADE: 6

CHARACTERISTICS OF THE CLASS: The Fiscal Control is under general supervision and performs various financial and housing activities as required by HUD

DUTIES AND RESPONSIBILITIES:

(1) Prepares annual budget to HUD
(2) Prepares annual requisition request to HUD
(3) Prepares annual year end reports as required by HUD
(4) Prepares annual city budget under the Director's supervision.
(5) Prepares monthly bank reconciliation
(6) Maintains ledger and journal entries.
(7) Processes all accounts payable for office expenses.
(8) Collects account receivable from tenants.
(9) Prepares monthly financial statements.
(10) Processes bids on contracts for annual audits.
(11) Processes monthly HAP and utilities checks to landlords and tenants.
(12) Processes any damage, unpaid rent or vacancy loss claims.
(13) Collecting, verifying and compiling financial data regarding tenants.
(14) Processes interim, re-certification, and new tenant data on computer.
(15) Maintains ledger on individual amounts paid to landlords to support information on 1099 forms.
(16) Reports payroll information and reimbursement to City Hall.

EDUCATION AND EXPERIENCE: Two years attendance at an accredited university college, or vocational school supplemented by 3 years of related experience. Education can be substituted by experience on a year-to-year basis.

SPECIAL KNOWLEDGE, SKILLS AND ABILITIES: Must be able to work well with the public. Have thorough knowledge of the program. Ability to communicate and work with the US Department of HUD.

CLASS TITLE: Family Self Sufficiency Coordinator II

DEPARTMENT: Section 8 Housing

PAY GRADE: 4

CHARACTERISTICS OF THE CLASS: The Family Self Sufficiency Coordinator (FSS) is under the supervision of the Executive Director and provides counseling as motivation to families to seek schooling and /or employment to become financially independent of government assistance. The FSS Coordinator II takes on additional responsibilities beyond those of the FSS Coordinator I as detailed below.

DUTIES AND RESPONSIBILITIES:

1) Attend training sessions as needed.
2) Refer telephone calls and answer general questions.
3) Document available housing for prospective landlords.
4) Schedule appointments for the Director and Inspector.
5) Operate database computer, as well as, other office equipment.
6) Process interim, recertification and new tenant data (as needed only) type, process and copy related forms.
7) Provide information about the FSS program to all Section 8 participants.
8) Interview interested families including:
    a. explain the FSS contract
    b. discuss individual training/service plan
    c. Outline escrow account procedures
    d. Obtain appropriate signatures
9) Keep participants informed of available services.
10) Provide case management:
    a. maintain summary of progress reports
    b. issue monthly progress reports
    c. contact families who do not respond
    d. occasional home/work place visits
11) Maintain ledger of families on FSS program, declined, waiting list and graduate
12) Conduct yearly recertification for FSS families and other tenants when requested by Director.
13) Knowledge of Grant Writing
14) Purge tenant files
15) Serve as receptionist as needed
16) File folders, paperwork and etc
17) Maintain Escrow Accounts
18) Attend Human council Meetings
19) Complete and Submit Family Self Sufficiency Grant
20) Other duties and responsibilities are not limited to the above.

TRAINING AND EXPERIENCE: Combination equivalent to graduation from High School plus one year of experience or related administrative experience.

SPECIAL KNOWLEDGE, SKILLS AND ABILITIES: Must be able to work well with the public. Have thorough knowledge of the program, work with other public agencies. Knowledge of operating data base computer and office equipment.

CITY OF RICHMOND

POSITION DESCRIPTION

CLASS TITLE: Family Self Sufficiency Coordinator

DEPARTMENT: Section 8 Housing

PAY GRADE: 3

CHARACTERISTICS OF THE CLASS: The Family Self Sufficiency Coordinator (FSS) is under the supervision of the Executive Director and provides counseling as motivation to families to seek schooling and /or employment to become financially independent of government assistance.

DUTIES AND RESPONSIBILITIES:

1) Attend training sessions as needed.
2) Refer telephone calls and answer general questions.
3) Document available housing for prospective landlords.
4) Schedule appointments for the Director and Inspector.
5) Operate database computer, as well as, other office equipment.
6) Process interim, recertification and new tenant data (as needed only) type, process and copy related forms.
7) Provide information about the FSS program to all Section 8 participants.
8) Interview interested families including:
    a. explain the FSS contract
    b. discuss individual training/service plan
    c. Outline escrow account procedures
    d. Obtain appropriate signatures
9) Keep participants informed of available services.
10) Provide case management:
    a. maintain summary of progress reports
    b. issue monthly progress reports
    c. contact families who do not respond
    d. occasional home/work place visits
11) Maintain ledger of families on FSS program, declined, waiting list and graduate
12) Conduct yearly recertification for FSS families and other tenants when requested by Director.
13) Knowledge of Grant Writing
14) Purge tenant files
15) Serve as receptionist as needed
16) File folders, paperwork and etc
17) Maintain Escrow Accounts
18) Attend Human Council Meetings

19) Complete and Submit Family Self Sufficiency Grant
20) Other duties and responsibilities are not limited to the above.

TRAINING AND EXPERIENCE: Combination equivalent to graduation from High School plus one year of experience or related administrative experience.

SPECIAL KNOWLEDGE, SKILLS AND ABILITIES: Must be able to work well with the public. Have thorough knowledge of the program, work with other public agencies. Knowledge of operating data base computer and office equipment.

CITY OF RICHMOND

POSITION DESCRIPTION

CLASS TJTLE: Case Manager

DEPARTMENT: Section 8

PAYGRADE: 2

CHARACTERISTICS OF THE•CLASS: The Case Manager is under the supervision of the Executive Director. Performs and coordinates work to provide residence with supportive services. Incumbents make independent judgments in the field in accordance with departmental policy, and must effectively communicate these decisions to others to obtain compliance.

DUTIES AND ·RESPONSIBILITIES:

- Refer telephone calls and answer general questions;
- Document available housing for prospective landlords;
- Schedule appointment for the Director and Inspector;
- Operate database computer, as well as, other office equipment;
- Submitting and receiving Portability paperwork;
- Maintain and submit Section Eight Management Assessment Program (SEMAP) Reports;
- Conduct eligibility interview upon request;
- Conduct Briefing upon request;
- Prepare and maintain updated packets;
- Conduct recertification upon request;
- Process tenant data;
- Home visit recertification;
- Attend training sessions as needed;
- Other duties and responsibilities are not limited to the above.

SPECIAL KNOWLEDGE, SKILLS, AND ABILITIES:

Knowledge of:

.. Federal Housing Quality Standards.
.. General understanding of the Section 8 program and the Landlord/Tenant Act.
- City agencies and departments.
- Computer skills.
- 'Section Eight Management Assessment Program.

.. Voucher Management System.
- Housing Choice Voucher.
- PIH Information Center.
- Enterprise Income Verification.
- Family Self Sufficiency Program.

Ability to:

- ·Communicate orally with customers, clients orthepublic.in face-to-face one-to-one settings, using a telephone, or in group settings.
- Comprehend .and make inferences from written materials.
- Objectively interpret and consistently apply regulations in accordance with department policies.
- -Operate a variety of standard office equipment requiring continuous or repetitive arm-hand movements.
- Learn job 'related material primarily through oral instruction and observation. This learning takes place mainly in .an on-the-job training setting.
- Produce written documents with clearly organized thoughts using proper sentence construction, punctuation, and grammar.
- Enter data or information into a terminal, PC, or other keyboard device.
- Observe or monitor objects to determine compliance with prescribed operating or safety standards.
- Work in a variety of weather conditions with exposure to the outdoor elements.
- Bend or stoop repeatedly or continually while performing job activities.
- Make independent decisions to resolve problems or conflicts, and to enforce housing program rules and regulations.
- Work cooperatively with other Executive Director, City employees, housing applicants and residents, community workers, and the public.
- Work safely without presenting a direct threat to self or others.
- Ability to counsel and make referrals.
- Ability to plan and organize.

TRAINING AND EXPERIENCE:

Bachelor's Degree in Social Work, Public Administration or a related field.
Four (4) years' experience in a related area.
An equivalent combination of education and experience may be substituted.

SPECIAL NECESSARY REQUIREMENTS:

Valid Driver's License

CITY OF RICHMOND

POSITION DESCRIPTION

CLASS TITLE: Executive Director

DEPARTMENT: Section 8

PAYGRADE: 6

CHARACTERISTICS OF THE CLASS: The Director will be responsible for all activities pertaining to the Section 8 Housing Voucher Program which involves field and office work.

DUTIES AND RESPONSIBILITIES:

1) Supervise a staff of four full-time and one part-time employee.

2) Have knowledge of Federal, State and Local Housing projects, and oflaws, regulations and requirements relative to the program.

3) Work within the framework of the Section 8 Administrative Plan, operating policies and applicable HUD regulations regarding participants and applicants.

4) Must read, interpret and explain changes in regulations regarding participants and applicants.

5) Directs all activities pertaining to applications, determining family eligibility, issuing vouchers.

6) Inspects 5% of units under lease to determine compliance with Housing Quality Standards (HQS).

7) Approved leases, monthly payments to landlords.

8) Performing annual and interim recertification.

9) Resolving disputes between tenants and landlords.

10) Responsible for keeping statistical information necessary for program needs and HUD requirements.

11) Coordinates fiscal information with accounting section to determine status of various accounts.

12) Have knowledge of local housing stock and rent being charged.

