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AN EQUAL OPPORTUNITY EMPLOYER

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May 10, 2024

Board of Directors
Housing Authority of the City of Bloomington
Monroe County, Indiana

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, 2022 to September 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 Bloomington, as of September 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, 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, 2023

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

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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, 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 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, 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.

I did not audit the financial statements of the discretely presented component units, which represent 206 percent, 34 percent, and 19 percent, respectively, of the assets, net position, and revenues of the Authority as of September 30, 2023, 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-xi 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 Financial Data Schedule is presented for the purpose of additional analysis and is 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 also 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 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 April 29, 2024, 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
April 29, 2024

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2023

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, 2023. The Authority presents this discussion and analysis of its financial performance during the fiscal year ended September 30, 2023, 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 Public Housing 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. Both AMPs of the Authority. 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.
- 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, 2023

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, 2023, 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, 2023.

Financial Highlights

Primary Government:

- The net position of the Primary Government increased from \$28,433,501 to \$29,099,647, an increase of \$666,146 or 2%. Total assets also increased by \$2,863,014 or 10%.
- The Primary Government's revenue increased from \$14,863,023 to \$17,410,726, an increase of \$2,547,703, or 17%.
- The Primary Government's expenses increased from \$12,611,832 to \$15,311,001, an increase of \$2,699,169, or 21%.
- A prior period adjustment was recorded in the amount of \$531,825 and a special item was recorded in the amount of \$1,965,404.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

Financial Highlights – (Continued)

Component Unit:

- The net position of the Component Unit increased from \$6,039,362 to \$9,804,957, an increase of \$3,765,595, or 62%. Total assets also increased by \$13,980,796, or 27%.
- The Component Unit's revenue increased from \$3,263,230 to \$3,276,241, an increase of \$13,011.
- The Component Unit's expenses increased from \$3,052,293 to \$4,216,159, an increase of \$1,163,866, or 38%.
- A prior period adjustment was recorded in the amount of \$4,705,513.

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 asset and liability comparisons for the year ended September 30, 2023, and September 30, 2022.

*Primary Government
Statement of Net Position
As of September 30, 2023, and September 30, 2022*

<u>Category</u>	<u>2023</u>	<u>2022</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 7,914,839	\$ 6,112,890	\$ 1,801,949	29%
Fixed Assets (Net of Depreciation)	\$ 683,752	\$ 674,368	\$ 9,384	1%
NonCurrent Assets	\$ 23,033,901	\$ 21,982,220	\$ 1,051,681	5%
Total Assets	\$ 31,632,492	\$ 28,769,478	\$ 2,863,014	10%
Current Liabilities	\$ 2,392,869	\$ 145,793	\$ 2,247,076	1541%
Noncurrent Liabilities	\$ 139,976	\$ 190,184	\$ (50,208)	-26%
Total Liabilities	\$ 2,532,845	\$ 335,977	\$ 2,196,868	654%
Unrestricted	\$ 28,394,127	\$ 27,649,615	\$ 744,512	3%
Net Investment in Capital Assets	\$ 683,752	\$ 674,368	\$ 9,384	1%
Restricted	\$ 21,768	\$ 109,518	\$ (87,750)	-80%
Total Net Position	\$ 29,099,647	\$ 28,433,501	\$ 666,146	2%

Current Assets

Current assets increased by \$1,801,949 from the previous year. Cash and investments increased by \$1,502,098.

Noncurrent Assets (Fixed Assets)

Noncurrent assets increased by \$9,384. See the Capital Asset section for further discussion.

Other Noncurrent Assets

Other noncurrent assets increased by \$1,051,681 from the prior year primarily due to an increase in notes and loans receivable as a result of asset repositioning.

Current Liabilities

Current liabilities increased by \$2,247,076 from the previous year. This was primarily due to an increase in Other current liabilities related to the AMPs in the amount of \$1,965,404.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

Housing Authority Activities & Highlights – (Continued)

Noncurrent Liabilities

Noncurrent liabilities decreased by \$50,208 from the previous year.

Net Position

Unrestricted Net Position

The Authority's Primary Government's total net position increased, by \$666,146, from the prior year.

The Authority's unrestricted component of net position increased from \$27,649,615 to \$28,394,127, an increase of \$744,512, or 3% for the current year. This increase is primarily due to the recording of a prior period adjustment during the year in the amount of \$531,825. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines. The Authority's individual programs maintain the unrestricted net position balances as follows:

Low Rent Housing Program	\$1,611,636
State & Local	23,042,958
Housing Choice Voucher Program	
Reserved for Administration	1,496,178
EHV Program	12,220
Mod Rehab SRO	31,621
CDBG	127,991
COCC	1,882,538
Blended Component Unit	185,560
HOME Program	<u>3,425</u>
Total	<u>\$ 28,394,127</u>

***Component Unit
Statement of Net Position
As of September 30, 2023, and September 30, 2023***

Category	2023	2022	Change \$	Change %
Current Assets	\$ 4,599,127	\$ 3,345,977	\$ 1,253,150	37%
Fixed Assets (Net of Depreciation)	\$ 57,462,671	\$ 44,619,806	\$ 12,842,865	29%
Noncurrent Assets	\$ 2,999,919	\$ 3,115,138	\$ (115,219)	-4%
Total Assets	\$ 65,061,717	\$ 51,080,921	\$ 13,980,796	27%
Current Liabilities	\$ 4,713,280	\$ 3,678,056	\$ 1,035,224	28%
Noncurrent Liabilities	\$ 50,543,480	\$ 41,363,503	\$ 9,179,977	22%
Total Liabilities	\$ 55,256,760	\$ 45,041,559	\$ 10,215,201	23%
Unrestricted	\$ (22,203,779)	\$ (21,709,381)	\$ (494,398)	2%
Investment in Capital Assets	\$ 32,008,736	\$ 27,748,743	\$ 4,259,993	15%
Total Net Position	\$ 9,804,957	\$ 6,039,362	\$ 3,765,595	62%

Current Assets

Current assets increased by \$1,253,150. Cash and investments increased by \$1,218,154 during the current year.

