

**HOUSING AUTHORITY OF HENDERSON**  
**Henderson, Kentucky**

**Audited Financial Statements**  
**For the year ended March 31, 2022**

## TABLE OF CONTENTS

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	<u>Page</u>
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-11
<i>Financial Statements</i>	
Statement of Net Position	12
Statement of Revenues, Expenses and Changes in Net Position	13
Statement of Cash Flows	14
Notes to the Financial Statements	15-27
<i>Required Supplementary Information</i>	
Schedule of the Proportionate Share of Net Pension Liability	28
Schedule of Employer Contributions – Net Pension Liability	29
Schedule of the Proportionate Share of Net OPEB Liability	30
Schedule of Employer Contributions – Net OPEB Liability	31
Notes to the Required Supplementary Information	32-33
<i>Supplementary Information</i>	
Schedule of Expenditures of Federal Awards	34
Independent Auditor's Report on Compliance for Each Major for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	35-36
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	37-38
Schedule of Findings and Questioned Costs	39
Financial Data Schedule	40-63



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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of Henderson  
Henderson, Kentucky

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of Henderson as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of Henderson'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 Housing Authority of Henderson, as of March 31, 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 Housing Authority of Henderson, 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 Housing Authority of Henderson'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 Housing Authority of Henderson'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 Housing Authority of Henderson'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 the Employer's Proportionate Share of Net OPEB Liability and the Schedule of Employer's Contributions – Net OPEB 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 Housing Authority of Henderson'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 Housing Authority of Henderson's basic financial statements. The statement of modernization costs and financial data schedule (fds) are 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 December 02, 2022, on our consideration of the Housing Authority of Henderson'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 Housing Authority of Henderson's internal control over financial reporting and compliance.

*Lane & Company LLC*

Mount Sterling, Kentucky

December 02, 2022

This report contains 62 pages.

**THE HOUSING AUTHORITY OF HENDERSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2022**

Management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended March 31, 2022. Please read it in conjunction with the Authority's financial statements.

**Financial Highlights**

As of March 31, 2022, total assets and deferred outflows of resources were \$11,761,883 as compared to \$11,307,000, as of March 31, 2021, an increase of \$454,883. Current assets increased \$529,508 and capital assets increased \$39,577.

At fiscal year-end 2022, the Authority reported \$905,380 in deferred outflow of resources due to the adoption of GASB 68.

Total liabilities decreased \$894,760 due to decreases in current liabilities of \$75,609 and decreases in non-current liabilities of \$819,151.

Deferred inflows of resources were \$952,722 due to the adoption of GASB 68.

In 2022, total revenue increased \$1,363,006, as compared to 2021, due mainly to increases in Federal Grants & Subsidy revenue.

Total expenses increased \$409,492 due to decreases in routine and non-routine maintenance, and depreciation.

**Overview of the Financial Statements**

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Authority's accounting records are structured as an enterprise fund with revenues recognized when earned, rather than when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. The accounting for enterprise funds is similar to the accounting used by businesses. See the note to the financial statements for a summary of the Authority's significant accounting policies.

Following the MD&A are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The **Statement of Net Position** presents information similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity and are classified as current and non-current.

Net position is reported in three broad categories:

**Net Investment in Capital Assets:** This component consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Position:** This component consists of assets that are constrained by limitations placed on their use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Unrestricted Net Position:** This component consists of net position that is not restricted and does not meet the definition of Investment in Capital Assets.

**THE HOUSING AUTHORITY OF HENDERSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2022**

The **Statement of Revenues, Expenses, and Changes in Fund Net Position** presents information showing how the Authority's net position changed during the year. This statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and non-operating revenue and expenses, such as grant revenue, investment income, interest expense, and gains or losses from the sale or disposition of capital assets. The focus of the statement is the change in net position, which is similar to net income or loss for a business entity.

The **Statement of Cash Flows** reports net cash provided by or used by operating activities, non-capital financing activities, capital and related financing activities and investing activities.

The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the information included in the financial statements.

In addition to the basic financial statements and accompanying notes, this report includes two types of supplementary information: required supplementary information and other supplementary information. Required supplementary information must be included to conform with generally accepted accounting principles. Management's discussion and analysis is the required supplementary information.

Other supplementary information is not required by generally accepted accounting principles but is presented for additional analysis purposes or to meet other requirements. The financial data schedule is required by the U.S. Department of Housing and Urban Development (HUD). The schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget and the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance").

**THE HOUSING AUTHORITY OF HENDERSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2022**

**Financial Position and Analysis**

Table 1 compares the Authority's financial position for the fiscal years ended March 31, 2022 and 2021:

**Table 1 - Entity-Wide Balance Sheet Comparison**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
<b><u>Assets</u></b>				
Current Assets	\$ 3,028,174	\$ 2,498,666	\$ 529,508	21.19%
Capital Assets, Net	<u>7,828,329</u>	<u>7,788,755</u>	<u>39,577</u>	<u>0.51%</u>
<b>Total Assets</b>	<u>10,856,503</u>	<u>10,287,418</u>	<u>569,085</u>	<u>5.53%</u>
<b>Deferred Outflows of Resources</b>	<u>905,380</u>	<u>1,019,582</u>	<u>(114,202)</u>	<u>-11.20%</u>
<b>Total Assets and Deferred Outflows of</b>				
<b>Resources</b>	\$ <u>11,761,883</u>	\$ <u>11,307,000</u>	\$ <u>454,883</u>	<u>4.02%</u>
<b><u>Liabilities</u></b>				
Current Liabilities	\$ 416,354	\$ 491,963	\$ (75,609)	-15.37%
Noncurrent Liabilities	<u>3,685,941</u>	<u>4,505,092</u>	<u>(819,151)</u>	<u>-18.18%</u>
<b>Total Liabilities</b>	<u>4,102,295</u>	<u>4,997,055</u>	<u>(894,760)</u>	<u>-17.91%</u>
<b>Deferred Inflow of Resources</b>	<u>952,722</u>	<u>327,650</u>	<u>625,072</u>	<u>190.77%</u>
<b>Net Position</b>				
Investment in Capital Assets	7,828,329	7,788,752	39,577	.51%
Unrestricted Net Position	<u>(1,121,463)</u>	<u>(1,806,457)</u>	<u>684,994</u>	<u>-37.92%</u>
<b>Total Net Position</b>	<u>6,706,866</u>	<u>5,982,295</u>	<u>724,571</u>	<u>12.11%</u>
<b>Total Liabilities, Deferred Inflows of Resources and</b>				
<b>Net Position</b>	\$ <u>11,761,883</u>	\$ <u>11,307,000</u>	\$ <u>454,883</u>	<u>4.02%</u>

**Current Assets** increased by \$529,508 or 21.19 percent. This increase is due mainly to an increase in operating revenue more than the decrease in operating expenses.

**Capital Assets, Net** increased by \$39,577 or 0.51 percent primarily due to an increase of capital assets (Furniture and Equipment and Construction in Progress) and a decrease of depreciation expense.

**Current Liabilities** decreased by \$75,609 or 15.37 percent. This decrease is primarily due to a decrease of account payables and other current liabilities.



**THE HOUSING AUTHORITY OF HENDERSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2022**

Table 2 focuses on the changes in Net Position

**Table 2 - Entity-Wide Income Statement Comparison**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
<b>Revenue &amp; Expenses</b>				
Revenue	\$ 8,014,349	\$ 6,651,343	\$ 1,363,006	20.49%
Expenses	<u>7,289,778</u>	<u>6,880,286</u>	<u>409,492</u>	<u>5.95%</u>
<b>Total Operating Income (Loss)</b>	724,571	(228,943)	953,514	-416.49%
Income (Loss) in Net Position	724,571	(228,943)	953,514	-416.49%
Net Position, Beginning of year	<u>5,982,295</u>	<u>6,211,238</u>	<u>(228,943)</u>	<u>-3.69%</u>
<b>Net Position, End of year</b>	<u>\$ 6,706,866</u>	<u>\$ 5,982,295</u>	<u>\$ 724,571</u>	<u>12.11%</u>

Table 3 presents a summary of the Authority's revenue by source:

**Table 3 - Entity-Wide Income Statement Comparison**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
<b>Operating Revenue</b>				
Tenant Revenue	\$ 1,783,571	\$ 1,785,733	\$ (2,162)	-0.12%
Government				
Operating Grants	5,943,054	4,651,050	1,292,004	27.78%
Investment Income	2,591	11,983	(9,392)	-78.38%
Other Income	<u>285,133</u>	<u>202,577</u>	<u>82,556</u>	<u>40.75%</u>
<b>Total Operating Income</b>	<u>6,230,778</u>	<u>4,865,610</u>	<u>1,365,168</u>	<u>28.06%</u>
<b>Total Revenue</b>	<u>\$ 8,014,349</u>	<u>\$ 6,651,343</u>	<u>\$ 1,363,006</u>	<u>20.49%</u>