13) Signs monthly HAP & Utility Checks

TRAINING AND EXPERIENCE: Combination equivalent to graduation from college or related administrative experience.

SPECIAL KNOWLEDGE, SKILLS AND ABILITIES: Must be sensitive to needs and special problems associated with lower-income families. Knowledge of counseling methods and techniques. Some knowledge of the principles and practices of keeping financial records. Ability to prepare and submit reports and ideas in a clear and concise manner, orally and in writing. Deal courteously and tactfully with tenants and at time take a firm stand and enforce it.

CITY OF RICHMOND SECTION 8 HOUSING
P.O. BOX 250
RICHMOND, KY 40476-0250

December 6, 2022

Mayor Robert Blythe
City Manager Robert Minerich
Commissioner Krystin Arnold
Commissioner Mike Brewer
Commissioner Ed McDaniel
Commissioner Jim Newby

Please find attached the Section 8 Housing Department's Annual Audit for the fiscal year ending June 30, 2022 for your review.

If you have any questions or concerns regarding this matter please let me know.

Sincerely,

Susan C. Lillis

Susan C. Lillis
Executive Director
Section 8 Housing

/jlf

Enclosure

Cc: Sharon Cain, Finance Director
File

Phone: (859) 353-5501 • FAX #: (859) 623-2279
richmondsection8@richmond.ky.us

City of Richmond, Kentucky
SECTION 8 HOUSING DEPARTMENT

Audited Financial Statements
For the year ended June 30, 2022

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Certified Public Accountants
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Mount Sterling, Kentucky 40353
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John T. Lane, CPA
Joel D. Lane, CPA

American Institute of CPAs
Kentucky Society of CPAs

INDEPENDENT AUDITOR'S REPORT

Honorable Robert Blythe, Mayor
Richmond City Commission
Section 8 Housing Department
Richmond, Kentucky

We have audited the accompanying financial statements of the business-type activities of the Section 8 Housing Department, City of Richmond, Kentucky as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Section 8 Housing Department, City of Richmond, Kentucky'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 business-type activities of the Section 8 Housing Department, City of Richmond, Kentucky, as of June 30, 2022, and the respective changes in financial position and cash flows thereof 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 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 Section 8 Housing Department, City of Richmond, Kentucky, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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 Section 8 Housing Department, City of Richmond, Kentucky'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 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, 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 Section 8 Housing Department, City of Richmond, Kentucky'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 Section 8 Housing Department, City of Richmond, Kentucky'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.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Employer's Proportionate Share of Net Pension Liability, Schedule of Employer's Contributions – Net Pension Liability, Schedule of Employer's Proportionate Share of Net OPEB Liability, Schedule of Employer's Contributions – Net OPEB Liability and Notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Section 8 Housing Department, City of Richmond, Kentucky's basic financial statements. The financial data schedule "FDS" is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare 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 FDS is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Section 8 Housing Department, City of Richmond, Kentucky's basic financial statements. The financial data schedule (fds) is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022, on our consideration of the Section 8 Housing Department, City of Richmond, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Section 8 Housing Department, City of Richmond, Kentucky's internal control over financial reporting and compliance.

Lane & Company LLC

Mount Sterling, Kentucky

November 22, 2022

This report contains 49 pages.

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

Our discussion and analysis of the financial performance for the Section 8 Housing Department provides an overview of the financial activities for the fiscal year ended June 30, 2021. Please read the MD&A in conjunction with the financial statements.

Financial Highlights

Assets:

As of June 30, 2022, total assets were $1,545,932 as compared to $1,525,892, as of June 30, 2021, an increase of $20,040. Current assets increased $56,361 and capital assets decreased $5,442.

Liabilities:

Total liabilities increased to $1,534,715 due to increases in current liabilities and deferred outflow of resources increased by $183,929, however, non-current liabilities decreased $116,000.

Revenues:

In 2022, total revenue decreased $60,799 (-.88%), as compared to 2021, the federal grants & subsidy - even though there was an increased in administrative fees of 6%. Also there was a $1,550 decrease in investment income due to the decline of interest rates and fraud recovery decreased $25,912 due to a decline in tenant accounts.

Expenses:

Total operating expenses decreased $120,312 as compared to 2021, this was largely due to a decrease in HAP Assistance Payments of $96,890. Also, the office expenses and tenant service were partially covered with CARES Act funding which the agency received and therefore all those expenses decreased from the 2021 FY.

For accounting purposes, the Section 8 Housing Department is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector where the determination of net income is necessary, or useful, for sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. The focus of enterprise funds is on income measurement which, together with the maintenance of equity, is an important financial indicator.

Overview of the Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. This annual report also contains the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD. The financial statements are presented as fund level financial statements because the Section 8 Housing Department only has proprietary funds.

The financial statements report information using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the Section 8 Housing Department's activities. The Statement of Net Position includes assets and liabilities plus provides information about the nature and amounts of investments in resources (assets) and obligations to the Section 8 Housing Department's creditors (liabilities). It also provides the basis for evaluating capital structure plus assessing liquidity and financial flexibility.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Fund Net Position. This statement measures the success of the Section 8 Housing Department's operations over the past year and can be used to determine whether it has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

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

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

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that requires the Section 8 Housing Department to submit financial information electronically to HUD using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2020.

Financial Analysis

One of the most important questions asked about the Department's finances; "Is the Section 8 Housing Department as a whole better off, or worse off, as a result of the achievements of the reported fiscal year?" The information presented in this Management's Discussion and Analysis is to assist the reader in answering this question.

The basic financial statements are The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Net Position provides a summary of the Section 8 Housing Department's assets and liabilities as of the close of business on June 30, 2022. The Statement of Revenues, Expenses, and Changes in Net Position summarize the revenues and sources of those revenues generated and the operating expenses incurred for the year ended June 30, 2022.

The Section 8 Housing Department accounts for its housing activities in one program; a Section 8 Housing Choice Voucher program that provides rental assistance to qualified individuals living in private housing. The following analysis focuses on the net position and the change in net position as a whole and not the individual programs.

Net Position

June 30, 2022

	2022	2021	Change	% of Change
Current Assets	$1,260,760	$1,204,399	$56,361	4.68%
Capital Assets, Net	$25,039	$30,481	($5,442)	-17.85%
Deferred Outflow of Resources	$260,133	$291,012	($30,879)	-10.61%
Total Assets	**$1,545,932**	**$1,525,892**	**$20,040**	**1.31%**
Current Liabilities	$198,789	$184,467	$14,322	7.76%
Non-Current Liabilities	$1,065,854	$1,181,854	($116,000)	-9.82%
Deferred Outflow of Resources1.81	$270,072	$86,143	$183,929	213.52%
Total Liabilities	**$1,534,715**	**$1,452,464**	**$82,251**	**5.66%**
Net Position:				
Net Investment in Capital Assets	$25,039	$30,481	($5,442)	-17.85%
Restricted Net Position	$44,245	$44,245	$0	0%
Unrestricted Net Position	($58,067)	$2,702	($60,769)	-2249.04%
Total Net Position	**$11,217**	**$128,698**	**($66,211)**	**-85.51%**

Assets:

Current assets are resources that are reasonably expected, based on the plans and intentions of the Department, to be converted into cash or its equivalent during the current operating cycle.

As of June 30, 2022, current assets were $1,260,760 as compared to $1,204,399, as of June 30, 2021 an increase of $56,361. Current assets increased due to a decrease in HAP Assistance Payments and office expenses which were covered by the CARES Act Funding. Capital Assets decreased by $5,442 and Deferred Outflow of Resources increased to $270,072 as compared to $86,143, as of June 30, 2022.

Liabilities:

Current liabilities are current debts that are owed by the Department and due within 12 months. It is expected that current liabilities will consume current financial resources to satisfy debt.

As of June 30, 2022, current liabilities are $198,789 as compared to $184,467, of June 30, 2021, an increase of $14,322. The change consisted of an increases in accounts payable and other current liabilities and there was only slight decreases in accrued compensated absences and unearned revenue.

As of June 30, 2022 non-current liabilities are $$1,065,854 as compared to $1,181,854, as of June 30, 2021 a decrease of $116,000. There was a decrease in net pension liability of $109,140 and net OPEB liability of $44,892, the accrued compensated absences increased by $38,032.

Net Position:

As of June 30, 2022, the Section 8 Housing Department had $11,217 invested in total net position. Restricted net position of $55,107 was available for Section 8 Housing Assistance Payments (HAP). The remainder of $25,039 represents the net investment in capital assets of buildings, furnishings and equipment.

Capital Assets at Year-End

(Net of Accumulated Depreciation)
June 30, 2022

	2022	2021	Change	% of Change
Buildings	$132,568	$132,568	$0	0%
Furniture & Equipment - Admin	$85,151	$85,151	$0	0%
Subtotal	$217,719	$217,719	$0	0%
Accumulated Depreciation	($192,680)	($187,238)	($5,199)	-2.9%
Net Capital Assets	**$25,039**	**$30,481**	**($6,714)**	**-18.05%**

Capital Assets:

Capital assets are long-term tangible assets obtained as a result of past transactions, events, or circumstances and include buildings, equipment, and improvements to buildings and land.

