



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION –
FINANCIAL DATA SCHEDULE

To the Board of Commissioners
The Housing and Redevelopment Authority of St. Cloud
St. Cloud, Minnesota

We have audited the financial statements of the business-type activities of The Housing and Redevelopment Authority of St. Cloud, a component unit of the City of St. Cloud, Minnesota as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise The Housing and Redevelopment Authority of St. Cloud, Minnesota's basic financial statements. We have issued our report thereon dated April 19, 2023, expressing an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements.

The accompanying Financial Data Schedule is presented for the 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. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, The Housing and Redevelopment Authority of St. Cloud Board, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

August 28, 2023

HRA of ST. CLOUD, MINNESOTA (MN038)

SAINT CLOUD, MN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.2 Component Unit Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.228 Community Development Block Grants/State's Program	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total	
111 Cash - Unrestricted	\$135,129		\$751,972	\$79,613	\$1,896,254		\$21,389	\$59,595	\$105,051	\$59,671	\$112,244	\$3,220,918		\$3,220,918	
112 Cash - Restricted - Modernization and Development															
113 Cash - Other Restricted			\$326,694		\$782,401			\$41,432		\$14,063		\$1,164,590		\$1,164,590	
114 Cash - Tenant Security Deposits	\$94,631		\$142,663	\$43,881	\$34,351							\$315,526		\$315,526	
115 Cash - Restricted for Payment of Current Liabilities	\$60								\$9,693			\$9,753		\$9,753	
100 Total Cash	\$229,820	\$0	\$1,221,329	\$123,494	\$2,713,006	\$0	\$21,389	\$101,027	\$114,744	\$73,734	\$112,244	\$4,710,787	\$0	\$4,710,787	
121 Accounts Receivable - PHA Projects									\$29,695			\$29,695		\$29,695	
122 Accounts Receivable - HUD Other Projects	\$46,823	\$80,494					\$13,365	\$8,474	\$19,816			\$168,972		\$168,972	
124 Accounts Receivable - Other Government	\$34,044		\$21,296	\$15,180	\$30,324	\$237,691					\$3,427	\$341,952		\$341,952	
125 Accounts Receivable - Miscellaneous	\$89,122		\$9,645	\$5,429	\$7,511		\$421		\$629	\$83	\$7,586	\$120,426		\$120,426	
126 Accounts Receivable - Tenants	\$15,064		\$23,649	\$4,202	\$6,546							\$49,461		\$49,461	
126.1 Allowance for Doubtful Accounts - Tenants	\$-2,793		\$0	\$-841	\$-196							\$-3,830		\$-3,830	
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$-3,000	\$-3,000		\$-3,000	
127 Notes, Loans, & Mortgages Receivable - Current															
