



STATE OF INDIANA
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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

February 5, 2024

Board of Directors
Housing Authority of the City of Mishawaka
St. Joseph County, Indiana

We have reviewed the audit report of the Housing Authority of the City of Mishawaka which was opined upon by Henderson & Pilleteri, LLC, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. 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 Mishawaka, as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Henderson & Pilleteri, 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 MISHAWAKA

**FINANCIAL STATEMENTS
&
SUPPLEMENTAL INFORMATION**

YEAR ENDED JUNE 30, 2023

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
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HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
MANAGEMENT'S DISCUSSION & ANALYSIS
YEAR ENDED JUNE 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (the "MD&A") is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Housing Authority of the City of Mishawaka's, (the "Authority") financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify issues or concerns. This will now be presented at the front of each year's financial statements.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Net position at June 30, 2023, increased to \$10,126,545. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position was \$8,679,864 for 2022.
- The business-type activities operating revenues at June 30, 2023, increased to \$5,203,820. Total operating revenues were \$4,496,854 for 2022.
- The total operating expenses of all programs for June 30, 2023, increased to \$5,248,372. Total operating expenses were \$4,513,900 for 2022.
- Total capital grant contributions at June 30, 2023, increased to \$1,063,454. Total capital grant contributions were \$270,058 for 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity.

This MD&A is intended to serve as an introduction to the Authority's basic financial statements.

The following statements are included:

- Statement of Net Position – reports current financial resources (short-term expendable resources) with capital assets and long-term obligations.
- Statement of Revenue, Expenses, and Changes in Fund Net Position – reports operating and nonoperating revenue, by major source along with operating and nonoperating expenses and capital contributions.
- Statement of Cash Flows – reports cash flows from operating, investing, capital, non-capital activities.

PROGRAMS

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides operating subsidy and capital grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income (as defined in the HUD regulations).

Capital Fund Grants – The Authority's capital funds are received from the federal government through a formula driven computation. These funds are used to upgrade our facilities at various developments to give our residents the decent and safe living environment they need. Each year's grant funds must be entirely obligated within two years of inception of the grant, and entirely expended within four years.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions funding to enable the Authority to structure a lease that sets the participant's rent at 30% or up 40% of household income.

FINANCIAL ANALYSIS

The following tables focus on the net position and the change in net position of the primary government as a whole.

TABLE 1 – STATEMENT OF NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Current Assets	\$ 3,804,349	\$ 3,344,081	\$ 460,268	13.76%
Capital Assets, Net	6,496,682	5,899,061	597,621	10.13%
Other Noncurrent Assets	<u>92,642</u>	<u>-</u>	<u>92,642</u>	100.00%
Total Assets	<u>10,393,673</u>	<u>9,243,142</u>	<u>1,150,531</u>	12.45%
Current Liabilities	<u>194,209</u>	<u>563,278</u>	<u>(369,069)</u>	-65.52%
Total Liabilities	<u>194,209</u>	<u>563,278</u>	<u>(369,069)</u>	-65.52%
Deferred Inflows of Resources	<u>72,919</u>	<u>-</u>	<u>72,919</u>	100.00%
Net Position				
Net Investment in Capital Assets	6,514,457	5,899,061	615,396	10.43%
Restricted	8,358	-	8,358	100.00%
Unrestricted	<u>3,603,730</u>	<u>2,780,803</u>	<u>822,927</u>	29.59%
Total Net Position	<u>\$ 10,126,545</u>	<u>\$ 8,679,864</u>	<u>\$ 1,446,681</u>	16.67%

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets increased by \$460,268 primarily due to an increase in unrestricted cash. This increase was partially offset by a decrease in accounts receivable – miscellaneous.

Capital assets increased by \$597,621 due to increases in Construction in Progress, Leasehold Improvements, and Buildings offset by depreciation.

Other noncurrent assets included new noncurrent GASB 87 lease receivables amounting to \$47,990 as well as new GASB 96 right-of-use lease assets, net of accumulated amortization amounting to \$44,652.

Current liabilities decreased by \$369,069 primarily due to decreases in Accounts Payable - Other Government and the Current Portion of Accrued Compensated Absences. This was partially offset by increases in Accounts Payable due within 90 days and unearned revenues.

Deferred inflows of resources amounting to \$72,919 represent a deferral of lease receivable.

TABLE 2 – STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION

The following schedule compares the revenue and expenses for the current and previous fiscal years. The Authority is engaged only in business-type activities.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>	<u>% Change</u>
Operating Revenues				
Rental Income	\$ 1,018,877	\$ 904,495	\$ 114,382	12.65%
Federal Grants	3,797,422	3,324,916	472,506	14.21%
Other	<u>387,521</u>	<u>267,443</u>	<u>120,078</u>	44.90%
Total Operating Revenues	<u>5,203,820</u>	<u>4,496,854</u>	<u>706,966</u>	15.72%
Operating Expenses				
Administration	696,269	705,214	(8,945)	-1.27%
Tenant Services	13,706	45,458	(31,752)	-69.85%
Utilities	296,706	233,667	63,039	26.98%
Maintenance	775,982	632,357	143,625	22.71%
General	262,500	291,801	(29,301)	-10.04%
Housing Assistance Payments	2,706,006	2,144,474	561,532	26.19%
Depreciation	<u>497,203</u>	<u>460,929</u>	<u>36,274</u>	7.87%
Total Operating Expenses	<u>5,248,372</u>	<u>4,513,900</u>	<u>734,472</u>	16.27%
Operating Income (loss)	<u>(44,552)</u>	<u>(17,046)</u>	<u>(27,506)</u>	-161.36%
Nonoperating revenues (expenses)				
Interest Revenue	6,191	825	5,366	650.42%
Lease Revenue	28,659	-	28,659	
Gain on Sale of Capital Assets	-	132,709	(132,709)	-100.00%
Lease Amortization	(25,515)	-	(25,515)	-100.00%
Lease Interest Expense	(2,651)	-	(2,651)	100.00%
Capital Contributions	<u>1,063,454</u>	<u>270,058</u>	<u>793,396</u>	293.79%
Total Nonoperating Activity	<u>1,070,138</u>	<u>403,592</u>	<u>666,546</u>	165.15%
Change in Net Position	1,025,586	386,546	639,040	165.32%
Prior Period Adjustments	421,095	-	421,095	100.00%
Beginning Net Position	<u>8,679,864</u>	<u>8,293,318</u>	<u>386,546</u>	4.66%
Ending Net Position	<u>\$ 10,126,545</u>	<u>\$ 8,679,864</u>	<u>\$ 1,446,681</u>	16.67%

