

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)

Single Audit Report

For the Year Ended December 31, 2021

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
December 31, 2021

Contents

Schedule of Expenditures of Federal Awards	1
Notes to the Schedule of Expenditures of Federal Awards	2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> - Independent Auditor's Report	3
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance - Independent Auditor's Report.....	5
Schedule of Findings and Questioned Costs.....	8
Summary Schedule of Prior Audit Findings	11

Indiana Housing and Community Development Authority

(A Component Unit of the State of Indiana)

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Grantor / Pass - Through Grantor or Cluster Title	Federal Assistance Listing Number	Pass Through to Subrecipients	Expenditures Paid Directly by the Authority	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE:				
Rural Rental Housing Loans	10.415	\$ -	\$ 1,638,219	\$ 1,638,219
Total U.S. Department of Agriculture		<u>-</u>	<u>1,638,219</u>	<u>1,638,219</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Housing Counseling Assistance Program	14.169	-	71,792	71,792
Section 8 Housing Assistance Payments Program <i>(Section 8 Project-Based Cluster)</i>	14.195	198,801,756	-	198,801,756
Indiana Office of Rural and Community Affairs <i>(pass-through entity)</i>				
Community Development Block Grants (a)	14.228	21,205,608	-	21,205,608
Emergency Solutions Grant	14.231	4,679,085	155,672	4,834,757
COVID-19 - Emergency Solutions Grant	14.231	12,267,384	2,536,658	14,804,042
Total Emergency Solutions Grant		<u>16,946,469</u>	<u>2,692,330</u>	<u>19,638,799</u>
Home Investment Partnerships Program	14.239	19,065,520	10,126,120	29,191,640
Housing Opportunities for Persons with AIDS	14.241	1,754,401	32,239	1,786,640
COVID-19 - Housing Opportunities for Persons with AIDS	14.241	137,964	6,213	144,177
Total Housing Opportunities for Persons with AIDS		<u>1,892,365</u>	<u>38,452</u>	<u>1,930,817</u>
Continuum of Care Program	14.267	6,311,130	1,007,162	7,318,292
Housing Trust Fund	14.275	-	3,241,613	3,241,613
Section 811 Supportive Housing for Persons with Disabilities	14.326	-	4,728	4,728
Performance Based Contract Administrator Programs	14.327	-	973,497	973,497
Section 8 Housing Choice Vouchers <i>(Housing Voucher Cluster)</i>	14.871	27,417,679	5,477,361	32,895,040
COVID-19 - Section 8 Housing Choice Vouchers <i>(Housing Voucher Cluster)</i>	14.871	-	980,918	980,918
Section 8 - Housing Choice Vouchers Mainstream <i>(Housing Voucher Cluster)</i>	14.879	192,892	39,677	232,569
Total Housing Voucher Cluster		<u>27,610,571</u>	<u>6,497,956</u>	<u>34,108,527</u>
Family Unification Program	14.880	95,007	14,127	109,134
Lead Hazard Reduction Demonstration Grant Program	14.905	77,049	114,681	191,730
Total U.S. Department of Housing and Urban Development		<u>292,005,475</u>	<u>24,782,458</u>	<u>316,787,933</u>
U.S. DEPARTMENT OF TREASURY:				
COVID-19 - Coronavirus Relief Fund	21.019	-	4,388,919	4,388,919
COVID-19 - Indiana Emergency Rental Assistance	21.023	-	99,892,667	99,892,667
COVID-19 - Homeowners Assistance Program	21.026	-	80,849	80,849
Total U.S. Department of Treasury		<u>-</u>	<u>104,362,435</u>	<u>104,362,435</u>
U.S. DEPARTMENT OF ENERGY:				
Weatherization Assistance for Low-Income Persons	81.042	6,418,166	327,874	6,746,040
Total U.S. Department of Energy		<u>6,418,166</u>	<u>327,874</u>	<u>6,746,040</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Temporary Housing for Needy Families	93.558	45,530	-	45,530
Low Income Home Energy Assistance Program	93.568	7,788,097	41,470,186	49,258,283
COVID - 19 - Low Income Home Energy Assistance Program	93.568	16,786,273	22,095,358	38,881,631
Total Low Income Home Energy Assistance Program		<u>24,574,370</u>	<u>63,565,544</u>	<u>88,139,914</u>
Community Services Block Grant	93.569	9,096,425	698,347	9,794,772
COVID - 19 - Community Services Block Grant	93.569	6,776,153	32,010	6,808,163
Total - Community Services Block Grant		<u>15,872,578</u>	<u>730,357</u>	<u>16,602,935</u>
Assets for Independence Demonstration Program	93.602	452	37,204	37,656
Total U.S. Department of Health and Human Services		<u>40,492,930</u>	<u>64,333,105</u>	<u>104,826,035</u>
Total Expenditures of Federal Awards		<u>\$ 338,916,571</u>	<u>\$ 195,444,091</u>	<u>\$ 534,360,662</u>

(a) Pass-through Identifying Numbers: A192-IH-PSH12-001, A192-IH-PSC16-001, A192-IH-PSH18-001, A192-10-PSC-DR2-001, and A192-20-MOU-101.

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Indiana Housing and Community Development Authority (the Authority) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Authority has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
3. The federal loan programs listing subsequently are administered directly by the Authority, and balance and transactions relating to these programs are included in the Authority's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2021, consist of:

Federal Assistance Listing Number	Program Name	Outstanding Balance at December 31, 2021
10.415	Rural Rental Housing Loans	\$ 1,434,321
14.228	Community Development Block Grants	15,674,211
14.239	Home Investment Partnerships Program	<u>18,349,325</u>
		<u>\$ 35,457,857</u>

During 2021, the Authority granted noncash assistance in the form of loans totaling \$2,376,574 for the Home Investment Partnerships Program.

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Directors
Indiana Housing and Community Development Authority
Indianapolis, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Indiana Housing and Community Development Authority (Authority), which comprise the statement of net position as of December 31, 2021 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 12, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

BKD, LLP

Indianapolis, Indiana
April 12, 2022

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Board of Directors
Indiana Housing and Community Development Authority
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Indiana Housing and Community Development Authority (Authority)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

We have audited the financial statements of Indiana Housing and Community Development Authority, a component unit of the State of Indiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements. We have issued our report thereon dated April 12, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BKD, LLP

Indianapolis, Indiana
April 12, 2022

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP was:
- Unmodified Qualified Adverse Disclaimer
2. Internal control over financial reporting:
- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported
- Noncompliance material to the financial statements noted? Yes No

Federal Awards

3. Internal control over major federal awards programs:
- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported
4. Type of auditor’s report issued on compliance for major federal award program(s):
- Unmodified Qualified Adverse Disclaimer
5. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

6. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
14.228	Community Development Block Grants
14.267	Continuum of Care
14.275	Housing Trust Fund
21.019	Coronavirus Relief Fund
21.023	Indiana Emergency Rental Assistance
81.042	Weatherization Assistance for Low-Income Persons
93.568	Low Income Home Energy Assistance Program

7. Dollar threshold used to distinguish between Type A and Type B programs was \$3,000,000.

8. Auditee qualified as a low-risk auditee? Yes No

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2021

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

Reference Number	Summary of Finding	Status
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No matters are reportable.