**Government Operating Grants** increased by \$1,292,004 or 27.78 percent due to additional funds from the CARES Act.

**Tenant Revenue** decreased by \$2,162 or 0.12 percent due to a decrease in tenant income during COVID.

**THE HOUSING AUTHORITY OF HENDERSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2022**

Table 4 presents a summary of the Authority's operating expenses:

**Table 4 - Entity -Wide Expense Comparison**

	<u>2022</u>		<u>2021</u>		<u>Increase (Decrease)</u>	<u>Percent Variance</u>
Administrative Expense	\$ 2,169,894	\$	1,592,098	\$	577,796	36.29%
Tenant Services	192,595		131,299		61,296	46.68%
Utilities	460,069		479,351		(19,283)	-4.02%
Routine Maintenance	1,267,776		1,264,243		3,533	.28%
Protective Services	-		-		-	0.00%
General Expenses	300,619		307,648		(7,029)	-2.28%
Interest Expenses	-		-		-	0.00%
Non-Routine Expenses	2,651,255		2,672,191		(20,936)	-0.78%
Depreciation	247,570		433,455		(185,885)	-42.88%
<b>Total Operating Expenses</b>	<u>\$ 7,289,778</u>	\$	<u>6,880,286</u>	\$	<u>409,492</u>	<u>5.95%</u>

**Administrative Expenses** increased by \$577,796 or 36.29 percent due to an increase in salary related expenses.

**General Expenses** decreased by \$7,029 or 2.28 percent due to less COVID related expenses.

**Depreciation** decreased by \$185,885 or 42.88 percent due to fully depreciated assets in the prior years.

**THE HOUSING AUTHORITY OF HENDERSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2022**

*Budgetary Analysis*

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public Housing is adopted on the basis of accounting described by HUD, which differs in some respects from generally accepted accounting principles.

Low-Income Public Housing Budgetary Highlights

**Table 5 - Low Income Public Housing Program - Actual vs. Budget**

**Table 5 - Low Income Public Housing Program - Actual vs. Budget**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Percent Variance Favorable (Unfavorable)</u>
<b><u>Operating Revenue</u></b>				
Tenant Revenue	\$ 1,736,190	\$ 1,783,571	\$ 47,381	2.66%
Government Operating Grants	2,572,387	5,943,054	3,370,667	56.72%
Investment Income	7,370	2,591	(4,779)	-184.45%
Other Income	<u>0</u>	<u>285,133</u>	<u>285,133</u>	<u>100.00%</u>
<b>Total Revenue</b>	<u>4,315,947</u>	<u>8,014,349</u>	<u>3,698,402</u>	<u>46.15%</u>
<b><u>Expenses</u></b>				
Administrative	1,159,960	2,169,894	(1,009,934)	-46.54%
Tenant Services	127,640	192,595	(64,955)	-33.73%
Utilities	505,190	460,069	45,121	9.81%
Routine Maintenance	1,101,890	1,267,776	(165,886)	-13.08%
General Expenses	1,046,030	300,619	745,411	247.96%
Non-Routine Expenses	9,000	2,651,255	(2,642,255)	-99.66%
Depreciation	<u>-</u>	<u>247,570</u>	<u>(247,570)</u>	<u>-100.00%</u>
<b>Total Expenses</b>	<u>3,949,710</u>	<u>7,289,778</u>	<u>(3,340,068)</u>	<u>-45.82%</u>
<b>Income Over (Under) Expenses</b>	<u>\$ 366,237</u>	<u>\$ 724,571</u>	<u>\$ (358,334)</u>	<u>\$ -49.45%</u>

**Administrative Expense** was over budget by \$1,009,934 or 46.54 percent due to the additional salary related expenses.

**Tenant Services Expense** was over budget by \$64,955 or 33.73 percent due to additional services needed in the current year.

**Routine Maintenance** was over budget by \$165,886 or 13.08 percent due to additional repairs needed in units.

**Depreciation** exceeded the budget by \$247,570 or 100 percent due to amounts not being included in the budget.

**THE HOUSING AUTHORITY OF HENDERSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2022**

*Capital Assets*

Table 6 summarizes the Authority's investment in capital assets.

**Table 6 - Summary of Entity-Wide of Capital Asset Activity**

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>Percent Variance</u>
Land	\$ 953,969	\$ 924,011	\$ 29,958	3.24%
Buildings	22,144,909	22,116,174	28,735	0.13%
Furniture and Equipment - Dwellings	622,611	225,840	396,771	175.69%
Furniture and Equipment - Administration	613,448	980,737	(367,289)	-37.45%
Construction in progress	<u>3,171,041</u>	<u>2,972,069</u>	<u>198,972</u>	<u>6.69%</u>
	27,505,978	27,218,831	287,147	1.05%
Less: Accumulated Depreciation	<u>(19,677,649)</u>	<u>(19,430,079)</u>	<u>(247,570)</u>	<u>1.27%</u>
Capital Assets, Net	<u>\$ 7,828,329</u>	<u>\$ 7,788,752</u>	<u>\$ 39,577</u>	<u>0.51%</u>

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. Additional information and details can be found in the Notes to the Financial Statements.

Capital funding available for 2022 is as follows:

**Table 7 - Summary of Capital Fund Grants**

	Grant	Total Budget	Expended through 3/31/2022	Budget Remaining at 3/31/2022
Capital Fund Program 2018	501-18	910,237	790,528	119,709
Capital Fund Program 2019	501-19	948,863	512,896	435,967
Capital Fund Program 2020	501-20	1,017,101	527,077	490,024
Capital Fund Program 2021	501-21	1,053,280	37,762	1,015,518

**THE HOUSING AUTHORITY OF HENDERSON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED MARCH 31, 2022**

**Significant Economic Factors Affecting the Authority**

- The Department of Housing and Urban Development (HUD) has historically been underfunded to meet the subsidy needs of Public Housing Authorities (PHAs). We do not expect this trend to change.
- Even if HUD were fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. Further, increased funding for the Departments of Defense and Homeland Security may result in reduced appropriations for all other domestic program spending.
- Rising cost of utility rates, supplies, and other costs may impact our budgets in future years.

**Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for those interested. If you should have additional questions regarding the financial information, you can contact our offices by writing to the following address:

Housing Authority of Henderson  
Attn: Bobbie Jarrett  
Executive Director  
111 S Adams Street  
Henderson, KY 42420

**Housing Authority of Henderson  
Statement of Net Position  
Proprietary Fund  
March 31, 2022**

**ASSETS & DEFERRED OUTFLOWS OF RESOURCES**

<b>Current Assets</b>	
Cash and cash equivalents - unrestricted	\$ 2,821,109
Cash and cash equivalents - restricted	86,741
Accounts receivable - tenants	9,525
Allowance for doubtful accounts - tenants	(2,937)
Accounts receivable - miscellaneous	1,027
Accrued interest receivable	971
Prepaid expenses	26,310
Inventory	85,428
<b>Total Current Assets</b>	<b>3,028,174</b>
<b>Noncurrent Assets</b>	
Capital assets:	
Land	953,969
Building	22,144,909
Equipment	1,236,059
Construction in process	3,171,041
Less: accumulated depreciation	(19,677,649)
<b>Total Noncurrent Assets</b>	<b>7,828,329</b>
Deferred outflows of resources	905,380
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>\$ 11,761,883</b>

**LIABILITIES & DEFERRED INFLOWS OF RESOURCES**

<b>Current Liabilities</b>	
Accounts payable	\$ 12,244
Accrued wages/taxes	45,995
Accrued compensated absences	28,838
Accounts payable - other gov't	116,926
Tenant security deposits	90,410
Unearned revenue	105,481
Accrued liabilities - other	16,460
<b>Total Current Liabilities</b>	<b>416,354</b>
<b>Noncurrent Liabilities</b>	
Accrued compensated absences	132,690
Net pension liability	2,732,852
Net OPEB liability	820,399
<b>Total Noncurrent Liabilities</b>	<b>3,685,941</b>
Deferred inflows of resources	952,722
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	<b>5,055,017</b>
<b>Net Position</b>	
Net investment in capital assets	7,828,329
Restricted	86,741
Unrestricted	(1,208,204)
<b>Total Net Position</b>	<b>\$ 6,706,866</b>

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

**Housing Authority of Henderson  
Statement of Revenues, Expenses  
and Changes in Net Position  
Proprietary Fund  
For the year ended March 31, 2022**