Changes in Net Position

For the Year Ended June 30, 2021

	2022	2021	Change	% of Change
Revenue:				
Federal Grants & Subsidy	$3,800,336	$3,833,944	($33,608)	-0.88$
Investment Income	$2,882	$4,432	($1,550)	-34.97%
Fraud recovery	$18,842	$44,754	($25,912)	-57.90%
Other Income	$70,184	$69,913	$271	0.39%
Total Revenue	**$3,892,244**	**$3,953,043**	**($625)**	**-1.54%**
Expenses:				
Salaries	$268,440	$214,130	$54,310	25.36%
Auditing	$10,840	$10,840	$-0-	0%
Employee benefits	$138,508	$181,437	($42,929)	-23.66%
Office expenses	$32,468	$65,957	($30,313)	-48.28%
Travel	$17,838	$6,349	$11,489	180.96%

Other operating	$33,882	$16,424	($14,282	72.87%
Insurance	$-0-	$3,858	($3,858)	100.00%
Tenant Services:				
Salaries	$64,755	$110,659	($45,904)	-41.48%
Employee Benefits	$27,447	$50,758	($23,311)	-45.93%
Other	$684	$8,990	($8,306)	-92.39%
Bad debt	$47,696	$0	$47,696	100%
Other general expenses	$4,694	$0	$4,694	100%
Housing Assistance Payments	$3,221,782	$3,318,172	($96,890)	-2.92%
HAP – portability-in	$47,565	$47,565	$0	0%
Depreciation	$5,442	$6,714	($1,272)	-18.95%
Total Operating Expenses	**$3,921,541**	**$4,041,853**	**($120,312)**	**-2.98%**
Increase (Decrease) in Net Position	**($29,297)**	**($88,810)**	**($59,513)**	**-67.01%**

Revenues:

The Department has one major source of revenue: Department of Housing and Urban Development (HUD) in the form of operating subsidies.

HUD revenue will often vary from year to year since it is dependent on the federal budget (operating subsidy) and the funds required through Cash Management for UMLs. In 2022, the Section 8 Housing Department's Federal Grants & Subsidy increased $35,670 (1.1%), however, due to program leasing UML's decreasing the funds required through Cash Management were decreased from $3,833,944 to $3,800,336 a (-.88%) as compared to June 30, 2021

Investment income and fraud recovery decreased $25,641 while and other income increased $271. Changes in investment income are generally governed by the amount of monies invested and the rates of returns on those investments.

Expenses:

Administrative salaries increased $54,310 due to staffing changes, however, all staff members did receive a 4% increase in salaries.

Office expenses increased $199,931, there are only minor variations when all amounts were taken into consideration, except for employee benefits and this was due to state government changes on pension and employee salary increase.

Tenant services has been established as expenses from the Family-Self Sufficiency Program which shows the salaries, employee benefits and other expenses separate from the HCV Program. The Family-Self Sufficiency had two FSS Coordinators for the year ended, June 30, 2022. The FSS Grant has been submitted for the CY 2023 and the agency is currently awaiting for the award announcement. As of June 30, 2022 the Richmond Section 8 Housing Program had received $100,000 in Grant Funding for the program. Grant funding may vary slightly from year to year due to the pro-ration which is used to calculate the Family-Self Sufficiency Grant. Also, as of June 30, 2022 the Family-Self Sufficiency Program had $14,225 as compared to $15,890, as of June 30, 2021 an decrease of $1,665 in FSS Program escrow forfeitures for the year ended June 30, 2022. The Family-Self Sufficiency had 84 program participants and 11 graduates from the FSS Program for the year ended June 30, 2022, a total of $20.848.was paid from the Richmond Section 8 Housing's escrow to the graduates.

Housing Assistance Payments (HAP) expenses decreased $100,691 from $3,318,172 in 2021 to $3,217,481 in 2022.

Depreciation expense decreased $1,272, from $6,714 in 2021 to $5,442 in 2022.

Economic Factors

The Section 8 Housing Department is primarily dependent upon HUD for the funding of operations which will be affected by both federal budgetary decisions and by local economic conditions. The funding of programs could be significantly affected by the 2022 federal budget.

Contacting the Section 8 Housing Department's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Section 8 Housing Department's finances and to show the accountability for the money it receives. If you have questions about this report or wish to request additional financial information contact Susan Lillis, Executive Director, Section 8 Housing Department, 118 North 2nd Street, Richmond, KY, 40475 at (859) 353-5501.

City of Richmond, Kentucky
Section 8 Housing Department
Statement of Net Position
Proprietary Fund
June 30, 2022

ASSETS and DEFERRED OUTFLOWS OF RESOURCES	
Current Assets	
Cash and cash equivalents	$ 1,046,009
Cash and cash equivalents - restricted	197,603
Accounts receivable - miscellaneous	549
Fraud recovery	36,576
Allowance for doubtful accounts - fraud recovery	(20,000)
Accrued interest receivable	23
Total Current Assets	1,260,760
Noncurrent Assets	
Capital assets:	
Building	132,568
Equipment	85,151
Less: accumulated depreciation	(192,680)
Total Noncurrent Assets	25,039
Deferred outflows of resources	260,133
Total Assets and Deferred Outflow of Resources	**$ 1,545,932**
LIABILITIES and DEFERRED INFLOWS OF RESOURCES	
Current Liabilities	
Accounts payable	$ 32,576
Accrued compensated absences	12,855
Unearned revenue	66,731
Other current liabilities	86,627
Total Liabilities - Current	198,789
Noncurrent Liabilities	
Accrued compensated absences	123,586
Net pension liability	724,708
Net OPEB liability	217,560
Total Liabilities - Noncurrent	1,065,854
Deferred inflows of resources	270,072
Total Liabilities and Deferred Inflow of Resources	1,534,715
Net Position	
Net investment in capital assets	25,039
Restricted	44,245
Unrestricted	(58,067)
Total Net Position	**$ 11,217**

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

City of Richmond, Kentucky
Section 8 Housing Department
Statement of Revenues, Expenses
and Change in Net Position
Proprietary Fund
For the year ended June 30, 2022

Operating Revenues	
HUD operating grants	$ 3,800,336
Fraud recovery	18,842
Other revenue	70,184
Total Operating Revenues	3,889,362
Operating Expenses	
Administrative	
Salaries	268,440
Auditing	10,840
Employee benefits	138,508
Office expenses	32,468
Travel	17,838
Other	33,882
Tenant Services	
Salaries	64,755
Employee benefits	27,447
Other	684
Utilities	
Electricity	4,694
General	
Bad debt	47,696
Other	
Housing assistance payments	3,221,282
HAP - portability-in	47,565
Depreciation	5,442
Total Operating Expenses	3,921,541
Operating Income (Loss)	(32,179)
Nonoperating Revenues (Expenses)	
Interest income	2,882
Total Nonoperating Revenues (Expenses)	2,882
Change in Net Position	(29,297)
Total Net Position - beginning	77,428
Prior period adjustment	(36,914)
Total Net Position - ending	$ 11,217

3,921,541
- 268,440
- 64,755
- 138,508
- 27,447
3,422,391 Sub

Total Benefits
165,955
- 100,796.48 CERS
- 40,200 Health
- 24,958.52

333,195

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

City of Richmond, Kentucky
Section 8 Housing Department
Statement of Cash Flows
Proprietary Fund
For the year ended June 30, 2022

Cash Flows From Operating Activities	
Other revenue	$ 70,184
Housing assistance payments	(3,221,282)
Fraud recovery	60,289
Operating grant received	3,800,336
Cash paid for salaries	(333,195)
Cash paid for general operating expenses	(281,406)
Net cash provided / (used) by operating activities	94,926
Cash Flows From Investing Activities	
Interest earned	2,998
Net Increase / (Decrease) in Cash and Cash Equivalents	97,924
Cash and Cash Equivalents, Beginning of Year	1,145,688
Cash and Cash Equivalents, End of Year	$ 1,243,612
Reconciliation Of Cash Provided By Operating Activities	
Net operating income (loss)	$ (32,179)
Adjustments to reconcile net income to net cash provided by operating activities:	
depreciation	5,442
(increase) / decrease in receivables	41,447
GASB 68/75 pension/OPEB expense adjustment	23,862
increase / (decrease) in unearned revenue	(20,306)
increase / (decrease) in payables	76,660
Net cash provided / (used) by operating activities	$ 94,926

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

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Department conform to generally accepted accounting principles applicable to governments. The following is a summary of the more significant policies.

The program is operated by the Section 8 Housing Department (the "Department") of the City of Richmond, Kentucky to provide rental assistance to low-income families under a contract with the U.S. Department of Housing and Urban Development. The Department is subject to the authority of the Richmond City Commission.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development has direct responsibility for administering housing choice voucher programs in the United States. Accordingly, the U.S. Department of Housing and Urban Development has entered into contracts with the Section 8 Housing Department for purposes of leasing housing units and making annual contributions to the programs.

Enterprise Funds
Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprise 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.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Department's principal ongoing operations. The principal operating revenue of the Department is operating grants. Operating expenses of the Department include the cost of producing the revenue and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The enterprise fund of the Department is comprised of two programs: Voucher/Section 8 and Family Self-Sufficiency. These programs form the single enterprise fund of the Department.

The accounting and financial reporting treatment applied to the Department is determined by its measurement focus. The transactions of the Department are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net position which is total assets net of total liabilities is segmented into net investment in capital assets, restricted and unrestricted components. When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first, and then unrestricted resources as they are needed.

Basis of Accounting
The records of the Department are maintained, and the budgetary process is based on the accrual method of accounting.