128 Fraud Recovery					\$1,839			\$10,148	\$48,742	\$789		\$61,518		\$61,518	
128.1 Allowance for Doubtful Accounts - Fraud					\$-1,000			\$-1,465	\$-14,130	\$-269		\$-16,864		\$-16,864	
129 Accrued Interest Receivable	\$756			\$779	\$17,013						\$897	\$19,445		\$19,445	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$183,016	\$80,494	\$54,580	\$24,749	\$62,037	\$237,691	\$13,786	\$17,157	\$84,752	\$603	\$8,910	\$767,775	\$0	\$767,775	
131 Investments - Unrestricted	\$179,973			\$291,244	\$3,442,417						\$800,563	\$4,714,197		\$4,714,197	
132 Investments - Restricted															
135 Investments - Restricted for Payment of Current Liability															
142 Prepaid Expenses and Other Assets	\$24,538		\$7,387	\$7,688	\$7,243				\$23,009		\$57,291	\$127,156		\$127,156	
143 Inventories															
143.1 Allowance for Obsolete Inventories															
144 Inter Program Due From			\$1,209	\$750	\$7,045,074							\$431,916	\$7,478,949	\$-7,478,949	\$0
145 Assets Held for Sale															
150 Total Current Assets	\$617,347	\$80,494	\$1,284,505	\$447,925	\$13,269,777	\$237,691	\$35,175	\$118,184	\$222,505	\$74,337	\$1,410,924	\$17,798,864	\$-7,478,949	\$10,319,915	
161 Land	\$910,109		\$1,406,659	\$75,002	\$176,388							\$2,568,158		\$2,568,158	
162 Buildings	\$21,160,622		\$21,636,017	\$9,529,427	\$7,367,749						\$642,583	\$60,336,398		\$60,336,398	
163 Furniture, Equipment & Machinery - Dwellings	\$386,645		\$43,087	\$57,959	\$10,339							\$498,030		\$498,030	
164 Furniture, Equipment & Machinery - Administration	\$23,170			\$8,384	\$6,435				\$47,551		\$183,458	\$268,998		\$268,998	
165 Leasehold Improvements															
166 Accumulated Depreciation	\$-16,515,440		\$-15,399,758	\$-8,106,340	\$-3,257,997				\$-33,364		\$-386,127	\$-43,699,026		\$-43,699,026	
167 Construction in Progress	\$32,429			\$19,925		\$437,000						\$489,354		\$489,354	
168 Infrastructure															
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,997,535	\$0	\$7,686,005	\$1,584,357	\$4,302,914	\$437,000	\$0	\$0	\$14,187	\$0	\$439,914	\$20,461,912	\$0	\$20,461,912	
171 Notes, Loans and Mortgages Receivable - Non-Current		\$2,711,401			\$1,832,241	\$119,629						\$4,663,271		\$4,663,271	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due															
173 Grants Receivable - Non Current															
174 Other Assets			\$219,639	\$339,489	\$606,184							\$1,165,312		\$1,165,312	
176 Investments in Joint Ventures															
180 Total Non-Current Assets	\$5,997,535	\$2,711,401	\$7,905,644	\$1,923,846	\$6,741,339	\$556,629	\$0	\$0	\$14,187	\$0	\$439,914	\$26,290,495	\$0	\$26,290,495	