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION

Increase in net position was \$1,025,586 due to total revenues exceeding total expenses.

The Authority had an operating loss of \$44,552 including non-cash depreciation expense of \$497,203 versus an operating loss of \$17,046 and depreciation expense of \$460,929 in the prior year.

Total operating revenues increased by \$706,966 to \$5,203,820 due to increases in all revenue categories. Federal grants increased due to an increase in Operating Funds, Capital Funds, and HCV Subsidies. Other revenues increased as a result of increases in Housing Assistance Payments and Administrative Fee Portability-In revenues earned this year in the HCV Program.

Total operating expenses increased by \$734,472 to \$5,248,372 due to increases in utilities, maintenance, housing assistance payments, and depreciation expenses. These increases were partially offset by decreases in general, administrative, and tenant services expense.

Capital contributions increased by \$793,396 to \$1,063,454 due to an increase in capital projects performed during the current fiscal year.

The Authority recorded a prior period adjustment amounting to \$421,095 at June 30, 2023. The adjustment increased beginning unrestricted net position as a result of prior years' accrued PILOT liability being determined not to be a true liability of the Authority as it was discovered that the City of Mishawaka had not been charging the Authority the annual computed and recorded PILOT liability and had no intention of collecting payments from the Authority in relation to past or future PILOT

CAPITAL ASSETS

As of June 30, 2023, investment in capital assets for its business-type activities was \$6,496,682, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, and construction in progress. See footnote 4 to the financial statements for further detail.

Major capital asset purchases during the current fiscal year included the following:

- Various renovations and updates to Public Housing units.

Major capital asset disposals during the current fiscal year included sale of land.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflation, recession and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Ms. Christine Kinnard
Executive Director
Housing Authority of the City of Mishawaka,
(574) 258-1658.

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Mishawaka

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Housing Authority of the City of Mishawaka (the "Authority"), as of and for the year ended June 30, 2023 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 our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 our 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 1-4 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority’s basic financial statements. The accompanying supplemental data, including the financial data schedule, the statement of net position – by program, and the statement of revenues, expenses, and changes in fund net position – by program are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development 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, are presented for purposes of additional analysis and are 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 our opinion, the financial data schedule, the statement of net position – by program, the statement of revenues, expenses, and changes in fund net position – by program, 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, we have also issued our report dated December 1, 2023, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Authority’s internal control over financial reporting and compliance.

Henderson & Pilletieri, LLC

Birmingham, AL
December 1, 2023

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

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Mishawaka

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Housing Authority of the City of Mishawaka (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 1, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Henderson & Pilleteri, LLC

Birmingham, AL
December 1, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Mishawaka

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Mishawaka's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of 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 Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Henderson & Pilletevi, LLC

Birmingham, AL
December 1, 2023

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
STATEMENT OF NET POSITION
ENTERPRISE FUND
JUNE 30, 2023

ASSETS

Current assets:

Unrestricted cash and cash equivalents	\$ 3,146,740
Restricted cash and cash equivalents	61,967
PHA projects receivable	42,562
Miscellaneous receivable	506,569
Tenants receivable, net	12,426
Fraud recovery receivable, net	2,361
Leases receivable, current portion	27,877
Prepaid expenses and other assets	<u>3,847</u>
Total current assets	<u>3,804,349</u>

Noncurrent assets:

Capital assets:

Land and construction in progress	2,291,278
Buildings and equipment, net of depreciation	<u>4,205,404</u>
Total capital assets	6,496,682
Right-of-use leased assets, net of accumulated amortization	44,652
Leases receivable, noncurrent portion	<u>47,990</u>
Total noncurrent assets	<u>6,589,324</u>

Total assets	<u>10,393,673</u>
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LIABILITIES

Current liabilities:

Accounts payable	62,383
Accrued liabilities	38,830
Tenant security deposits	53,609
Unearned revenue	7,768
Lease payable	26,877
Compensated absences	<u>4,742</u>
Total current liabilities	<u>194,209</u>

Total liabilities	<u>194,209</u>
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DEFERRED INFLOWS OF RESOURCES

Leases	<u>72,919</u>
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NET POSITION

Net investment in capital assets	6,514,457
Restricted	8,358
Unrestricted	<u>3,603,730</u>

Total net position	<u>\$ 10,126,545</u>
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The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Rental income	\$ 1,018,877
Federal grants	3,797,422
Other	<u>387,521</u>
 Total operating revenues	 <u>5,203,820</u>
OPERATING EXPENSES	
Administration	696,269
Tenant services	13,706
Utilities	296,706
Maintenance	775,982
General	262,500
Housing assistance payments	2,706,006
Depreciation	<u>497,203</u>
 Total operating expenses	 <u>5,248,372</u>
 Operating income (loss)	 (44,552)
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	6,191
Lease revenue	28,659
Lease amortization	(25,515)
Lease interest expense	<u>(2,651)</u>
 Income (loss) before contributions	 (37,868)
 Capital contributions	 <u>1,063,454</u>
 Change in net position	 <u>1,025,586</u>
 Total net position - beginning of the year	 8,679,864
 Prior period adjustments	 <u>421,095</u>
 Total net position - beginning of the year, as restated	 <u>9,100,959</u>
 Total net position - end of the year	 <u>\$ 10,126,545</u>