Noncurrent Assets (Fixed Assets)

Fixed assets increased by \$12,842,865 during the current year. See the Capital Asset section for further discussion.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

Housing Authority Activities & Highlights – (Continued)

Other Noncurrent Assets

Other noncurrent assets decreased by \$115,219 from the prior year, from \$3,115,138 to \$2,999,919. This represents a decrease of 4%.

Current Liabilities

Current liabilities increased by \$1,035,224 or 28%. This is primarily due to an increase in Accounts payable in the amount of \$1,318,078. By contrast, Other current liabilities decreased by \$720,217.

Net Position

The Component Unit's total net position increased by \$3,765,595 for the current year.

The Component Unit's unrestricted component of net position decreased from \$(21,709,381) to \$(22,203,779), a decrease of \$494,398, or 2% for the current year.

***Primary Government
Statement of Revenues & Expenses
For the Year Ended September 30, 2023 and September 30, 2023***

<u>Category</u>	<u>2023</u>	<u>2022</u>	<u>Change \$</u>	<u>Change %</u>
Tenant Revenue	\$ -	\$ 224,807	\$ (224,807)	-100%
Operating Grants	\$ 16,059,390	\$ 13,923,033	\$ 2,136,357	15%
Capital Grants	\$ -	\$ 113,398	\$ (113,398)	-100%
Interest Income	\$ 547,921	\$ 4,222	\$ 543,699	12878%
Other Revenue	\$ 803,415	\$ 597,563	\$ 205,852	34%
Total Revenue	\$ 17,410,726	\$ 14,863,023	\$ 2,547,703	17%
			\$ -	
Administration	\$ 1,255,363	\$ 1,142,717	\$ 112,646	10%
Tenant Services	\$ 211,447	\$ 167,142	\$ 44,305	27%
Utilities	\$ -	\$ 181,586	\$ (181,586)	-100%
Ordinary Maintenance	\$ 35,643	\$ 178,672	\$ (143,029)	-80%
Protective Services	\$ -	\$ 1,157	\$ (1,157)	-100%
General/Insurance Expense	\$ 192,685	\$ 107,105	\$ 85,580	80%
Housing Assistance Payments	\$ 13,599,846	\$ 10,588,176	\$ 3,011,670	28%
Depreciation	\$ 16,017	\$ 245,277	\$ (229,260)	-93%
			\$ -	
Total Expenses	\$ 15,311,001	\$ 12,611,832	\$ 2,699,169	21%
Excess of Revenue over Expenses	\$ 2,099,725	\$ 2,251,191	\$ (151,466)	-7%
Special Items	\$ (1,965,404)	\$ 13,255,499	\$ (15,220,903)	-115%
Net Position, Beginning of Year	\$ 28,433,501	\$ 12,926,811	\$ 15,506,690	120%
PY Adjustments/Equity Transfers	\$ 531,825	\$ -	\$ 531,825	100%
Net Position, End of Year	\$ 29,099,647	\$ 28,433,501	\$ 15,355,224	2%

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

Housing Authority Activities & Highlights – (Continued)

Results of Operations

Revenues of the Primary Government are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Primary Government's revenue increased by \$2,547,703 during the current fiscal year. Notable differences noted from comparing current year balances to previous year balances are listed as follows:

- Tenant revenue decreased by \$224,807 due to the repositioning of the AMPs. The tenant revenue is now recorded in the discretely presented component unit.
- Operating grants increased by \$2,136,357 due to an increase in HAP and admin fee revenue in the HCV program in the amount of \$3,482,011 as a result of Low Rent units converting to Project Based Vouchers. By contrast, operating grant revenue related to the Low Rent / CFP program decreased by \$1,742,762.
- Interest income increased by \$543,699 primarily due to the recording of mortgage interest receivable on the State/Local program.

Total expenses increased by \$2,699,169. Significant variations between the years include:

- Administration increased by \$112,646 or 10%. This was primarily due to an increase in Other administrative costs by \$59,726.
- Utilities decreased from \$181,586 to \$0 due to the transfer of Public Housing units through asset repositioning.
- Ordinary maintenance decreased by \$143,029 due to the transfer of Public Housing units through asset repositioning.
- General/insurance expense increased by \$85,580 or 80% from the prior year primarily due to an increase in Other general expenses in the amount of \$138,646 slightly offset by decrease in insurance premium and bad debts in the amount of \$41,768 and \$11,298 respectively.
- Housing assistance payments increased from \$10,588,176 to \$13,599,846 during the current year due to an increase in units as a result of Public Housing units converting to Project Based Vouchers.
- The special item relates to the closing out of the Public Housing program.
- Prior year adjustments include an adjustment for HAP expenses recorded in the prior year, the recording of a Mod Rehab adjustment from the prior year, and the recording of interest receivable.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

Housing Authority Activities & Highlights – (Continued)

Component Unit
Statement of Revenues & Expenses
For the Year Ended September 30, 2023, and September 30, 2022