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.2 Component Unit Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.228 Community Development Block Grants/State's Program	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
200 Deferred Outflow of Resources														
290 Total Assets and Deferred Outflow of Resources	\$6,614,882	\$2,791,895	\$9,190,149	\$2,371,771	\$20,011,116	\$794,320	\$35,175	\$118,184	\$236,692	\$74,337	\$1,850,838	\$44,089,359	-\$7,478,949	\$36,610,410
311 Bank Overdraft														
312 Accounts Payable <= 90 Days	\$92,752	\$9,275	\$79,686	\$158,581	\$21,157	\$159,959	\$8,684	\$613	\$26,301	\$2,573	\$12,230	\$571,811		\$571,811
313 Accounts Payable >90 Days Past Due														
321 Accrued Wage/Payroll Taxes Payable	\$4,622	\$558		\$2,242	\$1,121	\$83	\$255	\$160	\$15,318	\$287	\$75,583	\$100,209		\$100,209
322 Accrued Compensated Absences - Current Portion	\$9,461			\$9,294	\$7,070				\$33,829		\$118,264	\$177,918		\$177,918
324 Accrued Contingency Liability														
325 Accrued Interest Payable			\$22,425									\$22,425		\$22,425
331 Accounts Payable - HUD PHA Programs									\$55,469	\$394		\$55,863		\$55,863
332 Account Payable - PHA Projects									\$19,543			\$19,543		\$19,543
333 Accounts Payable - Other Government	\$25,302		\$77,320	\$15,154	\$17,422							\$135,198		\$135,198
341 Tenant Security Deposits	\$94,223		\$141,528	\$43,265	\$33,835							\$312,851		\$312,851
342 Unearned Revenue	\$26,504		\$35,545	\$20,356	\$21,190					\$43,355		\$146,950		\$146,950
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$125,000									\$125,000		\$125,000
344 Current Portion of Long-term Debt - Operating Borrowings														
345 Other Current Liabilities									\$9,692			\$9,692		\$9,692
346 Accrued Liabilities - Other														
347 Inter Program - Due To	\$34,680	\$70,661	\$5,675,081	\$748,797	\$818,022	\$130,499			\$1,209			\$7,478,949	-\$7,478,949	\$0
348 Loan Liability - Current														
310 Total Current Liabilities	\$287,544	\$80,494	\$6,156,585	\$997,689	\$919,817	\$290,541	\$8,939	\$773	\$161,361	\$46,589	\$206,077	\$9,156,409	-\$7,478,949	\$1,677,460
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			\$3,701,465		\$312,578							\$4,014,043		\$4,014,043
352 Long-term Debt, Net of Current - Operating Borrowings														
353 Non-current Liabilities - Other			\$275,285		\$442,466							\$717,751		\$717,751
354 Accrued Compensated Absences - Non Current														
355 Loan Liability - Non Current														
356 FASB 5 Liabilities														
357 Accrued Pension and OPEB Liabilities														
350 Total Non-Current Liabilities	\$0	\$0	\$3,976,750	\$0	\$755,044	\$0	\$0	\$0	\$0	\$0	\$0	\$4,731,794	\$0	\$4,731,794
300 Total Liabilities	\$287,544	\$80,494	\$10,133,335	\$997,689	\$1,674,861	\$290,541	\$8,939	\$773	\$161,361	\$46,589	\$206,077	\$13,888,203	-\$7,478,949	\$6,409,254
400 Deferred Inflow of Resources				\$339,489								\$339,489		\$339,489
508.4 Net Investment in Capital Assets	\$5,993,849		\$3,859,540	\$1,555,772	\$4,106,914	\$277,387			\$14,187		\$439,914	\$16,247,563		\$16,247,563
511.4 Restricted Net Position	\$468	\$2,711,401	\$296,363	\$616	\$782,917	\$226,392		\$41,432		\$14,063		\$4,073,652		\$4,073,652
512.4 Unrestricted Net Position	\$333,021	\$0	-\$5,099,089	-\$521,795	\$13,446,424	\$0	\$26,236	\$75,979	\$61,144	\$13,685	\$1,204,847	\$9,540,452		\$9,540,452
513 Total Equity - Net Assets / Position	\$6,327,338	\$2,711,401	-\$943,186	\$1,034,593	\$18,336,255	\$503,779	\$26,236	\$117,411	\$75,331	\$27,748	\$1,644,761	\$29,861,667	\$0	\$29,861,667
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$6,614,882	\$2,791,895	\$9,190,149	\$2,371,771	\$20,011,116	\$794,320	\$35,175	\$118,184	\$236,692	\$74,337	\$1,850,838	\$44,089,359	-\$7,478,949	\$36,610,410