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

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants	\$ 973,340
Federal grants	3,804,958
Other receipts	482,193
Payments to suppliers and Section 8 landlords	(3,779,443)
Payments to or on behalf of employees	<u>(875,713)</u>
Net cash provided (used) by operating activities	<u>605,335</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Interest collected on leases receivable	3,858
Principal collected on leases receivable	25,262
Capital contributions	1,063,454
Purchase of capital assets	(1,094,824)
Principal payments on leases payable	(27,309)
Payment of interest on leases payable	<u>(2,651)</u>
Net cash provided (used) by capital financing activities	<u>(32,210)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest revenue	<u>2,332</u>
Net cash provided (used) by investing activities	<u>2,332</u>

Net increase (decrease) in cash and cash equivalents	575,457
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Balances - beginning of the year	<u>2,633,250</u>
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Balances - end of the year	<u><u>\$ 3,208,707</u></u>
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**RECONCILIATION OF INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (44,552)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	497,203
Change in assets and liabilities:	
Receivables, net	100,332
Prepays and other assets	27,203
Accounts payable	56,869
Unearned revenue	4,177
Accrued liabilities	(20,373)
Compensated absences	(17,214)
Tenant security deposits	<u>1,690</u>

Net cash provided (used) by operating activities	<u><u>\$ 605,335</u></u>
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The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority of the City of Mishawaka (the “Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management’s Discussion and Analysis (MD&A) section providing an analysis of the Authority’s overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of –
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Fund Net Position
 - Statement of Cash Flows
- Notes to financial statements
- Required supplemental information other than MD&A

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the “enterprise fund” in the basic financial statements. Significant Authority policies are described below.

A. The Reporting Entity

The Housing Authority of the City of Mishawaka was established by the City of Mishawaka pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Authority is a special-purpose governmental unit as an entity under the United States Housing Act of 1937 for the purpose of providing affordable housing to low and moderate income families in St. Joseph County, Indiana. The governing body of the Authority is composed of a 5 member appointed Board of Commissioners (the “Board”). The Mayor appoints the Board, who in turn hires the Chief Executive Officer (CEO). The Authority is governed by its charter and by-laws, state and local laws and federal regulations. The Board is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Authority’s management. The Authority has no component units.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority’s financial statements are accounted for on the flow of economic resources management focus using the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and changes in cash flow.

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund’s activities are included on the Statement of Net Position. Proprietary fund net position is segregated into Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. Revenues are recognized when they are earned and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are rental charges to tenants and operating subsidy grants from HUD. Operating expenses for proprietary funds include the cost of administrative expenses, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Authority applies restricted resources to fund restricted costs and unrestricted resources to fund unrestricted costs when restricted and unrestricted net position is available. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements.

The Authority has previously adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with this statement, the Authority accounted for all grants that qualify as non-exchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses, and Changes in Fund Net Position after income before contributions and before changes in net position.

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component on net position.

C. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and money market accounts. For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported on the balance sheet approximate fair values because of the short maturities of those investments.

D. Receivables

All receivables are current and due within one year. Receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible.

E. Restricted Assets and Liabilities

Debt covenants, HUD regulations, and inter-local agreements restrict the use of certain assets. Restricted assets are offset by related liabilities in accordance with their liquidity.

F. Inventories

Inventories are accounted for under the consumption method and recorded at the lower of cost or market, net of an allowance for obsolete inventories. Materials and supplies are recorded as inventories when purchased and as expenditures when used. Allowances are reported when materials and supplies are deemed obsolete.

G. Prepaid Items

Prepaid items consist of payments made to vendors for services that will benefit future periods.

H. Capital Assets

Capital assets include property, furniture, equipment, and machinery. Capital assets with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Construction in progress consists of capital improvements funded by modernization grant programs. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Furniture, equipment, and machinery	5

I. Compensated Absences

Full-time employees are allowed to accrue annual leave and sick leave on the last day of each month. Employees accumulate annual leave at monthly accrual rates between 3.33 and 13.33 hours depending on length of service. Annual leave cannot be carried over from year to year; however, employees who separate will receive pay for any unused portion of annual leave accumulated during that year. Sick leave is accumulated at a rate of one day per month or twelve days per year to a maximum of 72 days. Sick leave accumulated is not paid upon separation. The majority of employees utilize their accrual of annual leave during the year accrued. The Authority records compensated absences in the period they use a systematic allocation process to allocate between short-term and long-term liability classification.

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Unearned Revenue

The Authority recognizes revenues as earned. An amount received in advance of the period in which it is earned is recorded as a liability under unearned revenue.

K. Use of Estimates

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

L. Recent Accounting Pronouncements

The Authority has adopted GASB Statement No. 94, which provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs). It has guidance for P3 arrangements, including those that are outside of the scope of the GASB's existing literature for those transactions, namely Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 87, Leases. The adoption of GASB Statement No. 94 had no material effect on the Authority's June 30, 2023 financial statements.

The Authority has adopted GASB Statement No. 96, which provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, Leases. The adoption of GASB Statement No. 96 had a material effect on the Authority's June 30, 2023 financial statements.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

Cash and investments may be invested in the following HUD and the State of Indiana IC 36-7-18-19 approved vehicles:

- Direct obligations of the federal government backed by the full faith and credit of the United States;
- Obligations of government agencies;
- Securities of government sponsored agencies;
- Demand and savings deposits; and,
- Time deposits and repurchase agreements.

