

BROOKINGS COUNTY HOUSING & REDEVELOPMENT COMMISSION
BROOKINGS, SOUTH DAKOTA

PROJECT NUMBERS: SD056VO and SD 056MR
ANNUAL CONTRIBUTION CONTRACT NUMBER: SD056

FINANCIAL REPORT

FOR THE ONE YEAR ENDING DECEMBER 31, 2020

WITH INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA

P.O. Box 262

Madison, South Dakota 57042

BROOKINGS COUNTY HOUSING & REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF BROOKINGS COUNTY, SOUTH DAKOTA

PROJECT NUMBERS: SD056VO and SD 056MR
ANNUAL CONTRIBUTION CONTRACT NUMBER: SD056

TABLE OF CONTENTS TO THE FINANCIAL REPORT
FOR THE ONE YEAR ENDING DECEMBER 31, 2020

FINANCIAL SECTION

- 1 Independent Auditor's Report
- 4 Management's Discussion and Analysis
(Required Supplementary Information)
- Fund Financial Statements - Enterprise Funds:
- 8 Statement of Net Position
- 9 Statement of Revenues, Expenses, and Changes in Net Position
- 10 Statement of Cash Flows
- 11 Notes to the Financial Statements

SUPPLEMENTARY INFORMATION

- 19 Combining Schedule of Revenues, Expenditures, and Changes in Net Position of
all Housing Choice Vouchers Programs Administered by the Brookings County
Housing and Redevelopment Commission
- 20 Schedule of Expenditures of Federal Awards
- Financial Data Schedule For the One Year Ending December 31, 2020
(Required by the Dept. of Housing and Urban Development)
- 21 Section-8 Existing Housing Choice Voucher Program
- 21 Section-8 Family Self-Sufficiency Program
- 21 Section-8 Moderate Rehabilitation

GOVERNMENTAL SECTION

- 23 Report on Compliance and Other Matters and on Internal Control over
Financial Reporting Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*
- 25 Report on Compliance for Each Major Federal Program and Report on Internal
Control Over Compliance Required by the Uniform Guidance.
- 27 Schedule of Audit Findings and Questioned Costs

NOTE: All figures shown in this financial report are in U.S. dollars.
For space considerations, the "\$" symbol is not used.

INDEPENDENT AUDIT SERVICES, P.C.

Benjamin Elliott, CPA
P.O. Box 262
Madison, South Dakota 57042
605.270.3020

Board of Commissioners
Brookings County Housing & Redevelopment Commission
Brookings, South Dakota

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of each major fund of the Brookings County Housing & Redevelopment Commission (Commission), a component unit of Brookings County, South Dakota, as of and for the one year ending December 31, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Commission's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinions.

Unmodified Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Brookings County Housing & Redevelopment Commission, a component unit of Brookings County, South Dakota as of December 31, 2020, 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.

Other Matters - Required Supplementary Information (No Opinion)

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (page 4 to 7) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting by placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Matters - Other Information (Opinion)

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements.

The accompanying combining schedule of revenues, expenditures, and changes in net position of all housing choice vouchers programs administered by the Brookings County Housing and Redevelopment Commission (page 19) is presented for the purpose of additional analysis and is not a required part of the basic financial stmts.

The accompanying schedule of expenditures of federal awards (page 20) is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements.

The financial data schedule (page 21 and 22) is presented for purposes of additional analysis, as required by the U.S. Department of Housing and Urban Development, and is not a required part of the basic financial statements.

The combining schedule of revenues, expenditures, and changes in net position of all housing choice vouchers programs administered by the Brookings County Housing and Redevelopment Commission, the schedule of expenditures of federal awards, and the financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling

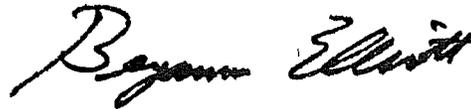
~~such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining schedule of revenues, expenditures, and changes in net position of all housing choice vouchers programs administered by the Brookings County Housing and Redevelopment Commission, the schedule of expenditures of federal awards and the financial data schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.~~

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 24, 2021 (page 23) on my tests of its compliance with certain provisions of laws, regulations, contracts, and other matters and my consideration of the Commission's internal control over financial reporting. The purpose of that report is to describe the scope of my testing of compliance and internal control over financial reporting, and the results of that testing, and not to provide an opinion on compliance or internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's compliance and internal control over financial reporting.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota

September 24, 2021



BROOKINGS COUNTY SECT 8 V 1310 MAIN AVE S STE #106
Brookings, South Dakota

Management's Discussion and Analysis
December 31, 2020

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

Our discussion and analysis of the Brookings County Sect 8 V 1310 Main Ave S Ste #106 (herein referred to as "the Housing Authority"), Brookings, South Dakota, financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended December 31, 2020. Please read the MD&A in conjunction with the Housing Authority's financial statements.

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

Financial Highlights

Total assets of the Housing Authority for the year ended December 31, 2020 were \$303,698. Total liabilities were \$189,815. Deferred inflows of resources were \$0, and total assets exceeded total liabilities by \$113,883 (net position).

Total operating and non-operating revenue for the year ended December 31, 2020, was \$1,677,161 and expenses totaled \$1,724,041, expenses exceeded revenue by \$46,880.

Overview of the Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. The Housing Authority's financial statements are presented as program level financial statements because the Housing Authority only has proprietary funds.

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

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

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**BROOKINGS COUNTY SECT 8 V 1310 MAIN AVE S STE #106
Brookings, South Dakota**

**Management's Discussion and Analysis
December 31, 2020**

Financial Analysis

The Housing Authority's basic financial statements are the Statement of Net Position and the Statement of Changes in Net Position. The Statement of Net Position provides a summary of the Housing Authority's assets and liabilities as of the close of business on December 31, 2020. The Statement of Changes in Net Position summarizes the revenues and sources of those revenues, and expenses incurred in operating the Housing Authority for the year ended December 31, 2020.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Housing Assistance Payment (HAP) to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

New Mutual Self Help Program – Provides home ownership for families. Charges are based upon 15% of adjusted monthly income, with a maximum payment of the debt amortization of the unit.