HRA of ST. CLOUD, MINNESOTA (MN038)

SAINT CLOUD, MN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2022

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.2 Component Unit Blended	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.228 Community Development Block Grants/State's Program	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$966,038		\$1,616,432	\$521,338	\$381,010							\$3,484,818		\$3,484,818
70400 Tenant Revenue - Other	\$126,755		\$158,635	\$27,122	\$25,105							\$337,617		\$337,617
70500 Total Tenant Revenue	\$1,092,793	\$0	\$1,775,067	\$548,460	\$406,115	\$0	\$0	\$0	\$0	\$0	\$0	\$3,822,435	\$0	\$3,822,435
70600 HUD PHA Operating Grants	\$902,759	\$128,368		\$611,992		\$241,126	\$350,511	\$340,504	\$7,755,800	\$355,369		\$10,686,429		\$10,686,429
70610 Capital Grants	\$489,541											\$489,541		\$489,541
70710 Management Fee											\$1,009,896	\$1,009,896	-\$1,009,896	\$0
70720 Asset Management Fee											\$34,680	\$34,680	-\$34,680	\$0
70730 Book Keeping Fee											\$125,400	\$125,400	-\$125,400	\$0
70740 Front Line Service Fee														
70750 Other Fees					\$40,000						\$372,154	\$412,154	-\$411,515	\$639
70700 Total Fee Revenue											\$1,542,130	\$1,542,130	-\$1,581,491	-\$39,361
70800 Other Government Grants			\$337,798		\$672,407		\$8,631				\$1,132	\$1,019,968	-\$384,777	\$635,191
71100 Investment Income - Unrestricted	-\$4,814		\$3,063	\$6,200	-\$56,980	\$2	\$1	\$7	-\$3,834	\$5	-\$13,998	-\$70,348		-\$70,348
71200 Mortgage Interest Income														
71300 Proceeds from Disposition of Assets Held for Sale														
71310 Cost of Sale of Assets														
71400 Fraud Recovery					\$252			\$5,752	\$59,468	\$2,418		\$67,890		\$67,890
71500 Other Revenue	\$355,796		\$103,952	\$176,547	\$325,960	\$2,800			\$1,360,757		\$505,108	\$2,830,920	-\$171,321	\$2,659,599
71600 Gain or Loss on Sale of Capital Assets					\$1,358						\$18,000	\$19,358		\$19,358
72000 Investment Income - Restricted	\$148		\$58	\$48	\$11,471						\$8	\$11,733		\$11,733
70000 Total Revenue	\$2,836,223	\$128,368	\$2,219,938	\$1,343,247	\$1,400,583	\$243,928	\$359,143	\$346,263	\$9,172,191	\$357,792	\$2,052,380	\$20,460,056	-\$2,137,589	\$18,322,467
91100 Administrative Salaries	\$160,037	\$16,222	\$221	\$85,722	\$56,727	\$1,828	\$15,955	\$3,413	\$387,859	\$13,218	\$828,294	\$1,569,496		\$1,569,496
91200 Auditing Fees	\$10,376	\$1,163	\$5,577	\$2,628	\$4,087			\$279	\$8,115	\$279	\$3,839	\$36,343		\$36,343
91300 Management Fee	\$324,273		\$290,900	\$151,960	\$92,599			\$5,256	\$136,464	\$8,444		\$1,009,896	-\$1,009,896	\$0
91310 Book-keeping Fee	\$25,485			\$14,250				\$3,285	\$82,380			\$125,400	-\$125,400	\$0
91400 Advertising and Marketing	\$98	\$926	\$8,812		\$2,249	\$77			\$613		\$917	\$13,692		\$13,692
91500 Employee Benefit contributions - Administrative	\$109,576	\$9,183	\$460	\$35,098	\$45,286	\$138	\$6,161	\$1,494	\$177,781	\$5,605	\$447,737	\$838,519		\$838,519
91600 Office Expenses	\$34,315	\$1,666	\$31,403	\$19,921	\$9,957	\$2,500	\$690	\$226	\$72,160	\$1,134	\$47,012	\$220,984		\$220,984
91700 Legal Expense	\$41,143	\$472	\$15,201	\$6,531	\$1,576	\$277			\$8,186		\$1,842	\$75,228		\$75,228
91800 Travel		\$854	\$54	\$629	\$491	\$73			\$485		\$19,585	\$22,171		\$22,171
91810 Allocated Overhead					\$0							\$0		\$0
91900 Other	\$24,991	\$940	\$7,830	\$5,911	\$17,730		\$5,217	\$4,357	\$190,808	\$3,998	\$55,824	\$318,604	-\$169,515	\$149,089
91000 Total Operating - Administrative	\$730,294	\$31,426	\$360,458	\$323,650	\$230,702	\$4,893	\$28,023	\$18,310	\$1,064,851	\$32,676	\$1,405,050	\$4,230,333	-\$1,304,811	\$2,925,522
92000 Asset Management Fee	\$34,680											\$34,680	-\$34,680	\$0
92100 Tenant Services - Salaries														
92200 Relocation Costs														
92300 Employee Benefit Contributions - Tenant Services														
92400 Tenant Services - Other	\$11,919		\$3,486	\$12,797	\$2,377		\$8,719		\$43	\$81,895		\$121,236		\$121,236
92500 Total Tenant Services	\$11,919	\$0	\$3,486	\$12,797	\$2,377	\$0	\$8,719	\$0	\$43	\$81,895	\$0	\$121,236	\$0	\$121,236
93100 Water	\$70,310		\$76,326	\$39,594	\$12,397				\$261		\$339	\$199,227		\$199,227
93200 Electricity	\$131,656		\$93,540	\$36,011	\$48,149				\$3,969		\$5,084	\$318,409		\$318,409