At June 30, 2023, cash was in bank deposits or money market accounts that were insured or collateralized with securities held by the Authority or by its agent through the State of Indiana's collateralization program. Cash balances at June 30, 2023 totaled \$3,208,707. The Authority had no investments at June 30, 2023.

Interest Rate Risk – The Authority's formal investment policy does not specifically address the exposure to this risk.

Credit Risk – The Authority's formal investment policy does not specifically address credit risk, other than the limitations of Indiana state law and/or HUD regulations. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

Custodial Credit Risk – The Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Concentration of Credit Risk – The Authority's investment policy does not restrict the amount that the Authority may invest in any one issuer.

NOTE 3 – MISCELLANEOUS RECEIVABLE

At June 30, 2023, a miscellaneous receivable consisted of \$506,569 related to the assisted living center and other properties managed by the Authority on behalf of other third-party unrelated entities. The third-party unrelated entities and amounts owed are as follows:

Mary Phillips School Apartments	\$217,985
Mishawaka Main Junior High Apartments	38,913
Vannoni Living Center	<u>249,671</u>
Total Miscellaneous Receivable	<u>\$506,569</u>

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 4 – CAPITAL ASSETS

A. Changes in Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Capital assets not being depreciated					
Land	\$ 569,563	\$ -	\$ -	\$ -	\$ 569,563
Construction in process	1,260,933	1,063,454	-	(602,672)	1,721,715
Total capital assets not being depreciated	<u>1,830,496</u>	<u>1,063,454</u>	<u>-</u>	<u>(602,672)</u>	<u>2,291,278</u>
Capital assets being depreciated					
Buildings and improvements	20,218,906	2,246	-	602,672	20,823,824
Equipment	934,993	29,124	-	-	964,117
Total capital assets being depreciated	<u>21,153,899</u>	<u>31,370</u>	<u>-</u>	<u>602,672</u>	<u>21,787,941</u>
Less accumulated depreciation for:					
Buildings and improvements	(16,324,788)	(447,230)	-	-	(16,772,018)
Equipment	(760,546)	(49,973)	-	-	(810,519)
Total accumulated depreciation	<u>(17,085,334)</u>	<u>(497,203)</u>	<u>-</u>	<u>-</u>	<u>(17,582,537)</u>
Capital assets, net	<u>\$ 5,899,061</u>	<u>\$ 597,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,496,682</u>

B. Capital Contributions

The Authority receives capital grants from HUD. The Authority recognized \$1,063,454 in capital grant contributions for the fiscal year ended June 30, 2023.

NOTE 5 – LEASES RECEIVABLE

The Authority, as a lessor, has entered into two lease agreements that fall under the purview of GASB 87, Leases. A summary of these leases are as follows:

Building and Rooftop Cell Tower Lease

On May 26, 2016, the Authority entered into a rooftop lease agreement with Cellco Partnership, d/b/a Verizon Wireless (the “lessee”) for the purpose of installing antenna equipment at the Riverview 500 building.

The initial term for this lease was five years. There are automatically four additional five year terms unless the lessee terminates at the end of the current term with six months’ notice, or the lessor terminates at the end of the extension term with five months notice. Thereafter, additional five year terms will be extended with the same terms as the first set of extensions with only three months’ notice needed by either party to terminate. Annually, the lessee can terminate the agreement with three months’ notice as long as payments are current. The annual rent to be paid to the Authority for the initial five year term was \$19,200. The annual rent increases for each five year extension by 110%. The lease is currently in its first extension term, with annual rent now amounting to \$21,120.

As of June 30, 2023, the Authority had a lease receivable of \$56,084, recognized interest revenue of \$2,969, recognized lease revenue of \$18,881, and recorded corresponding deferred inflows of resources of \$53,496. Principal and interest collected on this lease receivable amounted to \$18,151 and \$2,969, respectively.

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 5 – LEASES RECEIVABLE (Continued)

Future minimum lease payments receivable associated with the lease obligation are as follows:

	Principal	Interest	Total
For the year ending 6/30/2024	\$ 18,985	\$ 2,135	\$ 21,120
For the year ending 6/30/2025	19,857	1,263	21,120
For the year ending 6/30/2026	17,242	358	17,600
	\$ 56,084	\$ 3,756	\$ 59,840

Community Building Lease

On September 1, 2022, the Authority entered into a community building lease agreement with The Vinyard Church (the “lessee”) for the purpose of providing the lessee office space at the Barbee Creek Village community building.

The initial term is three years. The lease will automatically renew for another three years unless either party terminates with a sixty day notice. The annual rent to be paid to the Authority is \$9,600 throughout the life of the lease and any lease extensions. The lessee is also responsible for supplying water, gas, electricity, sewer and trash.

As of June 30, 2023, the Authority had a lease receivable of \$19,783, recognized interest revenue of \$889, recognized lease revenue of \$9,778, and recorded corresponding deferred inflows of resources of \$19,423. Principal and interest collected on this lease receivable amounted to \$7,111 and \$889, respectively.