Category	2023	2022	Change \$	Change %
Tenant Revenue	\$ 862,833	\$ 472,217	\$ 390,616	83%
Operating/Governmental Grants	\$ 2,364,471	\$ 1,762,179	\$ 602,292	34%
Interest Income	\$ 978	\$ -	\$ 978	100%
Other Revenue	\$ 47,959	\$ 1,028,834	\$ (980,875)	-95%
Total Revenue	\$ 3,276,241	\$ 3,263,230	\$ 13,011	0%
			\$ -	
Administration	\$ 737,989	\$ 469,180	\$ 268,809	57%
Tenant Services	\$ 48,515	\$ 1,775	\$ 46,740	2633%
Utilities	\$ 550,466	\$ 471,844	\$ 78,622	17%
Ordinary Maintenance	\$ 519,963	\$ 557,972	\$ (38,009)	-7%
General/Insurance	\$ 246,148	\$ 123,395	\$ 122,753	99%
Housing Assistance Payments	\$ 39,922	\$ -	\$ 39,922	100%
Interest Expense	\$ 654,036	\$ 471,880	\$ 182,156	39%
Depreciation	\$ 1,419,120	\$ 956,247	\$ 462,873	48%
			\$ -	
Total Expenses	\$ 4,216,159	\$ 3,052,293	\$ 1,163,866	38%
Excess of Revenue over Expenses	\$ (939,918)	\$ 210,937	\$ (1,150,855)	-546%
Net Position, Beginning of Year	\$ 6,039,362	\$ -	\$ 6,039,362	100%
PY Adjustments/Equity Transfers	\$ 4,705,513	\$ 5,828,425	\$ (1,122,912)	-19%
Net Position, End of Year	\$ 9,804,957	\$ 6,039,362	\$ 4,888,507	62%

Results of Operations

Revenues of the Component Unit are generated principally from grants and other revenue. The Component Unit's revenue increased by \$13,011 during the current fiscal year. Significant variances include the following:

- Tenant revenue increased by \$390,616 as a result of Public Housing units converting to RAD during the year.
- Operating grants increased from \$1,762,179 to \$2,364,471, an increase of \$602,292. This was primarily due to Public Housing units converting to RAD during the year.
- Other revenue decreased by \$980,875 during the current year.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

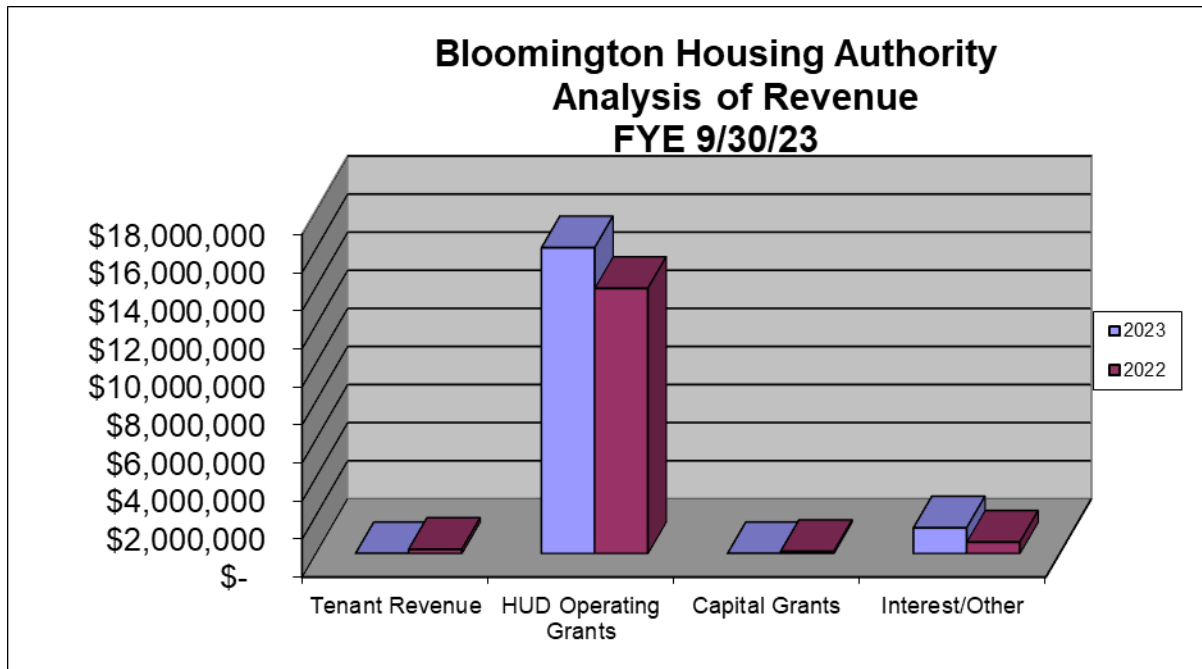
Housing Authority Activities & Highlights – (Continued)

Results of Operations – (Continued)

Total expenses increased by \$1,163,866 or 38%. Significant variations between the years include the following:

- Administrative expenses increased by \$268,809 or 57%. This was primarily due to Public Housing units converting to RAD during the year.
- Tenant services increased by \$46,740 during the year. This was primarily due to Public Housing units converting to RAD during the year.
- Utilities increased from \$471,844 to \$550,466 as a result of Public Housing units converting to RAD during the year.
- General/insurance expenses increased by \$122,753 or 99% in the current year. This was primarily due to an increase in Bad debt – tenants in the amount of \$89,254 and an increase in insurance expense in the amount of \$36,079.
- Interest expense increased by \$182,156 primarily due to an increase in mortgage interest in the amount of \$179,963.
- Prior year adjustments/Equity transfers relate to the recording of Public Housing assets transferred to the RAD properties.

