



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

November 2, 2023

Board of Directors
Housing Authority of the City of Bloomington
1007 N Summit St
Bloomington, IN 47404

We have reviewed the audit report of the Housing Authority of the City of Bloomington, which was opined upon by Audit Solutions, LLC, Independent Public Accountants, for the period October 1, 2021 to September 30, 2022. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Bloomington, as of September 30, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings included in the report on pages 51 through 55. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 56.

In our opinion, Audit Solutions, LLC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
BLOOMINGTON, INDIANA**

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	i-vii
Basic Financial Statements:	
Statement of Net Position	4-5
Statement of Revenue, Expenses and Changes in Net Position	6
Statement of Cash Flows	7-8
Notes to the Basic Financial Statements	9-26
SUPPLEMENTAL INFORMATION	
PHA's Statement of Certification of Actual Modernization Costs	27-29
Schedule of Expenditures of Federal Awards	30
Financial Data Schedule	31-42
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43-44
Independent Auditor's Report on Compliance for each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	45-47
Independent Auditor's Report on Applying Agreed-Upon Procedures	48-49
Schedule of Findings and Questioned Costs	50-55
Corrective Action Plan	56



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, Indiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Bloomington (Authority), Indiana, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I did not audit the financial statements of the discretely presented component units, which represent 178 percent, 21 percent, and 22 percent, respectively, of the assets, net position, and revenues of the Authority as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Authority and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-vii be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying PHA's Statement of Certification of Actual Modernization Costs and the Financial Data Schedule are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 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 accompanying PHA's Statement of Certification of Actual Modernization Costs, Financial Data Schedule and the Schedule of Expenditures of Federal Awards 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 August 28, 2023, on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Audit Solutions, LLC

Chesterfield, Missouri
August 28, 2023

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2022

Introduction

This Management's Discussion and Analysis (MD&A) of the Housing Authority of the City of Bloomington, IN (Authority) provides an introduction and overview to the financial statements of the Authority for the fiscal year ended September 30, 2022. The Authority presents this discussion and analysis of its financial performance during the fiscal year ended September 30, 2022, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Authority. The information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has several individual programs as well as grants. They include the Low Rent Program, a Centralized Office Cost Center (COCC), the Capital Fund Program (CFP), the Housing Choice Voucher Program (HCV), the Emergency Housing Voucher Program (EHV), the Resident Opportunity and Supportive Services Program (ROSS), the Section 8 Single Room Occupancy (SRO), a State and Local fund, blended component units, and business activities.

- The Low Rent Program consists of zero dwelling units. Of the two projects (AMPs), one transitioned to RAD during the previous fiscal year and the second transitioned to RAD during the current year. Assets remain in the Low Rent Program until the time that funds have been extinguished for the RAD conversions.
- The COCC operates as a business activity of the Authority. Revenue is generated through management, bookkeeping, and asset management fees paid by the other programs.
- The Capital Fund Program is also a formula-based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Program. These resources allow the Authority to provide capital improvements for the current dwelling structures and assist in their operations. This program will end as the Authority no longer has Low Rent ACC units.
- The Housing Choice Voucher Program provides rental assistance to aid low-income families with affordable, decent, safe, and sanitary rental housing. The Authority provides rental assistance in the form of a housing assistance payment to a landlord on behalf of the tenant. The Authority currently has 1,691 units available. Funds are provided by HUD to provide rental assistance payments. The Authority is provided an administrative fee for the purpose of covering the administrative costs of the program. The administrative fee is computed by HUD on an annual basis.
- The Resident Opportunity and Supportive Services Grant Program provides the Authority funding for a service coordinator position that assists residents in becoming self-sufficient.
- The Emergency Housing Voucher Program is similar in nature to the HCV program, with 28 funded units, except that its target population is homeless individuals and families.
- The Section 8 Single Room Occupancy (SRO) is a rental assistance program where rental assistance payments are attached to units in a specific project. The Authority currently has 12 units available.
- Business activities consist of inter-company transactions, mostly with mortgage receivables and property held in the name of the Authority related to Low-Income Tax Credit properties reported as discretely presented.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2022

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expenses, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- Unrestricted component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended September 30, 2022, to determine the net change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended September 30, 2022.

Financial Highlights

The Authority's net position increased from \$12,926,811 to \$28,433,501, an increase of \$15,506,690 or 120%. Total assets increased by \$15,231,330 or 113%.

Total revenue increased from \$12,757,059 to \$14,863,023, an increase of \$2,105,964 or 17%.

Total expenses decreased by \$395,830, from \$13,007,662 to \$12,611,832 for the current year. This represents a decrease of 3%.

A special item was recorded for \$13,255,499 during the current year to record a gain from the transferring of the building, with a seller's note being maintained for the RAD 2 conversion.

Housing Authority Activities & Highlights

The Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the summary of net position for the year ended September 30, 2022, and September 30, 2021.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2022

Housing Authority Activities & Highlights – (Continued)

**Summary Statement of Net Position
September 30, 2022, and 2021**

<u>Category</u>	<u>FYE 2022</u>	<u>FYE 2021</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 6,112,890	\$ 4,140,572	\$ 1,972,318	48%
Non-Current Assets	\$ 22,656,588	\$ 9,397,576	\$ 13,259,012	141%
Total Assets	\$ 28,769,478	\$ 13,538,148	\$ 15,231,330	113%
Current Liabilities	\$ 145,793	\$ 444,243	\$ (298,450)	-67%
Non-Current Liabilities	\$ 190,184	\$ 167,094	\$ 23,090	14%
Total Liabilities	\$ 335,977	\$ 611,337	\$ (275,360)	-45%
Unrestricted	\$ 27,649,615	\$ 8,522,526	\$ 19,127,089	224%
Restricted	\$ 109,518	\$ 243,929	\$ (134,411)	-55%
Net Investment in Capital Assets	\$ 674,368	\$ 4,160,356	\$ (3,485,988)	-84%
Total Net Position	\$ 28,433,501	\$ 12,926,811	\$ 15,506,690	120%

Current Assets

The Authority's current asset balance increased by \$1,972,318. This is primarily due to an increase in total cash/investments from \$3,896,504 in the prior year to \$5,545,220 in the current year. The majority of the increase was related to the drawing of CFP funds held to fund construction costs of the RAD 2 project.

Noncurrent Assets

The Authority's noncurrent asset balance increased by \$13,259,012 during the current year due to the recording of a seller's note related to the closing of the property for the RAD 2 project.

Current Liabilities

Total current liabilities decreased by \$298,450. This is primarily due to a decrease in accounts payable accrued at the end of the year in the amount of \$250,144. Other decreases include the removal of security deposits from the Authority and transferred to the RAD 2 project in the amount of \$32,080.

Noncurrent Liabilities

Total noncurrent liabilities increased by \$23,090. This was primarily due to an increase in the estimated portion of the FSS Program's escrow balances.

Net Position

The net position of the Authority increased by \$15,506,690 when compared to the previous fiscal year.

The Authority's unrestricted component of net position changed from \$8,522,526 to \$27,649,615, an increase of \$19,127,089 for the current year. This increase was related to the closing of property for the RAD 2 project and the carrying of the related mortgage receivable. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2022

Housing Authority Activities & Highlights – (Continued)

Net Position – (Continued)

Low Rent Housing Program	\$ 8,202,182
Centralized Office Cost Center	\$ 1,668,820
Business Activity Fund	\$ 16,745,000
Emergency Housing Voucher Program	\$ 15,827
Single Room Occupancy Program (SRO)	\$ 35,810
Housing Choice Voucher Program	\$ 980,179
Other Programs	<u>\$ 1,797</u>
 Total Unrestricted	 <u>\$ 27,649,615</u>

The Authority's restricted component of net position changed from \$243,929 to \$109,518. This was primarily due to the use of HAP funding accumulated in the previous year.

Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended September 30, 2022 and 2021

Category	FYE 2022	FYE 2021	Change \$	Change %
Tenant Revenue	\$ 224,807	\$ 565,456	\$ (340,649)	-60%
HUD Operating Grants	\$ 13,923,033	\$ 11,680,430	\$ 2,242,603	19%
Capital Grants	\$ 113,398	\$ 279,065	\$ (165,667)	-59%
Interest Income	\$ 4,222	\$ 6,377	\$ (2,155)	-34%
Other Revenue	\$ 597,563	\$ 225,731	\$ 371,832	165%
Total Revenue	\$ 14,863,023	\$ 12,757,059	\$ 2,105,964	17%
Administration	\$ 1,142,717	\$ 1,306,474	\$ (163,757)	-13%
Tenant Services	\$ 167,142	\$ 187,744	\$ (20,602)	-11%
Utilities	\$ 181,586	\$ 360,746	\$ (179,160)	-50%
Ordinary Maintenance	\$ 178,672	\$ 567,704	\$ (389,032)	-69%
Protective Services	\$ 1,157	\$ 17,072	\$ (15,915)	-93%
General Expenses	\$ 107,105	\$ 591,919	\$ (484,814)	-82%
Depreciation	\$ 245,277	\$ 417,819	\$ (172,542)	-41%
HAP	\$ 10,588,176	\$ 9,558,184	\$ 1,029,992	11%
Total Expenses	\$ 12,611,832	\$ 13,007,662	\$ (395,830)	-3%
Excess (Deficiency) Before Special Items	\$ 2,251,191	\$ (250,603)	\$ 2,501,794	-998%
Special Items, Net gain/loss	\$ 13,255,499	\$ -	\$ 13,255,499	100%
Change in Net Position	\$ 15,506,690	\$ (250,603)	\$ 15,757,293	-6288%
Net Position, Beginning of Year	\$ 12,926,811	\$ 13,177,414	\$ (250,603)	-2%
Net Position, End of Year	\$ 28,433,501	\$ 12,926,811	\$ 15,506,690	120%

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2022

Housing Authority Activities & Highlights – (Continued)

Results of Operations

Revenues of the Authority are generated principally from Federal and State funding grant income and dwelling rents. The Authority's revenue increased by \$2,105,964 compared to the previous fiscal year.