Inventory
The cost of inventory is recorded as a disbursement at the time of payment for the purchase. Materials on hand are inventoried at year end and recorded as an asset at that time. They are stated at the lower of cost or fair market value using the FIFO method.

Cash
The Housing Department considers all highly liquid investments with a maturity date of twelve months or less from date of purchase to be cash equivalents. Certificates of deposit that are redeemable immediately with little or no penalty are considered cash equivalents.

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

Interest Rate Risk - The Housing Department's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit or any other federally insured investments.

The Housing Department's cash and cash equivalents consist of cash held in a checking account in the amount of $574,755, a draw account in the amount of $127,570 and an FSS escrow account in the amount of $86,622. Investments consist of $454,665 held in three certificates of deposit. Total cash and cash equivalents are $1,243,612. Deposits with financial institutions are secured as follows:

	Reconciled Bank Balance	Deposits in Bank
Insured by FDIC	$ 500,000	$ 500,000
Collateralized with specific securities in the Department's name which are held by the financial institution	743,612	745,228
Uncollateralized	0	0
	$ 1,243,612	$ 1,245,228

All investments are carried at cost plus accrued interest, which approximates market. The Department had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

Capital Assets
Capital assets purchased are capitalized at the time of purchase. Such assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Because development and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

The Department's capitalization policy is as follows: expenses costing more than $500 with an estimated useful life greater than one year are capitalized; all others are expensed.

Depreciation of property and equipment is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

Class	Life
Building and site improvements	30 years
Equipment	5 years
Computers	3 years

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

Net Position
Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on their use by external restrictions.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees' Retirement System (CERS) and additions to/deductions from CERS' fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 – Defined Benefit Pension Plan

General Information About the Pension Plan

Plan description - Regular, full-time, employees of the Authority are provided with pensions through the County Employees' Retirement System (CERS)—a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Public Pensions Authority. The assets of CERS are pooled with two other retirement systems Kentucky Public Pensions Authority administers, KERS & SPRS. Although invested each system's assets are used only for the members of that plan. Kentucky Revised Statute (KRS) chapter 61 grants the authority to establish and amend the benefit terms to the Kentucky Public Pensions Authority's Board of Trustees (Board). Kentucky Public Pensions Authority issues a publicly available financial report that can be obtained on their website.

Benefits provided - CERS provides retirement, insurance, disability, and death benefits. Retirement benefits are determined from an average of the five highest years of compensation for those whose participation began before September 01, 2008. For those who began participation on or after September 01, 2008 retirement benefits are determined as an average of the last complete five years. A percentage is then taken from those averages based on the employee's months of service. Employees are eligible for service-related disability benefits with at least 60 months of service. If the member is receiving monthly benefits based on at least four years of service, then a $5,000 death benefit is payable to the member's designated beneficiary. For those employees whose participation began prior to July 01, 2003, CERS will pay a portion of the monthly premium for single coverage based upon service credit accrued at retirement. For those employees whose participation began on or after July 01, 2003 and before September 01, 2008, employees are required to earn at least 10 years of service credit to be eligible for insurance benefits. Employees whose participation began on or after September 01, 2008 must earn at least 15 years of service credit to be eligible for insurance benefits.

Membership in the CERS Non-hazardous Pension Fund consisted of the following on June 30, 2019:

Membership Status	
Inactive plan members currently receiving benefits	65,414
Inactive plan members entitled to but not yet receiving benefits	95,692
Active plan members	81,250
Total plan members	242,356

Prior to July 1, 2009, cost of living adjustments (COLAs) were provided annually equal to the percentage increase in the annual average of the consumer price index (CPI) for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. After July 1, 2009, the COLAs were limited to 1.50%. No COLA has been granted since July 1, 2011.

Contributions

The Commonwealth is required to contribute at an actuarially determined rate for KERS and SPRS pensions. Participating employers are required to contribute at an actuarially determined rate for CERS pensions. Per Kentucky Revised Statute Sections KERS 61.565(3), CERS 78.545(33), and SPRS 16.645(18), normal contribution and past service contribution rates shall be determined by the Board on the basis of the last annual valuation preceding July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. However, formal commitment to provide the contributions by the employer is made through the biennial budget for KERS and SPRS.

For the fiscal years ended June 30, 2021 and 2020, participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal year is a percentage of each employee's creditable compensation. Administrative costs of KPPA are financed through employer contributions and investment earnings.

TIER 1:

Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% (Non-Hazardous) or 8% (Hazardous) of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

TIER 2:

Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 6% (Non-Hazardous) or 9% (Hazardous) of their annual creditable compensation. Further, 1% of these contributions are deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation (KAR) 105 KAR 1:420 Employer's administrative duties). These members are classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% contribution to the 401(h) account is non-refundable and is forfeited.

TIER 3:

Tier 3 plan members, who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5% (Non-Hazardous) or 8% (Hazardous) of their annual creditable compensation, and an additional 1% to the health insurance fund (401(h) account), which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (Non-Hazardous) or 7.5% (Hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

Contribution Rates and Amounts for CERS Non-Hazardous

				Employer		
Period	Pension	Insurance	Total	Pension	Insurance	Employee
07/01/2021-06/30/2022	21.17%	5.78%	26.95%	$ 59,168	$ 16,154	$ 13,974

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Authority reported a liability of $724,705 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's portion of the net pension liability was based on the Authority's proportionate share of retirement contributions for the fiscal year ended June 30, 2021. On June 30, 2021 the Authority's proportionate share was 0..0113666%.

Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense, they are labeled deferred inflows. If they will increase pension expense, they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period. For the year ended June 30, 2022, the Authority recognized pension expense of $71,745. On June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Liability Experience	$ 8,322	$ 7,034
Changes in assumptions	9,726	-0-
Differences between expected and actual Investment Experience	28,114	124,705
Changes in proportion and differences between employer contributions and proportionate share of contributions	20.190	17,609
Contributions subsequent to the measurement date	59,168	-0-
Total	$ 125,520	$ 149,348

$59,168 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The remaining amount of $(82,995) reported as the net effect of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2023	$(8,851)
2024	(22,227)

2025	(21,670)
2026	(30,247)
2027	-0-
Thereafter	-0-
Total	$ (82,995)

Actuarial methods & assumptions: For financial reporting, the actuarial valuation as of June 30, 2021, was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability, and sensitivity information as of June 30, 2021 were based on an actuarial valuation date of June 30, 2020. The total pension liability was rolled-forward from the valuation date (June 30, 2020) to the plan's fiscal year ending June 30, 2021, using generally accepted actuarial principles.

The actuarial assumptions are:

Inflation	2.30% for all plans
Payroll Growth Rate	2.0% for CERS non-hazardous
Salary Increases	3.30% to 10.30% varies by service for CERS non-hazardous
Investment Rate of Return	6.25% for CERS Non-hazardous

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System, and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

House Bill 1 passed during the 2019 Special Legislative Session allows certain employers in the KERS Nonhazardous plan to elect to cease participating in the System as of June 30, 2021 under different provisions than were previously established. Senate Bill 249 passed during the 2020 legislative session which delayed the effective date of cessation for these provisions to June 30, 2021. Since each employer's elections are unknown at this time, no adjustment to the Total Pension Liability was made to reflect this legislation.

Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. There were no other material plan provision changes.

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2021:

Valuation Date	June 30, 2019
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Amortization Period	30-year closed period at June 30, 2019. Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases
Payroll Growth Rate	2.00% for CERS non-hazardous
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30%-10.30%, Varies by Service for CERS non-hazardous
Investment Return	6.25% for CERS Non-hazardous

Mortality	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019
Phase-in Provision	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018.

The long-term expected rates of return were determined by using a building block method in which best estimated ranges of expected future real rates of return were developed for each asset class. The ranges were combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth	**68.50%**	
US Equity	21.75%	5.70%
Non-US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity	**11.50%**	
Core Bonds	10.00%	0.00%
Cash	1.50%	(.60)%
Diversifying Strategies	**20.00%**	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	n/a
Real Return	10.00%	4.55%
Expected Reat Return	**100.00%**	
Long Term Inflation Assumption		2.30%

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

A single discount rate of 6.25% was used to measure the total pension liability for the non-hazardous fund and the hazardous fund for the fiscal year ending June 30, 2021. The single discount rate determined for each fund is based on the expected rate of return on pension plan investments for each fund. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the non-hazardous and hazardous pension funds' fiduciary net position and future contributions were separately projected and were each sufficient to finance all the future benefit payments of the current fund members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for each fund.

The projection of cash flows used to determine the single discount rate for each fund must include an assumption regarding actual employer contributions made each future year. Except where noted below, future contributions are projected assuming that each participating employer in each pension fund contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028.

If there is a future pattern of legislation that has a resulting effect of employers making contributions less than the actuarially determined rate, we may be required to project contributions that are reflective of recent actual contribution efforts regardless of the stated funding policy (as required by paragraph 66 of GASB Statement No. 68).

Note, a single discount rate of 6.25% was used for the reporting and disclosure of the CERS pension plan under GASB Statement No. 67. This single discount rate disclosed for the plan is based on the 6.25% discount rate used for both the non-hazardous fund and the hazardous fund to measure the total pension liability for the fiscal year ending June 30, 2021.

Methodology for Proportionate Shares

The proportionate share of the Collective Pension Amounts for employers that participate in this cost-sharing multiple employer plan is provided in Appendix A and Appendix B of this report. In accordance with Paragraph 49 of GASB Statement No. 68, the proportionate share was determined separately for the Collective Pension Amounts attributable to the non-hazardous fund and hazardous fund.