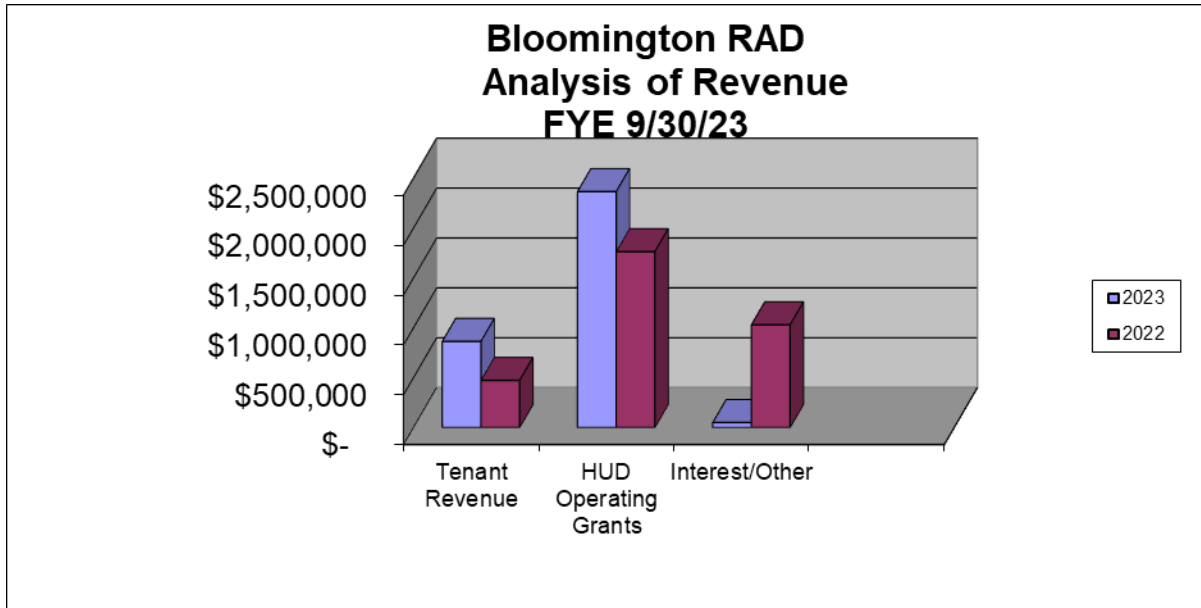
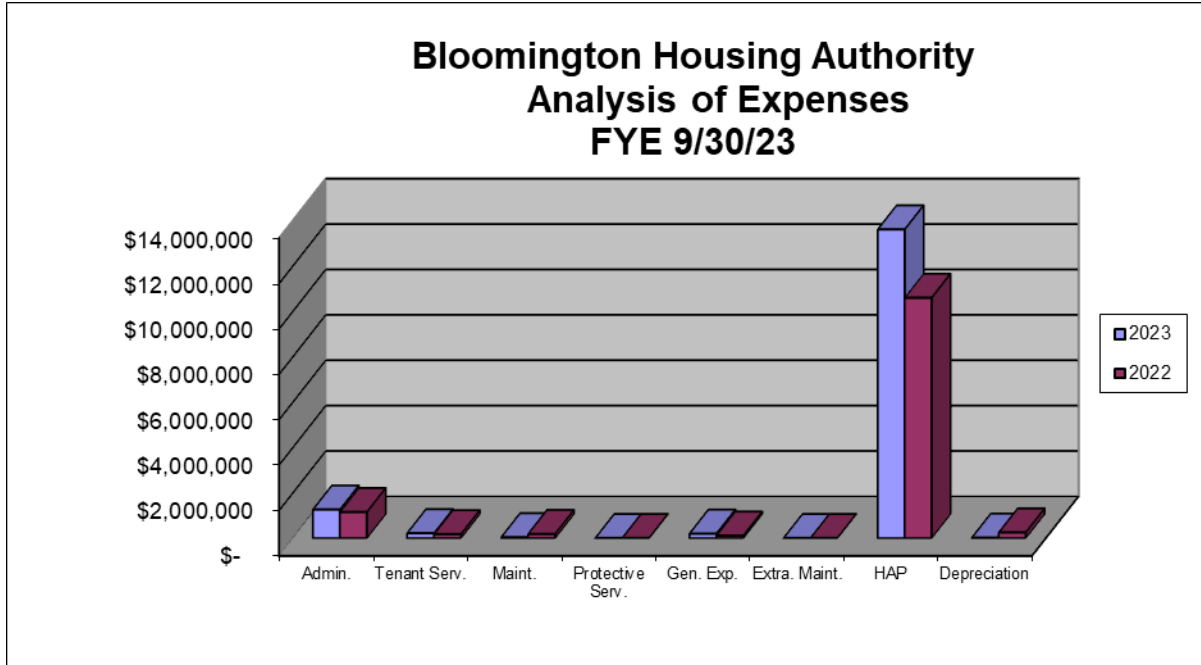
We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:



HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

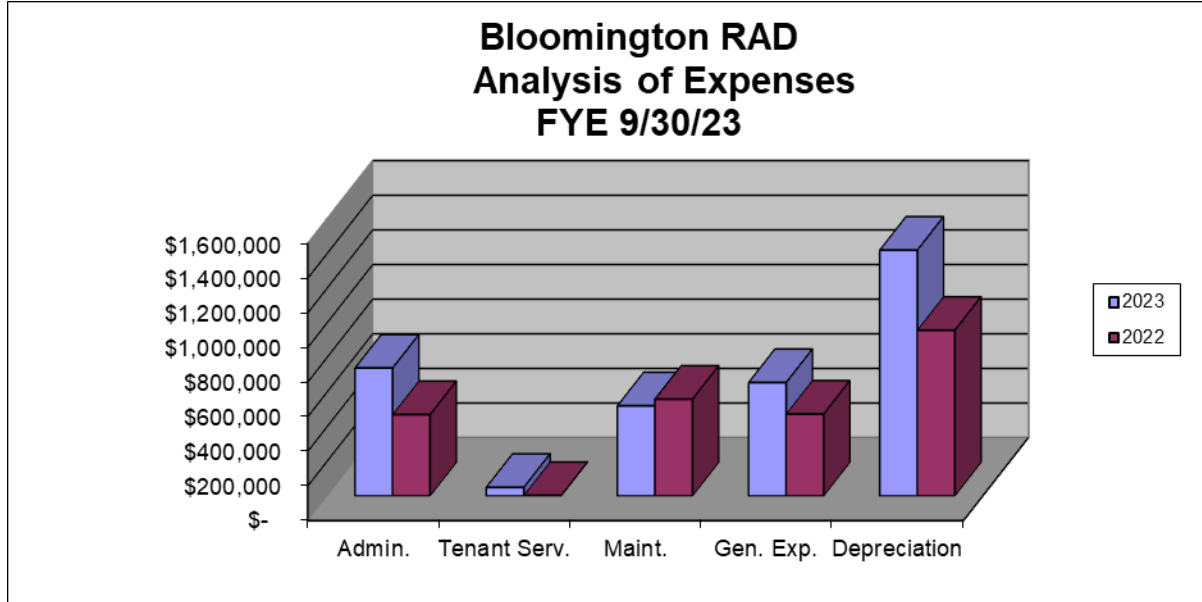
Housing Authority Activities & Highlights – (Continued)



HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

Housing Authority Activities & Highlights – (Continued)



Capital Assets

As of September 30, 2023, the Primary Government's investment in capital assets was \$683,752. This investment includes land, building, equipment, and construction in progress, less accumulated depreciation.

Category	2023	2022	Change \$	Change %
Land	\$ 615,090	\$ 615,090	\$ -	0%
Buildings	\$ 148,035	\$ 148,035	\$ -	0%
Equipment	\$ 169,267	\$ 143,866	\$ 25,401	18%
Construction in Progress	\$ -	\$ -	\$ -	#DIV/0!
Accumulated Depreciation	\$ (248,640)	\$ (232,623)	\$ (16,017)	7%
Total Capital Assets	\$ 683,752	\$ 674,368	\$ 9,384	1%

The increase in equipment includes the purchase of a van.

As of September 30, 2023, the Component Unit's investment in capital assets was \$57,462,671. This investment includes land, building, equipment, and construction in progress less any associated debt.

Category	2023	2022	Change \$	Change %
Land	\$ -	\$ -	\$ -	#DIV/0!
Buildings	\$ 47,659,454	\$ 33,645,883	\$ 14,013,571	42%
Equipment	\$ 3,858,755	\$ 2,858,191	\$ 1,000,564	35%
Accumulated Depreciation	\$ (2,859,148)	\$ (1,440,028)	\$ (1,419,120)	99%
Construction in Progress	\$ 8,803,610	\$ 9,555,760	\$ (752,150)	-8%
Total Capital Assets	\$ 57,462,671	\$ 44,619,806	\$ 12,842,865	29%

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
September 30, 2023

Capital Assets – (Continued)

The increase in buildings is primarily due to the reclassification of capital assets. Other additions to buildings and equipment is due to the transfer of assets from the Public Housing program to the RAD properties.

Noncurrent Liabilities

The amount of \$139,976 in Noncurrent liabilities – Other represents the noncurrent portion of FSS escrow due to FSS participants.

The Authority did not acquire any additional debt obligations during the fiscal year.

Long-Term Debt Activity

The Component Unit has long term debt related to mortgages payable in the amount of \$25,453,935 and operating borrowings in the amount of \$22,482,220. These long-term debt amounts are due to the conversion of Public Housing properties to RAD.

Subsequent Event

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

Request for Information

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 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, 2023

	<u>Primary Govt</u>	<u>Discretely Presented Component Units</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 4,499,073	\$ 2,123,791
Cash - restricted	2,216,646	2,385,020
Investments	323,736	-
Receivables - net of allowances	766,187	65,781
Prepaid expenses	<u>109,197</u>	<u>24,535</u>
Total Current Assets	<u>7,914,839</u>	<u>4,599,127</u>
Non-current Assets:		
Long term receivables	23,033,901	-
Other assets	-	2,999,919
Capital assets:		
Land and construction in progress	615,090	8,803,610
Other capital assets, net of depreciation	<u>68,662</u>	<u>48,659,061</u>
Total capital assets - net	<u>683,752</u>	<u>57,462,671</u>
Total Non-current Assets	<u>23,717,653</u>	<u>60,462,590</u>
Total Assets	<u>\$ 31,632,492</u>	<u>\$ 65,061,717</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, 2023