Statement of Net Position

FOR THE YEAR ENDED December 31	2020	2019
Current assets and prepaid expense	\$303,698	\$344,963
Inventory held for resale	\$0	\$0
Capital assets, net	\$0	\$2,560
Pension assets, net		
Total Assets	\$303,698	\$347,523
Deferred Outflows of Resources	\$0	\$0
Current liabilities	\$103,474	\$148,128
Non-current liabilities	\$86,341	\$38,632
Total liabilities	\$189,815	\$186,760
Deferred Inflow of Resources	\$0	\$0
Net Position		
Invested in capital assets, net of related debt	\$0	\$2,560
Restricted	\$7,170	\$75,001
Unrestricted	\$106,713	\$83,202
Total Net Position	<u>\$113,883</u>	<u>\$160,763</u>
Total Liabilities, Deferred inflow of Resources and Equity/Net Position	<u>\$303,698</u>	<u>\$347,523</u>

Comparative Statement of Revenues, Expenses and Changes in Net Position

FOR THE YEAR ENDED December 31	2020	2019	Change
Program Revenue			
Tenant revenue	\$0	\$0	\$0
Other income	\$32,573	\$4,012	\$28,561
Federal grants and subsidies	\$1,646,794	\$1,650,176	(\$3,382)
Interest income	\$354	\$358	(\$4)
Total revenue	<u>\$1,679,721</u>	<u>\$1,654,546</u>	\$25,175
Program Expenses			
Administration	\$174,678	\$173,049	\$1,629
Tenant Services	\$37,966	\$37,966	\$0
Utilities	\$0	\$0	\$0
Ordinary maintenance & operations	\$0	\$715	(715)
Protective services	\$0	\$0	\$0
General expenses	\$4,641	\$4,061	\$580
Non-routine maintenance	\$0	\$0	\$0
Depreciation	\$0	\$528	(\$528)
Interest Expense	\$0	\$0	\$0
HAP	\$1,472,347	\$1,366,434	\$140,323
FSS	34,410		
Total expenses	<u>\$1,724,042</u>	<u>\$1,582,753</u>	\$141,288
Gain/loss - disposition of assets	(\$2,560)	\$0	(\$2,560)
Transfer of funds	\$0	\$0	\$0
Change in Net Position	<u>(\$46,880)</u>	<u>\$71,793</u>	(\$118,673)
Beginning Net Position	<u>\$160,764</u>	<u>\$112,913</u>	\$71,793
Prior period adjustments		(23,942)	
Ending Net Position	<u>\$113,883</u>	<u>\$160,764</u>	\$46,880

Federal grants total \$1,646,794.

Capital Assets

**Capital Assets at Year-end
(Net of Accumulated Depreciation)**

FOR THE YEAR ENDED December 31	2020	2019	change

Land	\$0	\$0	\$0
Buildings	\$0	\$0	\$0
Furniture, Equipment & Machinery - Admin	\$0	\$8,985	(\$8,985)
Furniture, Equipment & Machinery - Dwelling	\$0	\$0	\$0
Construction in Progress	\$0	\$0	\$0
Subtotal	\$0	\$8,985	(\$8,985)
Accumulated Depreciation	\$0	(\$6,425)	\$6,425
Total Capital assets	<u>\$0</u>	<u>\$2,560</u>	<u>(\$2,560)</u>

Long Term Debt

The Housing Authority has no long-term debt.

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the federal budget for the current year (and future years).

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Rich Galbraith, Executive Director, at Brookings County Sect 8 V 1310 Main Ave S Ste #106, Po Box 432, Brookings, South Dakota 57006 -- (605) 692-1670

BROOKINGS COUNTY HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE BROOKINGS COUNTY, SOUTH DAKOTA
BROOKINGS, SOUTH DAKOTA

Project Number: Vouchers - SD056VO
Project Number: Moderate Rehabilitation - SD056MR
PHA Code: SD056

STATEMENT OF NET POSITION
ENTERPRISE FUNDS AS OF DECEMBER 31, 2020

	Section-8 Existing Housing Choice Voucher Fund	Section-8 Moderate Rehabilitation Fund	Totals
ASSETS:			
Current assets:			
Cash:			
Unrestricted cash:			
Checking - administration	(9,490.09)		(9,490.09)
Money market	113,654.01		113,654.01
Certificates of deposit - 90 days or less	6,403.46		6,403.46
Restricted cash:			
Checking - HAP equity	7,170.00		7,170.00
Checking - CARES	36,063.04		36,063.04
Savings - FSS expense	11,704.29		11,704.29
Money market - FSS escrow	56,993.43		56,993.43
Savings - FSS maintenance	17,643.95		17,643.95
Total cash	240,142.09	0.00	240,142.09
Certificates of deposit - more than 90 days	16,933.67		16,933.67
Accounts receivable - tenants	8,102.00	153.00	8,255.00
Accounts receivable - vacated units	(8,102.00)	(153.00)	(8,255.00)
Accounts receivable - HUD	0.00		0.00
Accounts receivable - other	3,083.75		3,083.75
Accrued interest receivable	13.37		13.37
Prepaid insurance	2,179.90		2,179.90
Due from other fund		41,345.48	41,345.48
Total current assets	262,352.78	41,345.48	303,698.26
Noncurrent assets:			
Capital assets:			
Equipment - administration	0.00		0.00
Accumulated depreciation	0.00		0.00
Total capital assets	0.00	0.00	0.00
Total assets:	262,352.78	41,345.48	303,698.26
LIABILITIES:			
Current liabilities:			
Accounts payable	0.00		0.00
Accounts payable - HUD		26,065.00	26,065.00
Due to other fund	41,345.48		41,345.48
Prepaid tenant AR (CARES)	36,063.04		36,063.04
Total current liabilities	77,408.52	26,065.00	103,473.52
Noncurrent liabilities:			
Family self-sufficiency (FSS):			
Expenses	11,704.29		11,704.29
Escrow	56,993.43		56,993.43
Mortgage maintenance reserve	17,643.95		17,643.95
Total liabilities	163,750.19	26,065.00	189,815.19
NET POSITION			
Net invested in capital assets	0.00		0.00
Restricted for HAP payments	7,170.00		7,170.00
Unrestricted - Pre 2004 earnings	13,346.50		13,346.50
Unrestricted - Post 2003 earnings	78,086.09	15,280.48	93,366.57
Total net position	98,602.59	15,280.48	113,883.07