The proportionate share of the Collective Pension Amounts for employers that participate in the CERS non-hazardous and hazardous pension funds was determined using the employers' actual contributions for the fiscal year ending June 30, 2021. This method is expected to be reflective of the employers' long-term contribution effort as well as be transparent to individual employers and their external auditors.

Non-Employer Contributions

Non-employer contributions will be allocated according to each employer's proportionate share, as described previously. There were no non-employer contributions during fiscal year ending June 30, 2021 for either the non-hazardous or hazardous funds.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate - The following presents the net pension liability of the System, calculated using the discount rate of 6.25%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate for non-hazardous:

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Proportionate share of the net pension liability	$ 929,472	$ 724,708	$ 555,270

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report.

Note 3 - Other Postemployment Benefits Plan (OPEB)

Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Public Pensions Authority's administers the Kentucky Employees Retirement System (KERS), County Employees Retirement System (CERS), and State Police Retirement System (SPRS) is a participating employer of the CERS. The plan issues publicly available financial statements which may be downloaded from the Kentucky Public Pensions Authority's website.

Plan Description - The Kentucky Public Pensions Authority (KPPA) Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from KERS, CERS and SPRS. Although the assets of the systems are invested as a whole, each system's assets are used only for the payment of benefits to the members of that plan and the administrative costs incurred by those receiving an insurance benefit.

The CERS Non-hazardous Insurance Fund is a cost-sharing multiple-employer defined benefit Other Postemployment Benefits (OPEB) plan that covers substantially all regular full-time members employed in positions of each participating county, city and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for health insurance benefits to plan members. OPEB may be extended to beneficiaries of plan members under certain circumstances.

Timing of the Valuation

For the employer's financial reporting purposes, the net pension liability and pension expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. The total pension liability, net pension liability, and sensitivity information show in this report are based on an actuarial valuation date of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2021, using generally accepted actuarial principles. This information was determined separately for the non-hazardous pension fund and the hazardous pension fund.

There have been no actuarial assumption or method changes since June 30, 2020. Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total pension liability as of June 30, 2021, is determined using these updated benefit provisions. There were no other material plan provision changes, and it is our opinion that these procedures are reasonable and appropriate and comply with applicable requirements under GASB Statement No. 68.

Employer Contributions after the Measurement Date and before the Employer's Fiscal Year End

Paragraph 57 of GASB No. 68 indicates that employer contributions made subsequent to the measurement date of the Net Pension Liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to pensions. The information contained in this report does not incorporate any contributions made to the pension plan subsequent to June 30, 2021.

Actuarial methods & Assumptions

For financial reporting, the actuarial valuation as of June 30, 2021, was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability, net OPEB liability and sensitivity information as of June 30, 2021 were based on an actuarial valuation date of June 30, 2020. The total pension liability was rolled-forward from the valuation date (June 30, 2020) to the plan's fiscal year ending June 30, 2021, using generally accepted actuarial principles.

Long-Term Expected Rate of Return

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below.

Asset Class	Target Allocation	Real Rate of Return
Growth	**68.50%**	
US Equity	21.75%	5.70%
Non-US Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Liquidity	**11.50%**	
Core Bonds	10.00%	0.00%
Cash	1.50%	(.60)%
Diversifying Strategies	**20.00%**	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	n/a
Real Return	10.00%	4.55%
Expected Real Return	**100.00%**	**5.00%**
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		7.30%

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

A single discount rate of 6.25% was used to measure the total pension liability for the non-hazardous fund and the hazardous fund for the fiscal year ending June 30, 2021. The single discount rate determined for each fund is based on the expected rate of return on pension plan investments for each fund. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the non-hazardous and hazardous pension funds' fiduciary net position and future contributions were separately projected and were each sufficient to finance all the future benefit payments of the current fund members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for each fund.

The projection of cash flows used to determine the single discount rate for each fund must include an assumption regarding actual employer contributions made each future year. Except where noted below, future contributions are projected assuming that each participating employer in each pension fund contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028.

If there is a future pattern of legislation that has a resulting effect of employers making contributions less than the actuarially determined rate, we may be required to project contributions that are reflective of recent actual contribution efforts regardless of the stated funding policy (as required by paragraph 66 of GASB Statement No. 68).

Note, a single discount rate of 6.25% was used for the reporting and disclosure of the CERS pension plan under GASB Statement No. 67. This single discount rate disclosed for the plan is based on the 6.25% discount rate used for both the non-hazardous fund and the hazardous fund to measure the total pension liability for the fiscal year ending June 30, 2021.

Methodology for Proportionate Shares

The proportionate share of the Collective Pension Amounts for employers that participate in this cost sharing multiple employer plan is provided in Appendix A and Appendix B of this report. In accordance with Paragraph 49 of GASB Statement No. 68, the proportionate share was determined separately for the Collective Pension Amounts attributable to the non-hazardous fund and hazardous fund. The proportionate share of the Collective Pension Amounts for employers that participate in the CERS non-hazardous and hazardous pension funds was determined using the employers' actual contributions for the fiscal year ending June 30, 2021. This method is expected to be reflective of the employers' long-term contribution effort as well as be transparent to individual employers and their external auditors.

Non-Employer Contributions

Non-employer contributions will be allocated according to each employer's proportionate share, as described previously. There were no non-employer contributions during fiscal year ending June 30, 2021 for either the non-hazardous or hazardous funds.

Use of Estimates in the Preparation of the Schedules

The preparation of the schedules in conformity with U.S. generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

The following actuarial methods and assumptions, for actuarially determined contributions effective for the fiscal year ending June 30, 2020:

Determined by the Actuarial Valuation as of:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization Method:	Level Percent of Pay
Amortization Period:	30-year closed period at June 30, 2019 *Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases*
Payroll Growth Rate	2.00%
Investment Return:	6.25%
Inflation:	2.30%
Salary Increases:	3.30% to 10.30% for CERS non-hazardous members, varies by service 3.55% to 19.05% for CERS hazardous members, varies by service
Mortality:	System-specific mortality table based on mortality experience from 2013- 2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019

Healthcare Trend Rates: Pre-65	Initial trend starting at 6.25% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2020 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Healthcare Trend Rates: Post-65	Initial trend starting at 5.50% at January 1, 2021 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The 2020 premiums were known at the time of the valuation and were incorporated into the liability measurement.
CERS Phase-in Provisions:	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

Implicit Subsidy

KPPA pays fully insured premiums for the Kentucky Health Plan. The premiums are blended rates based on the combined experience of active and retired members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit employer subsidy for the non-Medicare eligible retirees. GASB 74 requires that the liability associated with this implicit subsidy be included in the calculation of the total OPEB liability. The Authority's implicit subsidy for the year ended June 30, 2022 was $9,409.

Contributions

The Commonwealth is required to contribute at an actuarially determined rate for KERS and SPRS pensions. Participating employers are required to contribute at an actuarially determined rate for CERS pensions. Per Kentucky Revised Statute Sections KERS 61.565(3), CERS 78.545(33), and SPRS 16.645(18), normal contribution and past service contribution rates shall be determined by the Board on the basis of the last annual valuation preceding July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. However, formal commitment to provide the contributions by the employer is made through the biennial budget for KERS and SPRS.

For the fiscal years ended June 30, 2021 and 2020, participating employers contributed a percentage of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal year is a percentage of each employee's creditable compensation. Administrative costs of KPPA are financed through employer contributions and investment earnings.

Contribution Rates and Amounts for CERS Non-Hazardous

				Employer		
Period	Pension	Insurance	Total	Pension	Insurance	Employee
07/01/2021-06/30/2022	21.17%	5.78%	26.95%	$ 59,168	$ 16,154	$ 13,974

Contributions including implicit subsidy $20,253

For additional information regarding contributions, please refer to the Defined Benefit Pension Plan footnote.

TIER 1:

Tier 1 plan members who began participating prior to September 1, 2008, are required to contribute 5% (Non-Hazardous) or 8% (Hazardous) of their annual creditable compensation. These members are classified in the Tier 1 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest.

TIER 2:

Tier 2 plan members, who began participating on, or after, September 1, 2008, and before January 1, 2014, are required to contribute 6% (Non-Hazardous) or 9% (Hazardous) of their annual creditable compensation. Further, 1% of these contributions are deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation (KAR) 105 KAR 1:420 Employer's administrative duties). These members are classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% contribution to the 401(h) account is non-refundable and is forfeited.