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.2 Component Unit Blended	14.182 N/C S/R Section 8 Programs	Business Activities	14.228 Community Development Block Grants/State's Program	14.267 Continuum of Care Program	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Voucher	COCC	Subtotal	ELIM	Total
97700 Debt Principal Payment - Governmental Funds														
97800 Dwelling Units Rent Expense														
99000 Total Expenses	\$3,241,464	\$100,576	\$3,237,955	\$1,720,828	\$1,378,685	\$5,643	\$364,600	\$251,635	\$9,177,191	\$434,102	\$2,028,021	\$21,940,700	-\$2,137,589	\$19,803,111
10010 Operating Transfer In	\$165,400		\$90,000		\$265,823				\$5,000			\$526,223	-\$526,223	\$0
10020 Operating transfer Out	-\$165,400				-\$165,823						-\$175,000	-\$526,223	\$526,223	\$0
10030 Operating Transfers from/to Primary Government														
10040 Operating Transfers from/to Component Unit														
10050 Proceeds from Notes, Loans and Bonds														
10060 Proceeds from Property Sales														
10070 Extraordinary Items, Net Gain/Loss														
10080 Special Items (Net Gain/Loss)														
10091 Inter Project Excess Cash Transfer In														
10092 Inter Project Excess Cash Transfer Out														
10093 Transfers between Program and Project - In														
10094 Transfers between Project and Program - Out														
10100 Total Other financing Sources (Uses)	\$0	\$0	\$90,000	\$0	\$80,000	\$0	\$0	\$0	\$5,000	\$0	-\$175,000	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$405,241	\$27,792	-\$928,017	-\$377,581	\$101,898	\$238,285	-\$5,457	\$94,628	\$0	-\$76,310	-\$150,641	-\$1,480,644	\$0	-\$1,480,644
11020 Required Annual Debt Principal Payments	\$0	\$0	\$96,723	\$105,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$226,723		\$226,723
11030 Beginning Equity	\$6,732,579	\$2,683,609	-\$15,169	\$1,412,174	\$18,234,357	\$265,494	\$31,693	\$22,783	\$75,331	\$104,058	\$1,795,402	\$31,342,311		\$31,342,311
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														
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									\$75,331			\$75,331		\$75,331
11180 Housing Assistance Payments Equity									\$0			\$0		\$0
11190 Unit Months Available	3442		2916	1920	936		636	498	11475	576		22399		22399
11210 Number of Unit Months Leased	3341		2850	1880	910		561	438	11372	433		21785		21785
11270 Excess Cash	\$107,716											\$107,716		\$107,716
11610 Land Purchases	\$0										\$0	\$0		\$0
11620 Building Purchases	\$489,541										\$0	\$489,541		\$489,541
11630 Furniture & Equipment - Dwelling Purchases	\$0										\$0	\$0		\$0
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



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION –
COMPUTATION OF SURPLUS CASH, DISTRIBUTION AND RESIDUAL RECEIPTS

To the Board of Commissioners
The Housing and Redevelopment Authority of St. Cloud
St. Cloud, Minnesota

We have audited the accompanying financial statements of the business-type activities of The Housing and Redevelopment Authority of St. Cloud, a component unit of the City of St. Cloud, Minnesota as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Housing and Redevelopment Authority of St. Cloud's basic financial statements. We issued our report dated April 19, 2023 which expressed an unmodified opinion on those financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing and Redevelopment Authority of St. Cloud's basic financial statements. The accompanying Computation of Surplus Cash, Distribution and Residual Receipts Schedule is presented for the purposes of additional analysis as required by the Minnesota Housing Finance Agency and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Computation of Surplus Cash, Distribution and Residual Receipts Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report is solely for the information and use of The Housing and Redevelopment Authority of St. Cloud and the Minnesota Housing Finance Agency. Accordingly, this report is not suitable for any other purpose.

Redpath and Company, Ltd.
REDPATH AND COMPANY, LTD.

St. Paul, Minnesota

April 19, 2023



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Commissioners
The Housing and Redevelopment Authority of St. Cloud
St. Cloud, Minnesota

We have audited the financial statements of the business-type activities of The Housing and Redevelopment Authority of St. Cloud, a component unit of the City of St. Cloud, Minnesota, for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 14, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Housing and Redevelopment Authority of St. Cloud are described in Note 1 to the financial statements. As described in Note 11 to the financial statements, The Housing and Redevelopment Authority of St. Cloud adopted new accounting guidance for 2022, Governmental Accounting Standards Board Statement No. 87, *Leases*. We noted no transactions entered into by The Housing and Redevelopment Authority of St. Cloud during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the The Housing and Redevelopment Authority of St. Cloud's financial statements are:

- Land held for resale at lower of cost or net realizable value, with a net recorded value of \$825,823 at December 31, 2022.

- Allowance for uncollectible loans receivable of \$457,000 at December 31, 2022 (not including loans that are 100% offset with an allowance of approximately \$10,200, or the approximately \$442,000 that is offset with unearned revenue).
- The estimated present value of the lease receivable and corresponding deferred inflows of resources of \$339,489.

Management's estimates are based on historical data, anticipated future sales prices or collections, assessed values, the City of St. Cloud, Minnesota's incremental borrowing rate and other information. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Determining sensitivity is subjective and we noted no disclosures that were particularly sensitive to The Housing and Redevelopment Authority of St. Cloud.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. There were no corrected misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 19, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to The Housing and Redevelopment Authority of St. Cloud's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as The Housing and Redevelopment Authority of St. Cloud's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards and the computation of surplus cash, distribution, and resident receipts schedule, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompany the financial statements but are not RSI. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reports

Various reports on compliance and internal controls are contained in the Other Required Reports section of the audited financial statement document.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of The Housing and Redevelopment Authority of St. Cloud and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 19, 2023