See accompanying notes.

BROOKINGS COUNTY HOUSING AND REDEVELOPMENT COMMISSION
 A COMPONENT UNIT OF THE BROOKINGS COUNTY, SOUTH DAKOTA
 BROOKINGS, SOUTH DAKOTA

Project Number: Vouchers - SD056VO
 Project Number: Moderate Rehabilitation - SD056MR
 PHA Code: SD056

STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 ENTERPRISE FUNDS FOR THE YEAR ENDING DECEMBER 31, 2020

	Section-8 Existing Housing Choice Voucher Fund	Section-8 Moderate Rehabilitation Fund	Totals
	-----	-----	-----
Revenues:			
Intergovernmental revenue:			
HUD operating grants:			
HAP (voucher) program	1,386,109.00	23,233.80	1,409,342.80
Section 8 administration	154,006.00	6,543.08	160,549.08
CARES	38,935.96		38,935.96
FSS administration	37,966.00		37,966.00
Miscellaneous revenue:			
Fraud recovery - HUD	2,990.40		2,990.40
Fraud recovery	2,990.00		2,990.00
Absorption	25,045.56		25,045.56
Other income	1,547.44		1,547.44
Total operating revenues	1,649,590.36	29,776.88	1,679,367.24
	-----	-----	-----
Operating expenses:			
Administration	170,421.74	4,256.62	174,678.36
Tenant services	37,966.00		37,966.00
Maintenance	0.00	0.00	0.00
General expenses	4,553.55	87.00	4,640.55
Housing assistance payments (HAP)	1,449,113.00	23,233.80	1,472,346.80
Family self-sufficiency payments (FSS)	34,410.00		34,410.00
Depreciation	0.00		0.00
Total operating expenses	1,696,464.29	27,577.42	1,724,041.71
	-----	-----	-----
Operating income (loss):	(46,873.93)	2,199.46	(44,674.47)
Nonoperating revenues (expenses):			
Interest earned	316.30	38.05	354.35
Loss on disposition of property	(2,559.94)		(2,559.94)
Change in net position	(49,117.57)	2,237.51	(46,880.06)
Total net position:			
January 1, 2020	147,720.16	13,042.97	160,763.13
December 31, 2020	98,602.59	15,280.48	113,883.07
	=====	=====	=====

See accompanying notes.

BROOKINGS COUNTY HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF THE BROOKINGS COUNTY, SOUTH DAKOTA
BROOKINGS, SOUTH DAKOTA

Project Number: Vouchers - SD056VO
Project Number: Moderate Rehabilitation - SD056MR
PHA Code: SD056

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS FOR THE YEAR ENDING DECEMBER 31, 2020

	Section-8 Existing Housing Choice Voucher Fund	Section-8 Moderate Rehabilitation Fund	Totals
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating subsidy - HUD HAP	1,386,109.00	33,261.80	1,419,370.80
Operating grant - HUD section 8 administra	154,006.00	6,543.08	160,549.08
Operating grant - HUD CARES	38,935.96		38,935.96
Operating grant - HUD FSS administration	36,356.91		36,356.91
Fraud recovery	5,980.40		5,980.40
Other income - absorption	26,593.00		26,593.00
Housing assistance payments (HAP)	(1,449,113.00)	(22,725.00)	(1,471,838.00)
Family self-sufficiency payments (FSS)	(58,609.12)		(58,609.12)
Payroll and related payments	(37,966.00)		(37,966.00)
Vendor payments	(172,092.37)	(4,852.42)	(176,944.79)
Net cash provided (used) by operating acti	(69,799.22)	12,227.46	(57,571.76)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVI			
Due (from) to other fund	12,265.51	(12,265.51)	0.00
Net cash provided (used) by non-capital fi	12,265.51	(12,265.51)	0.00
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
None			0.00
Net cash provided (used) by capital financ	0.00	0.00	0.00
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	368.00	38.05	406.05
Purchase certificates of deposit	(284.69)		(284.69)
Net cash provided (used) by investing acti	83.31	38.05	121.36
Net increase (decrease) in cash and cash equ	(57,450.40)	0.00	(57,450.40)
Cash - January 1, 2020	297,592.49	0.00	297,592.49
Cash - December 31, 2020	<u>240,142.09</u>	<u>0.00</u>	<u>240,142.09</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(46,873.93)	2,199.46	(44,674.47)
Adjustments required for reconciliation:			
None	0.00		0.00
Change in:			
Accounts receivable	(1,609.09)		(1,609.09)
Prepaid insurance	(2,077.00)		(2,077.00)
Accounts payable	(31,103.12)	10,028.00	(21,075.12)
Prepaid tenant AR (CARES)	36,063.04		36,063.04
Prepaid HAP subsidy			0.00
FSS maintenance reserve	(8,449.35)		(8,449.35)
FSS expense	(835.04)		(835.04)
FSS escrow	(14,914.73)		(14,914.73)
Net cash provided (used) by operating acti	<u>(69,799.22)</u>	<u>12,227.46</u>	<u>(57,571.76)</u>
Noncash investing, capital and financing activities:			
Loss on disposition of capital asset	2,559.94		
See accompanying notes.			