<b>Operating Revenues</b>	
Tenant rental revenue	\$ 1,719,904
Tenant revenue - other	63,667
HUD operating grants	5,058,760
Management fee	592,674
Asset management fee	54,120
Bookkeeping fee	38,528
Fraud recovery	16,936
Other revenue	<u>268,197</u>
<b>Total Operating Revenues</b>	<u>7,812,786</u>
<b>Operating Expenses</b>	
Administrative	
Salaries	631,149
Auditing	25,514
Management fee	592,674
Book-keeping fee	38,528
Advertising & marketing	6,216
Employee benefits	393,318
Office expenses	461,200
Legal expense	13,333
Travel	2,968
Other	4,994
Tenant Services	
Asset management fee	54,120
Salaries	90,799
Employee benefits	41,434
Other	6,242
Utilities	
Water	48,772
Electricity	262,158
Gas	63,720
Sewer	83,569
Other utilities expense	1,850
Ordinary Maintenance and Operation	
Labor	499,167
Materials	236,202
Contract costs	262,248
Employee benefits	270,159
General	
Insurance	121,632
Payment in lieu of taxes	135,391
Bad debt	43,382
Other	214
Other	
Housing assistance payments	2,651,255
Depreciation	<u>247,570</u>
<b>Total Operating Expenses</b>	<u>7,289,778</u>
<b>Operating Income (Loss)</b>	<u>523,008</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest	<u>2,591</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>2,591</u>
<b>Income (Loss) Before Contributions and Transfers</b>	525,599
Capital grants	<u>198,972</u>
<b>Change in Net Position</b>	724,571
Total Net Position - beginning	<u>5,982,295</u>
<b>Total Net Position - ending</b>	<u>\$ 6,706,866</u>

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

**Housing Authority of Henderson  
Statement of Cash Flows  
Proprietary Fund  
For the year ended March 31, 2022**

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<b>Cash Flows From Operating Activities</b>	
Cash received from tenants	\$ 1,793,351
Other revenue	953,519
Fraud recovery revenue	16,936
Housing assistance payments	(2,651,255)
Operating grant received	5,058,760
Cash paid for salaries	(1,221,115)
Cash paid for general operating expenses	<u>(3,378,096)</u>
Net cash provided / (used) by operating activities	<u>572,100</u>
<b>Cash Flows From Investing Activities</b>	
Interest earned	<u>1,620</u>
<b>Cash Flows from Capital And Financing Activities</b>	
Capital grant received	198,972
Purchase of capital assets	<u>(287,147)</u>
Net cash provided / (used) by capital and financing activities	<u>(88,175)</u>
<b>Cash Flows From Non Capital Financing Activities</b>	
Security deposits	<u>(11,163)</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	474,382
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,433,468</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 2,907,850</u></u>
<b>Reconciliation Of Cash Provided By Operating Activities</b>	
Net operating income (loss)	\$ 523,008
Adjustments to reconcile net income	
to net cash provided by operating activities:	
depreciation	247,570
(increase) / decrease in receivables	9,780
(increase) / decrease in prepaid expenses	3,681
GASB 68/75 pension/OPEB expense adjustment	(26,943)
(increase) / decrease in inventory	(67,616)
increase / (decrease) in unearned revenue	(53,877)
increase / (decrease) in payables	<u>(63,503)</u>
<b>Net cash provided / (used) by operating activities</b>	<u><u>\$ 572,100</u></u>

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



HOUSING AUTHORITY OF HENDERSON  
NOTES TO THE FINANCIAL STATEMENTS  
March 31, 2022

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Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

**The Reporting Entity**

The Housing Authority of Henderson is organized under the laws of the Commonwealth of Kentucky for the purpose of engaging in the development, acquisition, leasing and administration of a low-rent housing program. The Authority primarily serves low-income families by providing rental housing. The Authority owns and operates 430 public housing units, a Housing Choice Voucher Program with 738 Section 8 vouchers, a Capital Fund Grant Program and Community Development Block Grant with 21 units.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development has direct responsibility for administering low rent housing programs in the United States. Accordingly, the U.S. Department of Housing and Urban Development has entered into a contract with the Authority for purposes of assisting in financing the acquisition, construction and leasing of housing units and making annual contributions (subsidies) to the program in order to maintain its low-rent status.

The entity is a public corporation, legally separate, fiscally independent and governed by the Board of Commissioners. As required by accounting principles generally accepted in the United States of America, these financial statements present the financial position and results of operations of the Housing Authority of Henderson, a primary government. There are no component units to be included herewith, but this report does include all funds, account groups and programs which are controlled by the entity's governing body.

**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 Authority's principal ongoing operations. The principal operating revenues of the Authority are operating grants and tenant rental revenue. Operating expenses of the Authority 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 Authority is comprised of the following programs: Public & Indian Housing, Public Housing Capital Fund, Section 8 Housing Choice Vouchers, Family Self-Sufficiency Program and ROSS. These programs combined form the single enterprise fund of the Authority. Activity between these programs is eliminated and are not reported in the statement of net position, statements of revenues, expenses and changes in net position or the statement of cash flows.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority 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 (i.e., 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 Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Basis of Accounting**

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

Cash

The PHA 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 Authority'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 Authority'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.

Available balance was \$2,907,850 and the bank balance was \$2,917,235 with 100% covered by FDIC or pledged securities.

All investments are carried at cost plus accrued interest, which approximates market. The Authority 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 developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

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

<u>Class</u>	<u>Life</u>
Building	8-40 years
Site Improvements	8-40 years
Equipment	5 years
Computers	5 years

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

Net Position

Net position represents the difference between assets and liabilities. Net investment of 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.

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.

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	<u>81,250</u>
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**

Period	Pension	Insurance	Total	Employer		Employee
				Pension	Insurance	
01/01/2021-06/30/2021	19.30%	4.76%	24.06%	\$ 55,032	\$ 13,573	\$ 14,257
07/01/2021-03/31/2022	21.17%	5.78%	26.95%	<u>170,570</u>	<u>46,570</u>	<u>40,286</u>
Totals				\$ 225,602	\$ 60,143	\$ 54,543

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

At March 31, 2022, the Authority reported a liability of \$2,732,852 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 0.042863%.

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 March 31, 2022, the Authority recognized pension expense of \$248,913. On March 31, 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	\$ 31,382	\$ 26,524
Changes in assumptions	36,678	-0-
Differences between expected and actual Investment Experience	106,016	470,260
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,611	5,822
Contributions subsequent to the measurement date	<u>170,570</u>	<u>-0-</u>
Total	\$ 362,257	\$ 502,602

\$170,570 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 March 31, 2022. The remaining amount of \$(310,919) 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:

<u>Year Ended March 31,</u>	<u>Amount</u>
2023	\$(28,205)
2024	(86,614)
2025	(82,038)

2026	(114,062)
2027	-0-
Thereafter	<u>-0-</u>
Total	\$ (310,919)

*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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<b>Growth</b>	<b>68.50%</b>	
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%
<b>Liquidity</b>	<b>11.50%</b>	
Core Bonds	10.00%	0.00%
Cash	1.50%	(.60)%
<b>Diversifying Strategies</b>	<b>20.00%</b>	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	n/a
Real Return	10.00%	4.55%
Expected Rate of Return	<b>100.00%</b>	
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 <u>5.25%</u>	Current Discount Rate <u>6.25%</u>	1% Increase <u>7.25%</u>
Proportionate share of the net pension liability	\$ 3,505,013	\$ 2,732,852	\$ 2,093,908

*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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Rate of Return</u>
<b>Growth</b>	<b>68.50%</b>	
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%
<b>Liquidity</b>	<b>11.50%</b>	
Core Bonds	10.00%	0.00%
Cash	1.50%	(.60)%
<b>Diversifying Strategies</b>	<b>20.00%</b>	
Real Estate	10.00%	5.40%
Opportunistic	0.00%	n/a
Real Return	10.00%	4.55%
Expected Real Return	<b>100.00%</b>	<b>5.00%</b>
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 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
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 March 31, 2022 was \$26,994.

**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**

Period	Pension	Insurance	Total	Employer		Employee
				Pension	Insurance	
01/01/2021-06/30/2021	19.30%	4.76%	24.06%	\$ 55,032	\$ 13,573	\$ 14,257
07/01/2021-03/31/2022	21.17%	5.78%	26.95%	<u>170,570</u>	<u>46,570</u>	<u>40,286</u>
Totals				\$ 225,602	\$ 60,143	\$ 54,543

Contributions including implicit subsidy \$76,371

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 March 31, 2022, the Authority reported a liability of \$820,399 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 March 31, 2022, the Authority’s proportion was 0.042853% which is equal to its proportion measured as of June 30, 2021.