TIER 3:
Tier 3 plan members, who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5% (Non-Hazardous) or 8% (Hazardous) of their annual creditable compensation, and an additional 1% to the health insurance fund (401(h) account), which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (Non-Hazardous) or 7.5% (Hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

OPEB Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

On June 30, 2022, the Authority reported a liability of $217,560 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, rolled-forward to June 30, 2021 using generally accepted actuarial principles. The Authority's proportion of the net OPEB liability was determined using the Authority's actual contributions for the year ended June 30, 2021. This method is expected to be reflective of the Authority's long-term contribution effort. For the year ended June 30, 2022, the Authority's proportion was 0.0113641% which is equal to its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the Authority recognized OPEB expense of $27,423. On June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability experience	$ 34,211	$ 64,956
Effects of changes in assumptions	57,679	202
Differences between projected and actual earnings on plan investments	10,961	44,995
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,448	10,570
Contributions subsequent to the measurement date + implicit subsidy	23,313	-0-
Total	$ 134,612	$ 120,723

$23,313 reported of deferred outflows of resources resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as the net effect of deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30	Amount
2023	$ (4,788)
2024	(382)
2025	(841)
2026	(12,989)
2027	-0-
Thereafter	-0-
Total	$ (9,424)

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.34%, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.34%) or 1% higher (6.34%) than the current rate:

	Discount Rate	Proportionate Share of Net OPEB Liability
1% decrease	4.34%	$ 298,708
Current discount rate	5.34%	$ 217,560
1% increase	6.34%	$ 150,964

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates (see details in Actuarial Assumptions above), as well as what the proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1% lower or 1% higher than the current rates:

	Proportionate Share of Net OPEB Liability
1% decrease	$ 156,617
Current healthcare cost trend rate	$ 217,560
1% increase	$ 150,964

Note 4 - Leave Policies

Any employee who as of January 01, 2012 presently has accrued vacation leave ("Presently Accrued Leave") shall retain it and may continue to carry such Presently Accrued Leave into future years without lapse. The provisions set forth below regarding the lapse of unused vacation leave shall not apply to Presently Accrued Leave, such provision to have prospective application only. Such presently accrued leave may be taken by the employee as paid vacation leave, the employee shall receive pay for it at his or her then current rate of pay. An employee shall receive payment in lieu of vacation for all Presently Accrued Leave yet retained as of the time of the employee's separation from the Department; provided, however, that the rate of pay for such Presently Accrued Leave at separation shall be the employee's rate of pay as of January 01, 2012.

Employees hired before July 01, 2004 have the following options relative to accrued but unused sick leave upon retirement from the Department: (1) the employee can be paid for such sick leave; (2) the employee can apply up to six months of such sick leave towards CERS retirement at the expense of the Department; or (3) the employee can roll such sick leave into the employee's 457 plan.
Accrual is based on the following table:

Years of Service	Vacation Hours
1-10	80 hours per year
11-20	120 hours per year
21 and up	160 hours per year

Accrued vacation, banked	$ 20,697
Accrued vacation	39,227
Accrued COVID comp time	9,726
Accrued sick	64,791
Accrued personal	0
Accrued compensated absences	$ 136,441
Current liability	$ 12,855
Noncurrent liability	123,586
	$ 136,441

Note 5 - Changes in Capital Assets

The following is a summary of changes in capital assets for the year:

	Balance 7/1/211	Transfers/ Additions	Deletions	Balance 6/30/2022
Buildings	$ 132,568	$ -	$ -	$ 132,568
Equipment	85,151	-	-	85,151
	$ 217,719	$ -	$ -	$ 217,719
Accumulated depreciation	$ 187,238	$ 5,442	$ -	$ 192,680
Capital assets, net of accumulated depreciation	$ 30,481			$ 25,039

Note 6 – Contingencies

The Department is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws, and regulations governing other grants given to the Department in the current and prior years. There were no examinations for the year ended June 30, 2022. Areas of noncompliance, if any, as a result of examinations would be included as a part of the "Findings and Questioned Costs" section of this report.

Note 7 – Risk Management

The Department is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Department carries commercial insurance coverage for the risks to the extent deemed prudent by Department management.

Note 8 – Related Parties

The Department entered into an annual operating lease with a related party, the City of Richmond, Kentucky. The Department shall pay rent for the premises at the rate of $8.50 per square foot, such rent to be paid monthly in the amount of $3,046 per month. The lease shall have an initial term of five years commencing on November 01, 2015 and running through October 31, 2020, with one renewal term for an additional five years commencing on November 1, 2020 and running through October 31, 2025. It shall be conclusively presumed that the lease has been renewed for the renewal term unless either of the parties shall have given notice to the other on or before August 01, 2020 of its intent not to renew. Additional details of this operating lease may be obtained by contacting The Department.

Note 9 - Restricted Cash

The voucher program has restricted cash as follows:

Unspent HAP equity $ 153,358

Note 10 – Subsequent Events

The Department has evaluated subsequent events through November 22, 2022, and that is the date that the financial statements were available to be issued.

Subsequent Event - Coronavirus Pandemic:

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the entity's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

Note 11 – Prior Period Adjustment

A prior period adjustment was made to adjust for changes to GASB 68/75 in the amount of $37,540:

Debit | (Credit)

Account	Amount
Net pension liability	$ 109,140
Net OPEB liability	44,892
Deferred inflows of resources	(183,929)
Deferred outlfows of resources	(30,879)
Pension expense (retirement contr.)	23,862
Total	$ 36,914

Note 12 - Noncurrent Liabilities

Description	Balance, 07/01/2021	Additions	Subtractions	Balance, 06/30/2022	Current Portion	Noncurrent Portion
Accrued compensated absences	$ 106,942	$ 29,499	$ -	$ 136,441	$ 12,855	$ 123,586
Net pension liability	833,848	-	109,140	724,708	-	724,708
Net OPEB liability	262,452	-	44,892	217,560	-	217,560
Total	$ 1,203,242	$ 29,499	$ 154,032	$ 1,078,709	$ 12,855	$ 1,065,854

REQUIRED SUPPLEMENTARY INFORMATION

City of Richmond, Kentucky
Section 8 Housing Department
Schedule of Employer's Proportionate Share of Net Pension Liability
June 30, 2022

	Measurement Date				
	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Proportion of the net pension liability (asset)	0.010805%	0.011508%	0.011287%	0.010872%	0.011367%
Proportionate share of the net pension liability (asset)	$ 637,620	$ 700,881	$ 793,797	$ 833,848	$ 724,708
Covered employee payroll	$ 272,907	$ 289,911	$ 285,226	$ 278,478	$ 290,333
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	233.64%	241.76%	278.30%	299.43%	249.61%
Plan fiduciary net position as a percentage of the total pension liability	53.32%	53.54%	50.45%	47.81%	57.33%

	6/30/2015	6/30/2016
Proportion of the net pension liability (asset)	0.015930%	0.012299%
Proportionate share of the net pension liability (asset)	$ 684,922	$ 605,571
Covered employee payroll	$ 267,772	$ 274,064
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	255.79%	220.96%
Plan fiduciary net position as a percentage of the total pension liability	59.97%	55.50%

City of Richmond, Kentucky
Section 8 Housing Department
Schedule of Employer's Contributions - Net Pension Liability
June 30, 2022

	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Contractually required contribution	$ 41,979	$ 46,178	$ 53,746	$ 56,034	$ 60,421
Contributions in relation to the contractually required contribution	41,979	46,178	53,746	56,034	60,421
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 289,911	$ 284,698	$ 278,478	$ 290,333	$ 313,060
Contributions as a percentage of covered employee payroll	14.48%	16.22%	19.30%	19.30%	19.30%

	6/30/2016	6/30/2017
Contractually required contribution	$ 34,039	$ 36,699
Contributions in relation to the contractually required contribution	34,039	36,699
Contribution deficiency	$ -	$ -
Covered employee payroll	$ 274,064	$ 263,073
Contributions as a percentage of covered employee payroll	12.42%	13.95%

City of Richmond, Kentucky
Section 8 Housing Department
Schedule of Employer's Proportionate Share of Net OPEB Liability
June 30, 2022

	Measurement Date				
	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Proportion of net OPEB liability (asset)	0.010805%	0.011415%	0.011284%	0.010869%	0.011364%
Proportionate share of net OPEB liability (asset)	$ 217,215	$ 202,675	$ 189,786	$ 262,452	$ 217,560
Covered employee payroll	$ 272,907	$ 289,911	$ 285,226	$ 278,478	$ 290,333
Proportionate share of the net OPEB liability (asset) as a percentage of covered employee payroll	79.59%	69.91%	66.54%	94.25%	74.93%
Plan fiduciary net position as a percentage of the total OPEB liability	52.39%	57.62%	60.44%	51.67%	62.91%

City of Richmond, Kentucky
Section 8 Housing Department
Schedule of Employer's Contributions - Net OPEB Liability
June 30, 2022

	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Statutorily required contribution	$ 13,626	$ 14,975	$ 13,256	$ 13,820	$ 14,902
Contributions in relation to the statutorily required contribution	13,626	14,975	13,256	13,820	14,902
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 289,911	$ 284,698	$ 278,478	$ 290,333	$ 313,060
Contributions as a percentage of covered-employee payroll	4.70%	5.26%	4.76%	4.76%	4.76%

County Employee Retirement System – Pension & Insurance Funds

Changes of Benefit Terms

During the **2021** legislative session, Senate Bill 169 passed during the 2021 legislative session and increased the disability benefits for certain qualifying members who become "totally and permanently disabled" in the line of duty or as a result of a duty-related disability. The total OPEB liability as of June 30, 2021 is determined using these updated benefit provisions. There were no other material plan provision changes, and it is our opinion that these procedures are reasonable and appropriate and comply with applicable requirements under GASB Statement No. 75.

During the **2020** legislative session, Senate Bill 249 passed and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020.

During the **2019** Special Legislative Session, House Bill 1 passed allowing certain employers in the KERS Nonhazardous plan to elect to cease participating in the System as of June 30, 2021 under different provisions than were previously established. Senate Bill 249 passed during the 2020 legislative session which delayed the effective date of cessation for these provisions to June 30, 2021. Since each employer's elections are unknown at this time, no adjustment to the Total Pension Liability was made to reflect this legislation.