BROOKINGS COUNTY HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF BROOKINGS COUNTY, SOUTH DAKOTA
DECEMBER 31, 2020

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commission complies with accounting principles generally accepted in the United States (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

a. Reporting Entity:

The Brookings County Housing and Redevelopment Commission, (Commission) a component unit of Brookings County, South Dakota, was organized in 2001 pursuant to the Municipal Housing and Redevelopment Act of South Dakota as a public housing agency formed to provide financial assistance for low income public housing pursuant to the United States Housing Act of 1937, (42 U.S.C., 1401, et seq.). The Brookings County Commission appoints the five directors of the governing board for five-year staggered terms. The Commission elects its own chairperson and recruits and employs its management personnel and other workers. The Brookings County Commission has the ability to veto or otherwise modify the Commission's decision to construct a specific project and issue debt.

The primary government is Brookings County, South Dakota.

At December 31, 2020, the Commission's officials were:

Brookings County Commission: Larry Jensen, Commissioner	Contracting Officer: Richard Galbraith
Brookings County Housing and Redevelopment Commission: Jason Meusburger, Chairperson Mike Holzhauser Bobby Punt Ellie Vandenberg Vacant	Attorney: Brookings County Attorney

The Commission has no significant related party activity with these individuals.

The Commission also has Joint Powers Agreements to administer, through agency funds, the same low income public housing (HAP) programs for Deuel, Hamlin, Kingsbury, and Moody Counties Housing and Redevelopment Commissions.

The Commission administers a Section 8 Existing Housing Choice Voucher Program. The U.S. Dept. of Housing and Urban Development (HUD) funds these programs with tenant rent subsidizes. The Commission inspects properties to see that they are kept within HUD guidelines.

Under the Housing Choice Voucher Program, the Commission administers contracts with independent landlords who own the rental property. The Commission subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. Generally, the HAP payment to the landlord is the fair market rent less the family's share, which is usually set at 30% of the family's household income.

The Commission also administers a family self-sufficiency program (FSS) that is accounted for within the housing choice voucher program (CFDA 14.871) as a current liability.

The Commission complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

b. Basis of Presentation:

The accounts are organized on the basis of a fund, which is considered a separate accounting entity. Operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. The fund in this financial report is classified as an "enterprise" fund type.

Enterprise funds:

Enterprise funds are used to account for activity for which a fee is charged to external users for goods or services. The Commission maintains "Section-8 Existing Housing Choice Vouchers" and "Moderate Rehabilitation" funds to account for the HUD grants and HAP payments made to operate its voucher/FSS and moderate rehabilitation operations. Both of these funds are considered major funds.

c. Measurement Focus and Basis of Accounting:

Measurement focus refers to what financial resources make up a fund. Basis of accounting refers to when revenues and expenses are recognized by a fund and reported in the financial statements.

Enterprise Funds:

Measurement Focus - All enterprise funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with a fund are included in its statement of net position. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net position.

Basis of Accounting - All enterprise funds are accounted for using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash is received or paid. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements are satisfied.

d. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations, and that have initial useful lives extending beyond a single reporting period.

Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets. The Commission has no infrastructure assets.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Capitalization thresholds and estimated useful lives by type of asset is as follows:

Equipment: A threshold of \$5,000
Estimated useful life of more than 1 year

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

At December 31, 2020 there were no capital assets.

The cost of normal maintenance and repairs that do not add value of the assets, or materially extend asset lives, are not capitalized. Improvements that add value, or materially extend asset lives, are capitalized.

Interest costs incurred during construction of general capital assets is capitalized with the capital asset costs.

e. Long-term Liabilities:

The Commission has no long-term liabilities except for FSS expense and homebuyer maintenance reserves. See note 5.

f. Operating and Nonoperating Revenues:

Operating revenues are those associated with voucher and HAP activity. Nonoperating revenues are those not associated with voucher and HAP activity such as interest income.

A landlord's tenant generally pays rent based on the higher of 30% of their adjusted gross income (based on HUD guidelines) or 10% of their gross income. HUD pays the remainder of the rent through a housing assistance payment (HAP) to the landlord based on a landlord's voucher.

HUD requires the Commission to account for money recovered from tenants for misrepresentation or other actions as fraud recovery. Fraud recovery is shared equally between the Commission and HUD.

g. Net Position Classifications:

Net position is displayed in three components:

1. Net Invested in Capital Assets - Consists of capital assets and restricted capital assets, net of accumulated depreciation and 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.
2. Restricted Net Position - Consists of net position with constraints placed on their use by either (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted Net Position - All other net position that do not meet the criteria of 1 or 2 above.

h. Application of Net Position:

It is the Commission's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred which can be charged to either restricted or unrestricted net position.

i. Interfund Transactions:

Transactions that constitute reimbursements to a fund for disbursements made from it, and that are properly applicable to another fund, are recorded as a disbursement in the reimbursing fund and as a reduction of a disbursement in the fund that is reimbursed. All other interfund transactions are reported as transfers.

j. Accounting Estimates:

The presentation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates and assumptions. Following are some of the estimates made by management during the year:

- * Allowance for doubtful accounts -- estimated uncollectables
- * Depreciation -- estimated service live

2. CASH, DEPOSITS, INVESTMENTS AND CASH FLOWS

Deposits - The Commission deposits are made in qualified public depositories as defined by SDCL 4-6A-1. Qualified depositories are required by SDCL 4-6A-3 to maintain, at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts that exceed deposit insurance such as FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or better, or a qualified public depository may furnish a corporate surety bond from a corporation authorized to do business in South Dakota.