- Tenant revenue decreased by \$340,649. This was primarily due to the closing of the AMP 1 project and transfer of these units to the RAD 2 project.
- HUD operating grants increased by \$2,242,603. This was primarily due to an increase in operating funding related to the CFP program in the amount totaling \$1,123,137. In addition, the HCV Program funding increased by \$1,358,309 from the previous year. Low Rent operating subsidy decreased by \$84,569.
- Capital grant revenue decreased by \$165,667 due to a reduction in activity associated with capital improvement projects funded by the CFP program.
- Other income increased by \$371,832 during the current year. This is primarily due to the receipt of developer fees in the current year.

Total expenses decreased by \$395,830. Significant variances include the following:

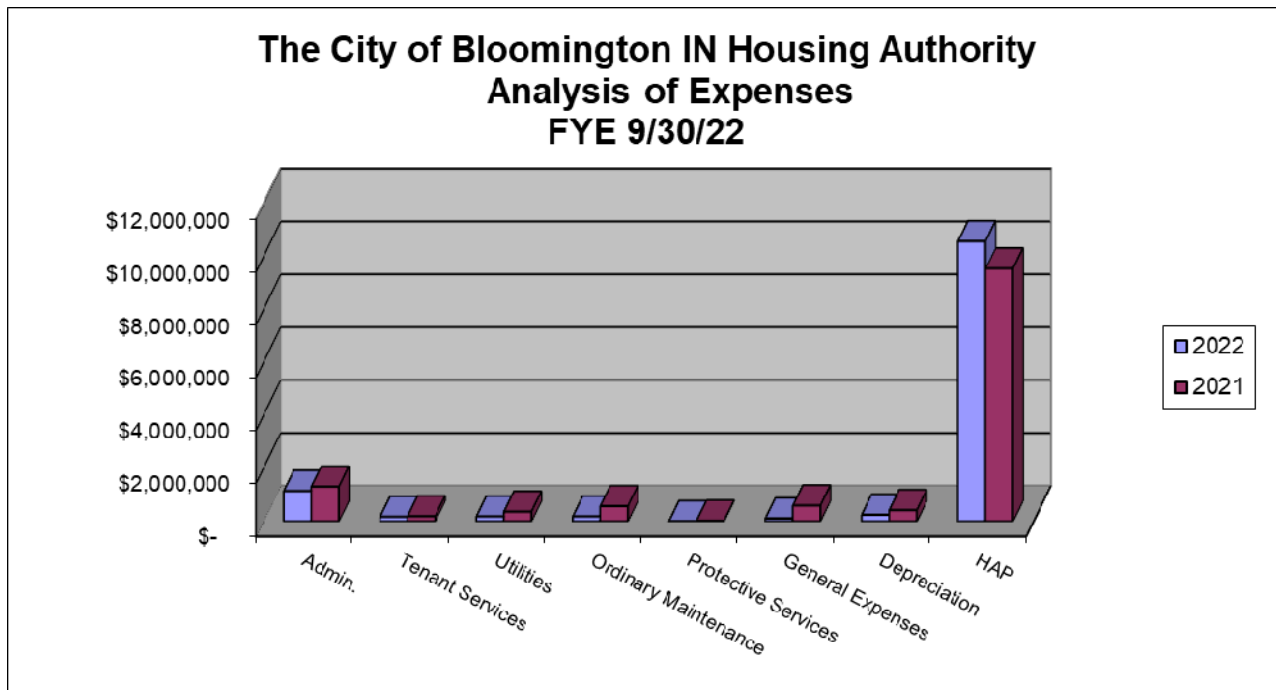
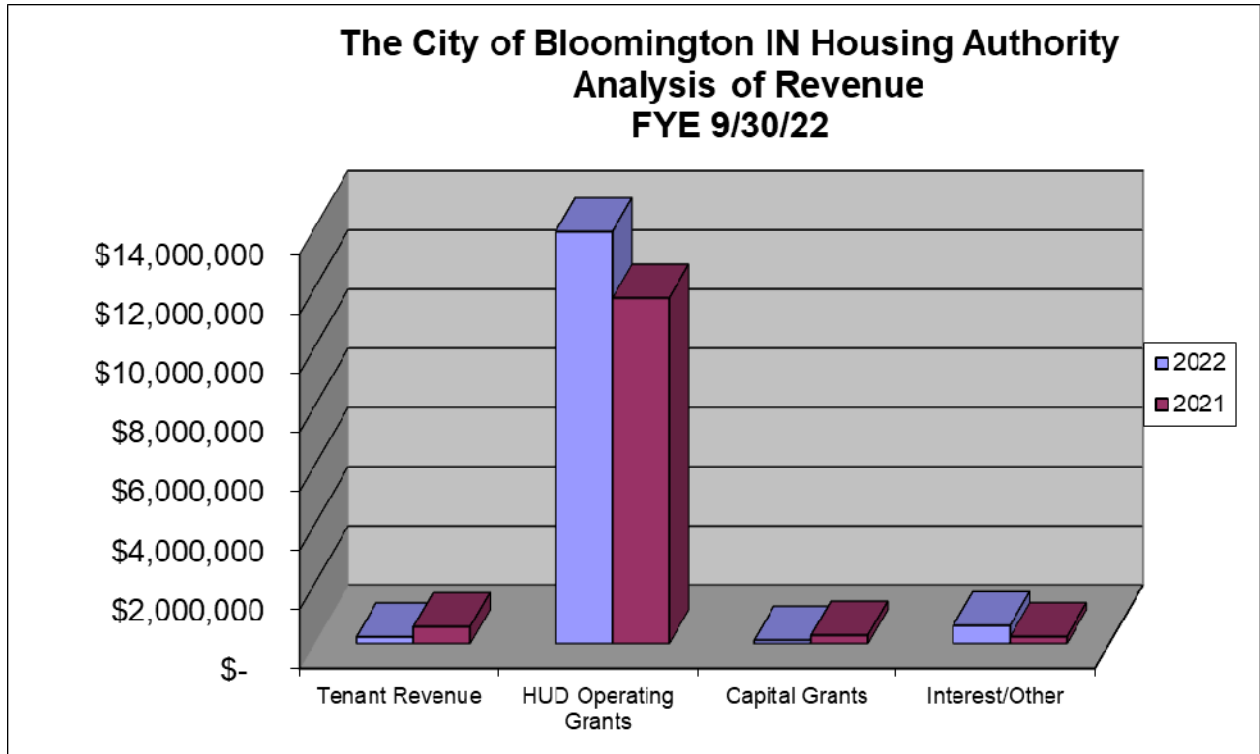
- Administration decreased by \$163,757 due to a decrease in office expenses and sundry costs in the amount of \$150,717 and \$90,682 respectively.
- Utility costs decreased by \$179,160 due to the transfer of the property related to AMP 1 to the RAD 2 project. The RAD 2 project is now reported as a discretely presented component unit and the utility costs are now reported in it.
- Ordinary maintenance decreased by \$389,032 due to the transfer of the property related to AMP 1 to the RAD 2 project. The RAD 2 project is now reported as a discretely presented component unit and the maintenance costs are now reported in it.
- General expenses decreased by \$484,814. This is primarily due to a decrease in other general expense in the amount of \$321,496. Property insurance also decreased due to the transfer of the property related to AMP 1 to the RAD 2 project.
- Housing assistance payments increased by \$1,029,992 due to an increase in the unit months leased. The unit months leased increased from 16,392 in the prior year to 16,963 in the current year. In addition the average HAP payment increased from the prior year.
- Depreciation decreased as the property related to AMP 1 was transferred to the RAD 2 project.
- A special item in the amount of \$13,255,499 was due to entries related to the RAD conversion.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2022

Housing Authority Activities & Highlights – (Continued)

The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:



HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2022

Capital Assets

As of September 30, 2022, the Authority's net investment in capital assets was \$674,358. This investment includes land, buildings, and equipment, net of depreciation and loan payables.

<u>Category</u>	<u>FYE 2022</u>	<u>FYE 2021</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 615,090	\$ 615,090	\$ -	0%
Buildings	\$ 148,035	\$ 12,866,250	\$ (12,718,215)	-99%
Equipment	\$ 143,866	\$ 232,792	\$ (88,926)	-38%
Construction in Progress	\$ -	\$ 475,767	\$ (475,767)	-100%
Accumulated Depreciation	\$ (232,623)	\$ (10,029,543)	\$ 9,796,920	-98%
Total Net Fixed Assets	\$ 674,368	\$ 4,160,356	\$ (3,485,988)	-84%

Buildings and equipment decreased as a result of the sale of buildings related to AMP 1 during the RAD conversion in the current year.

Long-Term Debt Activity

At September 30, 2022, the Authority maintained a balance of \$173,148 in FSS escrow deposits estimated to be noncurrent.

The Authority classifies a portion of the employee's leave as long-term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was \$17,036.

Subsequent Event

The Authority is currently overseeing a construction contract related to the RAD 2 project. The process will also include the transferring of funds in the amount of \$1,919,336 to the project for continued construction.