During the **2019** legislative session, House Bill 484 was enacted, which updated the benefit provisions for active members who die in the line of duty.

- Pension – Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children.

- Insurance – The system shall now pay 100% of the insurance premium for spouses and children of all active members who die in the line of duty.

Changes in Assumptions

The following changes were adopted by the Board of Trustees and reflected in the valuation performed as of **June 30, 2021:**

- The rate of inflation, payroll growth rate, and investment return assumptions remain the same as those adopted for the June 30, 2019 valuation.
- The salary increase assumption was increased from a range of 3.30%-11.55% to a range of 3.30% - 10.30%.
- The healthcare trend rates used were updated to the following:

  Pre-65 – Initial trend starting at 6.25% at January 01, 2021, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

  Post-65 – Initial trend starting at 5.50% at January 01, 2021, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
- The mortality tables used were updated to the following:

  System-specific mortality table based on morality experience from 2013-2018, projected with the ultimate rates from MP-2014 morality improvement scale using a base year of 2019.

The following changes were adopted by the Board of Trustees and reflected in the valuation performed as of **June 30, 2020:**

- The rate of inflation, payroll growth rate, investment rate of return, healthcare trend rate assumptions and mortality tables remain the same as those previously adopted.

The following changes were adopted by the Board of Trustees and reflected in the valuation performed as of **June 30, 2019:**

- The rate of inflation, payroll growth rate, salary increases, and investment rate of return assumptions remain the same as those adopted for the June 30, 2017 valuation.
- The salary increase assumption was increased from an average of 3.05% to a range that varies by service of 3.30% - 10.30%.
- The healthcare trend rates used were updated to the following:

  Pre-65 – Initial trend starting at 7.00% at January 01, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years.

  Post-65 – Initial trend starting at 5.00% at January 01, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years.
- The mortality tables used were updated to the following:

  Active members – PUB 2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

  Healthy retired members – System specific mortality table based on mortality experience form 2013-2018, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2019.

  Disabled retire members – PUB 2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality scale using a base year of 2010.

The following changes were adopted by the Board of Trustees and reflected in the valuation performed as of **June 30, 2017:**

- The assumed investment rate of return was decreased from 7.50% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- The payroll growth rate was reduced from 4.00% to 2.00%.
- The salary increase assumption was reduced from 4.00% average to 3.05% average.

The following changes were adopted by the Board of Trustees and reflected in the valuation performed as of **June 30, 2015:**

- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 4.50% to 4.00%.
- The payroll growth assumption was reduced from 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB 2013 (multiplied by 50% for males and 30% for females)
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set-back four years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.
- Assumed rates of retirement, withdrawal, and disability were updated to more accurately reflect experience.

SUPPLEMENTARY INFORMATION

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

Honorable Robert Blythe, Mayor
Richmond City Commission
Section 8 Housing Department
Richmond, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Section 8 Housing Department, City of Richmond, Kentucky, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Section 8 Housing Department, City of Richmond, Kentucky's basic financial statements, and have issued our report thereon dated November 22, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Section 8 Housing Department, City of Richmond, Kentucky's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Section 8 Housing Department, City of Richmond, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of Section 8 Housing Department, City of Richmond, Kentucky's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Section 8 Housing Department, City of Richmond, Kentucky's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lane & Company LLC

Mount Sterling, Kentucky

November 22, 2022

SECTION 8 HOUSING DEPARTMENT
CITY OF RICHMOND, KENTUCKY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended June 30, 2022

Program Title	Federal CFDA#	Federal Expenditures
U.S. Department of HUD Direct Program Section 8 Housing Choice Vouchers	14.871	$ 3,637,768
U.S. Department of HUD Direct Program HCV CARES Act Funding	14.HCC	21,248
U.S. Department of HUD Direct Program Family Self-Sufficiency Program	14.896	92,886
U.S. Department of HUD Direct Program Emergency Housing Choice Vouchers	14.EHV	48,434
Total		$ 3,800,336

Notes to Schedule of Expenditures of Federal Awards

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the City of Richmond, Kentucky, Section 8 Housing Department ("the Department"), under programs of the federal government for the year ended December 31, 2018, 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").*

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Department's federal award program and does present transactions that would be included in financial statements of the Department presented on the accrual basis of accounting as contemplated by generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited to reimbursement.

NOTE C – INDIRECT COST RATE

The Department elected not to use the 10% de minimis cost rate allowed under Uniform Guidance.

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

Honorable Robert Blythe, Mayor
Richmond City Commission
Section 8 Housing Department
Richmond, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Section 8 Housing Department, City of Richmond, Kentucky's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Section 8 Housing Department, City of Richmond, Kentucky's major federal programs for the year ended June 30, 2022. Section 8 Housing Department, City of Richmond, Kentucky's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Section 8 Housing Department, City of Richmond, Kentucky complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Section 8 Housing Department, City of Richmond, Kentucky and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Section 8 Housing Department, City of Richmond, Kentucky'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 Section 8 Housing Department, City of Richmond, Kentucky'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 Section 8 Housing Department, City of Richmond, Kentucky'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 Section 8 Housing Department, City of Richmond, Kentucky's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional 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 Section 8 Housing Department, City of Richmond, Kentucky'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 Section 8 Housing Department, City of Richmond, Kentucky'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 Section 8 Housing Department, City of Richmond, Kentucky'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.

Government Auditing Standards requires the auditor to perform limited procedures on Section 8 Housing Department, City of Richmond, Kentucky's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Section 8 Housing Department, City of Richmond, Kentucky's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Lane & Company LLC

Mount Sterling, Kentucky

November 22, 2022

SECTION 8 HOUSING DEPARTMENT
CITY OF RICHMOND, KENTUCKY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2022

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*unmodified*
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ no
Internal control over compliance:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ no
Noncompliance material to financial statements noted?	___ yes _x_ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ yes _x_ no
Significant deficiency(ies) identified?	___ yes _x_ no
Type of auditor's report issued on compliance for major programs:	*unmodified*
Any audit findings disclosed that are related to major programs that are required to be reported in accordance with *Uniform Guidance*?	___ yes _x_ no

Identification of Major Programs

CFDA Number(s)	Name of Federal Program(s)
14.871	Section 8 Housing Choice Vouchers

Miscellaneous

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	_x_ yes ___ no

B. Financial Statement Findings

PRIOR FINDINGS
None

CURRENT FINDINGS
None

C. Federal Award Findings & Questioned Costs
None

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To the Director and City Commission
Section 8 Housing Department
Richmond, Kentucky

We have audited the financial statements of the Section 8 Housing Department, City of Richmond, Kentucky for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and *Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated March 27, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Section 8 Housing Department, City of Richmond, Kentucky are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the allowance for doubtful accounts is based on management's review of outstanding accounts and past experience. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 22, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to the Schedule of Employer's Proportionate Share of Net Pension Liability, Schedule of Employer's Contributions – Net Pension Liability, Schedule of Employer's Proportionate Share of Net OPEB Liability and Schedule of Employer's Contributions – Net OPEB Liability which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditure of Federal Awards and the Financial Data Schedule, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Section 8 Housing Department, City of Richmond, Kentucky and management of the Section 8 Housing Department, City of Richmond, Kentucky and should not be used for any other purpose.

Lane & Company LLC

Mount Sterling, Kentucky

November 22, 2022

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Director and City Commission
Section 8 Housing Department
Richmond, Kentucky

We have performed the procedure enumerated in the second paragraph of this report, which was agreed to by the City of Richmond, Kentucky, Section 8 Housing Department (the Department) and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), on whether the electronic submission of certain information agrees with the related hard copy documents. The Department is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart below under the "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the electronic submission of the items listed in the "UFRS Rule Information" column agrees with the related hard copy documents within the audit reporting package. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We were engaged to perform an audit in accordance with *OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (OMB *Uniform Guidance*), by the Department as of and for the year ended June 30, 2022, and have issued our report thereon dated November 22, 2022. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the Department's Financial Data Schedule dated November 22, 2022, was expressed in relation to the basic financial statements of the Department taken as a whole.