	<u>Primary Govt</u>	<u>Discretely Presented Component Units</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 2,245,599	\$ 4,497,962
Accrued salaries and benefits	40,725	3,828
Tenant security deposit liability	-	20,498
Accrued compensated absences	40,658	-
Accrued interest payable	-	163,669
Unearned revenues	<u>65,887</u>	<u>27,323</u>
Total Current Liabilities	<u>2,392,869</u>	<u>4,713,280</u>
Non-current Liabilities:		
Long-term debt, net of current portion	-	49,847,459
Non-current liabilities - Other	<u>139,976</u>	<u>696,021</u>
Total Non-current Liabilities	<u>139,976</u>	<u>50,543,480</u>
Total Liabilities	<u>2,532,845</u>	<u>55,256,760</u>
NET POSITION		
Net investment in capital assets	683,752	32,008,736
Restricted	21,768	-
Unrestricted	<u>28,394,127</u>	<u>(22,203,779)</u>
Total Net Position	<u>29,099,647</u>	<u>9,804,957</u>
Total Liabilities and Net Position	<u>\$ 31,632,492</u>	<u>\$ 65,061,717</u>

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, 2023

	Primary Govt	Discretely Presented Component Units
OPERATING REVENUES		
Tenant revenue	\$ -	\$ 862,833
Governmental grants and subsidy	16,059,390	2,364,471
Miscellaneous	803,415	47,959
 Total operating revenue	 <u>16,862,805</u>	 <u>3,275,263</u>
OPERATING EXPENSES		
Administrative	1,255,363	737,989
Tenant services	211,447	48,515
Utilities	-	550,466
Ordinary maintenance and operations	35,643	497,166
Protective services	-	22,797
Insurance	49,456	146,502
General	143,229	99,646
Housing assistance payment	13,599,846	39,922
Depreciation expense	16,017	1,419,120
 Total operating expenses	 <u>15,311,001</u>	 <u>3,562,123</u>
 Operating income (loss)	 <u>1,551,804</u>	 <u>(286,860)</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	547,921	978
Interest expense	-	(654,036)
Special items (net gain/loss)	(1,965,404)	-
 Net non-operating revenues (expenses)	 <u>(1,417,483)</u>	 <u>(653,058)</u>
 Income (loss) before contributions and transfers	 <u>134,321</u>	 <u>(939,918)</u>
 Change in net position	 134,321	 (939,918)
Total net position - beginning of year	28,433,501	6,039,362
Prior period adjustments	531,825	4,705,513
 Total net position - end of year	 <u>\$ 29,099,647</u>	 <u>\$ 9,804,957</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, 2023

	<u>Primary Govt</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from governmental grants and subsidy	\$ 15,856,070
Received from other operating activities	1,118,736
Payments for goods and services	(676,454)
Payments to employees	(1,223,756)
Payment for housing assistance	<u>(13,599,846)</u>
Net cash provided by (used in) operating activities	<u>1,474,750</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(25,401)
Receipts (payments) from deferred credits and escrow deposits	<u>(33,172)</u>
Net cash provided by (used in) capital and related financing activities	<u>(58,573)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds (payments) from sale (purchase) of investments	(1,523)
Receipts of interest and dividends	<u>85,921</u>
Net cash provided by (used in) investing activities	<u>84,398</u>
Net increase (decrease) in cash and cash equivalents	1,500,575
Cash and cash equivalents at beginning of year	<u>5,215,144</u>
Cash and cash equivalents at end of year	<u>\$ 6,715,719</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, 2023

	Primary Govt
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ 1,551,804
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	16,017
Change in assets and liabilities:	
Receivables, net	(271,235)
Prepaid expenses	(36,479)
Accounts and other payables	215,414
Unearned revenues	42,683
Compensated absences	(44,176)
Accrued expenses	722
Net cash provided by (used) by operating activities	\$ 1,474,750

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, 2023

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. HUD has entered into the Annual Contributions Contract with the Authority for the purpose of administering housing and housing related 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. Balances presented on the accompanying Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are as of December 31, 2022.

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 \$5,879,485 as of September 30, 2023. The partnership does not serve the primary government exclusively, or almost exclusively, and therefore is shown as discretely presented component unit. Balances presented on the accompanying Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are as of December 31, 2023.

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 \$17,154,416 as of September 30, 2023. The partnership does not serve the primary government exclusively, or almost exclusively, and therefore is shown as discretely presented component unit. Balances presented on the accompanying Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are as of December 31, 2023.

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, 2023

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 the 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:

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 Vouchers (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.

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 Vouchers, 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.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

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

1B. Basis of Presentation – (Continued)

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 grants and donations provided to the Housing Authority. This program is also 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.

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.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

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

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 requires 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.

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 and fraud recovery.

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	40 years
Furniture, equipment and machinery - administrative	5-10 years

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

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

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

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 Vouchers, Emergency Housing Vouchers and CDBG 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 \$21,768 in HAP reserves under Emergency Housing Voucher program.
- 3) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

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>
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
CDBG	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
Blended Component Unit: - SHCDC	Housing Authority of the City of Bloomington

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>
Housing Choice Vouchers	Housing assistance payments
ROSS / FSS	Tenant services

For the year ended September 30, 2023, the Authority complied, in all material respects, with these revenue restrictions.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

NOTE 3 – DETAILED 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, 2023, the Authority had the following cash deposits and investments:

Cash Deposit	\$ 6,714,971
Petty Cash	748
Certificate of Deposits	<u>323,736</u>
Total	<u>\$ 7,039,455</u>

Following is a reconciliation of the Authority's deposit balances as of September 30, 2023:

Cash and cash equivalents	\$ 4,499,073
Restricted assets	2,216,646
Investments	<u>323,736</u>
Total	<u>\$ 7,039,455</u>

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, 2023, the Authority's bank balances of \$6,719,125 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, 2023, the Authority's investment balance of \$323,736 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.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

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

3A. Cash and Investments – (Continued)