Future minimum lease payments receivable associated with the lease obligation are as follows:

	Principal	Interest	Total
For the year ending 6/30/2024	\$ 8,892	\$ 708	\$ 9,600
For the year ending 6/30/2025	9,300	300	9,600
For the year ending 6/30/2026	1,591	9	1,600
	\$ 19,783	\$ 1,017	\$ 20,800

NOTE 6 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The Authority, as a lessee, has entered into a lease agreement involving computer software that falls within the purview of GASB 96, Subscription-Based Information Technology Arrangements (SBITA). A summary of activity for right-of-use leased subscription assets for the year is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Leased asset being amortized				
Right-of-use subscription asset	\$ 76,546	\$ -	\$ -	\$ 76,546
Total leased assets being amortized	76,546	-	-	76,546
Less accumulated amortization for				
Right-of-use subscription asset	6,379	25,515	-	31,894
Total accumulated amortization	6,379	25,515	-	31,894
Right-of-Use Leased assets, net	\$ 70,167	\$ (25,515)	\$ -	\$ 44,652

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2023

NOTE 6 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (Continued)

Future minimum lease payments associated with the lease obligations are as follows:

	Principal	Interest	Total
For the year ended 6/30/2024	\$ 26,877	\$ 17,775	\$ 44,652
	\$ 26,877	\$ 17,775	\$ 44,652

NOTE 7 – RESTRICTED NET POSITION

Restricted net position consists of excess Housing Assistance Payment (HAP) funds available to the Authority under the Section 8 Housing Choice Vouchers program for the sole purpose of making current and future HAP payments. As of June 30, 2023, the Authority’s restricted net position amounted to \$8,358.

NOTE 8 – DEFINED CONTRIBUTION PENSION PLAN

The Authority provides benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The plan is administered by Correll Company and only the Board of Commissioners have the authority to amend the plan. Employees are eligible to participate after a six-month exclusionary period. The Authority contributes 13% of the employee’s base salary each month for employees hired before January 1, 2006 and 6% of base salary each month for employees hired on or after January 1, 2006. Employees are not required to contribute to the plan. The Authority’s contributions for each employee (and interest allocated to the employee’s account) are vested 20% annually for each year of participation. An employee is fully vested after 5 years of participation. Contributions to the plan were \$56,443 by the Authority and \$19,010 by employees for the year ended June 30, 2023.

NOTE 9 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has mitigated this risk by obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the funds affected. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductibles and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. During the current year and the prior three years, settled claims have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with prior year.

NOTE 10 – CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on availability of funding.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE 12 – PRIOR PERIOD ADJUSTMENTS

The Authority reported a net prior period adjustment of \$421,095 at June 30, 2023. The adjustment increased beginning unrestricted net position as a result of prior years’ accrued PILOT liability being determined not to be a true liability of the Authority as it was discovered that the City of Mishawaka had not been charging the Authority the annual computed and recorded PILOT liability and had no intention of collecting payments from the Authority in relation to past or future PILOT.

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 13 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the 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 December 1, 2023 (the date the financial statements were available to be issued) and concluded that the following subsequent events have occurred that require recognition in the financial statements or disclosure in the notes to the financial statements.

In December of 2019, COVID-19 emerged and has subsequently spread throughout the world. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenant's ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

NOTE 14 – FINANCIAL DATA SCHEDULE

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format includes right-of-use leased assets within leasehold improvements. The schedule's format also excludes housing assistance payments expense and depreciation expense from operating activities and includes lease revenue, interest revenue, capital contributions, and lease interest expense, and lease amortization in operating activities, which differs from the presentation of the basic financial statements.

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 SUPPLEMENTARY INFORMATION – STATEMENT OF NET POSITION – BY PROGRAM
 JUNE 30, 2023

	<u>PUBLIC HOUSING</u>	<u>SECTION 8</u>	<u>TOTAL</u>
ASSETS			
Unrestricted cash and cash equivalents	\$ 3,054,865	91,875	\$ 3,146,740
Restricted cash and cash equivalents	53,609	8,358	61,967
PHA projects receivable	-	42,562	42,562
Miscellaneous receivable, net	506,376	193	506,569
Tenants receivable, net	12,426	-	12,426
Fraud recovery receivable, net	2,361	-	2,361
Leases receivable, current portion	27,877	-	27,877
Prepaid expenses and other assets	<u>3,847</u>	<u>-</u>	<u>3,847</u>
Total current assets	<u>3,661,361</u>	<u>142,988</u>	<u>3,804,349</u>
Capital assets:			
Land and construction in progress	2,291,278	-	2,291,278
Buildings and equipment, net of depreciation	<u>4,205,377</u>	<u>27</u>	<u>4,205,404</u>
Total capital assets	6,496,655	27	6,496,682
Right-of-use leased assets, net of accumulated amortization	24,795	19,857	44,652
Leases receivable, noncurrent portion	<u>47,990</u>	<u>-</u>	<u>47,990</u>
Total noncurrent assets	<u>6,569,440</u>	<u>19,884</u>	<u>6,589,324</u>
Total assets	<u>10,230,801</u>	<u>162,872</u>	<u>10,393,673</u>
LIABILITIES			
Accounts payable	51,629	10,754	62,383
Accrued liabilities	23,856	14,974	38,830
Tenant security deposits	53,609	-	53,609
Unearned revenue	6,373	1,395	7,768
Lease payable	14,924	11,953	26,877
Compensated absences	<u>3,879</u>	<u>863</u>	<u>4,742</u>
Total current liabilities	<u>154,270</u>	<u>39,939</u>	<u>194,209</u>
Total liabilities	<u>154,270</u>	<u>39,939</u>	<u>194,209</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	<u>72,919</u>	<u>-</u>	<u>72,919</u>
NET POSITION			
Net investment in capital assets	6,506,526	7,931	6,514,457
Restricted	-	8,358	8,358
Unrestricted	<u>3,497,086</u>	<u>106,644</u>	<u>3,603,730</u>
Total net position	<u>\$ 10,003,612</u>	<u>\$ 122,933</u>	<u>\$ 10,126,545</u>

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 SUPPLEMENTARY INFORMATION – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
 NET POSITION – BY PROGRAM
 YEAR ENDED JUNE 30, 2023