Deposits are reported at costs, plus interest, if the account is an add-on type.

The actual bank balances at December 31, 2020 were: Insured \$259,429.76 and Collateralized** \$0.00 for a total of \$259,429.76.

** Uninsured, collateral jointly held by state's/Commission's agent in the name of the state and the pledging financial institution.

The carrying amount of these deposits at December 31, 2020 was \$257,075.76.

Investments - In general, SDCL 11-7-31 permits Housing & Redevelopment Commission funds ".to invest any funds held in reserves or debt service funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control."

Additionally, SDCL 4-5-6 permits Housing & Redevelopment Commission funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safe-keeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

The Commission had no investments during the year ending December 31, 2020 because certificates of deposit are insured or collateralized.

Investment Risk - State law limits eligible investments for the Commission as discussed above. The Commission has no investment policy that would further limit its investment choices.

Interest Rate Risk - The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All certificates of deposits are at fixed interest rates for a specified term.

Concentration of Credit Risk - The Commission places no limit on the amount that may be deposited or invested in any one institution. At December 31, 2020 all of the Commission's cash and certificates of deposit are deposited in First bank & Trust, Wells Fargo, Central Bank, and Great Western Bank.

Credit Risk - The Commission had no credit risks because the Commission had no investments during the year ending December 31, 2020.

Custodial Risk - The risk that, in the event of a depository failure, the Commission's deposits may not be returned to it. At December 31, 2020, the Commission's deposits in financial institutions were not exposed to custodial credit risk because all deposits are fully FDIC insured.

Cash Flows - For the purposes of the statement of cash flows, the Commission considers all highly liquid investments and deposits (including restricted assets) with a term to maturity of three months or less when purchased to be cash equivalents.

Restricted cash is:

7,170.00	Held for HAP payments.
36,063.04	Held for CARES expenses.
11,704.29	Held in a reserve for FSS clients who have immediate cash needs
56,993.43	Held for the Family Self-Sufficiency (FSS) Escrow Program including its home ownership clients. This money is held for FSS clients until they complete a five-year program to improve their earned income.
17,643.95	Held in a maintenance reserve for FSS home ownership clients that are using the Housing Voucher program to help purchase a home.

129,574.71	

3. RECEIVABLES AND PREPAID EXPENSES

Receivables are not aggregated in these financial statements. The Commission expects to collect all receivables within one year.

The premiums on all major insurance policies are charged to prepaid insurance and amortized (expensed) over the life of the policy on a monthly basis.

4. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the one-year ending December 31, 2020 are:

	12-31-2019	Additions	Deletions	12-31-2020
Equipment	8,985		(8,985)	0
Accum depr	(6,425)		6,425	0
	=====	=====	=====	=====
	2,560	0	(2,560)	0

Because of a policy change to make \$5,000 the capital asset threshold, beginning capital assets were removed and a loss of \$2,560 was recognized.

5. LIABILITIES

At December 31, 2020 liabilities consist of the following:

Accounts payable due vendors	0
Due HUD	26,065.00
Inter-program due to	41,345.48
Prepaid tenant accounts rec (CARES)	36,063.04

Current	103,473.52
	=====
FSS expense donation deposits	11,704.29
FSS escrow deposits	56,993.43
FSS homebuyer maintenance reserve	17,643.95

Non-current	86,341.67
	=====

The Commission has no debt or no conduit debt.

6. INTERPROGRAM BALANCES

The cost associated with administration are prorated between the existing housing choice voucher fund and the moderate rehabilitation fund using a revolving account. The proportion is determined monthly, set up as a receivable or payable, and collected or paid in the following month. At December 31, 2020 the existing housing choice voucher fund owed the moderate rehabilitation fund \$41,345.48.

7. HAP EQUITY

A recap of Housing Assistance Payment (HAP) Equity is as follows:

	Vouchers HAP Equity	Vouchers Non-HAP Equity	Mod Rehab HAP Equity	Mod Rehab Non-HAP Equity
HUD - HAP	1,386,109.00		23,233.80	
HUD - administrative fees		154,006.00		6,543.08
HUD - CARES		38,935.96		
HUD - FSS administration		37,966.00		
HUD - FSS absorption	25,045.56			
Fraud recovery	2,990.40	2,990.00		
Void check	1,547.00			
Other income	.04	.40		
HAP to landlords	(1,449,113.00)		(23,233.80)	
HUD FSS payments	(34,410.00)			
Administration expenses		(170,421.74)		(4,256.62)
Tenant services		(37,966.00)		
Maintenance		(0.00)		
General expenses		(4,553.55)		(87.00)
Depreciation		(0.00)		
Interest earned		316.30		38.05
Loss on property disposition		(2,559.94)		
Change in net position	(67,831.00)	18,713.43	0.00	2,237.51
HAP/Non-HAP Equity:				
January 1, 2020	75,001.00	72,719.16	0.00	13,042.97
December 31, 2020	7,170.00	91,432.59	0.00	15,280.48

8. FAMILY SELF-SUFFICIENCY (FSS) PROGRAM

The Family Self-Sufficiency Program is accounted for within the housing choice voucher program (CFDA 14.871) as a current liability. A recap of the Family Self-Sufficiency Program activity is as follows:

	Checking (donations (for client expenses)	Savings (HUD subsidy (escrow for client contract)	Savings (Mortgage maintenance reserve)
HUD's HAP match to:			
Clients' escrow		37,350.33	
Homebuyers' maintenance accounts			270.00
Return of clients' escrow to Commission (absorption)		(25,045.56)	
Interest earned	1.13	7.76	14.98
Client disbursements, net	(836.17)	(27,227.26)	(8,734.33)
Net change in cash	(835.04)	(14,914.73)	(8,449.35)
Cash: January 1, 2020	12,539.33	71,908.16	26,093.30
Cash: December 31, 2020	11,704.29	56,993.43	17,643.95

The expense cash is for the Commission to disburse to FSS clients as it sees a need. Escrow cash, based on HUD guidelines, is given to clients after they have fulfilled a five year contract and reached individually established goals. If the client doesn't fulfill their contract, the money is not given to them. Instead the money is "absorbed" and returned to HUD.