As of the time of this analysis, HUD has not finalized the funding levels for the 2023 calendar year. The amount of funding for the 2023 calendar year for the Housing Choice Voucher Program will include an estimated proration of administrative fees at 97% and HAP funding at 100%.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

The City of Bloomington Housing Authority
Kate Gazunis, Executive Director
1007 N. Summit Street
Bloomington, IN 47404

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

STATEMENT OF NET POSITION
September 30, 2022

	<u>Primary Govt</u>	<u>Discretely Presented Component Units</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,021,005	\$ 1,933,214
Cash - restricted	2,202,002	1,357,443
Investments	322,213	-
Receivables - net of allowances	494,952	31,983
Prepaid expenses	<u>72,718</u>	<u>23,337</u>
 Total Current Assets	 <u>6,112,890</u>	 <u>3,345,977</u>
Non-current Assets:		
Long term receivables	21,982,220	-
Other assets	-	3,115,138
Capital assets:		
Land and construction in progress	615,090	9,555,760
Other capital assets, net of depreciation	<u>59,278</u>	<u>35,064,046</u>
 Total capital assets - net	 <u>674,368</u>	 <u>44,619,806</u>
 Total Non-current Assets	 <u>22,656,588</u>	 <u>47,734,944</u>
 Total Assets	 <u>\$ 28,769,478</u>	 <u>\$ 51,080,921</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

STATEMENT OF NET POSITION - (Continued)
September 30, 2022

	Primary Govt	Discretely Presented Component Units
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 14,765	\$ 3,332,318
Accrued salaries and benefits	40,026	3,828
Tenant security deposit liability	-	20,276
Accrued compensated absences	67,798	-
Accrued interest payable	-	90,198
Current portion of long-term debt	-	207,185
Unearned revenues	23,204	24,251
Total Current Liabilities	145,793	3,678,056
Non-current Liabilities:		
Long-term debt, net of current portion	-	40,860,880
Compensated absences	17,036	-
Non-current liabilities - Other	173,148	502,623
Total Non-current Liabilities	190,184	41,363,503
Total Liabilities	335,977	45,041,559
NET POSITION		
Net investment in capital assets	674,368	27,748,743
Restricted	109,518	-
Unrestricted	27,649,615	(21,709,381)
Total Net Position	28,433,501	6,039,362
Total Liabilities and Net Position	\$ 28,769,478	\$ 51,080,921

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended September 30, 2022

	Primary Govt	Discretely Presented Component Units
OPERATING REVENUES		
Tenant revenue	\$ 224,807	\$ 472,217
Governmental grants and subsidy	13,923,033	1,762,179
Miscellaneous	597,059	1,028,834
 Total operating revenue	 <u>14,744,899</u>	 <u>3,263,230</u>
OPERATING EXPENSES		
Administrative	1,142,717	469,180
Tenant services	167,142	1,775
Utilities	181,586	471,844
Ordinary maintenance and operations	178,672	524,530
Protective services	1,157	33,442
Insurance	91,224	110,423
General	15,881	12,972
Housing assistance payment	10,588,176	-
Depreciation expense	245,277	956,247
 Total operating expenses	 <u>12,611,832</u>	 <u>2,580,413</u>
 Operating income (loss)	 <u>2,133,067</u>	 <u>682,817</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	4,222	-
Gain (loss) on disposal of capital assets	504	-
Interest expense	-	(471,880)
Special items (net gain/loss)	13,255,499	-
 Net non-operating revenues (expenses)	 <u>13,260,225</u>	 <u>(471,880)</u>
 Income (loss) before contributions and transfers	 <u>15,393,292</u>	 <u>210,937</u>
Capital contributions	113,398	-
 Change in net position	 15,506,690	 210,937
Total net position - beginning of year	12,926,811	-
Prior period adjustments	-	5,828,425
 Total net position - end of year	 <u>\$ 28,433,501</u>	 <u>\$ 6,039,362</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2022

	Primary Govt
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from tenants	\$ 192,870
Received from governmental grants and subsidy	13,586,444
Received from other operating activities	1,171,173
Payments for goods and services	(1,411,157)
Payments to employees	(1,199,482)
Payment for housing assistance	(10,588,176)
	<u>1,751,672</u>
Net cash provided by (used in) operating activities	<u>1,751,672</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital contributions	113,398
Special items (net gain/loss on transfer of fixed assets)	(248,286)
Receipts (payments) from deferred credits and escrow deposits	27,710
	<u>(107,178)</u>
Net cash provided by (used in) capital and related financing activities	<u>(107,178)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipts of interest and dividends	4,222
	<u>4,222</u>
Net cash provided by (used in) investing activities	<u>4,222</u>
Net increase (decrease) in cash and cash equivalents	1,648,716
Cash and cash equivalents at beginning of year	<u>3,574,291</u>
Cash and cash equivalents at end of year	<u>\$ 5,223,007</u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

STATEMENT OF CASH FLOWS - (Continued)
For the Year Ended September 30, 2022

	<u>Primary Govt</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ 2,133,067
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	245,277
Change in assets and liabilities:	
Receivables, net	(313,719)
Inventories, net	20,549
Prepaid expenses	(30,432)
Accounts and other payables	(172,218)
Tenant security deposit	(32,080)
Unearned revenues	(41,240)
Compensated absences	(19,632)
Accrued expenses	<u>(37,900)</u>
Net cash provided by (used) by operating activities	\$ <u><u>1,751,672</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of the City of Bloomington (Authority) is a public body and a body corporate and politic organized under the laws of the State of Indiana that is legally separate, fiscally independent and governed by a Board of Commissioners. The Authority was established to provide Low-Rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable federal agencies. Additionally, HUD has entered into Annual Contributions Contract with the Authority for the purpose of administering housing and housing relating programs described herein. The Authority is not subject to federal or state income taxes and is not required to file federal or state income tax returns.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1A. Financial Reporting Entity

The Authority’s financial reporting entity comprises the following:

Primary Government: Housing Authority

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 14 as amended by GASB no 39 and 61, “The Financial Reporting Entity,” and includes all component units of which the Authority appointed a voting majority of the units’ board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. On the basis of the application of these criteria, the financial statements of the reporting entity include the Housing Authority of the City of Bloomington, Indiana and the following component units:

Blended Component Unit:

Summit Hill Community Development Corporation: SHCDC is a separate nonprofit corporation formed in the State of Indiana as an instrumentality of the Authority and is reported as a blended component unit.

Discretely Presented Component Units:

Bloomington RAD I, LP: The partnership interests are held by third parties unrelated to the Authority. The Authority has outstanding notes and advances to the partnership amounting to \$5,237,220 as of September 30, 2022. The partnership does not serve the primary government exclusively, or almost exclusively, and therefore is shown as discretely presented component unit. Balances presented for discretely presented component unit on the accompanying Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are as of December 31, 2022.

Bloomington RAD II, LP: The partnership interests are held by third parties unrelated to the Authority. The Authority has outstanding notes and advances to the partnership amounting to \$16,745,000 as of September 30, 2022. The partnership does not serve the primary government exclusively, or almost exclusively, and therefore is shown as discretely presented component unit. Balances presented for discretely presented component unit on the accompanying Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are as of December 31, 2022.

The Authority is not part of any other entity, nor does it have oversight responsibility over any other agency.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1B. Basis of Presentation

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are reported as a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds consist of three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

Proprietary Fund Types - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position. Proprietary fund equity is segregated into net investment in capital assets and restricted and unrestricted net position. The following are the Authority's proprietary fund types:

Enterprise Fund - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

The Authority operates the following programs in the enterprise fund:

Public and Indian Housing – The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income individuals.

Public Housing Capital Fund – The purpose of this program is to provide funds annually to housing authorities for the modernization of the housing development and for management improvements.

Housing Choice Vouchers – The objective of the program is to help low-income families obtain decent, safe, and sanitary housing through a system of rental assistance. HUD reimburses HAP funds to the amount needed by the Authority for the rental supplements paid to private landlords and the administrative costs of managing the program.

Emergency Housing Vouchers - The Emergency Housing Voucher (EHV) program is available through the American Rescue Plan Act (ARPA). The objective of the program is to provide relief to address the continued impact of the COVID-19 pandemic on the economy, public health, state and local governments, individuals, and businesses. The program is designed to assist individuals and families who are homeless, at-risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

Section 8 Moderate Rehabilitation Single Room Occupancy - The Section 8 Moderate Rehabilitation Single Room Occupancy Program provides rental assistance to homeless individuals. Under the program, HUD enters into Annual Contributions Contracts with public housing agencies (PHAs) in connection with the moderate rehabilitation of residential properties that, when rehabilitation is completed, will contain multiple single room dwelling units.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1B. Basis of Presentation – (Continued)

Resident Opportunity and Supportive Services - The objective of this program is to provide housing residents with supportive services, resident empowerment activities and assistance in becoming economically self-sufficient.

Family Self-Sufficiency Program - To promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher, Public Housing and Project-Based Rental Assistance programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

HOME - The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

State & Local – The State & Local program is used to account for local grant and donations provided to the Housing Authority.

Business Activities - The Business Activities fund is used to account for transactions between the Housing Authority and other entities, such as low-income tax credit properties, that are presented separately. These transactions include the mortgages and the related land included in the ground leases.

Central Office Cost Center (COCC) – Under the Asset Management rule, the purpose of this program is to provide day-to-day operation of other programs of the Housing Authority in lieu of property management, asset management, bookkeeping, program management and fee for service fee.

Blended Component Unit –

Summit Hill Community Development Corporation (SHCDC) - This is a nonprofit organization formed to provide further affordable housing options.

Discretely Presented Component Units –

Bloomington RAD I, LP - The partnership was formed for the purpose of developing and operating a 116-unit project located in Bloomington, IN via RAD conversion. The property was acquired on May 16, 2020.

Bloomington RAD II, LP - The partnership was formed for the purpose of developing and operating a 204-unit project located in Bloomington, IN via RAD conversion. The property was acquired on March 30, 2022.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus - The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting - In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1D. Budgets

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for all operating programs and on a project length basis for capital projects funds which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

1E. Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

1F. Assets, Liabilities, and Equity

Cash and Investments

For the purpose of the Statement of Net Position, “cash and cash equivalents” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur within individual funds that may result in amounts owed between funds. Inter-fund receivables and payables between funds are eliminated for financial statement presentation.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity – (Continued)

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of HUD, miscellaneous, fraud recovery and notes receivable.