	<u>PUBLIC HOUSING</u>	<u>SECTION 8</u>	<u>TOTAL</u>
OPERATING REVENUES			
Rental income	\$ 1,018,877	\$ -	\$ 1,018,877
Federal grants	1,142,392	2,655,030	3,797,422
Other	<u>64,515</u>	<u>323,006</u>	<u>387,521</u>
Total operating revenues	<u>2,225,784</u>	<u>2,978,036</u>	<u>5,203,820</u>
OPERATING EXPENSES			
Administration	506,179	190,090	696,269
Tenant services	13,623	83	13,706
Utilities	296,706	-	296,706
Maintenance	772,157	3,825	775,982
General	258,946	3,554	262,500
Housing assistance payments	-	2,706,006	2,706,006
Depreciation	<u>497,189</u>	<u>14</u>	<u>497,203</u>
Total operating expenses	<u>2,344,800</u>	<u>2,903,572</u>	<u>5,248,372</u>
Operating income (loss)	(119,016)	74,464	(44,552)
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	6,191	-	6,191
Lease revenue	28,659	-	28,659
Lease amortization	(14,168)	(11,347)	(25,515)
Lease interest expense	<u>(1,472)</u>	<u>(1,179)</u>	<u>(2,651)</u>
Income (loss) before contributions	(99,806)	61,938	(37,868)
Capital contributions	<u>1,063,454</u>	<u>-</u>	<u>1,063,454</u>
Change in net position	<u>963,648</u>	<u>61,938</u>	<u>1,025,586</u>
Total net position - beginning of the year	8,618,869	60,995	8,679,864
Prior Period Adjustment	<u>421,095</u>	<u>-</u>	<u>421,095</u>
Total net position - beginning of the year, as restated	<u>9,039,964</u>	<u>60,995</u>	<u>9,100,959</u>
Total net position - end of the year	<u>\$ 10,003,612</u>	<u>\$ 122,933</u>	<u>\$ 10,126,545</u>

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023

<u>Federal Grantor/Program Title</u>	Assistance Listing <u>Number</u>	Federal <u>Expenditures</u>
U.S. Department of Housing and Urban Development		
Public and Indian Housing	14.850	\$ 1,119,476
Housing Voucher Cluster:		
Section 8 Housing Choice Vouchers	14.871	<u>2,943,631</u>
Total Housing Voucher Cluster		2,943,631
Public Housing Capital Fund Program	14.872	<u>1,086,370</u>
Total U.S. Department of Housing and Urban Development		<u>\$ 5,149,477</u>

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is *presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? _____ Yes x No

Are any significant deficiencies identified? _____ Yes x None Reported

Is any noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified? _____ Yes x No

Are any significant deficiencies identified? _____ Yes x None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

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

Identification of major federal programs or clusters:

ALN 14.850 - Public and Indian Housing
ALN 14.872 - Public Housing Capital Fund Program

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

Auditee qualified as low-risk auditee? x Yes _____ No

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings

None.

To the Board of Commissioners
Housing Authority of the City of Mishawaka

Independent Accountant's Report

We have performed the procedures enumerated below, which was agreed to by the Housing Authority of the City of Mishawaka ("the Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package for the year ended June 30, 2023. The Authority's management is responsible for accuracy and completeness of the electronic submission for the year ended June 30, 2023.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

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

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and, if applicable, the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States, and/or any other standards or requirements to be followed. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below for the year ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Balance Sheet and Revenue and Expense	Financial Data Schedule, all CFDA's, If applicable	X	
2	Footnotes	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS	Auditor's supplemental report on FDS	X	
4	Audit findings narrative	Schedule of Findings and Questioned Costs	X	
5	General Information	OMB Data Collection Form	X	
6	Financial Statement report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal program report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
8	Type of Compliance Requirement	OMB Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Henderson & Pilleteri, LLC

Birmingham, AL
December 1, 2023

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 JUNE 30, 2023

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,302,823	\$91,875	\$752,042	\$3,146,740		\$3,146,740
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$8,358	\$0	\$8,358		\$8,358
114 Cash - Tenant Security Deposits	\$53,609	\$0	\$0	\$53,609		\$53,609
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0		\$0
100 Total Cash	\$2,356,432	\$100,233	\$752,042	\$3,208,707	\$0	\$3,208,707
121 Accounts Receivable - FHA Projects	\$0	\$42,562	\$0	\$42,562		\$42,562
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0		\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$286,696	\$193	\$219,680	\$506,569		\$506,569
126 Accounts Receivable - Tenants	\$37,418	\$2,202	\$0	\$39,620		\$39,620
126.1 Allowance for Doubtful Accounts - Tenants	-\$24,992	-\$2,202	\$0	-\$27,194		-\$27,194
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$27,877	\$0	\$0	\$27,877		\$27,877
128 Fraud Recovery	\$2,744	\$1,951	\$0	\$4,695		\$4,695
128.1 Allowance for Doubtful Accounts - Fraud	-\$383	-\$1,951	\$0	-\$2,334		-\$2,334
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$329,360	\$42,755	\$219,680	\$591,795	\$0	\$591,795
131 Investments - Unrestricted	\$0	\$0	\$0	\$0		\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$1,283	\$0	\$2,564	\$3,847		\$3,847
143 Inventories	\$0	\$0	\$0	\$0		\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0		\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0		\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0		\$0
150 Total Current Assets	\$2,687,075	\$142,988	\$974,286	\$3,804,349	\$0	\$3,804,349
161 Land	\$569,563	\$0	\$0	\$569,563		\$569,563
162 Buildings	\$10,776,311	\$0	\$0	\$10,776,311		\$10,776,311
163 Furniture, Equipment & Machinery - Dwellings	\$451,499	\$0	\$0	\$451,499		\$451,499
164 Furniture, Equipment & Machinery - Administration	\$467,787	\$5,552	\$39,279	\$512,618		\$512,618
165 Leasehold Improvements	\$10,067,307	\$19,857	\$5,001	\$10,092,165		\$10,092,165
166 Accumulated Depreciation	-\$17,539,008	-\$5,525	-\$38,004	-\$17,582,537		-\$17,582,537
167 Construction in Progress	\$1,721,715	\$0	\$0	\$1,721,715		\$1,721,715
168 Infrastructure	\$0	\$0	\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$6,515,174	\$19,884	\$6,276	\$6,541,334	\$0	\$6,541,334
171 Notes, Loans and Mortgages Receivable - Non-Current	\$47,990	\$0	\$0	\$47,990		\$47,990
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0		\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0		\$0
174 Other Assets	\$0	\$0	\$0	\$0		\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0		\$0
180 Total Non-Current Assets	\$6,563,164	\$19,884	\$6,276	\$6,589,324	\$0	\$6,589,324
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 FINANCIAL DATA SCHEDULE – BALANCE SHEET
 JUNE 30, 2023