9. PRE-2004 and POST-2003 RETAINED EARNINGS

HUD guidelines allow pre-2004 earnings to be donated to community organizations. Earnings from 2004 and after cannot be donated to community organizations. The activity of Pre-2004 and Post-2003 earning is as follows:

Vouchers	Total Retained Earnings	Net		Pre-2004 Retained Earnings	Post-2003 Retained Earnings
		Invested in Capital Assets	Restricted for HAP Payments		
January 1, 2020	147,720.16	2,559.94	75,001.00	13,334.84	56,824.38
Activity	(49,433.87)	(2,559.94)	(67,831.00)		20,957.07
Interest earnings	316.30			11.66	304.64
December 31, 2020	98,602.59	0.00	7,170.00	13,346.50	78,086.09

Moderate Rehabilitation	Total Retained Earnings	Net		Pre-2004 Retained Earnings	Post-2003 Retained Earnings
		Invested in Capital Assets	Restricted for HAP Payments		
January 1, 2020	13,042.97				13,042.97
Activity	2,199.46				2,199.46
Interest earnings	38.05				38.05
December 31, 2020	15,280.48	0.00	0.00	0.00	15,280.48

10. OPERATING LEASES

In 2019 the Commission leased office space for a minimum yearly lease payment of \$6,960. In 2019 the Commission leased an office copy machine for a minimum monthly lease payment of \$96 plus .008 cents per page and a network service charge of \$12.95.

11. ECONOMIC DEPENDENCY

The Commission receives grants from the Department of Housing and Urban Development (HUD). These grants represent 98% of total revenues for the year ending December 31, 2020.

12. COMMITMENTS AND CONTINGENCIES

Litigation: At December 31, 2020 the Commission was not involved in any threatened litigation.

Examinations: The Commission is subject to possible examinations made by federal and state authorities who determine compliance with terms, conditions, laws, and regulations governing grants given to the Commission in the current and prior years. There were no examinations during the year ended December 31, 2020.

Grant Disallowances: Amounts received or receivable from HUD are subject to audit and adjustments by HUD. Any disallowed claims, including amounts already collected, may constitute a liability of the Commission. The amounts, if any, of expenditures which may be disallowed by HUD cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

Risk Management: The Commission is exposed to various risks of losses related to torts, theft of and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission carries commercial insurance coverage for these risks to the extent deemed prudent by the Commission's management. No claims have been made upon the Commission.

The Commission does not carry worker's compensation insurance, unemployment insurance or employee health insurance because all employees are the responsibility of RAM Housing Specialists, Inc. of Aberdeen, South Dakota.

13. OTHER DISCLOSURES AND SUBSEQUENT EVENTS

The Commission has no material related party activity.

Because the Commission is a component unit of the Brookings County, South Dakota, it is a governmental entity and is exempt from federal income taxes. The State of South Dakota does not have an income tax.

The 2021 Payment Standard was approved at 110% of Fair Market Rents.

The Commission has been notified of a potentially new 40 unit family building to be built in Brookings in 2021.

BROOKINGS COUNTY HOUSING AND REDEVELOPMENT COMMISSION
 A COMPONENT UNIT OF BROOKINGS COUNTY, SOUTH DAKOTA
 BROOKINGS, SOUTH DAKOTA

Project Number: Vouchers - SD056VO
 Project Number: Moderate Rehabilitation - SD056MR
 PHA Code: SD056

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN NET POSITION OF ALL HOUSING CHOICE VOUCHERS PROGRAMS
 ADMINISTERED BY THE BROOKINGS COUNTY HOUSING AND
 REDEVELOPMENT COMMISSION
 FOR THE YEAR ENDING DECEMBER 31, 2020

	Total	Brookings County Fund	Deuel County Agency Fund	Hamlin County Agency Fund	Kingsbury County Agency Fund	Moody County Agency Fund	Minnehaha County Agency Fund	Port Out Agency Fund
Revenue:								
Intergovernmental revenue:								
HUD operating grants:								
HAP programs	1,386,109.00	1,277,357.00	18,011.00	16,375.00	28,823.00	45,543.00	0.00	0.00
Section 8 administrat	154,006.00	154,006.00						
CARES	38,935.96	38,935.96						
FSS program	37,966.00	37,966.00						
Miscellaneous revenue:								
Fraud recovery - HUD	2,990.40	2,990.40						
Fraud recovery	2,990.00	2,990.00						
Absorption	25,045.56	25,045.56						
Other income	1,547.44	1,547.44						
Total revenue	1,649,590.36	1,540,838.36	18,011.00	16,375.00	28,823.00	45,543.00	0.00	0.00
Expenditures:								
Health and welfare:								
Housing assistance paym	1,449,113.00	1,340,361.00	18,011.00	16,375.00	28,823.00	45,543.00	0.00	0.00
Family self-sufficiency	34,410.00	34,410.00						
Administrative	170,421.74	170,421.74						
Tenant services	37,966.00	37,966.00						
Maintenance	0.00	0.00						
General expenses	4,553.55	4,553.55						
Depreciation	0.00	0.00						
Total expenditures	1,696,464.29	1,587,712.29	18,011.00	16,375.00	28,823.00	45,543.00	0.00	0.00
Excess of revenues over (under)	(46,873.93)	(46,873.93)	0.00	0.00	0.00	0.00	0.00	0.00
Other financing sources (us								
Interest earned	316.30	316.30						
Loss on disposition of pr	(2,559.94)	(2,559.94)						
Change in net position	(49,117.57)	(49,117.57)	0.00	0.00	0.00	0.00	0.00	0.00
Net position:								
January 1, 2020	147,720.16	147,720.16	0.00	0.00	0.00	0.00	0.00	0.00
December 31, 2020	98,602.59	98,602.59	0.00	0.00	0.00	0.00	0.00	0.00