Fixed Assets

Fixed assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$2,000 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	15-40 years
Furniture, equipment and machinery - administrative	5-7 years

Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted assets are related to the modernization, HAP and FSS fund under Public and Indian Housing, Housing Choice Voucher and Emergency Housing Voucher program.

Compensated Absences

The Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term and short-term liabilities based on historical trends. Amounts not expected to be paid within the next fiscal year are classified as long-term liabilities.

Equity Classifications

Equity is classified as net position and displayed in three components:

- 1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position - Consists of net position with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (ii) law through constitutional provisions or enabling legislation. The statement of net position of the Authority reports \$72,847 and \$36,671 in HAP funds under Section 8 Housing Choice Vouchers and Emergency Housing Voucher program respectively.
- 3) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities, and Equity – (Continued)

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Authority's policy is to apply restricted assets first.

1G. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Inter-fund Transfers

Permanent reallocation of resources between programs of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Revenues, Expenses and Changes in Net Position, all inter-fund transfers between individual programs, if any, have been eliminated.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2A. Program Accounting Requirements

The Authority's complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

<u>Program</u>	<u>Required By</u>
Public and Indian Housing	U.S. Department of Housing and Urban Development
Public Housing Capital Fund	U.S. Department of Housing and Urban Development
Housing Choice Vouchers	U.S. Department of Housing and Urban Development
Emergency Housing Vouchers	U.S. Department of Housing and Urban Development
Section 8 Moderate Rehabilitation SRO	U.S. Department of Housing and Urban Development
ROSS	U.S. Department of Housing and Urban Development
FSS	U.S. Department of Housing and Urban Development
HOME	U.S. Department of Housing and Urban Development
COCC	U.S. Department of Housing and Urban Development
State & Local	Housing Authority of the City of Bloomington
Business Activities	Housing Authority of the City of Bloomington
Blended Component Unit: - SHCDC	Housing Authority of the City of Bloomington

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – (Continued)

2B. Deposits and Investments Laws and Regulations

It is the Authority’s policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. The Authority must maintain a written collateral agreement from all financial institutions pledging collateral to the Authority. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

2C. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Public Housing Capital Fund	Modernization
Housing Choice Vouchers	Housing assistance payments
ROSS	Tenant services

For the year ended September 30, 2022, the Authority complied, in all material respects, with these revenue restrictions.

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3A. Cash and Investments

As of September 30, 2022, the Authority had the following cash deposits and investments:

Cash Deposit	\$ 5,222,259
Petty Cash	748
Certificate of Deposits	<u>322,213</u>
Total	<u>\$ 5,545,220</u>

Following is a reconciliation of the Authority’s deposit balances as of September 30, 2022:

Cash and cash equivalents	\$ 3,021,005
Restricted assets	2,202,002
Investments	<u>322,213</u>
Total	<u>\$ 5,545,220</u>

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3A. Cash and Investments – (Continued)

Deposits

Custodial Credit Risk - Deposits

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At September 30, 2022, the Authority's bank balances of \$4,990,215 were entirely covered by FDIC insurance and by the Public Deposit Insurance Fund (PDIF) which was created in 1937 to protect the public funds of the state and its political subdivisions deposited in approved financial institutions in the state of Indiana. The PDIF insures those public funds deposited in approved financial institutions which exceed the limits of coverage provided by federal deposit insurance. The fund is administered by the Indiana Board for Depositories.

Investments

Custodial Credit Risk - Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At September 30, 2022, the Authority's investment balance of \$322,213 was entirely covered by FDIC and PDIF insurance.

Interest Rate Risk

The Authority 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.

Credit Risk

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organization. As the Authority's investments consist entirely of certificate of deposits, credit risk is not applicable to the Housing Authority.

Concentration of Credit Risk

The Authority places no limit on the amount the Authority may invest in any one issuer. At September 30, 2022, the concentration of the Authority's investment (excluding cash deposits) was as follows:

<u>Type of Investment</u>	<u>Market Value</u>	<u>Maturity Date</u>
Certificate of Deposit	\$ 153,080	3/24/2023
Certificate of Deposit	169,133	3/22/2023
Total	\$ <u>322,213</u>	

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3B. Restricted Assets

Restricted assets at September 30, 2022 consist of the following:

Type of Restricted Assets	Cash Including Time Deposits	Investments	Accrued Interest	Total
HAP funds	\$ 109,518	\$ ----	\$ ----	\$ 109,518
FSS escrow	173,148	----	----	173,148
Modernization set aside for RAD	<u>1,919,336</u>	<u>----</u>	<u>----</u>	<u>1,919,336</u>
 Total	 <u>\$ 2,202,002</u>	 <u>\$ ----</u>	 <u>\$ ----</u>	 <u>\$ 2,202,002</u>

3C. Accounts Receivables - Current

Receivables at September 30, 2022, consist of the following:

Fraud recovery	\$ 77,793
Less: Allowance for doubtful account – fraud	<u>(42,612)</u>
Fraud recovery – net of allowance	35,181
HUD	439,835
Accrued interest	200
Miscellaneous	<u>19,736</u>
 Total Accounts Receivable – Current	 <u>\$ 494,952</u>

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3D. Capital Assets

A summary of capital asset activity for the year ended September 30, 2022, is as follows:

	<u>Balance October 1, 2021</u>	<u>Additions</u>	<u>(Retirement)</u>	<u>Balance September 30, 2022</u>
Non-depreciable assets:				
Land	\$ 615,090	\$ -	\$ -	\$ 615,090
Construction in progress	<u>475,767</u>	<u>-</u>	<u>(475,767)</u>	<u>-</u>
Total non-depreciable assets	<u>1,090,857</u>	<u>-</u>	<u>(475,767)</u>	<u>615,090</u>
Depreciable assets:				
Building	12,866,250	-	(12,718,215)	148,035
Equipment - dwelling	3,280	-	(3,280)	-
Equipment - administration	<u>229,512</u>	<u>-</u>	<u>(85,646)</u>	<u>143,866</u>
Total depreciable assets	13,099,042	-	(12,807,141)	291,901
Accumulated depreciation	<u>(10,029,543)</u>	<u>(245,277)</u>	<u>10,042,197</u>	<u>(232,623)</u>
Total depreciable assets, net	<u>3,069,499</u>	<u>(245,277)</u>	<u>(2,764,944)</u>	<u>59,278</u>
Capital assets, net	\$ <u>4,160,356</u>	\$ <u>(245,277)</u>	\$ <u>(3,240,711)</u>	\$ <u>674,368</u>

Depreciation expense is charged to programs as follows:

	<u>Business-type Activities</u>
Public and Indian Housing	\$ 239,740
Housing Choice Vouchers	2,818
COCC	<u>2,719</u>
Total depreciation expense	\$ <u>245,277</u>

3E. Notes Receivable – Non-current

Notes receivables at September 30, 2022, consist of the following:

Bloomington RAD I, L.P.	\$ 5,237,220
Bloomington RAD II, L.P.	<u>16,745,000</u>
Total Notes Receivable – Non-current	\$ <u>21,982,220</u>

During the year ended September 30, 2020, the Authority converted 116 public housing units to RAD (Bloomington RAD I, L.P.). The Authority entered into two promissory notes with Bloomington RAD I, LP for the sale of the property in the amount of \$4,650,000 and \$587,220 with 30-year loan at an interest rate of 3.75% and 2.50% per annum respectively, payable only from surplus cash. The note will mature along with all outstanding principal and all accrued interest which has not been paid on the first day of May 1, 2050.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3E. Notes Receivable – Non-current – (Continued)

During the year ended September 30, 2022, the Authority converted 204 public housing units to RAD (Bloomington RAD II, L.P.). The Authority entered into a promissory note with Bloomington RAD II, LP for the sale of the property in the amount of \$16,745,000 with 30-year loan at an interest rate of 1.63% per annum respectively, payable only from surplus cash. The note will mature along with all outstanding principal and all accrued interest which has not been paid on the first day of March 1, 2052.

3F. Accounts Payable

Accounts payable at September 30, 2022, consist of the following:

HUD	\$	460
Other current liabilities		<u>14,305</u>
Total Accounts Payable	\$	<u>14,765</u>

3G. Non-current Liabilities

Non-current liabilities at September 30, 2022, consist of the following:

Accrued compensated absences	\$	17,036
FSS escrow		<u>173,148</u>
Total Non-Current Liabilities	\$	<u>190,184</u>

The following is the summary of changes in long-term liabilities:

	Balance Oct 1, 2021	Additions	Deductions	Balance Sept 30, 2022	Amounts Due within One Year
Accrued compensated absences	\$ 21,656	\$ ---	\$ 4,620	\$ 17,036	\$ 67,798
FSS escrow	<u>145,438</u>	<u>27,710</u>	<u>---</u>	<u>173,148</u>	<u>---</u>
Total	<u>\$ 167,094</u>	<u>\$ 27,710</u>	<u>\$ 4,620</u>	<u>\$ 190,184</u>	<u>\$ 67,798</u>

3H. Inter-program Transactions and Balances

Operating Transfers

Transfers are used to move revenues from one program to the other program in accordance with the budgetary authorizations.