Concentration of Credit Risk

The Authority places no limit on the amount the Authority may invest in any one issuer. At September 30, 2023, the concentration of the Authority’s investment (excluding cash deposits) was as follows:

Type of Investment	Market Value	Maturity Date
Certificate of Deposit	\$ 153,080	3/4/2024
Certificate of Deposit	170,656	3/22/2024
Total	\$ 323,736	

3B. Restricted Assets

Restricted assets at September 30, 2023 consist of the following:

Type of Restricted Assets	Cash Including Time Deposits	Investments	Accrued Interest	Total
HAP funds	\$ 21,768	\$ ----	\$ ----	\$ 21,768
FSS escrow	174,970	----	----	174,970
CDBG grant	54,504	----	----	54,504
Modernization set aside for RAD	1,965,404	----	----	1,965,404
Total	\$ 2,216,646	\$ ----	\$ ----	\$ 2,216,646

3C. Accounts Receivables - Current

Receivables at September 30, 2023, consist of the following:

Fraud recovery	\$ 157,642
Less: Allowance for doubtful account – fraud	<u>(157,642)</u>
Fraud recovery – net of allowance	---
HUD	507,854
Accrued interest	200
Miscellaneous	<u>258,133</u>
Total Accounts Receivable – Current	\$ <u>766,187</u>

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

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

3D. Capital Assets

A summary of capital asset activity for the year ended September 30, 2023, is as follows:

	Balance October 1, 2022	Additions	(Retirement)	Balance September 30, 2023
Non-depreciable assets:				
Land	\$ 615,090	\$ -	\$ -	\$ 615,090
Total non-depreciable assets	615,090	-	-	615,090
Depreciable assets:				
Building	148,035	-	-	148,035
Equipment - dwelling	-	465	-	465
Equipment - administration	143,866	24,936	-	168,802
Total depreciable assets	291,901	25,401	-	317,302
Accumulated depreciation	(232,623)	(16,017)	-	(248,640)
Total depreciable assets, net	59,278	9,384	-	68,662
Capital assets, net	\$ 674,368	\$ 9,384	\$ -	\$ 683,752

Depreciation expense is charged to programs as follows:

	Business-type Activities
Housing Choice Vouchers	\$ 2,898
COCC	8,132
HOME	4,987
Total depreciation expense	\$ 16,017

3E. Notes Receivable – Non-current

Notes receivables at September 30, 2023, consist of the following:

Bloomington RAD I, L.P.	\$ 5,879,485
Bloomington RAD II, L.P.	17,154,416
Total Notes Receivable – Non-current	\$ 23,033,901

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. Accrued interest at year-end amounted to \$642,265. 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, 2023

NOTE 3 – DETAILED 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. Accrued interest at year-end amounted to \$409,416. 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, 2023, consist of the following:

HUD	\$	460
Accrued liabilities		23
Other current liabilities		<u>2,245,116</u>
Total Accounts Payable	\$	<u>2,245,599</u>

3G. Non-current Liabilities

Non-current liabilities at September 30, 2023, consist of the following:

FSS escrow	\$	<u>139,976</u>
Total Non-Current Liabilities	\$	<u>139,976</u>

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

	Balance Oct 1, 2022	Additions	Deductions	Balance Sept 30, 2023	Amounts Due within One Year
Accrued compensated absences	\$ 17,036	\$ ---	\$ 17,036	\$ ---	\$ 40,658
FSS escrow	<u>173,148</u>	<u>---</u>	<u>33,172</u>	<u>139,976</u>	<u>34,994</u>
Total	<u>\$ 190,184</u>	<u>\$ ---</u>	<u>\$ 50,208</u>	<u>\$ 139,976</u>	<u>\$ 75,652</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
COCC	\$ 4,152	\$ ---
CDBG	<u>---</u>	<u>(4,152)</u>
Total	<u>\$ 4,152</u>	<u>\$ (4,152)</u>

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

NOTE 3 – DETAILED 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. There was no inter-program receivable/payable at September 30, 2023.

3I. Condensed Combining Financial Information – Blended Component Unit

The Authority has the following condensed combining financial information:

**Condensed Statement of Net Position
September 30, 2023**

	PHA	Blended Component Unit	Total
Current Assets	\$ 7,484,561	\$ 430,278	\$ 7,914,839
Non-current Assets	663,803	19,949	683,752
Capital Assets, Net	23,033,901	---	23,033,901
Total Assets	31,182,265	450,227	31,632,492
Current Liabilities	2,148,151	244,718	2,392,869
Non-Current Liabilities	139,976	---	139,976
Total Liabilities	2,288,127	244,718	2,532,845
Net Position:			
Invested in Capital Assets	663,803	24,936	688,739
Restricted Assets	21,768	---	21,768
Unrestricted Assets	28,208,567	180,573	28,389,140
Total Net Position	\$ 28,894,138	\$ 205,509	\$ 29,099,647

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

NOTE 3 – DETAILED 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, 2023**

	PHA	Blended Component Unit	Total
Revenue:			
HUD Operating Grants	\$ 16,059,390	\$ ---	\$ 16,059,390
Investment Income	547,921	---	547,921
Other Income	526,864	276,551	803,415
Total Revenue	17,134,175	276,551	17,410,726
Expenses:			
Administrative	1,200,488	54,875	1,255,363
Tenant Services	211,447	---	211,447
Routine Maintenance	35,643	---	35,643
General Expenses	192,685	---	192,685
Housing Assistance Payments	13,599,846	---	13,599,846
Depreciation	11,030	4,987	16,017
Special Items (Gain/Loss)	1,965,404	---	1,965,404
Total Expenses	17,216,543	59,862	17,276,405
Increase (Decrease) in Net Position	\$ (82,368)	\$ 216,689	\$ 134,321