For the year ended March 31, 2022, the Authority recognized OPEB expense of \$94,446. On March 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual liability experience	\$ 129,008	\$ 244,944
Effects of changes in assumptions	217,503	763
Differences between projected and actual earnings on plan investments	41,334	169,674
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,869	34,735
Contributions subsequent to the measurement date + implicit subsidy	<u>73,564</u>	<u>-0-</u>
Total	\$ 466,278	\$ 450,116

\$73,564 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 March 31, 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:

<u>Year Ended March 31,</u>	<u>Amount</u>
2023	\$ 9,020
2024	(10,453)
2025	(5,905)
2026	(50,064)
2027	-0-
Thereafter	<u>-0-</u>
Total	\$ (57,402)

**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:

	<u>Discount Rate</u>	<u>Proportionate Share of Net OPEB Liability</u>
1% decrease	4.34%	\$ 1,126,402
Current discount rate	5.34%	\$ 820,399
1% increase	6.34%	\$ 569,273

**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	\$ 590,590
Current healthcare cost trend rate	\$ 820,399
1% increase	\$ 1,097,783

Note 4 – Accrued Compensated Absences

Accrued vacation	<u>\$ 161,528</u>
Current liability	\$ 28,838
Noncurrent liability	<u>132,690</u>
	<u>\$ 161,528</u>

Note 5 - Changes in Capital Assets

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

	Balance 4/1/2021	Transfers/ Additions	Deletions	Balance 3/31/2022
Construction in process, non-depreciable	\$ 2,972,069	\$ 198,972	\$ -	\$ 3,171,041
Land, non-depreciable	924,011	29,958	-	953,969
Buildings	22,116,174	28,735	-	22,144,909
Equipment	<u>1,206,577</u>	<u>29,482</u>	-	<u>1,236,059</u>
	<u>\$ 27,218,831</u>	<u>\$ 287,147</u>	<u>\$ -</u>	<u>\$ 27,505,978</u>
Accumulated depreciation	<u>\$ 19,430,079</u>	<u>\$ 247,570</u>	<u>\$ -</u>	<u>\$ 19,677,649</u>
Capital assets, net of accumulated depreciation	<u>\$ 7,788,752</u>			<u>\$ 7,828,329</u>

Note 6 – Contingencies

The Authority 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 Authority in the current and prior years. There were no examinations for the year ended March 31, 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 Authority 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 Authority carries commercial insurance coverage for the risks to the extent deemed prudent by Authority management.

Note 8 - Restricted Cash

The voucher program has restricted cash as follows:

Unspent HAP equity	\$ 86,741
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Note 9 – Subsequent Events

The Authority has evaluated subsequent events through December 02, 2022, and that is the date that the financial statements were available to be issued.

Note 10 - Noncurrent Liabilities

	Balance,			Balance,		
Description	03/31/2021	Additions	Subtractions	03/31/2022	Current Portion	Noncurrent Portion
Accrued compensated absences	\$ 81,822	\$ 79,706	\$ -	\$ 161,528	\$28,838	\$ 132,690
Other noncurrent liabilities	-	-	-	-	-	-
Net pension liability	3,303,050	-	570,198	2,732,852	-	2,732,852
Net OPEB liability	<u>1,039,575</u>	<u>-</u>	<u>219,176</u>	<u>820,399</u>	<u>-</u>	<u>820,399</u>
Totals	\$4,424,447	\$ 79,706	\$ 789,374	\$ 3,714,779	\$28,838	\$ 3,685,941

Note 11 – Morganfield Housing Authority

On February 25, 2019, the Henderson Housing Authority signed an agreement to provide management services to the Morganfield Housing Authority for costs plus 10%. That agreement changed to \$9,000 per month. The Authority receives annual asset management fees. The Authority allocates the appropriate expenses to these entities and recovers regular reimbursement for services rendered.

REQUIRED SUPPLEMENTARY INFORMATION

**Housing Authority of Henderson**  
**Schedule of Employer's Proportionate Share of Net Pension Liability**  
**March 31, 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)	0.043647%	0.042903%	0.042423%	0.043065%	0.042863%
Proportionate share of the net pension liability (asset)	\$ 2,712,832	\$ 3,374,639	\$ 2,983,628	\$ 3,303,050	\$ 2,732,852
Covered employee payroll	\$ 1,076,043	\$ 1,054,846	\$ 1,109,056	\$ 1,156,068	\$ 1,080,547
Proportionate share of the net pension liability as a percentage of its covered employee payroll	252.11%	319.92%	269.02%	285.71%	252.91%
Plan fiduciary net position as a percentage of the total pension liability	55.50%	53.32%	53.54%	50.45%	47.81%

	Measurement Date
	6/30/2016
Proportion of the net pension liability (asset)	0.044160%
Proportionate share of the net pension liability (asset)	\$ 2,184,277
Covered employee payroll	\$ 1,110,184
Proportionate share of the net pension liability as a percentage of its covered employee payroll	196.75%
Plan fiduciary net position as a percentage of the total pension liability	59.97%

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

**Housing Authority of Henderson**  
**Schedule of Employer's Contributions - Net Pension Liability**  
**March 31, 2022**

	<u>3/31/2018</u>	<u>3/31/2019</u>	<u>3/31/2020</u>	<u>3/31/2021</u>	<u>3/31/2022</u>
Contractually required contribution	\$ 261,687	\$ 276,446	\$ 314,513	\$ 212,897	\$ 225,602
Contributions in relation to the contractually required contribution	<u>261,687</u>	<u>276,446</u>	<u>314,513</u>	<u>212,897</u>	<u>225,602</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 1,076,043</u>	<u>\$ 1,054,846</u>	<u>\$ 1,109,059</u>	<u>\$ 1,156,068</u>	<u>\$ 1,090,754</u>
Contributions as a percentage of covered employee payroll	24.32%	26.21%	28.36%	18.42%	20.68%
				<u>3/31/2016</u>	<u>3/31/2017</u>
Contractually required contribution				\$ 232,197	\$ 255,504
Contributions in relation to the contractually required contribution				<u>232,197</u>	<u>255,504</u>
Contribution deficiency (excess)				<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll				<u>\$ 1,067,128</u>	<u>\$ 1,110,184</u>
Contributions as a percentage of covered employee payroll				21.76%	23.01%

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



**Housing Authority of Henderson**  
**Schedule of Employer's Proportionate Share of Net OPEB Liability**  
**March 31, 2022**

	Measurement Date			
	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Proportion of net OPEB liability (asset)	0.042903%	0.042423%	0.043065%	0.042863%
Proportionate share of net OPEB liability (asset)	\$ 931,733	\$ 761,716	\$ 708,439	\$ 820,399
Covered employee payroll	\$ 1,054,846	\$ 1,109,056	\$ 1,156,068	\$ 1,080,547
Proportionate share of net OPEB liability (asset) as a percentage of covered employee payroll	88.33%	68.68%	61.28%	75.92%
Plan fiduciary net position as a percentage of the total OPEB liability	52.39%	57.62%	60.44%	51.67%

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

**Housing Authority of Henderson**  
**Schedule of Employer's Contributions - Net OPEB Liability**  
**March 31, 2022**

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	<u>3/31/2019</u>	<u>3/31/2020</u>	<u>3/31/2021</u>	<u>3/31/2022</u>
Statutorily required contribution	\$ 48,206	\$ 54,233	\$ 55,029	\$ 60,143
Contributions in relation to the statutorily required contribution	<u>48,206</u>	<u>54,233</u>	<u>55,029</u>	<u>60,143</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$ 1,054,846</u>	<u>\$ 1,109,059</u>	<u>\$ 1,156,068</u>	<u>\$ 1,090,754</u>
Contributions as a percentage of covered employee payroll	4.57%	4.89%	4.76%	5.51%

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

Housing Authority of Henderson  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
For the year ended March 31, 2022

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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 mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality 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 from 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

HOUSING AUTHORITY OF HENDERSON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 for the year ended March 31, 2022

<u>Program Title</u>	<u>Federal CFDA#</u>	<u>Federal Expenditures</u>
U.S. Department of HUD Direct Program Public and Indian Housing	14.850	\$ 1,410,265
U.S. Department of HUD Direct Program Section 8 Housing Choice Vouchers	14.871	2,996,890
U.S. Department of HUD Direct Program Public Housing Capital Fund	14.872	755,595
U.S. Department of HUD Direct Program Public Housing CARES Act Funding	14.PHC	52,498
U.S. Department of HUD Direct Program HCV CARES Act Funding	14.HCC	<u>42,484</u>
Total		<u>\$ 5,257,732</u>

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 Housing Authority of Henderson (“Authority”), under programs of the federal government for the year ended March 31, 2022, 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 Authority’s federal award program and does not present transactions that would be included in financial statements of the Authority 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 Authority elected not to use the 10% de minimis cost rate allowed under Uniform Guidance.