A copy of the reporting package required by OMB Uniform Guidance, which includes the auditor's report, is available in its entirety from the Department. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

The purpose of this report on applying the agreed-upon procedures is solely to describe the procedure performed on the electronic submission of the items listed in the "UFRS Rule Information" column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees/ Not Agrees
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDAs, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (G4200-020 & G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

Lane & Company LLC

Mount Sterling, Kentucky

November 22, 2022

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
111 Cash - Unrestricted		$15,000	$1,031,009			$1,046,009
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted	$35,286		$130,872		$31,445	$197,603
114 Cash - Tenant Security Deposits						
115 Cash - Restricted for Payment of Current Liabilities			$0			$0
100 Total Cash	$35,286	$15,000	$1,161,881	$0	$31,445	$1,243,612
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects						
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous			$549			$549
126 Accounts Receivable - Tenants			$0			$0
126.1 Allowance for Doubtful Accounts -Tenants			$0			$0
126.2 Allowance for Doubtful Accounts - Other			$0			$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery			$36,576			$36,576
128.1 Allowance for Doubtful Accounts - Fraud			-$20,000			-$20,000
129 Accrued Interest Receivable			$23			$23
120 Total Receivables, Net of Allowances for Doubtful Accounts	$0	$0	$17,148	$0	$0	$17,148
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets						
143 Inventories						
143.1 Allowance for Obsolete Inventories						
144 Inter Program Due From						

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
145 Assets Held for Sale						
150 Total Current Assets	$35,286	$15,000	$1,179,029	$0	$31,445	$1,260,760
161 Land			$132,568			$132,568
162 Buildings			$85,151			$85,151
163 Furniture, Equipment & Machinery - Dwellings						
164 Furniture, Equipment & Machinery - Administration						
165 Leasehold Improvements						
166 Accumulated Depreciation			-$192,680			-$192,680
167 Construction in Progress						
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$0	$25,039	$0	$0	$25,039
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	$0	$0	$25,039	$0	$0	$25,039
200 Deferred Outflow of Resources			$260,133			$260,133
290 Total Assets and Deferred Outflow of Resources	$35,286	$15,000	$1,464,201	$0	$31,445	$1,545,932
311 Bank Overdraft						
312 Accounts Payable <= 90 Days			$32,576			$32,576
313 Accounts Payable >90 Days Past Due						

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
321 Accrued Wage/Payroll Taxes Payable						
322 Accrued Compensated Absences - Current Portion			$12,855			$12,855
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government						
341 Tenant Security Deposits						
342 Unearned Revenue	$35,286				$31,445	$66,731
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities			$86,627			$86,627
346 Accrued Liabilities - Other						
347 Inter Program - Due To						
348 Loan Liability - Current						
310 Total Current Liabilities	$35,286	$0	$132,058	$0	$31,445	$198,789
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current			$123,586			$123,586
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities			$942,268			$942,268
350 Total Non-Current Liabilities	$0	$0	$1,065,854	$0	$0	$1,065,854
300 Total Liabilities	$35,286	$0	$1,197,912	$0	$31,445	$1,264,643

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
400 Deferred Inflow of Resources			$270,072			$270,072
508.4 Net Investment in Capital Assets	$0	$0	$25,039	$0	$0	$25,039
511.4 Restricted Net Position	$0	$0	$44,245	$0	$0	$44,245
512.4 Unrestricted Net Position	$0	$15,000	-$73,067	$0	$0	-$58,067
513 Total Equity - Net Assets / Position	$0	$15,000	-$3,783	$0	$0	$11,217
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$35,286	$15,000	$1,464,201	$0	$31,445	$1,545,932

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
For the year ended June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
70300 Net Tenant Rental Revenue						
70400 Tenant Revenue - Other						
70500 Total Tenant Revenue	$0	$0	$0	$0	$0	$0
70600 HUD PHA Operating Grants	$92,886		$3,637,768	$21,248	$48,434	$3,800,336
70610 Capital Grants						
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue						
70800 Other Government Grants						
71100 Investment Income - Unrestricted			$2,882			$2,882
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery			$18,842			$18,842
71500 Other Revenue			$70,184			$70,184
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted						
70000 Total Revenue	$92,886	$0	$3,729,676	$21,248	$48,434	$3,892,244
91100 Administrative Salaries			$268,440			$268,440
91200 Auditing Fees			$10,840			$10,840
91300 Management Fee						

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
For the year ended June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
91310 Book-keeping Fee						
91400 Advertising and Marketing						
91500 Employee Benefit contributions - Administrative			$138,508			$138,508
91600 Office Expenses			$32,468			$32,468
91700 Legal Expense						
91800 Travel			$17,838			$17,838
91810 Allocated Overhead						
91900 Other			$12,634	$21,248		$33,882
91000 Total Operating - Administrative	$0	$0	$480,728	$21,248	$0	$501,976
92000 Asset Management Fee						
92100 Tenant Services - Salaries	$64,755					$64,755
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services	$27,447					$27,447
92400 Tenant Services - Other	$684					$684
92500 Total Tenant Services	$92,886	$0	$0	$0	$0	$92,886
93100 Water						
93200 Electricity			$4,694			$4,694
93300 Gas						
93400 Fuel						
93500 Labor						
93600 Sewer						
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	$0	$0	$4,694	$0	$0	$4,694

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
For the year ended June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
94100 Ordinary Maintenance and Operations - Labor						
94200 Ordinary Maintenance and Operations - Materials and Other						
94300 Ordinary Maintenance and Operations Contracts						
94500 Employee Benefit Contributions - Ordinary Maintenance						
94000 Total Maintenance	$0	$0	$0	$0	$0	$0
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	$0	$0	$0	$0	$0	$0
96110 Property Insurance						
96120 Liability Insurance						
96130 Workmen's Compensation						
96140 All Other Insurance						
96100 Total insurance Premiums	$0	$0	$0	$0	$0	$0
96200 Other General Expenses						
96210 Compensated Absences						
96300 Payments in Lieu of Taxes						
96400 Bad debt - Tenant Rents			$47,696			$47,696
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	$0	$0	$47,696	$0	$0	$47,696

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
For the year ended June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0	$0
96900 Total Operating Expenses	$92,886	$0	$533,118	$21,248	$0	$647,252
97000 Excess of Operating Revenue over Operating Expenses	$0	$0	$3,196,558	$0	$48,434	$3,244,992
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments			$3,169,047		$48,434	$3,217,481
97350 HAP Portability-In			$51,366			$51,366
97400 Depreciation Expense			$5,442			$5,442
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	$92,886	$0	$3,758,973	$21,248	$48,434	$3,921,541
10010 Operating Transfer In						
10020 Operating transfer Out						
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						

City of Richmond Section 8 Housing Program (KY132)
Financial Data Schedule, Audited, Single Audit
For the year ended June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	$0	$0	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$0	$0	-$29,297	$0	$0	-$29,297
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0
11030 Beginning Equity	$0	$15,000	$62,428	$0	$0	$77,428
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			-$36,914			-$36,914
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			-$48,028			-$48,028
11180 Housing Assistance Payments Equity			$44,245			$44,245
11190 Unit Months Available			8820		119	8939
11210 Number of Unit Months Leased			8450		119	8569
11270 Excess Cash						
11610 Land Purchases						
11620 Building Purchases						
11630 Furniture & Equipment - Dwelling Purchases						

City of Richmond Section 8 Housing Program (KY132)

Financial Data Schedule, Audited, Single Audit

For the year ended June 30, 2022

	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	Total
11640 Furniture & Equipment - Administrative Purchases						
11650 Leasehold Improvements Purchases						
11660 Infrastructure Purchases						
13510 CFFP Debt Service Payments						
13901 Replacement Housing Factor Funds						

FORM SF-SAC (09-16-2022) U.S. Dept. of Commerce - Economics and Statistics Administration - U.S. Census Bureau
OMB No. 0607-0518. Approval Expires 02/28/2025 ACTING AS THE COLLECTING AGENT FOR OFFICE OF MANAGEMENT AND BUDGET

Data Collection Form for Reporting on AUDITS OF STATES, LOCAL GOVERNMENTS, INDIAN TRIBES, INSTITUTIONS OF HIGHER EDUCATION, AND NONPROFIT ORGANIZATIONS for Fiscal Period Ending Dates in 2022

PART I: GENERAL INFORMATION

REPORT ID: **957260** VERSION: **1**

1. Fiscal Period

a. Start Date: 7/1/2021 (MM/DD/YYYY)

b. End Date: 6/30/2022 (MM/DD/YYYY)

2. Type of Uniform Guidance Audit

[X] Single audit
[ ] Program-specific audit
[ ] Alternative Compliance Examination Engagement

3. Audit Period Covered

[X] Annual
[ ] Biennial
[ ] Other: Number of Months [ ]

4. Auditee Identification Numbers

a. Auditee Employer Identification Number (EIN): 61-6001904

b. Are multiple EINs covered in this report? [ ] Yes [X] No

c. If Part I, Item 4b is Yes, complete the attached Auditee EIN Continuation Sheet

d. Auditee Data Universal Numbering System (DUNS) Number: [ ]

e. Are multiple DUNS numbers covered in this report? [ ] Yes [X] No

f. If Part I, Item 4e is Yes, complete the attached Auditee DUNS Continuation Sheet

g. Auditee Unique Entity Identification Number (UEI): SL6PCQQ19F25

h. Are multiple UEIs covered in this report? [ ] Yes [X] No

i. If Part I, Item 4h is Yes, complete the attached Auditee UEI Continuation Sheet

5. Auditee Information

a. Auditee Name: CITY OF RICHMOND, KENTUCKY, SECTION 8 HOUSING DEPARTMENT

b. Auditee Address
Number and Street: 118 NORTH 2ND STREET
City: RICHMOND State: KY Zip Code: 40475

c. Auditee Contact
Name: JENNIFER FIELDER
Title: CFO

d. Auditee Contact Telephone: (859)575-7165

e. Auditee Contact E-mail: JFIELDER@RICHMOND.KY.US

6. Primary Auditor Information

a. Audit Firm/Organization Name: LANE AND COMPANY LLC

b. Audit Firm/Organization EIN: 32-0165874

c. Audit Firm/Organization Address
Number and Street: 219 YOUNG LANE
City: MOUNT STERLING State: KY Zip Code: 40353

d. Auditor Contact
Name: JOEL LANE
Title: MANAGING PARTNER

e. Auditor Contact Telephone: (859)498-9915

f. Auditor Contact E-mail: JOEL@THELANECPA.COM

g. Was a secondary auditor used? [ ] Yes [X] No

h. If Part I, Item 6g is Yes, complete the attached Secondary Auditors' Contact Information Sheet