	Transfers In	Transfers Out
Public and Indian Housing	\$ 1,444,717	\$ ---
Public Housing Capital Fund	<u>---</u>	<u>(1,444,717)</u>
Total	<u>\$ 1,444,717</u>	<u>\$ (1,444,717)</u>

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3H. Inter-program Transactions and Balances – (Continued)

Inter-program Receivable/Payable

Inter-program receivable/payable is eliminated for financial statement presentation. The following inter-program receivable/payable existed at September 30, 2022:

	Due From	Due To
Public and Indian Housing	\$ 8,871	\$ ---
Housing Choice Vouchers	17,203	---
ROSS	---	(8,871)
FSS	---	(17,203)
Total	\$ 26,074	\$ 26,074

3I. Condensed Combining Financial Information – Blended Component Unit

The Authority has the following condensed combining financial information:

**Condensed Statement of Net Position
September 30, 2022**

	PHA	Blended Component Unit	Total
Current Assets (includes interfund of \$26,074)	\$ 6,109,765	\$ 3,125	\$ 6,112,890
Non-current Assets	674,368	---	674,368
Capital Assets, Net	21,982,220	---	21,982,220
Total Assets	28,766,353	3,125	28,769,478
Current Liabilities (includes interfund of \$26,074)	131,488	14,305	145,793
Non-Current Liabilities	190,184	---	190,184
Total Liabilities	321,672	14,305	335,977
Net Position:			
Invested in Capital Assets	674,368	---	674,368
Restricted Assets	109,518	---	109,518
Unrestricted Assets	27,660,795	(11,180)	27,649,615
Total Net Position	\$ 28,444,681	\$ (11,180)	\$ 28,433,501

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3I. Condensed Combining Financial Information – Blended Component Unit – (Continued)

**Condensed Statement of Revenues, Expenses and Changes in Net Position
September 30, 2022**

	PHA	Blended Component Unit	Total
Revenue:			
Tenant Revenue	\$ 224,807	\$ ---	\$ 224,807
HUD Operating Grants	13,923,033	---	13,923,033
Capital Grants	113,398	---	113,398
Investment Income	4,222	---	4,222
Other Income	589,782	7,277	597,059
Gain/Loss on Sale of Fixed Assets	504	---	504
Total Revenue	14,855,746	7,277	14,863,023
Expenses:			
Administrative	1,124,260	18,457	1,142,717
Tenant Services	167,142	---	167,142
Utilities	181,586	---	181,586
Routine Maintenance	178,672	---	178,672
Protective Services	1,157	---	1,157
General Expenses	107,105	---	107,105
Housing Assistance Payments	10,588,176	---	10,588,176
Depreciation	245,277	---	245,277
Special Items (Gain/Loss)	(13,255,499)	---	(13,255,499)
Total Expenses	(662,124)	18,457	(643,677)
Increase (Decrease) in Net Position	\$ 15,517,870	\$ (11,180)	\$ 15,506,690

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3J. Combining Schedule of Discretely Presented Component Unit

**Statement of Net Position
December 31, 2022**

	<u>Bloomington RAD I, LP</u>	<u>Bloomington RAD II, LP</u>	<u>Total Discretely Presented Component Unit</u>
Current Assets	\$ 1,576,334	\$ 1,769,643	\$ 3,345,977
Capital Assets, Net	15,059,536	29,560,270	44,619,806
Non-current Assets	<u>1,410,931</u>	<u>1,704,207</u>	<u>3,115,138</u>
Total Assets	<u>18,046,801</u>	<u>33,034,120</u>	<u>51,080,921</u>
Current Liabilities	392,662	3,285,394	3,678,056
Non-Current Liabilities	<u>12,601,943</u>	<u>28,761,560</u>	<u>41,363,503</u>
Total Liabilities	<u>12,994,605</u>	<u>32,046,954</u>	<u>45,041,559</u>
Net Position:			
Invested in Capital Assets	9,213,936	18,534,807	27,748,743
Unrestricted Assets	<u>(4,161,740)</u>	<u>(17,547,641)</u>	<u>(21,709,381)</u>
Total Net Position	\$ <u>5,052,196</u>	\$ <u>987,166</u>	\$ <u>6,039,362</u>

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3J. Combining Schedule of Discretely Presented Component Unit – (Continued)

**Statement of Revenues, Expenses and Changes in Net Position
December 31, 2022**

	Bloomington RAD I, LP	Bloomington RAD II, LP	Total Discretely Presented Component Unit
Revenue:			
Tenant Revenue	\$ 341,573	\$ 130,644	\$ 472,217
HUD Operating Grants	845,317	916,862	1,762,179
Other Income	998,255	30,579	1,028,834
	<u>2,185,145</u>	<u>1,078,085</u>	<u>3,263,230</u>
Expenses:			
Administrative	195,841	273,339	469,180
Tenant Services	1,775	---	1,775
Utilities	256,743	215,101	471,844
Routine Maintenance	271,527	253,003	524,530
Protective Services	2,302	31,140	33,442
General Expenses	79,054	44,341	123,395
Interest Expenses	445,302	26,578	471,880
Depreciation	605,273	350,974	956,247
	<u>1,857,817</u>	<u>1,194,476</u>	<u>3,052,293</u>
Increase (Decrease) in Net Position	\$ <u>327,328</u>	\$ <u>(116,391)</u>	\$ <u>210,937</u>

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 4 – OTHER NOTES

4A. Ground Lease

The Authority entered into a ground lease agreement with Bloomington RAD I and II – related to the RAD sale (see Note 4B). The lease is for a term of 99 years expiring April 30, 2119 (RAD I) and March 1, 2121 (RAD II). During the term of the lease, all improvements shall be the property of the Partnership and upon expiration of the lease, all improvements revert to the Authority. The Partnership is responsible for all maintenance of any improvements and property tax obligations during the term of the lease. Annual rent of \$1 is due on the first day of the lease year and each of the following year.

4B. RAD Conversion

The Authority transitioned 320 of its Public Housing units out of the Public Housing Program through HUD's Rental Assistance Demonstration (RAD) Program. The RAD program allows certain public housing authorities, with pre-approval from HUD, to remove units from the Public Housing program, allowing them to be placed on a more stable, long-term financial footing. For example, units in the Public Housing program may not be used as collateral for debt, even when the proceeds of that debt would be used for renovations or improvements to those same units. Once units are removed from the Public Housing program, funding for long-term capital maintenance becomes much easier.

The process of removing units from Public Housing under RAD is known as "disposition" and they are conducted as market value sales. Under RAD, the Authority sells the units to a third party and finances the sales through seller carry-back loans, which are made on a residual receipts basis.

The table below summarizes the Authority's RAD transactions. The table contains the transaction number, the date the sale ("disposition") was closed, the buyer, the number of units covered, the sale price and the accounting gain recognized on the sale.

Transaction No.	Closing Date	Buyer	Number of Units	Sale Price	Financing / Debt	Gain on Disposition
Fiscal year 2020						
1	5/16/2020	RAD I, LP*	116	\$ 5,237,220	\$ 5,237,220	\$ N/A
Fiscal year 2022						
2	3/20/2022	RAD II, LP**	204	\$ 16,745,000	\$ 16,745,000	3,376,103
* - Bloomington RAD I, LP						
** - Bloomington RAD II, LP						

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 4 – OTHER NOTES - (Continued)

4C. Commitments

At September 30, 2022, the Authority had pending projects in progress. The commitments related to these projects are summarized as follows:

	<u>Funds Approved</u>	<u>Funds Expended - Project to Date</u>
CFP 501-22	\$ 697,860	\$ 523,395
ROSS 21	\$ 202,148	\$ 38,729
FSS 22	\$ 109,340	\$ 15,098

4D. Employee Pension Plan

The Authority provides pension benefits for all of its full-time employees through a defined contribution plan with One American (American United Life). The Plan administrator has complete control of the administration of the plan, including complete discretions to interpret or construe the provisions of the Plan and under which contributions are established or may be amended.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan requires the Authority to contribute 10% of covered wages. Benefits are fully vested at the end of 5 years of service.

The employer contributions for the years ended September 30, 2022, 2021 and 2020 were \$94,637, \$93,946 and \$91,531 respectively.

4E. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

4F. Financial Data Schedule

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes depreciation, extraordinary maintenance, HAP expense and special items (net gain/loss) and includes investment income, interest expense and capital contributions in operating activities, which differs from the presentation of basic financial statements.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2022

NOTE 4 – OTHER NOTES - (Continued)

4G. Contingencies

1. Grants

The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

2. Litigation

The Authority is a defendant in a tort claim filed by an individual alleging the Authority negligence in failing to correct obvious defects, designing, constructing, repairing and maintaining a rental property. The matter has been referred to the Authority's insurance company who are handling the claim.

The Authority is also involved in an ongoing small claims lawsuit filed by a tenant alleging the Authority was negligent in allowing a door to the tenant's shed be left unlocked resulting in tenant's belongings to be stolen.

There is a very slight likelihood that both the aforementioned claims will result in any financial loss to the Authority. As such, no adjustment has been made to the financial statements for these litigations.

4H. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the Authority through August 28, 2023, and concluded that no subsequent events have occurred that would require adjustment to or disclosures within these financial statements.

4I. Economic Dependency

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2023 federal budget.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST
September 30, 2022

1. Actual Capital Fund Program costs are as follows:

	<u>501-19</u>
Funds approved	\$ 801,578
Funds expended	<u>801,578</u>
Excess of Funds Approved	<u><u>\$ ---</u></u>
Funds advanced	\$ 801,578
Funds expended	<u>801,578</u>
Excess (deficiency) of Funds Advanced	<u><u>\$ ---</u></u>

2. The costs as shown on the Actual Cost Certificate dated January 12, 2022, submitted to HUD for approval is in agreement with the Authority's records as of September 30, 2022.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST – (Continued)
September 30, 2022

1. Actual Capital Fund Program costs are as follows:

	<u>501-20</u>
Funds approved	\$ 857,172
Funds expended	<u>857,172</u>
Excess of Funds Approved	<u><u>\$ ---</u></u>
Funds advanced	\$ 857,172
Funds expended	<u>857,172</u>
Excess (deficiency) of Funds Advanced	<u><u>\$ ---</u></u>

2. The costs as shown on the Actual Cost Certificate dated March 2, 2023, submitted to HUD for approval is in agreement with the Authority's records as of September 30, 2022.