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Kentucky Society of CPAs

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

Board of Commissioners  
Housing Authority of Henderson  
Henderson, Kentucky

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Housing Authority of Henderson'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 Housing Authority of Henderson's major federal programs for the year ended March 31, 2022. Housing Authority of Henderson'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, Housing Authority of Henderson 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 March 31, 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 Housing Authority of Henderson 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 Housing Authority of Henderson'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 Housing Authority of Henderson'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 Housing Authority of Henderson'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 Housing Authority of Henderson'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 Housing Authority of Henderson'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 Housing Authority of Henderson'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 Housing Authority of Henderson'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 Housing Authority of Henderson's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Housing Authority of Henderson'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

December 02, 2022





*Certified Public Accountants*

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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***

Board of Commissioners  
Housing Authority of Henderson  
Henderson, 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 Housing Authority of Henderson, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of Henderson's basic financial statements, and have issued our report thereon dated December 02, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Housing Authority of Henderson'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 Housing Authority of Henderson's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of Henderson'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 Housing Authority of Henderson'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

December 02, 2022

HOUSING AUTHORITY OF HENDERSON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
March 31, 2022

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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  no

Significant deficiency(ies) identified?  yes  no

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  no

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 Uniform Guidance?  yes  no

**Identification of Major Programs**

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.850	Public and Indian Housing
14.872	Public Housing Capital Fund

**Miscellaneous**

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

B. Financial Statement Findings

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
March 31, 2022

	Total Project
111 Cash - Unrestricted	\$654,000
112 Cash - Restricted - Modernization and Development	\$0
113 Cash - Other Restricted	\$0
114 Cash - Tenant Security Deposits	\$37,735
115 Cash - Restricted for Payment of Current Liabilities	\$0
100 Total Cash	\$691,735
121 Accounts Receivable - PHA Projects	\$0
122 Accounts Receivable - HUD Other Projects	
124 Accounts Receivable - Other Government	
125 Accounts Receivable - Miscellaneous	\$644
126 Accounts Receivable - Tenants	\$2,938
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,425
126.2 Allowance for Doubtful Accounts - Other	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0
128 Fraud Recovery	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0
129 Accrued Interest Receivable	\$666
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,823
131 Investments - Unrestricted	\$0
132 Investments - Restricted	\$0
135 Investments - Restricted for Payment of Current Liability	\$0
142 Prepaid Expenses and Other Assets	\$13,571
143 Inventories	\$43,529
143.1 Allowance for Obsolete Inventories	\$0
144 Inter Program Due From	
145 Assets Held for Sale	\$0
150 Total Current Assets	\$750,658
161 Land	\$315,630
162 Buildings	\$2,288,157
163 Furniture, Equipment & Machinery - Dwellings	\$117,437
164 Furniture, Equipment & Machinery - Administration	\$507,934
165 Leasehold Improvements	\$8,723,089
166 Accumulated Depreciation	-\$10,617,924
167 Construction in Progress	\$1,866,895
168 Infrastructure	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,201,218
171 Notes, Loans and Mortgages Receivable - Non-Current	

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
March 31, 2022

	Total Project
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	
173 Grants Receivable - Non Current	\$0
174 Other Assets	
176 Investments in Joint Ventures	
180 Total Non-Current Assets	\$3,201,218
200 Deferred Outflow of Resources	\$306,815
290 Total Assets and Deferred Outflow of Resources	\$4,258,691
311 Bank Overdraft	\$0
312 Accounts Payable <= 90 Days	\$4,609
313 Accounts Payable >90 Days Past Due	\$0
321 Accrued Wage/Payroll Taxes Payable	\$2,373
322 Accrued Compensated Absences - Current Portion	\$11,793
324 Accrued Contingency Liability	\$0
325 Accrued Interest Payable	\$0
331 Accounts Payable - HUD PHA Programs	
332 Account Payable - PHA Projects	\$0
333 Accounts Payable - Other Government	\$41,982
341 Tenant Security Deposits	\$37,735
342 Unearned Revenue	\$12,882
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	
344 Current Portion of Long-term Debt - Operating Borrowings	\$0
345 Other Current Liabilities	\$0
346 Accrued Liabilities - Other	\$829
347 Inter Program - Due To	\$0
348 Loan Liability - Current	
310 Total Current Liabilities	\$112,203
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	
352 Long-term Debt, Net of Current - Operating Borrowings	\$0
353 Non-current Liabilities - Other	\$0
354 Accrued Compensated Absences - Non Current	\$20,777
355 Loan Liability - Non Current	
356 FASB 5 Liabilities	\$0
357 Accrued Pension and OPEB Liabilities	\$1,216,066
350 Total Non-Current Liabilities	\$1,236,843
300 Total Liabilities	\$1,349,046

Housing Authority of Henderson (KY012)  
 Financial Data Schedule, Audited, Single Audit  
 March 31, 2022

	Total Project
400 Deferred Inflow of Resources	\$323,759
508.4 Net Investment in Capital Assets	\$3,201,218
511.4 Restricted Net Position	
512.4 Unrestricted Net Position	-\$615,332
513 Total Equity - Net Assets / Position	\$2,585,886
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$4,258,691

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$807,659		\$807,659
70400 Tenant Revenue - Other	\$47,040		\$47,040
70500 Total Tenant Revenue	\$854,699	\$0	\$854,699
70600 HUD PHA Operating Grants	\$819,480	\$290,485	\$1,109,965
70610 Capital Grants		\$103,995	\$103,995
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	\$298		\$298
71200 Mortgage Interest Income	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0		\$0
71310 Cost of Sale of Assets	\$0		\$0
71400 Fraud Recovery	\$0		\$0
71500 Other Revenue	\$96,334		\$96,334
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0
72000 Investment Income - Restricted	\$0		\$0
70000 Total Revenue	\$1,770,811	\$394,480	\$2,165,291
91100 Administrative Salaries	\$45,619		\$45,619
91200 Auditing Fees	\$4,032		\$4,032
91300 Management Fee	\$157,081	\$108,555	\$265,636
91310 Book-keeping Fee	\$18,533		\$18,533
91400 Advertising and Marketing	\$974		\$974
91500 Employee Benefit contributions - Administrative	\$29,715		\$29,715
91600 Office Expenses	\$213,416		\$213,416
91700 Legal Expense	\$11,816		\$11,816
91800 Travel	\$50		\$50
91810 Allocated Overhead	\$0		\$0
91900 Other	\$2,615		\$2,615
91000 Total Operating - Administrative	\$483,851	\$108,555	\$592,406
92000 Asset Management Fee	\$27,000		\$27,000
92100 Tenant Services - Salaries	\$51,786		\$51,786
92200 Relocation Costs	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$23,973		\$23,973

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Low Rent	Capital Fund	Total Project
92400 Tenant Services - Other	\$3,763		\$3,763
92500 Total Tenant Services	\$79,522	\$0	\$79,522
93100 Water	\$29,317		\$29,317
93200 Electricity	\$150,335		\$150,335
93300 Gas	\$57,565		\$57,565
93400 Fuel	\$0		\$0
93500 Labor	\$0		\$0
93600 Sewer	\$51,174		\$51,174
93700 Employee Benefit Contributions - Utilities	\$0		\$0
93800 Other Utilities Expense	\$775		\$775
93000 Total Utilities	\$289,166	\$0	\$289,166
94100 Ordinary Maintenance and Operations - Labor	\$257,192		\$257,192
94200 Ordinary Maintenance and Operations - Materials and Other	\$62,341		\$62,341
94300 Ordinary Maintenance and Operations Contracts	\$138,480		\$138,480
94500 Employee Benefit Contributions - Ordinary Maintenance	\$169,825		\$169,825
94000 Total Maintenance	\$627,838	\$0	\$627,838
95100 Protective Services - Labor	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0		\$0
95300 Protective Services - Other	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$46,482		\$46,482
96120 Liability Insurance	\$2,095		\$2,095
96130 Workmen's Compensation	\$6,885		\$6,885
96140 All Other Insurance	\$0		\$0
96100 Total insurance Premiums	\$55,462	\$0	\$55,462
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	\$57,784		\$57,784
96400 Bad debt - Tenant Rents	\$38,333		\$38,333
96500 Bad debt - Mortgages	\$0		\$0
96600 Bad debt - Other	\$0		\$0
96800 Severance Expense	\$0		\$0
96000 Total Other General Expenses	\$96,117	\$0	\$96,117
96710 Interest of Mortgage (or Bonds) Payable	\$0		\$0



Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Low Rent	Capital Fund	Total Project
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,658,956	\$108,555	\$1,767,511
97000 Excess of Operating Revenue over Operating Expenses	\$111,855	\$285,925	\$397,780
97100 Extraordinary Maintenance	\$0		\$0
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$0		\$0
97350 HAP Portability-In	\$0		\$0
97400 Depreciation Expense	\$44,526		\$44,526
97500 Fraud Losses	\$0		\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0		\$0
90000 Total Expenses	\$1,703,482	\$108,555	\$1,812,037
10010 Operating Transfer In	\$181,930		\$181,930
10020 Operating transfer Out	\$0	-\$181,930	-\$181,930
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0		\$0
10093 Transfers between Program and Project - In	\$0		\$0
10094 Transfers between Project and Program - Out	\$0		\$0
10100 Total Other financing Sources (Uses)	\$181,930	-\$181,930	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$249,259	\$103,995	\$353,254
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,232,632	\$0	\$2,232,632
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			

Housing Authority of Henderson (KY012)  
 Financial Data Schedule, Audited, Single Audit  
 For the year ended March 31, 2022

	Low Rent	Capital Fund	Total Project
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			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	2700		2700
11210 Number of Unit Months Leased	2455		2455
11270 Excess Cash	\$443,109		\$443,109
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$103,995	\$103,995
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
**March 31, 2022**

	Total Project
111 Cash - Unrestricted	\$857,167
112 Cash - Restricted - Modernization and Development	\$0
113 Cash - Other Restricted	
114 Cash - Tenant Security Deposits	\$45,275
115 Cash - Restricted for Payment of Current Liabilities	\$0
100 Total Cash	\$902,442
121 Accounts Receivable - PHA Projects	\$0
122 Accounts Receivable - HUD Other Projects	
124 Accounts Receivable - Other Government	\$0
125 Accounts Receivable - Miscellaneous	
126 Accounts Receivable - Tenants	\$3,710
126.1 Allowance for Doubtful Accounts - Tenants	-\$168
126.2 Allowance for Doubtful Accounts - Other	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0
128 Fraud Recovery	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0
129 Accrued Interest Receivable	\$171
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,713
131 Investments - Unrestricted	\$0
132 Investments - Restricted	\$0
135 Investments - Restricted for Payment of Current Liability	\$0
142 Prepaid Expenses and Other Assets	\$9,041
143 Inventories	\$41,899
143.1 Allowance for Obsolete Inventories	\$0
144 Inter Program Due From	
145 Assets Held for Sale	\$0
150 Total Current Assets	\$957,095
161 Land	\$296,656
162 Buildings	\$2,669,893
163 Furniture, Equipment & Machinery - Dwellings	\$505,174
164 Furniture, Equipment & Machinery - Administration	\$0
165 Leasehold Improvements	\$5,753,873
166 Accumulated Depreciation	-\$8,466,171
167 Construction in Progress	\$1,304,146
168 Infrastructure	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,063,571
171 Notes, Loans and Mortgages Receivable - Non-Current	

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
**March 31, 2022**

	Total Project
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	\$2,063,571
200 Deferred Outflow of Resources	\$267,745
290 Total Assets and Deferred Outflow of Resources	\$3,288,411
311 Bank Overdraft	
312 Accounts Payable <= 90 Days	\$1,435
313 Accounts Payable >90 Days Past Due	
321 Accrued Wage/Payroll Taxes Payable	\$18,347
322 Accrued Compensated Absences - Current Portion	\$5,896
324 Accrued Contingency Liability	
325 Accrued Interest Payable	
331 Accounts Payable - HUD PHA Programs	\$0
332 Account Payable - PHA Projects	
333 Accounts Payable - Other Government	\$59,977
341 Tenant Security Deposits	\$45,275
342 Unearned Revenue	\$12,511
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	
344 Current Portion of Long-term Debt - Operating Borrowings	\$0
345 Other Current Liabilities	\$0
346 Accrued Liabilities - Other	\$15,631
347 Inter Program - Due To	\$0
348 Loan Liability - Current	
310 Total Current Liabilities	\$159,072
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	\$33,722
355 Loan Liability - Non Current	
356 FASB 5 Liabilities	
357 Accrued Pension and OPEB Liabilities	\$1,026,560
350 Total Non-Current Liabilities	\$1,060,282
300 Total Liabilities	\$1,219,354

Housing Authority of Henderson (KY012)  
 Financial Data Schedule, Audited, Single Audit  
**March 31, 2022**

	Total Project
400 Deferred Inflow of Resources	\$279,918
508.4 Net Investment in Capital Assets	\$2,063,571
511.4 Restricted Net Position	
512.4 Unrestricted Net Position	-\$274,432
513 Total Equity - Net Assets / Position	\$1,789,139
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,288,411

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$754,174		\$754,174
70400 Tenant Revenue - Other	\$16,627		\$16,627
70500 Total Tenant Revenue	\$770,801	\$0	\$770,801
70600 HUD PHA Operating Grants	\$590,785	\$266,138	\$856,923
70610 Capital Grants		\$94,977	\$94,977
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	\$1,214		\$1,214
71200 Mortgage Interest Income	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0		\$0
71310 Cost of Sale of Assets	\$0		\$0
71400 Fraud Recovery	\$0		\$0
71500 Other Revenue	\$104,520		\$104,520
71600 Gain or Loss on Sale of Capital Assets	\$0		\$0
72000 Investment Income - Restricted	\$0		\$0
70000 Total Revenue	\$1,467,320	\$361,115	\$1,828,435
91100 Administrative Salaries	\$101,174		\$101,174
91200 Auditing Fees	\$3,673		\$3,673
91300 Management Fee	\$154,030	\$108,555	\$262,585
91310 Book-keeping Fee	\$18,173		\$18,173
91400 Advertising and Marketing	\$934		\$934
91500 Employee Benefit contributions - Administrative	\$50,848		\$50,848
91600 Office Expenses	\$188,712		\$188,712
91700 Legal Expense	\$1,517		\$1,517
91800 Travel	\$50		\$50
91810 Allocated Overhead	\$0		\$0
91900 Other	\$2,316		\$2,316
91000 Total Operating - Administrative	\$521,427	\$108,555	\$629,982
92000 Asset Management Fee	\$24,600		\$24,600
92100 Tenant Services - Salaries	\$39,013		\$39,013
92200 Relocation Costs	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$17,461		\$17,461

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Low Rent	Capital Fund	Total Project
92400 Tenant Services - Other	\$2,479		\$2,479
92500 Total Tenant Services	\$58,953	\$0	\$58,953
93100 Water	\$18,316		\$18,316
93200 Electricity	\$109,155		\$109,155
93300 Gas	\$5,947		\$5,947
93400 Fuel	\$0		\$0
93500 Labor	\$0		\$0
93600 Sewer	\$30,302		\$30,302
93700 Employee Benefit Contributions - Utilities	\$0		\$0
93800 Other Utilities Expense	\$1,075		\$1,075
93000 Total Utilities	\$164,795	\$0	\$164,795
94100 Ordinary Maintenance and Operations - Labor	\$228,092		\$228,092
94200 Ordinary Maintenance and Operations - Materials and Other	\$82,538		\$82,538
94300 Ordinary Maintenance and Operations Contracts	\$58,613		\$58,613
94500 Employee Benefit Contributions - Ordinary Maintenance	\$95,460		\$95,460
94000 Total Maintenance	\$464,703	\$0	\$464,703
95100 Protective Services - Labor	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0		\$0
95300 Protective Services - Other	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$28,716		\$28,716
96120 Liability Insurance	\$1,909		\$1,909
96130 Workmen's Compensation	\$6,616		\$6,616
96140 All Other Insurance	\$0		\$0
96100 Total insurance Premiums	\$37,241	\$0	\$37,241
96200 Other General Expenses	\$0		\$0
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	\$62,601		\$62,601
96400 Bad debt - Tenant Rents	\$4,843		\$4,843
96500 Bad debt - Mortgages	\$0		\$0
96600 Bad debt - Other	\$0		\$0
96800 Severance Expense	\$0		\$0
96000 Total Other General Expenses	\$67,444	\$0	\$67,444
96710 Interest of Mortgage (or Bonds) Payable	\$0		\$0

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Low Rent	Capital Fund	Total Project
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,339,163	\$108,555	\$1,447,718
97000 Excess of Operating Revenue over Operating Expenses	\$128,157	\$252,560	\$380,717
97100 Extraordinary Maintenance	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0		\$0
97300 Housing Assistance Payments	\$0		\$0
97350 HAP Portability-In	\$0		\$0
97400 Depreciation Expense	\$131,629		\$131,629
97500 Fraud Losses	\$0		\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0		\$0
90000 Total Expenses	\$1,470,792	\$108,555	\$1,579,347
10010 Operating Transfer In	\$157,583		\$157,583
10020 Operating transfer Out	\$0	-\$157,583	-\$157,583
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0		\$0
10093 Transfers between Program and Project - In	\$0		\$0
10094 Transfers between Project and Program - Out	\$0		\$0
10100 Total Other financing Sources (Uses)	\$157,583	-\$157,583	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$154,111	\$94,977	\$249,088
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,540,051	\$0	\$1,540,051
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			