BROOKINGS COUNTY HOUSING AND REDEVELOPMENT COMMISSION
 A COMPONENT UNIT OF BROOKINGS COUNTY, SOUTH DAKOTA
 BROOKINGS, SOUTH DAKOTA

Project Number: Vouchers - SD056VO
 Project Number: Moderate Rehabilitation - SD056MR
 PHA Code: SD056

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDING DECEMBER 31, 2020

	Federal CFDA Number	2020 Expenditures
Direct Federal Programs:		
U.S. Department of Housing and Urban Development:		
Lower Income Housing Assistance Program		
Section 8 - Moderate Rehabilitation		
PHA Code: SD056MR		
Part of Section 8 Project-Based Cluster	14.856	27,577
Section 8 Housing Choice Vouchers (Note 2)		
PHA Code: SD056VO		
Part of Housing Voucher Cluster	14.871	1,540,115
PIH Family Self-Sufficiency		
PHA Code: SD056VO		
Not part of a cluster	14.896	34,410

Total Department of Housing and Urban Development:		1,602,102

Department of Treasury:		
Passed through the Dept. of Housing and Urban Development		
Coronavirus Relief Fund	21,019	38,936

Total Department of Treasury		38,936

Total Federal Awards		1,641,038
		=====

Note 1:
 The above Schedule of Expenditures of Federal Awards includes the federal grant activity of the Brookings County Housing and Redevelopment Commission (HRC). It also includes federal grant activity administered by Brookings County HRC for Deuel, Hamlin, Kingsbury, and Moody Counties HRCs. It is presented on the full accrual basis of accounting. The information is presented in accordance with the requirements of OMB Uniform Guidance.

The HRC has not elected to use the 10% de minimis cost rate.

Note 2:
 This is a major program.

BROOKINGS COUNTY HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF BROOKINGS COUNTY, SOUTH DAKOTA
DECEMBER 31, 2020

Project Number: Vouchers - SD056VO
Project Number: Moderate Rehabilitation - SD056MR
PHA Code: SD056

Financial Data Schedule

Financial Data Schedule (FDS)

For the One Year Ending December 31, 2020
Required by the Dept. of Housing
and Urban Development (HUD)

Line Item #	Audit		Financial Data Schedule			
	Section-8 Totals 12-31-20	Reclass	PIH Family Self-Sufficiency CFDA # 14,896 12-31-20	Housing Choice Vouchers CFDA # 14,871 12-31-20	HCC HCV CARES Funding CFDA # 21,019 12-31-20	Section 8 MOD Rehab. CFDA # 14,856 12-31-20
ASSETS						
Current assets:						
111	Cash - unrestricted	110,567	(16,934)		127,501	
113	Cash - restricted	43,233			7,170	36,063
125	Accts Rec - miscellaneous	3,084			3,084	
126	Accts Rec - tenants	8,255	8,102			153
126.1	Doubtful accounts - tenants	(8,255)	(8,102)			(153)
129	Accts Rec - accrued interest	13			13	
131	Investments - unrestricted	16,934	16,934			
135	Investments - restricted	86,342	2,873		83,469	
142	Prepaid expenses and other ass	2,180			2,180	
144	Interprogram due from	41,345				41,345
150	Total current assets:	303,698	2,873	0	223,417	41,345
Noncurrent assets:						
164	Furniture, equipment - admini	0				
166	Accumulated depreciation	0				
160	Total non-current assets:	0	0	0	0	0
190	Total assets	303,698	2,873	0	223,417	41,345
LIABILITIES						
Current liabilities:						
312	Accounts payable	0				
331	Accounts payable - HUD	26,065				26,065
342	Unearned revenue - CARES	36,063			36,063	
347	Interprogram due to	41,345			41,345	
310	Total current liabilities	103,473	0	0	41,345	26,065
Noncurrent liabilities:						
353	Other (FSS)	86,342	2,873		83,469	
300	Total liabilities	189,815	2,873	0	124,814	26,065
NET POSITION						
508.1	Net invested in capital assets:	0				
Restricted net position:						
511.4	Excess HAP equity	7,170			7,170	
Unrestricted net position:						
512.4	Pre-2004	13,346	13,346			
512.4	Post-2003	93,367	(13,346)		91,433	15,280
513	Total net position	113,883	0	0	98,603	15,280
Total liabilities and net position:						
		303,698	2,873	0	223,417	41,345

BROOKINGS COUNTY HOUSING AND REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF BROOKINGS COUNTY, SOUTH DAKOTA
DECEMBER 31, 2020

Financial Data Schedule

Financial Data Schedule (FDS)

For the One Year Ending December 31, 2020
Required by the Dept. of Housing
and Urban Development