3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST – (Continued)
September 30, 2022

1. Actual Capital Fund Program costs are as follows:

	<u>501-21</u>
Funds approved	\$ 642,196
Funds expended	<u>642,196</u>
Excess of Funds Approved	<u><u>\$ ---</u></u>
Funds advanced	\$ 642,196
Funds expended	<u>642,196</u>
Excess (deficiency) of Funds Advanced	<u><u>\$ ---</u></u>

2. The costs as shown on the Actual Cost Certificate dated March 2, 2023, submitted to HUD for approval is in agreement with the Authority's records as of September 30, 2022.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2022

<u>Federal Grantor</u>	<u>Assistance Listings Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Public and Indian Housing	14.850	\$ 908,936
Public Housing Capital Fund	14.872	1,618,115
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	11,330,274
Emergency Housing Voucher Program	14.871	61,249
Section 8 Project-Based Cluster:		
Section 8 Moderate Rehabilitation - SRO	14.249	31,807
Resident Opportunity and Supportive Services - Service Coordinators	14.870	27,107
PIH Family Self Sufficiency Program	14.896	<u>58,943</u>
Total Expenditures of Federal Awards		\$ <u>14,036,431</u>

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Housing Authority of the City of Bloomington, Indiana (Authority) under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE
Year Ended September 30, 2022

	Project Total	14.896 PIH Family Self- Sufficiency Program	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
111 Cash - Unrestricted	\$572,055		\$9,587	\$3,425	\$620,693		\$38,996	\$35,810
112 Cash - Restricted - Modernization and Development	\$1,919,336							
113 Cash - Other Restricted					\$245,995		\$36,671	
100 Total Cash	\$2,491,391	\$0	\$9,587	\$3,425	\$866,688	\$0	\$75,667	\$35,810
122 Accounts Receivable - HUD Other Projects	\$413,761	\$17,203			\$0	\$8,871		
125 Accounts Receivable - Miscellaneous	\$19,736							
128 Fraud Recovery					\$77,793			
128.1 Allowance for Doubtful Accounts - Fraud					-\$42,612			
129 Accrued Interest Receivable					\$200			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$433,497	\$17,203	\$0	\$0	\$35,381	\$8,871	\$0	\$0
131 Investments - Unrestricted					\$322,213			
142 Prepaid Expenses and Other Assets	\$31,203				\$26,265			
144 Inter Program Due From	\$8,871		\$0	\$0	\$17,203			\$0
150 Total Current Assets	\$2,964,962	\$17,203	\$9,587	\$3,425	\$1,267,750	\$8,871	\$75,667	\$35,810
164 Furniture, Equipment & Machinery - Administration					\$35,276			
166 Accumulated Depreciation					-\$23,567			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$11,709	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$5,237,220							
180 Total Non-Current Assets	\$5,237,220	\$0	\$0	\$0	\$11,709	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$8,202,182	\$17,203	\$9,587	\$3,425	\$1,279,459	\$8,871	\$75,667	\$35,810

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	Project Total	14.896 PIH Family Self- Sufficiency Program	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
322 Accrued Compensated Absences - Current Portion					\$33,558			
331 Accounts Payable - HUD PHA Programs					\$460			
342 Unearned Revenue	\$0		\$35				\$23,169	
347 Inter Program - Due To		\$17,203				\$8,871		
310 Total Current Liabilities	\$0	\$17,203	\$35	\$0	\$34,018	\$8,871	\$23,169	\$0
353 Non-current Liabilities - Other					\$173,148			
354 Accrued Compensated Absences - Non Current					\$7,558			
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$180,706	\$0	\$0	\$0
300 Total Liabilities	\$0	\$17,203	\$35	\$0	\$214,724	\$8,871	\$23,169	\$0
508.4 Net Investment in Capital Assets		\$0	\$0	\$0	\$11,709	\$0	\$0	\$0
511.4 Restricted Net Position		\$0	\$0	\$0	\$72,847	\$0	\$36,671	\$0
512.4 Unrestricted Net Position	\$8,202,182	\$0	\$9,552	\$3,425	\$980,179	\$0	\$15,827	\$35,810
513 Total Equity - Net Assets / Position	\$8,202,182	\$0	\$9,552	\$3,425	\$1,064,735	\$0	\$52,498	\$35,810
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$8,202,182	\$17,203	\$9,587	\$3,425	\$1,279,459	\$8,871	\$75,667	\$35,810

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$3,125		\$1,933,214	\$1,737,314	\$4,954,219		\$4,954,219
112 Cash - Restricted - Modernization and Development			\$866,469		\$2,785,805		\$2,785,805
113 Cash - Other Restricted			\$475,942		\$758,608		\$758,608
114 Cash - Tenant Security Deposits			\$15,032		\$15,032		\$15,032
100 Total Cash	\$3,125	\$0	\$3,290,657	\$1,737,314	\$8,513,664	\$0	\$8,513,664
122 Accounts Receivable - HUD Other Projects					\$439,835		\$439,835
125 Accounts Receivable - Miscellaneous	\$0			\$0	\$19,736		\$19,736
126 Accounts Receivable - Tenants			\$38,194		\$38,194		\$38,194
126.1 Allowance for Doubtful Accounts -Tenants			-\$6,211		-\$6,211		-\$6,211
128 Fraud Recovery					\$77,793		\$77,793
128.1 Allowance for Doubtful Accounts - Fraud					-\$42,612		-\$42,612
129 Accrued Interest Receivable					\$200		\$200
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$31,983	\$0	\$526,935	\$0	\$526,935
131 Investments - Unrestricted					\$322,213		\$322,213
142 Prepaid Expenses and Other Assets			\$23,337	\$15,250	\$96,055		\$96,055
144 Inter Program Due From				\$0	\$26,074	-\$26,074	\$0
145 Assets Held for Sale							
150 Total Current Assets	\$3,125	\$0	\$3,345,977	\$1,752,564	\$9,484,941	-\$26,074	\$9,458,867
161 Land		\$580,030	\$32,472,308	\$35,060	\$33,087,398		\$33,087,398
162 Buildings				\$148,035	\$148,035		\$148,035
164 Furniture, Equipment & Machinery - Administration			\$2,858,191	\$108,590	\$3,002,057		\$3,002,057
165 Leasehold Improvements	\$0		\$1,173,575		\$1,173,575		\$1,173,575
166 Accumulated Depreciation			-\$1,440,028	-\$209,056	-\$1,672,651		-\$1,672,651
167 Construction in Progress			\$9,555,760		\$9,555,760		\$9,555,760
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$580,030	\$44,619,806	\$82,629	\$45,294,174	\$0	\$45,294,174

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
171 Notes, Loans and Mortgages Receivable - Non-Current		\$16,745,000			\$21,982,220		\$21,982,220
174 Other Assets	\$0		\$3,115,138		\$3,115,138		\$3,115,138
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$0	\$17,325,030	\$47,734,944	\$82,629	\$70,391,532	\$0	\$70,391,532
290 Total Assets and Deferred Outflow of Resources	\$3,125	\$17,325,030	\$51,080,921	\$1,835,193	\$79,876,473	-\$26,074	\$79,850,399
312 Accounts Payable <= 90 Days			\$2,324,393		\$2,324,393		\$2,324,393
321 Accrued Wage/Payroll Taxes Payable			\$3,828	\$40,026	\$43,854		\$43,854
322 Accrued Compensated Absences - Current Portion				\$34,240	\$67,798		\$67,798
325 Accrued Interest Payable			\$90,198		\$90,198		\$90,198
331 Accounts Payable - HUD PHA Programs					\$460		\$460
341 Tenant Security Deposits			\$20,276		\$20,276		\$20,276
342 Unearned Revenue	\$0		\$24,251		\$47,455		\$47,455
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$108,600		\$108,600		\$108,600
345 Other Current Liabilities	\$14,305		\$914,587		\$928,892		\$928,892
346 Accrued Liabilities - Other			\$93,338		\$93,338		\$93,338
347 Inter Program - Due To					\$26,074	-\$26,074	\$0
348 Loan Liability - Current			\$98,585		\$98,585		\$98,585
310 Total Current Liabilities	\$14,305	\$0	\$3,678,056	\$74,266	\$3,849,923	-\$26,074	\$3,823,849
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0		\$16,871,063		\$16,871,063		\$16,871,063
352 Long-term Debt, Net of Current - Operating Borrowings			\$22,482,220		\$22,482,220		\$22,482,220
353 Non-current Liabilities - Other			\$502,623		\$675,771		\$675,771
354 Accrued Compensated Absences - Non Current				\$9,478	\$17,036		\$17,036
355 Loan Liability - Non Current			\$1,507,597		\$1,507,597		\$1,507,597
350 Total Non-Current Liabilities	\$0	\$0	\$41,363,503	\$9,478	\$41,553,687	\$0	\$41,553,687
300 Total Liabilities	\$14,305	\$0	\$45,041,559	\$83,744	\$45,403,610	-\$26,074	\$45,377,536

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
508.4 Net Investment in Capital Assets		\$580,030	\$27,640,143	\$82,629	\$28,314,511		\$28,314,511
511.4 Restricted Net Position	\$0			\$0	\$109,518		\$109,518
512.4 Unrestricted Net Position	-\$11,180	\$16,745,000	-\$21,600,781	\$1,668,820	\$6,048,834		\$6,048,834
513 Total Equity - Net Assets / Position	-\$11,180	\$17,325,030	\$6,039,362	\$1,751,449	\$34,472,863	\$0	\$34,472,863
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,125	\$17,325,030	\$51,080,921	\$1,835,193	\$79,876,473	-\$26,074	\$79,850,399

