

Reports of Independent Auditor in Accordance with *Government Auditing Standards* and Uniform Guidance

The Housing Authority of the City of Atlanta, Georgia



For the year ended June 30, 2021

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 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 Housing Authority of the City of Atlanta, Georgia, which comprise the statement of net position as of June 30, 2021, 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 July 27, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Housing Authority of the City of Atlanta, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of The Housing Authority of the City of Atlanta, Georgia's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Housing Authority of the City of Atlanta, Georgia'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.

Charlotte, North Carolina
July 27, 2022

Independent Auditor's Report on Compliance for the Major Federal
Program and on Internal Control over Compliance Required by the
Uniform Guidance and Report on Schedule of Expenditures of
Federal Awards

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 The Housing Authority of the City of Atlanta, Georgia's major federal program for the year ended June 30, 2021. The Housing Authority of the City of Atlanta, Georgia's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

In our opinion, The Housing Authority of the City of Atlanta, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Housing Authority of the City of Atlanta, Georgia 's internal control over compliance.

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

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

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

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, 2021, 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 July 27, 2022, 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.

Charlotte, North Carolina
July 27, 2022

**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, 2021

Federal Grantor/Passthrough Grantor/Program or Cluster Title	Federal Assistance Listing Number	Federal Expenditures	Amounts Passed Through to Subrecipients
Direct Awards			
U.S. Department of Housing and Urban Development:			
Moving to Work Demonstration Program			
Moving to Work Demonstration Program	14.881	\$ 250,713,848	\$ -
COVID-19 Moving to Work Demonstration Program	14.881	<u>6,527,023</u>	<u>-</u>
Total Moving to Work Demonstration Program		<u>257,240,871</u>	<u>-</u>
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers Program (non-MTW)	14.871	9,502,230	-
Emergency Housing Vouchers Section 8 Housing Choice Vouchers	14.871	<u>80,800</u>	<u>-</u>
Total Section 8 Housing Choice Vouchers		<u>9,583,030</u>	<u>-</u>
Mainstream Vouchers	14.879	977,035	-
COVID-19 Mainstream Vouchers	14.879	<u>22,533</u>	<u>-</u>
Total Mainstream Vouchers		<u>999,568</u>	<u>-</u>
Total Housing Voucher Cluster		<u>10,582,598</u>	<u>-</u>
HOPE VI Cluster			
Choice Neighborhoods Implementation Grants	14.889	903,081	-
Total HOPE VI Cluster		<u>903,081</u>	<u>-</u>
Family Self-Sufficiency Program	14.896	<u>296,719</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development and Direct Federal Awards		<u>269,023,269</u>	<u>-</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 269,023,269</u>	<u>\$ -</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, 2021

NOTE A — BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (“Schedule”) includes the federal award activity of The Housing Authority of the City of Atlanta, Georgia (“AH”), under programs of the federal government for the fiscal year ended June 30, 2021. 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 AH, it is not intended to and does not present the financial position, changes in net position, or cash flows of AH.

NOTE B — SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARD EXPENDITURES

The Schedule included herein represents the Federal grant awards of AH over which AH exercised direct operating control for the fiscal year ended June 30, 2021. Under the Amended and Restated Moving to Work Agreement (“Restated Agreement”), AH 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, Annual MTW Plans and Annual MTW Reports.

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 AH during its fiscal year ended June 30, 2021. Such expenditures are recognized in accordance with the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. AH has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C — CARES ACT FUNDS

In accordance with the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) passed by the U.S. Congress in March 2020, HUD has authorized over \$9 million in CARES Act funding to AH of which \$6,530,000 has been expended under the MTW program as of June 30, 2021. The deadline to expend the CARES Act funds was December 31, 2021 and AH used all of the funds for costs directly or indirectly related to COVID-19.

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, 2021

Summary of Auditor's Results

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified opinion

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiency(ies) identified?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards:

Internal Control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiency(ies) identified?

Yes None reported

Type of auditor's report issued on compliance for the major federal program:

Unmodified opinion

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 Program (ALN 14.881)

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, 2021

Financial Statements Audit Findings:

None

Major Federal Awards Findings and Questioned Costs:

None