

**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, 2022**

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 business-type activities of The Housing Authority of the City of Atlanta, Georgia as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise The Housing Authority of the City of Atlanta, Georgia's basic financial statements, and have issued our report thereon dated March 22, 2023.

*Report on 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 or significant deficiencies may exist that were not identified.

*Report on 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  
March 22, 2023

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

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

Report on Compliance for Each Major Federal Program

*Opinion on Each Major Federal Program*

We have audited The Housing Authority of the City of Atlanta, Georgia'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 The Housing Authority of the City of Atlanta, Georgia's major federal programs for the year ended June 30, 2022. 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.

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, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Housing Authority of the City of Atlanta, Georgia 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 The Housing Authority of the City of Atlanta, Georgia's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

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

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Housing Authority of the City of Atlanta, Georgia'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Housing Authority of the City of Atlanta, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Housing Authority of the City of Atlanta, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Housing Authority of the City of Atlanta, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Housing Authority of the City of Atlanta, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

### Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

We have audited the financial statements of the business-type activities of The Housing Authority of the City of Atlanta, Georgia, as of and for the year ended June 30, 2022, 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 March 22, 2023, 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 Housing Authority of the City of Atlanta, Georgia's 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  
March 22, 2023

**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, 2022**

<u>Federal Grantor/Passthrough Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Subrecipients</u>
<b>Direct Awards</b>			
<b>U.S. Department of Housing and Urban Development:</b>			
<b>Moving to Work Demonstration Program</b>			
Moving to Work Demonstration Program	14.881	\$ 262,621,556	\$ -
COVID-19 Moving to Work Demonstration Program	14.881	<u>1,715,207</u>	<u>-</u>
<b>Total Moving to Work Demonstration Program</b>		<u>264,336,763</u>	<u>-</u>
<b>Housing Voucher Cluster</b>			
Section 8 Housing Choice Vouchers Program (non-MTW)	14.871	11,620,669	-
Emergency Housing Vouchers Section 8 Housing Choice Vouchers	14.871	<u>909,086</u>	<u>-</u>
Total Section 8 Housing Choice Vouchers		<u>12,529,755</u>	<u>-</u>
Mainstream Voucher Program	14.879	1,049,699	-
<b>Total Housing Voucher Cluster</b>		<u>13,579,454</u>	<u>-</u>
<b>HOPE VI Cluster</b>			
Choice Neighborhoods Implementation Grants	14.889	7,628,945	-
<b>Total HOPE VI Cluster</b>		<u>7,628,945</u>	<u>-</u>
Choice Neighborhoods Planning Grants	14.892	254,500	-
Family Self-Sufficiency Program	14.896	<u>95,049</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development and Direct Federal Awards</b>		<u>285,894,711</u>	<u>-</u>
<b>TOTAL FEDERAL EXPENDITURES</b>		<u>\$ 285,894,711</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, 2022**

**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, 2022. 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, 2022. 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, 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 AH during its fiscal year ended June 30, 2022. 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 authorized over \$9 million in CARES Act funding to AH of which approximately \$1,715,000 was expended under the MTW program between July 1, 2021, and June 30, 2022. The deadline to expend the CARES Act funds was December 31, 2022, and AH used 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, 2022**

**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 major federal programs: 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 federal programs:

- Moving to Work Demonstration Program (ALN 14.881)
- Housing Voucher Cluster
  - Section 8 Housing Choice Vouchers (ALN 14.871)
  - Mainstream Voucher Program (ALN 14.879)
- Choice Neighborhoods Implementation Grants (ALN 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, 2022**

**Financial Statements Audit Findings:**

*None*

**Major Federal Awards Findings and Questioned Costs:**

*None*