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	Project Total	14.896 PIH Family Self- Sufficiency Program	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
70300 Net Tenant Rental Revenue	\$184,295							
70400 Tenant Revenue - Other	\$40,512							
70500 Total Tenant Revenue	\$224,807	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$2,413,653	\$58,943			\$11,330,274	\$27,107	\$61,249	\$31,807
70610 Capital Grants	\$113,398							
71100 Investment Income - Unrestricted	\$186				\$2,387			
71400 Fraud Recovery					\$55,359			
71500 Other Revenue	\$96,072		\$5,019		\$7,647			
71600 Gain or Loss on Sale of Capital Assets	\$504							
70000 Total Revenue	\$2,848,620	\$58,943	\$5,019	\$0	\$11,395,667	\$27,107	\$61,249	\$31,807
91100 Administrative Salaries	\$74,249				\$315,599		\$4,857	\$2,976
91200 Auditing Fees	\$5,510				\$4,341			
91300 Management Fee	\$134,217				\$200,560			
91310 Book-keeping Fee	\$8,820				\$129,222			
91500 Employee Benefit contributions - Administrative	\$22,818				\$113,548		\$162	
91600 Office Expenses	\$13,159				\$23,976			
91700 Legal Expense	\$760				\$863			
91800 Travel					\$105			
91900 Other	\$19,585				\$46,250		-\$200	
91000 Total Operating - Administrative	\$279,118	\$0	\$0	\$0	\$834,464	\$0	\$4,819	\$2,976
92000 Asset Management Fee	\$11,760							

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	Project Total	14.896 PIH Family Self- Sufficiency Program	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
92100 Tenant Services – Salaries		\$58,943			\$37,842	\$21,096		
92400 Tenant Services - Other	\$6,177					\$6,011	\$24,085	
92500 Total Tenant Services	\$6,177	\$58,943	\$0	\$0	\$37,842	\$27,107	\$24,085	\$0
93100 Water	\$24,632							
93200 Electricity	\$45,723							
93300 Gas	\$74,886							
93600 Sewer	\$36,345							
93000 Total Utilities	\$181,586	\$0	\$0	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$42,979							
94200 Ordinary Maintenance and Operations - Materials and Other	\$29,195				\$1,115			
94300 Ordinary Maintenance and Operations Contracts	\$91,600							
94500 Employee Benefit Contributions - Ordinary Maintenance	\$9,062							
94000 Total Maintenance	\$172,836	\$0	\$0	\$0	\$1,115	\$0	\$0	\$0
95300 Protective Services - Other	\$1,157							
95000 Total Protective Services	\$1,157	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$27,989							
96120 Liability Insurance	\$9,222				\$19,197			
96130 Workmen's Compensation	\$1,587				\$3,303			
96140 All Other Insurance	\$3,670				\$7,640			
96100 Total insurance Premiums	\$42,468	\$0	\$0	\$0	\$30,140	\$0	\$0	\$0

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	Project Total	14.896 PIH Family Self- Sufficiency Program	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
96200 Other General Expenses	\$0				\$4,583			
96400 Bad debt - Tenant Rents	\$11,298							
96000 Total Other General Expenses	\$11,298	\$0	\$0	\$0	\$4,583	\$0	\$0	\$0
96900 Total Operating Expenses	\$706,400	\$58,943	\$0	\$0	\$908,144	\$27,107	\$28,904	\$2,976
97000 Excess of Operating Revenue over Operating Expenses	\$2,142,220	\$0	\$5,019	\$0	\$10,487,523	\$0	\$32,345	\$28,831
97300 Housing Assistance Payments	\$75,451				\$10,444,548		\$44,849	\$23,328
97400 Depreciation Expense	\$239,740				\$2,818			
90000 Total Expenses	\$1,021,591	\$58,943	\$0	\$0	\$11,355,510	\$27,107	\$73,753	\$26,304
10010 Operating Transfer In	\$1,444,717							
10020 Operating transfer Out	-\$1,444,717							
10080 Special Items (Net Gain/Loss)	-\$3,489,501							
10100 Total Other financing Sources (Uses)	-\$3,489,501	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$1,662,472	\$0	\$5,019	\$0	\$40,157	\$0	-\$12,504	\$5,503
11030 Beginning Equity	\$10,444,684	\$0	\$4,533	\$3,425	\$1,024,578	\$0	\$65,002	\$30,307
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$580,030							
11170 Administrative Fee Equity					\$991,888			
11180 Housing Assistance Payments Equity					\$72,847			
11190 Unit Months Available	1176				17510		60	122
11210 Number of Unit Months Leased	1176				16963		60	122
11270 Excess Cash	\$960,557							
11620 Building Purchases	\$113,398							

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue			\$472,217		\$656,512		\$656,512
70400 Tenant Revenue - Other					\$40,512		\$40,512
70500 Total Tenant Revenue	\$0	\$0	\$472,217	\$0	\$697,024	\$0	\$697,024
70600 HUD PHA Operating Grants			\$1,762,179		\$15,685,212		\$15,685,212
70610 Capital Grants					\$113,398		\$113,398
70710 Management Fee				\$450,362	\$450,362	-\$450,362	\$0
70720 Asset Management Fee				\$11,760	\$11,760	-\$11,760	\$0
70730 Book Keeping Fee				\$141,803	\$141,803	-\$141,803	\$0
70700 Total Fee Revenue				\$603,925	\$603,925	-\$603,925	\$0
71100 Investment Income - Unrestricted				\$1,649	\$4,222		\$4,222
71400 Fraud Recovery					\$55,359		\$55,359
71500 Other Revenue	\$7,277		\$1,028,834	\$425,685	\$1,570,534		\$1,570,534
71600 Gain or Loss on Sale of Capital Assets					\$504		\$504
70000 Total Revenue	\$7,277	\$0	\$3,263,230	\$1,031,259	\$18,730,178	-\$603,925	\$18,126,253
91100 Administrative Salaries	\$9,982		\$212,561	\$409,970	\$1,030,194		\$1,030,194
91200 Auditing Fees			\$5,335	\$6,996	\$22,182		\$22,182
91300 Management Fee	\$0		\$115,585		\$450,362	-\$450,362	\$0
91310 Book-keeping Fee			\$3,761		\$141,803	-\$141,803	\$0
91400 Advertising and Marketing			\$210		\$210		\$210
91500 Employee Benefit contributions - Administrative	\$2,457		\$49,717	\$93,336	\$282,038		\$282,038
91600 Office Expenses	\$5,924		\$27,657	\$66,126	\$136,842		\$136,842
91700 Legal Expense	\$72		\$5,959	\$2,393	\$10,047		\$10,047
91800 Travel				\$6,575	\$6,680		\$6,680
91900 Other	\$22		\$48,395	\$9,652	\$123,704		\$123,704
91000 Total Operating - Administrative	\$18,457	\$0	\$469,180	\$595,048	\$2,204,062	-\$592,165	\$1,611,897

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
92000 Asset Management Fee					\$11,760	-\$11,760	\$0
92100 Tenant Services - Salaries					\$117,881		\$117,881
92200 Relocation Costs							
92400 Tenant Services - Other			\$1,775	\$12,988	\$51,036		\$51,036
92500 Total Tenant Services	\$0	\$0	\$1,775	\$12,988	\$168,917	\$0	\$168,917
93100 Water			\$64,753		\$89,385		\$89,385
93200 Electricity			\$206,533		\$252,256		\$252,256
93300 Gas			\$117,401		\$192,287		\$192,287
93600 Sewer			\$83,157		\$119,502		\$119,502
93000 Total Utilities	\$0	\$0	\$471,844	\$0	\$653,430	\$0	\$653,430
94100 Ordinary Maintenance and Operations - Labor			\$124,787		\$167,766		\$167,766
94200 Ordinary Maintenance and Operations - Materials and Other			\$87,810		\$118,120		\$118,120
94300 Ordinary Maintenance and Operations Contracts	\$0		\$267,428	\$4,721	\$363,749		\$363,749
94500 Employee Benefit Contributions - Ordinary Maintenance			\$44,505		\$53,567		\$53,567
94000 Total Maintenance	\$0	\$0	\$524,530	\$4,721	\$703,202	\$0	\$703,202
95200 Protective Services - Other Contract Costs			\$31,140		\$31,140		\$31,140
95300 Protective Services - Other			\$2,302		\$3,459		\$3,459
95000 Total Protective Services	\$0	\$0	\$33,442	\$0	\$34,599	\$0	\$34,599
96110 Property Insurance			\$80,381		\$108,370		\$108,370
96120 Liability Insurance				\$11,857	\$40,276		\$40,276
96130 Workmen's Compensation			\$3,466	\$2,040	\$10,396		\$10,396
96140 All Other Insurance			\$26,576	\$4,719	\$42,605		\$42,605
96100 Total insurance Premiums	\$0	\$0	\$110,423	\$18,616	\$201,647	\$0	\$201,647