Line Item #	Audit Section-8 Totals 12-31-20	Reclass	FIH	Housing	HCC HCV	Section 8
			Family Self-Sufficiency CFDA # 14.896 12-31-20	Choice Vouchers CFDA # 14.871 12-31-20	CARES Funding CFDA # 21.019 12-31-20	MOD Rehab. CFDA # 14.856 12-31-20
REVENUE						
70600 HUD PHA oper grants - HAP	1,409,343	(199,485)		1,540,115	38,936	29,777
70600 HUD PHA oper grants - admin	160,549	160,549				
70600 HUD PHA oper grants - CARES	38,936	38,936				
70600 HUD PHA oper grants - FSS adm	37,966		37,966			
71100 Investment income - unrestrict	0	(354)		316		38
71400 Fraud recovery	5,980			5,980		
71500 Other revenue	26,593			26,593		
71600 Loss on disposition of capital	0	2,560		(2,560)		
700 Total revenue	1,679,367	2,206	37,966	1,570,444	38,936	29,815
EXPENSES						
Expenses - administrative:						
91200 Auditing fee	5,200			4,400		800
91300 Management fee	98,710			71,025	26,940	745
91600 Office expenses	53,088			40,016	11,996	1,076
91800 Travel	675			675		
91900 Other	17,006	1,249		14,121		1,636
Expenses - tenant services:						
92100 Salaries	37,966		37,966			
Expenses - maintenance:						
94300 Ordinary maintenance	0					
Expenses - general:						
96120 Liability insurance	2,077			2,002		75
96140 All other insurance	176			164		12
96200 Other general expenses	2,388	(1,247)		3,635		
97300 Housing Assistance Payments	1,472,347	1,472,347				
97300 Housing Assistance Payments (I	34,410	34,410				
97400 Depreciation	0					
96900 Total operating expenses	1,724,043	1,506,759	37,966	136,038	38,936	4,344
Other expenses:						
97300 Housing Assistance Payments	0	(1,506,757)		1,483,523		23,234
97400 Depreciation	0					
90000 Total expenses	1,724,043	2	37,966	1,619,561	38,936	27,578
Other financing sources (uses):						
71100 Investment income - unrestrict	354	354				
71600 Loss on disposition of capital	(2,560)	(2,560)				
10100 Total other financing sources (u	(2,206)	(2,206)	0	0	0	0
10000 Change in net position	(46,882)	(2)	0	(49,117)	0	2,237
NET POSITION						
11030 Beginning	160,765	2	0	147,720	0	13,043
11040 Prior period adjustments	0					
11170 Ending administrative fee equi	113,883	7,170	0	91,433	0	15,280
11180 Ending Housing Assistance Pymt		(7,170)	0	7,170	0	0

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

Board of Commissioners
Brookings County Housing & Redevelopment Commission
Brookings, South Dakota

INDEPENDENT AUDITOR'S REPORT

I 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 each major fund of the Brookings County Housing & Redevelopment Commission (Commission), a component unit of Brookings County, South Dakota, as of December 31, 2020, and for the one year then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued my report thereon dated September 24, 2021, which was unmodified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion.

The results of my tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of Brookings County Housing & Redevelopment Commission's internal control.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission'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 the attention of those charged with governance.

My 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 my audit I did not identify and deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

I did note minor matters involving internal control over financial reporting that I reported to the governing body and management of Brookings County Housing & Redevelopment Commission in a separate Letter of Comments dated September 24, 2021.

Purpose of the Report

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

However, as required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota



September 24, 2021

REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Brookings County Housing and Redevelopment Commission
Brookings, South Dakota

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program

I have audited Brookings County Housing and Redevelopment Commission's (Commission), a component unit of Brookings County, South Dakota, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*, that could have a direct and material effect on the Commission's major federal program for the year ended December 31, 2020.

The Commission's major federal program is identified in the summary of auditor's results section in the accompanying schedule of audit findings and questioned cost (page 27).

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance on the Commission's major federal program based on my audit of the types of compliance requirements referred to above.

I conducted my 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 of Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on the Commission's compliance with its major federal program requirements. However, my audit does not provide a legal determination on the Commission's compliance with those requirements.

Opinion on the Commission's Major Federal Program

In my opinion the Brookings County Housing & Redevelopment Commission, Brookings County, South Dakota, complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on the Commission's major federal program for the one year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the Brookings County Housing and Redevelopment Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to its federal programs. In planning and performing my audit of compliance, I considered the Commission's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance with the Commission's major federal program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

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

A *significant deficiency* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

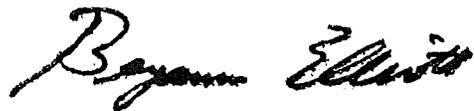
I did note minor matters involving internal control over compliance that I reported to the governing body and management of Brookings County Housing & Redevelopment Commission in a separate Letter of Comments dated September 24, 2021.

Purpose of this Report

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

However, as required by South Dakota Codified Law 4-11-11, this report and my report on compliance for each major federal program are matters of public record and their distribution is not limited.

Independent Audit Services, PC
Benjamin Elliott, CPA
Madison, South Dakota
September 24, 2021



BROOKINGS COUNTY HOUSING & REDEVELOPMENT COMMISSION
A COMPONENT UNIT OF BROOKINGS COUNTY, SOUTH DAKOTA

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR END DECEMBER 31, 2020

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Prior Federal Audit Findings:

There were no prior year federal audit findings.

Prior Other Audit Findings:

There were no prior year other audit findings.

SCHEDULE OF CURENT AUDIT FINDINGS AND QUESTIONED COSTS

I. Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Material noncompliance noted:	None Reported
Internal control over financial reporting:	
* Material weakness(es) identified.	None Reported
* Significant deficiency(ies) identified that are not considered to be material weaknesses.	None Reported

Federal Awards:

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
* Material weakness(es) identified.	None Reported
* Significant deficiency(ies) identified that are not considered to be material weaknesses.	None Reported

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

Identification of major program:
Dept. of Housing and Urban Development:
CFDA No. 14.871 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B federal award programs.	\$750,000
---	-----------

Does the Brookings County Housing and Redevelopment Commission qualify as a low-risk auditee?	Yes
--	-----

II. Financial Statement Findings

None Reported

III. Federal Award Findings and Questioned Costs

None Reported

IV. Prior Year Findings

None Reported