Housing Authority of Henderson (KY012)  
 Financial Data Schedule, Audited, Single Audit  
 For the year ended March 31, 2022

	Low Rent	Capital Fund	Total Project
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			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	2460		2460
11210 Number of Unit Months Leased	2424		2424
11270 Excess Cash	\$634,254		\$634,254
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$94,977	\$94,977
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
**March 31, 2022**

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,511,167		\$149,307	\$216,779	\$102,451		\$750,995	\$2,730,699		\$2,730,699
112 Cash - Restricted - Modernization and Development	\$0						\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0				\$86,741		\$0	\$86,741	\$0	\$86,741
114 Cash - Tenant Security Deposits	\$83,010			\$6,800			\$600	\$90,410		\$90,410
115 Cash - Restricted for Payment of Current Liabilities	\$0							\$0		\$0
100 Total Cash	\$1,594,177	\$0	\$149,307	\$223,579	\$189,192	\$0	\$751,595	\$2,907,850	\$0	\$2,907,850
121 Accounts Receivable - PHA Projects	\$0							\$0		\$0
122 Accounts Receivable - HUD Other Projects										
124 Accounts Receivable - Other Government	\$0							\$0		\$0
125 Accounts Receivable - Miscellaneous	\$644						\$383	\$1,027		\$1,027
126 Accounts Receivable - Tenants	\$6,648			\$2,092			\$785	\$9,525		\$9,525
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,593			-\$344			\$0	-\$2,937	\$0	-\$2,937
126.2 Allowance for Doubtful Accounts - Other	\$0						\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0							\$0		\$0
128 Fraud Recovery	\$0				\$73,727			\$73,727		\$73,727
128.1 Allowance for Doubtful Accounts - Fraud	\$0				-\$73,727			-\$73,727		-\$73,727
129 Accrued Interest Receivable	\$837						\$134	\$971		\$971
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,536	\$0	\$0	\$1,748	\$0	\$0	\$1,302	\$8,586	\$0	\$8,586
131 Investments - Unrestricted	\$0							\$0		\$0
132 Investments - Restricted	\$0							\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0							\$0		\$0
142 Prepaid Expenses and Other Assets	\$22,612						\$3,698	\$26,310		\$26,310

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
**March 31, 2022**

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
143 Inventories	\$85,428						\$0	\$85,428	\$0	\$85,428
143.1 Allowance for Obsolete Inventories	\$0						\$0	\$0	\$0	\$0
144 Inter Program Due From							\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0						\$0	\$0	\$0	\$0
150 Total Current Assets	\$1,707,753	\$0	\$149,307	\$225,327	\$189,192	\$0	\$756,595	\$3,028,174	\$0	\$3,028,174
161 Land	\$612,286			\$158,022			\$183,661	\$953,969		\$953,969
162 Buildings	\$4,958,050			\$2,457,479			\$232,217	\$7,647,746		\$7,647,746
163 Furniture, Equipment & Machinery - Dwellings	\$622,611						\$0	\$622,611		\$622,611
164 Furniture, Equipment & Machinery - Administration	\$507,934				\$53,273		\$52,241	\$613,448		\$613,448
165 Leasehold Improvements	\$14,476,962			\$20,201			\$0	\$14,497,163		\$14,497,163
166 Accumulated Depreciation	-\$19,084,095			-\$471,058	-\$23,145		-\$99,351	-\$19,677,649		-\$19,677,649
167 Construction in Progress	\$3,171,041						\$0	\$3,171,041		\$3,171,041
168 Infrastructure	\$0						\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,264,789	\$0	\$0	\$2,164,644	\$30,128	\$0	\$368,768	\$7,828,329	\$0	\$7,828,329
173 Grants Receivable - Non Current	\$0							\$0		\$0
174 Other Assets										
176 Investments in Joint Ventures										
180 Total Non-Current Assets	\$5,264,789	\$0	\$0	\$2,164,644	\$30,128	\$0	\$368,768	\$7,828,329	\$0	\$7,828,329
200 Deferred Outflow of Resources	\$574,560				\$110,474		\$220,346	\$905,380		\$905,380
290 Total Assets and Deferred Outflow of Resources	\$7,547,102	\$0	\$149,307	\$2,389,971	\$329,794	\$0	\$1,345,709	\$11,761,883	\$0	\$11,761,883

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
**March 31, 2022**

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	\$0							\$0		\$0
312 Accounts Payable <= 90 Days	\$6,044			\$285			\$5,915	\$12,244		\$12,244
313 Accounts Payable >90 Days Past Due	\$0							\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$20,720				\$4,812		\$20,463	\$45,995		\$45,995
322 Accrued Compensated Absences - Current Portion	\$17,689				\$11,149			\$28,838		\$28,838
324 Accrued Contingency Liability	\$0							\$0		\$0
325 Accrued Interest Payable	\$0							\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$0				\$0			\$0		\$0
332 Account Payable - PHA Projects	\$0							\$0		\$0
333 Accounts Payable - Other Government	\$101,959			\$13,376			\$1,591	\$116,926		\$116,926
341 Tenant Security Deposits	\$83,010			\$6,800			\$600	\$90,410		\$90,410
342 Unearned Revenue	\$25,393		\$80,038	\$50	\$0			\$105,481		\$105,481
345 Other Current Liabilities	\$0							\$0		\$0
346 Accrued Liabilities - Other	\$16,460							\$16,460		\$16,460
347 Inter Program - Due To	\$0							\$0		\$0
348 Loan Liability - Current										
310 Total Current Liabilities	\$271,275	\$0	\$80,038	\$20,511	\$15,961	\$0	\$28,569	\$416,354	\$0	\$416,354
353 Non-current Liabilities - Other	\$0							\$0		\$0
354 Accrued Compensated Absences - Non Current	\$54,499				\$0		\$78,191	\$132,690		\$132,690
355 Loan Liability - Non Current										
356 FASB 5 Liabilities	\$0							\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$2,242,626				\$421,423		\$889,202	\$3,553,251		\$3,553,251
350 Total Non-Current Liabilities	\$2,297,125	\$0	\$0	\$0	\$421,423	\$0	\$967,393	\$3,685,941	\$0	\$3,685,941
300 Total Liabilities	\$2,568,400	\$0	\$80,038	\$20,511	\$437,384	\$0	\$995,962	\$4,102,295	\$0	\$4,102,295

Housing Authority of Henderson (KY012)  
 Financial Data Schedule, Audited, Single Audit  
 March 31, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
400 Deferred Inflow of Resources	\$603,677				\$115,334		\$233,711	\$952,722		\$952,722
508.4 Net Investment in Capital Assets	\$5,264,789	\$0		\$2,164,644	\$30,128		\$368,768	\$7,828,329		\$7,828,329
511.4 Restricted Net Position	\$0	\$0			\$86,741	\$0	\$0	\$86,741		\$86,741
512.4 Unrestricted Net Position	-\$889,764	\$0	\$69,269	\$204,816	-\$339,793	\$0	-\$252,732	-\$1,208,204		-\$1,208,204
513 Total Equity - Net Assets / Position	\$4,375,025	\$0	\$69,269	\$2,369,460	-\$222,924	\$0	\$116,036	\$6,706,866	\$0	\$6,706,866
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$7,547,102	\$0	\$149,307	\$2,389,971	\$329,794	\$0	\$1,345,709	\$11,761,883	\$0	\$11,761,883

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$1,561,833			\$140,821			\$17,250	\$1,719,904		\$1,719,904
70400 Tenant Revenue - Other	\$63,667						\$0	\$63,667		\$63,667
70500 Total Tenant Revenue	\$1,625,500	\$0	\$0	\$140,821	\$0	\$0	\$17,250	\$1,783,571	\$0	\$1,783,571
70600 HUD PHA Operating Grants	\$1,966,888	\$52,498			\$2,996,890	\$42,484	\$0	\$5,058,760		\$5,058,760
70610 Capital Grants	\$198,972						\$0	\$198,972		\$198,972
70710 Management Fee							\$592,674	\$592,674	-\$592,674	\$0
70720 Asset Management Fee							\$54,120	\$54,120	-\$54,120	\$0
70730 Book Keeping Fee							\$38,528	\$38,528	-\$38,528	\$0
70740 Front Line Service Fee										
70750 Other Fees							\$0	\$0		\$0
70700 Total Fee Revenue							\$685,322	\$685,322	-\$685,322	\$0
70800 Other Government Grants										
71100 Investment Income - Unrestricted	\$1,512				\$24		\$1,055	\$2,591		\$2,591
71200 Mortgage Interest Income	\$0							\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0							\$0		\$0
71310 Cost of Sale of Assets	\$0							\$0		\$0
71400 Fraud Recovery	\$0				\$16,936			\$16,936		\$16,936
71500 Other Revenue	\$200,854		\$10,500	\$1,525	\$2,649		\$52,669	\$268,197		\$268,197
71600 Gain or Loss on Sale of Capital Assets	\$0							\$0		\$0
72000 Investment Income - Restricted	\$0				\$0			\$0		\$0
70000 Total Revenue	\$3,993,726	\$52,498	\$10,500	\$142,346	\$3,016,499	\$42,484	\$756,296	\$8,014,349	-\$685,322	\$7,329,027
91100 Administrative Salaries	\$146,793	\$30,668			\$127,131	\$23,839	\$302,718	\$631,149		\$631,149
91200 Auditing Fees	\$7,705			\$264	\$8,431		\$9,114	\$25,514		\$25,514