	Project Total	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	\$9,250,239	\$162,872	\$980,562	\$10,393,673	\$0	\$10,393,673
311 Bank Overdraft	\$0	\$0	\$0	\$0		\$0
312 Accounts Payable <= 90 Days	\$44,041	\$10,754	\$7,588	\$62,383		\$62,383
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$7,607	\$1,131	\$2,615	\$11,353		\$11,353
322 Accrued Compensated Absences - Current Portion	\$2,999	\$863	\$880	\$4,742		\$4,742
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0		\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0		\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0		\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0		\$0
341 Tenant Security Deposits	\$53,609	\$0	\$0	\$53,609		\$53,609
342 Unearned Revenue	\$6,373	\$1,395	\$0	\$7,768		\$7,768
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$11,914	\$11,953	\$3,010	\$26,877		\$26,877
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0		\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0		\$0
346 Accrued Liabilities - Other	\$11,791	\$13,843	\$1,843	\$27,477		\$27,477
347 Inter Program - Due To	\$0	\$0	\$0	\$0		\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0		\$0
310 Total Current Liabilities	\$138,334	\$39,939	\$15,936	\$194,209	\$0	\$194,209
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0		\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0		\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0		\$0
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0		\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0		\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0		\$0
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$138,334	\$39,939	\$15,936	\$194,209	\$0	\$194,209
400 Deferred Inflow of Resources	\$72,919	\$0	\$0	\$72,919	\$0	\$72,919
508.4 Net Investment in Capital Assets	\$6,503,260	\$7,931	\$3,266	\$6,514,457		\$6,514,457
511.4 Restricted Net Position	\$0	\$8,358	\$0	\$8,358		\$8,358
512.4 Unrestricted Net Position	\$2,535,726	\$106,644	\$961,360	\$3,603,730		\$3,603,730
513 Total Equity - Net Assets / Position	\$9,038,986	\$122,933	\$964,626	\$10,126,545	\$0	\$10,126,545
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$9,250,239	\$162,872	\$980,562	\$10,393,673	\$0	\$10,393,673

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2023

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$963,105	\$0	\$0	\$963,105		\$963,105
70400 Tenant Revenue - Other	\$55,772	\$0	\$0	\$55,772		\$55,772
70500 Total Tenant Revenue	\$1,018,877	\$0	\$0	\$1,018,877	\$0	\$1,018,877
70600 HUD PHA Operating Grants	\$1,142,392	\$2,655,030	\$0	\$3,797,422		\$3,797,422
70610 Capital Grants	\$1,063,454	\$0	\$0	\$1,063,454		\$1,063,454
70710 Management Fee			\$228,245	\$228,245	-\$228,245	\$0
70720 Asset Management Fee			\$35,880	\$35,880	-\$35,880	\$0
70730 Book Keeping Fee			\$26,355	\$26,355	-\$26,355	\$0
70740 Front Line Service Fee			\$0	\$0		\$0
70750 Other Fees			\$0	\$0		\$0
70700 Total Fee Revenue			\$290,480	\$290,480	-\$290,480	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0		\$0
71100 Investment Income - Unrestricted	\$4,665	\$0	\$1,526	\$6,191		\$6,191
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0		\$0
71400 Fraud Recovery	\$0	\$6,512	\$0	\$6,512		\$6,512
71500 Other Revenue	\$40,020	\$316,494	\$53,154	\$409,668		\$409,668
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0		\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0		\$0
70000 Total Revenue	\$3,269,408	\$2,978,036	\$345,160	\$6,592,604	-\$290,480	\$6,302,124
91100 Administrative Salaries	\$112,941	\$89,854	\$166,680	\$369,475		\$369,475
91200 Auditing Fees	\$15,170	\$15,221	\$3,359	\$33,750		\$33,750
91300 Management Fee	\$228,245	\$0		\$228,245	-\$228,245	\$0
91310 Book-keeping Fee	\$26,355	\$0		\$26,355	-\$26,355	\$0
91400 Advertising and Marketing	\$876	\$1,023	\$0	\$1,899		\$1,899
91500 Employee Benefit contributions - Administrative	\$46,773	\$29,861	\$36,492	\$113,126		\$113,126
91600 Office Expenses	\$86,455	\$54,131	\$31,996	\$172,582		\$172,582
91700 Legal Expense	\$0	\$0	\$0	\$0		\$0
91800 Travel	\$0	\$0	\$0	\$0		\$0
91810 Allocated Overhead	\$0	\$0		\$0		\$0
91900 Other	\$634	\$0	\$4,803	\$5,437		\$5,437
91000 Total Operating - Administrative	\$517,449	\$190,090	\$243,330	\$950,869	-\$254,600	\$696,269
92000 Asset Management Fee	\$35,880	\$0		\$35,880	-\$35,880	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0		\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$11,939	\$11,939		\$11,939
92400 Tenant Services - Other	\$1,155	\$83	\$529	\$1,767		\$1,767
92500 Total Tenant Services	\$1,155	\$83	\$12,468	\$13,706	\$0	\$13,706
93100 Water	\$74,223	\$0	\$0	\$74,223		\$74,223
93200 Electricity	\$158,224	\$0	\$0	\$158,224		\$158,224
93300 Gas	\$64,259	\$0	\$0	\$64,259		\$64,259
93400 Fuel	\$0	\$0	\$0	\$0		\$0
93500 Labor	\$0	\$0	\$0	\$0		\$0