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
96200 Other General Expenses			\$9,375		\$13,958		\$13,958
96400 Bad debt - Tenant Rents			\$3,597		\$14,895		\$14,895
96000 Total Other General Expenses	\$0	\$0	\$12,972	\$0	\$28,853	\$0	\$28,853
96710 Interest of Mortgage (or Bonds) Payable			\$242,675		\$242,675		\$242,675
96720 Interest on Notes Payable (Short and Long Term)			\$191,206		\$191,206		\$191,206
96730 Amortization of Bond Issue Costs			\$37,999		\$37,999		\$37,999
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$471,880	\$0	\$471,880	\$0	\$471,880
96900 Total Operating Expenses	\$18,457	\$0	\$2,096,046	\$631,373	\$4,478,350	-\$603,925	\$3,874,425
97000 Excess of Operating Revenue over Operating Expenses	-\$11,180	\$0	\$1,167,184	\$399,886	\$14,251,828	\$0	\$14,251,828
97300 Housing Assistance Payments					\$10,588,176		\$10,588,176
97400 Depreciation Expense			\$956,247	\$2,719	\$1,201,524		\$1,201,524
90000 Total Expenses	\$18,457	\$0	\$3,052,293	\$634,092	\$16,268,050	-\$603,925	\$15,664,125
10010 Operating Transfer In					\$1,444,717	-\$1,444,717	\$0
10020 Operating transfer Out					-\$1,444,717	\$1,444,717	\$0
10080 Special Items (Net Gain/Loss)		\$16,745,000			\$13,255,499		\$13,255,499
10100 Total Other financing Sources (Uses)	\$0	\$16,745,000	\$0	\$0	\$13,255,499	\$0	\$13,255,499
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$11,180	\$16,745,000	\$210,937	\$397,167	\$15,717,627	\$0	\$15,717,627

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2022

	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
11030 Beginning Equity	\$0	\$0	\$0	\$1,354,282	\$12,926,811		\$12,926,811
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$580,030	\$5,828,425		\$5,828,425		\$5,828,425
11170 Administrative Fee Equity					\$991,888		\$991,888
11180 Housing Assistance Payments Equity					\$72,847		\$72,847
11190 Unit Months Available			3744		22612		22612
11210 Number of Unit Months Leased			3144		21465		21465
11270 Excess Cash					\$960,557		\$960,557
11620 Building Purchases				\$0	\$113,398		\$113,398



Audit Solutions, LLC.

Certified Public Accountant

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

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, Indiana

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 the business-type activities of the Housing Authority of the City of Bloomington (Authority), Indiana, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued my report thereon dated August 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Authority's internal control over financial reporting 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 Authority's internal control. Accordingly, I 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as finding #2022-001 and #2022-002 that I consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, I 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 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding #2022-002.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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.

Audit Solutions, LLC

Chesterfield, Missouri

August 28, 2023



Audit Solutions, LLC.

Certified Public Accountant

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

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, Indiana

Report on Compliance for Each Major Federal Program

Qualified Opinion

I have audited the Housing Authority of the City of Bloomington (Authority), Indiana's compliance with the types of compliance requirements described 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 September 30, 2022. 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.

Qualified Opinion on Section 8 Housing Choice Vouchers / Emergency Housing Voucher Program (Cluster)

In my opinion, except for the noncompliance described in the Basis for Qualified section of my report, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Housing Choice Voucher program for the year ended September 30, 2022.

Basis for Qualified Opinion

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 for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

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

Matter Giving Rise to Qualified Opinion on Section 8 Housing Choice Vouchers / Emergency Housing Voucher Program (Cluster)

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding Section 8 Housing Choice Vouchers / Emergency Housing Voucher Program (Cluster) as described in finding #2022-004 for Reporting.

Compliance with such requirements is necessary, in my opinion, for the Authority to comply with the requirements applicable to that program.

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

- 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 I 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.

I am 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 I identified during the audit.

Report on Internal Control over Compliance

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I did identify certain deficiencies in internal control over compliance that I consider to be material weaknesses.

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. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding #2022-003 and #2022-004 to be material weaknesses.

My 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.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in my compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Audit Solutions, LLC

Chesterfield, Missouri

August 28, 2023



Audit Solutions, LLC.

Certified Public Accountant

INDEPENDENT AUDITORS REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners
Housing Authority of the City of Bloomington
Bloomington, Indiana

I have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Bloomington and the U.S. Department of Housing and Urban Development, Public Indian Housing - Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Uniform Guidance reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in the Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

I compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of my agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

I was engaged to perform an audit in accordance with the audit requirements of Title 2 U.S. Code of the Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), by the Authority as of and for the year ended September 30, 2022, and have issued my report thereon dated August 28, 2023. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of that audit. Further, my opinion on the fair presentation of the Financial Data Schedule (FDS) dated August 28, 2023, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package required by Uniform Guidance, which includes the auditor's reports, is available in its entirety from the Authority. I have not performed any additional procedures since the date of the aforementioned audit reports. Further, I take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report is intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Audit Solutions, LLC

Chesterfield, Missouri
August 28, 2023

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

AGREED UPON PROCEDURES

September 30, 2022

Procedure	UFRS Rule Information	Hard Copy Document(s)	Agrees
1	Balance Sheet and Revenue and Expense (data line items 111 to 1121)	Financial Data Schedule, all CFDA's	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion to FDS (data element G5100-010)	Auditor's supplemental report on FDS	√
4	Audit findings narratives (data element G5200-010)	Schedule of Findings and Questioned costs	√
5	General Information (data element series G2000, G2100, G2200, G2300, G90000, G9100)	OMB Data Collection Form	√
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	√
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned costs, Part 1 and OMB Data Collection Form	√
8	Type of compliance requirement (G4000-020 & G4000-030)	OMB Data Collection Form	√
9	Basic financial statements and auditors' reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
<u>Internal control over financial reporting:</u>	
➤ Material weakness(es) identified?	Yes
➤ Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

<u>Internal control over major programs:</u>	
➤ Material weakness(es) identified?	Yes
➤ Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Modified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
<u>Identification of Major programs:</u>	
➤ ALN #14.871 Section 8 Housing Choice Voucher / Emergency Housing Voucher Program (Cluster)	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)
September 30, 2022

Section II - Financial Statement Findings

The current audit report for the year ended September 30, 2022, disclosed the following Financial Statement audit findings:

2022-001. Account Analysis

Criteria:

HUD has certain accounting requirements for gathering, processing and reporting all financial transactions per HUD Financial Management Handbook No. 7475.1 Chapter 6.

Condition:

The level of effort devoted towards account analysis of balance sheet and income and expense items was insufficient. Several accounts were noted to be incorrect and / or unsupported with sufficient detail as follows:

- No supporting documentation or calculation maintained for the following account balances:
 - Prepays
 - Payroll tax withholding
 - A/R - Fraud recovery
 - Allowance for doubtful account – Fraud recovery
 - A/R – HUD (EHV)
 - Other current liabilities

- No depreciation schedule prepared for FY 2022.

- Certain accounts did not reconcile to the schedule as follows:
 - Cash
 - FSS liability
 - Operating grant revenue for HCV HAP, FSS and ROSS.

- Few accounts were rolled forward from prior year without any adjustments made in the current year as follows:
 - Accrued compensated absences liability
 - A/R – HUD (FSS)

Questioned Costs:

None noted.

Effect:

The PHA has not maintained ledgers with sufficient accuracy and proper supporting documentation and approval.

Cause:

It appears that PHA has not adhered to proper internal control and accounting procedures.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)
September 30, 2022

Section II - Financial Statement Findings – (Continued)

2022-001. Account Analysis – (Continued)

Recommendation:

I recommend that the PHA formulate a plan of action whereby all financial information can be gathered, processed and presented in an accurate manner backed by proper supporting documentation.

Management's Response:

We agree with the Auditor's finding and the following actions will be taken to improve the situation. Weekly, Monthly, and Yearly checklists will be created along with a specific criterion of required documentation to be kept with each account reconciliation. In the event of an account adjustment documentation will be kept to cross reference all adjustments back to the journal entry.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)
September 30, 2022

Section II - Financial Statement Findings

2022-002. Late Submission

Criteria:

The Authority must submit the audited financial statement to REAC and the Federal Clearinghouse within 9 months of the fiscal year.

Condition:

I noted that the Authority did not submit the electronic transmission of their GAAP based audited Financial Data Schedule (FDS) to the Financial Assessment Subsystem of REAC and the Federal Clearinghouse within the 9 months of their year-end.

Questioned Costs:

None noted.

Effect:

As a result, the Authority did not comply with the HUD requirement of submitting the audit within the time allotted.

Cause:

Due to change in personnel, the new management was late in securing an audit contract in due time which resulted in late completion of the audit.

Recommendation:

I recommend that the Authority implement controls to ensure the audit is complete and submitted in a timely manner.

Management's Response:

We agree with the Auditor's findings and feel that this was a one-time issue that will be corrected. As noted above, this happened due to a personnel change. Both the Director of Finance and the Executive Director moving forward are included in this part of the year-end procedure as part of our newly implemented year-end checklist.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)
September 30, 2022

Section III - Federal Award Findings and Questioned Costs

The current audit report for the year ended September 30, 2022, disclosed the following Federal Awards audit finding and questioned costs.

2022-003. Account Analysis (Same as Financial Statement Finding 2022-001)

Federal Awards:

14.871 – Section 8 Housing Choice Vouchers / Emergency Housing Voucher Program (Cluster)

Type:

Material weakness

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)
September 30, 2022

Section III - Federal Award Findings and Questioned Costs – (Continued)

2022-004. Late Submission (Same as Financial Statement Finding #2022-002)

Federal Awards:

14.871 – Section 8 Housing Choice Vouchers / Emergency Housing Voucher Program (Cluster)

Type:

Material weakness

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

CORRECTIVE ACTION PLAN
September 30, 2022

The following is the corrective action plan for FY 2022 findings:

Financial Statement Finding:

2022-001. Account Analysis

Corrective action planned: Weekly, Monthly and Yearly checklists are to be designed and implemented. All accounting functions, reconciliations and adjustments will be documented.

Contact person: Kate Gazunis, Executive Director.

Anticipated completion date: 9/30/2023.

2022-002. Late Submission

Corrective action planned: As part of our newly implemented Yearly checklist, we will submit our audited FDS to REAC 9 months after year-end.

Contact person: Kate Gazunis, Executive Director.

Anticipated completion date: 9/30/2023.

Federal Award Finding:

2022-003. Account Analysis (Same as Financial Statement Finding 2022-001)

2022-004. Late Submission (Same as Financial Statement Finding 2022-002)