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
91300 Management Fee	\$528,221			\$15,448	\$49,005			\$592,674	-\$592,674	\$0
91310 Book-keeping Fee	\$36,706			\$1,822	\$0			\$38,528	-\$38,528	\$0
91400 Advertising and Marketing	\$1,908						\$4,308	\$6,216		\$6,216
91500 Employee Benefit contributions - Administrative	\$80,563	\$21,830			\$95,808	\$18,582	\$176,535	\$393,318		\$393,318
91600 Office Expenses	\$402,128		\$1,477	\$424	\$26,141		\$31,030	\$461,200		\$461,200
91700 Legal Expense	\$13,333						\$0	\$13,333		\$13,333
91800 Travel	\$100				\$788		\$2,080	\$2,968		\$2,968
91810 Allocated Overhead	\$0							\$0		\$0
91900 Other	\$4,931				\$0		\$0	\$4,931		\$4,931
91000 Total Operating - Administrative	\$1,222,388	\$52,498	\$1,477	\$17,958	\$307,304	\$42,421	\$525,785	\$2,169,831	-\$631,202	\$1,538,629
92000 Asset Management Fee	\$51,600			\$2,520				\$54,120	-\$54,120	\$0
92100 Tenant Services - Salaries	\$90,799						\$0	\$90,799		\$90,799
92200 Relocation Costs	\$0						\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$41,434						\$0	\$41,434		\$41,434
92400 Tenant Services - Other	\$6,242					\$63	\$0	\$6,305		\$6,305
92500 Total Tenant Services	\$138,475	\$0	\$0	\$0	\$0	\$63	\$0	\$138,538	\$0	\$138,538
93100 Water	\$47,633			\$1,136			\$3	\$48,772		\$48,772
93200 Electricity	\$259,490			\$2,071			\$597	\$262,158		\$262,158
93300 Gas	\$63,512			\$208			\$0	\$63,720		\$63,720
93400 Fuel	\$0						\$0	\$0		\$0
93500 Labor	\$0						\$0	\$0		\$0
93600 Sewer	\$81,476			\$2,073			\$20	\$83,569		\$83,569
93700 Employee Benefit Contributions - Utilities	\$0						\$0	\$0		\$0
93800 Other Utilities Expense	\$1,850						\$0	\$1,850		\$1,850

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
93000 Total Utilities	\$453,961	\$0	\$0	\$5,488	\$0	\$0	\$620	\$460,069	\$0	\$460,069
94100 Ordinary Maintenance and Operations - Labor	\$485,284			\$13,813			\$70	\$499,167		\$499,167
94200 Ordinary Maintenance and Operations - Materials and Other	\$144,879			\$57,268			\$26,106	\$228,253		\$228,253
94300 Ordinary Maintenance and Operations Contracts	\$197,093			\$32,523	\$7,949		\$32,632	\$270,197		\$270,197
94500 Employee Benefit Contributions - Ordinary Maintenance	\$265,285			\$4,874			\$0	\$270,159		\$270,159
94000 Total Maintenance	\$1,092,541	\$0	\$0	\$108,478	\$7,949	\$0	\$58,808	\$1,267,776	\$0	\$1,267,776
95100 Protective Services - Labor	\$0						\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0						\$0	\$0		\$0
95300 Protective Services - Other	\$0						\$0	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0						\$0	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$75,198			\$6,895	\$1,811		\$1,698	\$85,602		\$85,602
96120 Liability Insurance	\$4,004			\$196	\$5,194		\$5,810	\$15,204		\$15,204
96130 Workmen's Compensation	\$13,501				\$2,225		\$5,100	\$20,826		\$20,826
96140 All Other Insurance	\$0						\$0	\$0		\$0
96100 Total insurance Premiums	\$92,703	\$0	\$0	\$7,091	\$9,230	\$0	\$12,608	\$121,632	\$0	\$121,632
96200 Other General Expenses	\$0						\$214	\$214		\$214
96210 Compensated Absences					\$0		\$0	\$0		\$0
96300 Payments in Lieu of Taxes	\$120,385			\$13,414			\$1,592	\$135,391		\$135,391
96400 Bad debt - Tenant Rents	\$43,176			\$206				\$43,382		\$43,382
96500 Bad debt - Mortgages	\$0							\$0		\$0



Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
96600 Bad debt - Other	\$0							\$0		\$0
96800 Severance Expense	\$0							\$0		\$0
96000 Total Other General Expenses	\$163,561	\$0	\$0	\$13,620	\$0	\$0	\$1,806	\$178,987	\$0	\$178,987
96710 Interest of Mortgage (or Bonds) Payable	\$0							\$0		\$0
96720 Interest on Notes Payable (Short and Long Term)										
96730 Amortization of Bond Issue Costs	\$0							\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$3,215,229	\$52,498	\$1,477	\$155,155	\$324,483	\$42,484	\$599,627	\$4,390,953	-\$685,322	\$3,705,631
97000 Excess of Operating Revenue over Operating Expenses	\$778,497	\$0	\$9,023	-\$12,809	\$2,692,016	\$0	\$156,669	\$3,623,396	\$0	\$3,623,396
97100 Extraordinary Maintenance	\$0							\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0							\$0		\$0
97300 Housing Assistance Payments	\$0				\$2,651,255			\$2,651,255		\$2,651,255
97350 HAP Portability-In	\$0							\$0		\$0
97400 Depreciation Expense	\$176,155			\$61,942	\$1,710		\$7,763	\$247,570		\$247,570
97500 Fraud Losses	\$0							\$0		\$0
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense	\$0							\$0		\$0
90000 Total Expenses	\$3,391,384	\$52,498	\$1,477	\$217,097	\$2,977,448	\$42,484	\$607,390	\$7,289,778	-\$685,322	\$6,604,456
10010 Operating Transfer In	\$339,513						\$0	\$339,513		\$339,513
10020 Operating transfer Out	-\$339,513						\$0	-\$339,513		-\$339,513

Housing Authority of Henderson (KY012)  
Financial Data Schedule, Audited, Single Audit  
For the year ended March 31, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
10030 Operating Transfers from/to Primary Government							\$0	\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0						\$0	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds										
10060 Proceeds from Property Sales										
10070 Extraordinary Items, Net Gain/Loss	\$0						\$0	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0						\$0	\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0							\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0							\$0		\$0
10093 Transfers between Program and Project - In	\$0						\$0	\$0		\$0
10094 Transfers between Project and Program - Out	\$0						\$0	\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$602,342	\$0	\$9,023	-\$74,751	\$39,051	\$0	\$148,906	\$724,571	\$0	\$724,571
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$3,772,683	\$0	\$60,246	\$2,444,211	-\$261,975	\$0	-\$32,870	\$5,982,295		\$5,982,295
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					\$0			\$0		\$0
11050 Changes in Compensated Absence Balance										
11060 Changes in Contingent Liability Balance										
11070 Changes in Unrecognized Pension Transition Liability										
11100 Changes in Allowance for Doubtful Accounts - Other										
11170 Administrative Fee Equity					-\$309,665			-\$309,665		-\$309,665
11180 Housing Assistance Payments Equity					\$86,741			\$86,741		\$86,741
11190 Unit Months Available	5160			252	8856		24	14292		14292

Housing Authority of Henderson (KY012)  
 Financial Data Schedule, Audited, Single Audit  
 For the year ended March 31, 2022

	Project Total	14.PHC Public Housing CARES Act Funding	6.2 Component Unit - Blended	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	COCC	Subtotal	ELIM	Total
11210 Number of Unit Months Leased	4879			245	6534		24	11682		11682
11270 Excess Cash	\$1,077,363							\$1,077,363		\$1,077,363
11610 Land Purchases	\$0						\$0	\$0		\$0
11620 Building Purchases	\$94,977						\$0	\$94,977		\$94,977
11630 Furniture & Equipment - Dwelling Purchases	\$103,995						\$0	\$103,995		\$103,995
11640 Furniture & Equipment - Administrative Purchases	\$0						\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0						\$0	\$0		\$0
11660 Infrastructure Purchases	\$0						\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0						\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0						\$0	\$0		\$0