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2023

	Project Total	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
93600 Sewer	\$0	\$0	\$0	\$0		\$0
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0		\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0		\$0
93000 Total Utilities	\$296,706	\$0	\$0	\$296,706	\$0	\$296,706
94100 Ordinary Maintenance and Operations - Labor	\$275,785	\$0	\$0	\$275,785		\$275,785
94200 Ordinary Maintenance and Operations - Materials and Other	\$102,463	\$297	\$76	\$102,836		\$102,836
94300 Ordinary Maintenance and Operations Contracts	\$305,729	\$3,528	\$2,001	\$311,258		\$311,258
94500 Employee Benefit Contributions - Ordinary Maintenance	\$86,103	\$0	\$0	\$86,103		\$86,103
94000 Total Maintenance	\$770,080	\$3,825	\$2,077	\$775,982	\$0	\$775,982
95100 Protective Services - Labor	\$0	\$0	\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0		\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$182,299	\$1,848	\$26,773	\$210,920		\$210,920
96120 Liability Insurance	\$0	\$0	\$0	\$0		\$0
96130 Workmen's Compensation	\$0	\$0	\$0	\$0		\$0
96140 All Other Insurance	\$691	\$53	\$809	\$1,553		\$1,553
96100 Total Insurance Premiums	\$182,990	\$1,901	\$27,582	\$212,473	\$0	\$212,473
96200 Other General Expenses	\$499	\$0	\$0	\$499		\$499
96210 Compensated Absences	\$0	\$0	\$0	\$0		\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0		\$0
96400 Bad debt - Tenant Rents	\$47,875	\$1,653	\$0	\$49,528		\$49,528
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0		\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0		\$0
96800 Severance Expense	\$0	\$0	\$0	\$0		\$0
96000 Total Other General Expenses	\$48,374	\$1,653	\$0	\$50,027	\$0	\$50,027
96710 Interest of Mortgage (or Bonds) Payable	\$1,175	\$1,179	\$297	\$2,651		\$2,651
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0		\$0
96730 Amortization of Bond Issue Costs	\$11,310	\$11,347	\$2,858	\$25,515		\$25,515
96700 Total Interest Expense and Amortization Cost	\$12,485	\$12,526	\$3,155	\$28,166	\$0	\$28,166
96900 Total Operating Expenses	\$1,865,119	\$210,078	\$288,612	\$2,363,809	-\$290,480	\$2,073,329
97000 Excess of Operating Revenue over Operating Expenses	\$1,404,289	\$2,767,958	\$56,548	\$4,228,795	\$0	\$4,228,795
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$2,417,405	\$0	\$2,417,405		\$2,417,405
97350 HAP Portability-In	\$0	\$288,601	\$0	\$288,601		\$288,601
97400 Depreciation Expense	\$496,552	\$14	\$637	\$497,203		\$497,203
97500 Fraud Losses	\$0	\$0	\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0		\$0
90000 Total Expenses	\$2,361,671	\$2,916,098	\$289,249	\$5,567,018	-\$290,480	\$5,276,538

HOUSING AUTHORITY OF THE CITY OF MISHAWAKA
 FINANCIAL DATA SCHEDULE – INCOME STATEMENT
 YEAR ENDED JUNE 30, 2023

	Project Total	14,871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
10010 Operating Transfer In	\$22,916	\$0	\$0	\$22,916	-\$22,916	\$0
10020 Operating transfer Out	-\$22,916	\$0	\$0	-\$22,916	\$22,916	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0			\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0			\$0		\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0		\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$907,737	\$61,938	\$55,911	\$1,025,586	\$0	\$1,025,586
11020 Required Annual Debt Principal Payments	\$24,661	\$0	\$0	\$24,661		\$24,661
11030 Beginning Equity	\$7,710,154	\$60,995	\$908,715	\$8,679,864		\$8,679,864
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$421,095	\$0	\$0	\$421,095		\$421,095
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity		\$114,575		\$114,575		\$114,575
11180 Housing Assistance Payments Equity		\$8,358		\$8,358		\$8,358
11190 Unit Months Available	3588	4140	0	7728		7728
11210 Number of Unit Months Leased	3514	3879	0	7393		7393
11270 Excess Cash	\$2,392,033			\$2,392,033		\$2,392,033
11610 Land Purchases	\$0		\$0	\$0		\$0
11620 Building Purchases	\$1,065,700		\$0	\$1,065,700		\$1,065,700
11630 Furniture & Equipment - Dwelling Purchases	\$8,675		\$0	\$8,675		\$8,675
11640 Furniture & Equipment - Administrative Purchases	\$20,449		\$0	\$20,449		\$20,449
11650 Leasehold Improvements Purchases	\$0		\$5,001	\$5,001		\$5,001
11660 Infrastructure Purchases	\$0		\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0	\$0		\$0