

**Reports of Independent Certified Public Accountants in Accordance  
with *Government Auditing Standards* and Uniform Guidance**

**The Housing Authority of the City of Atlanta, Georgia**



**For the year ended June 30, 2019**

The Housing Authority of the City of Atlanta, Georgia

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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*

To the Board of Commissioners  
The Housing Authority of the City of Atlanta, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Housing Authority of the City of Atlanta, Georgia, which comprise the statement of net position as of June 30, 2019, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 3, 2019.

*Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered The Housing Authority of the City of Atlanta, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

*Compliance and Other Matters*

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

*Purpose of this Report*

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

*CohnReznick LLP*

Charlotte, North Carolina  
December 3, 2019

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

To the Board of Commissioners  
The Housing Authority of the City of Atlanta, Georgia

Report on Compliance for the Major Federal Program

We have audited The Housing Authority of the City of Atlanta, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of The Housing Authority of the City of Atlanta, Georgia's major federal programs for the year ended June 30, 2019. The Housing Authority of the City of Atlanta, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditor's Responsibility*

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Housing Authority of the City of Atlanta, Georgia's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, The Housing Authority of the City of Atlanta, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### Report on Internal Control over Compliance

Management of The Housing Authority of the City of Atlanta, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Housing Authority of the City of Atlanta, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each of the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of the major federal programs and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

*A deficiency in internal control over compliance* 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of The Housing Authority of the City of Atlanta, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise The Housing Authority of the City of Atlanta, Georgia's

basic financial statements. We issued our report thereon dated December 3, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*CohnReznick LLP*

Charlotte, North Carolina  
December 3, 2019

**SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS**



**The Housing Authority of the City of Atlanta, Georgia**

**Schedule of Expenditures of Federal Awards**

**Year ended June 30, 2019**

	<u>Federal CFDA #</u>	<u>Federal Expenditures</u>
<b>Direct Awards</b>		
<b>U.S. Department of Housing and Urban Development:</b>		
<b>Moving to Work Demonstration Program</b>	14.881	197,365,601
<b>Housing Voucher Cluster</b>		
Section 8 Housing Choice Voucher Program (non-MTW)	14.871	9,230,974
Mainstream Vouchers	14.879	826,675
<b>Total Housing Voucher Cluster</b>		<u>10,057,649</u>
<b>Capital Fund Program</b>		
Replacement Housing Factor (non-MTW)	14.872	9,013,902
<b>HOPE VI Cluster</b>		
Choice Neighborhoods Implementation Grants	14.889	4,309,288
<b>Total HOPE VI Cluster</b>		<u>4,309,288</u>
<b>Family Self-Sufficiency Program</b>	14.896	<u>273,031</u>
<b>Total U.S. Department of Housing and Urban Development and Direct Federal Awards</b>		<u>221,019,471</u>
<b>TOTAL FEDERAL EXPENDITURES</b>		<u>\$ 221,019,471</u>

The accompanying notes are an integral part of this schedule.

**The Housing Authority of the City of Atlanta, Georgia**

**Notes to Schedule of Expenditures of Federal Awards**

**Year ended June 30, 2019**

**NOTE A — BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal award activity of The Housing Authority of the City of Atlanta, Georgia (“AHA”), under programs of the federal government for the fiscal year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of AHA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of AHA.

**NOTE B — SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARD EXPENDITURES**

The schedule of expenditures of federal awards included herein represents the Federal grant awards of The Housing Authority of the City of Atlanta, Georgia (“AHA”) over which AHA exercised direct operating control for the fiscal year ended June 30, 2019. Under the Amended and Restated Moving to Work Agreement (“Restated Agreement”), AHA has combined funding from its Low Income Operating Funds, Housing Choice Voucher Funds, and certain Capital Fund Program formula grants into a single fund known as the Moving to Work (“MTW”) Single Fund, which may be used for any MTW-eligible activity as provided in the Restated Agreement, MTW Business Plans and Annual Inspection Plans.

A portion of the Housing Choice Voucher Funds are not combined in the MTW Single Fund under the Restated Agreement and are; therefore, reported separately under the Housing Voucher Cluster, as required by the OMB Compliance Supplement. In addition, Replacement Housing Factor grants are not included in the MTW Single Fund and are; therefore, reported separately under the Capital Fund Program, as required by the OMB Compliance Supplement.

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting and reflects expenditures incurred by AHA during its fiscal year ended June 30, 2019. Such expenditures are recognized in accordance with the cost principles contained in the Uniform Guidance. AHA has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**The Housing Authority of the City of Atlanta, Georgia**

**Schedule of Findings and Questioned Costs**

**Year ended June 30, 2019**

**Summary of Auditor's Results**

***Financial Statements:***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statement noted?  Yes  No

***Federal Awards:***

Internal Control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified not considered to be material weaknesses?  Yes  None reported

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

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

Identification of major programs:

- Moving to Work Demonstration (CFDA No. 14.881)
- Housing Choice Voucher Cluster
  - Section 8 Housing Choice Voucher Program (non-MTW) (CFDA No. 14.871)
  - Mainstream Vouchers (CFDA No. 14.879)
- Public Housing Capital Fund (CFDA No. 14.872)
- Choice Neighborhood Implementation Grants (CFDA No. 14.889)

Dollar threshold used to distinguish type A and B programs: \$3,000,000

Auditee qualified as low-risk auditee?  Yes  No

**The Housing Authority of the City of Atlanta, Georgia**

**Schedule of Findings and Questioned Costs**

**Year ended June 30, 2019**

**Financial Statement Audit Findings:**

*None*

**Federal Award Findings and Questioned Costs:**

*None*

**The Housing Authority of the City of Atlanta, Georgia**  
**Summary Schedule of Prior Year Audit Findings and Questioned Costs**  
**Year ended June 30, 2019**

*None.*