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

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

3J. Combining Schedule of Discretely Presented Component Unit

**Statement of Net Position
December 31, 2023**

	Bloomington RAD I, LP	Bloomington RAD II, LP	Total Discretely Presented Component Unit
Current Assets	\$ 1,819,988	\$ 2,779,139	\$ 4,599,127
Capital Assets, Net	14,448,845	43,013,826	57,462,671
Non-current Assets	<u>1,295,722</u>	<u>1,704,197</u>	<u>2,999,919</u>
Total Assets	<u>17,564,555</u>	<u>47,497,162</u>	<u>65,061,717</u>
Current Liabilities	782,209	3,931,071	4,713,280
Non-Current Liabilities	<u>12,287,690</u>	<u>38,255,790</u>	<u>50,543,480</u>
Total Liabilities	<u>13,069,899</u>	<u>42,186,861</u>	<u>55,256,760</u>
Net Position:			
Invested in Capital Assets	8,594,396	23,414,340	32,008,736
Unrestricted Assets	<u>(4,099,740)</u>	<u>(18,104,039)</u>	<u>(22,203,779)</u>
Total Net Position	\$ <u>4,494,656</u>	\$ <u>5,310,301</u>	\$ <u>9,804,957</u>

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
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NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

NOTE 3 – DETAILED 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, 2023**

	<u>Bloomington RAD I, LP</u>	<u>Bloomington RAD II, LP</u>	<u>Total Discretely Presented Component Unit</u>
Revenue:			
Tenant Revenue	\$ 409,232	\$ 453,601	\$ 862,833
HUD Operating Grants	894,376	1,470,095	2,364,471
Investment Income	---	978	978
Other Income	32,938	15,021	47,959
	<u>1,336,546</u>	<u>1,939,695</u>	<u>3,276,241</u>
Expenses:			
Administrative	374,666	363,323	737,989
Tenant Services	872	47,643	48,515
Utilities	255,998	294,468	550,466
Routine Maintenance	236,497	260,669	497,166
Protective Services	837	21,960	22,797
General Expenses	86,172	66,511	152,683
Interest Expenses	449,139	93,465	542,604
Non-Routine Expense	---	204,897	204,897
Housing Assistance Payments	---	39,922	39,922
Depreciation	610,691	808,429	1,419,120
	<u>2,014,872</u>	<u>2,201,287</u>	<u>4,216,159</u>
Increase (Decrease) in Net Position	\$ <u>(678,326)</u>	\$ <u>(261,592)</u>	\$ <u>(939,918)</u>

3K. Prior Period Adjustments

Prior period adjustments consisted of the following at September 30, 2023:

Housing Choice Vouchers:

A/P – HUD: To correct prior year HAP payments \$ (49,993)

Section 8 Moderate Rehabilitation:

Cash – To record year-end settlement not recorded in prior year (7,863)

State & Local:

Accrued interest – To record prior year accrued interest 589,681

Total \$ 531,825

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS – (Continued)
September 30, 2023

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. 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, 2023, 2022 and 2021 were \$112,074 \$94,637, and \$93,946 respectively.

4C. 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.

4D. 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, HAP expense and special items (net gain/loss) and includes investment income and interest expense 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, 2023

NOTE 4 – OTHER NOTES - (Continued)

4E. 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.

There is a very slight likelihood that 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.

4F. 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 April 29, 2024, and concluded that no subsequent events have occurred that would require adjustment to or disclosures within these financial statements.

4G. 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 2024 federal budget.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2023

<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	\$ 670,891
<u>Housing Voucher Cluster:</u>		
Section 8 Housing Choice Vouchers	14.871	14,812,285
Emergency Housing Voucher Program	14.871	204,215
<u>Section 8 Project-Based Cluster:</u>		
Section 8 Moderate Rehabilitation - SRO	14.249	41,702
Resident Opportunity and Supportive Services - Service Coordinators	14.870	71,938
PIH Family Self Sufficiency Program	14.896	126,216
<u>Pass-through:</u>		
City of Bloomington		
Community Development Block Grant Program for Entitlement Communities	14.218	<u>132,143</u>
Total Expenditures of Federal Awards		\$ <u>16,059,390</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, 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 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, 2023

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$1,295,053	\$406,254			\$9,092	\$3,425	\$946,199
113 Cash - Other Restricted							\$139,976
115 Cash - Restricted for Payment of Current Liabilities							\$34,994
100 Total Cash	\$3,260,457	\$406,254	\$0	\$0	\$9,092	\$3,425	\$1,121,169
122 Accounts Receivable - HUD Other Projects	\$318,054						\$184,616
125 Accounts Receivable - Miscellaneous		\$24,024					
128 Fraud Recovery							\$157,642
128.1 Allowance for Doubtful Accounts - Fraud							-\$157,642
129 Accrued Interest Receivable							\$200
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$318,054	\$24,024	\$0	\$0	\$0	\$0	\$184,816
131 Investments - Unrestricted							\$323,736
142 Prepaid Expenses and Other Assets	\$0						\$71,839
150 Total Current Assets	\$3,578,511	\$430,278	\$0	\$0	\$9,092	\$3,425	\$1,701,560
161 Land					\$580,030		
164 Furniture, Equipment & Machinery - Administration		\$24,936					\$35,276
166 Accumulated Depreciation		-\$4,987					-\$26,465
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$19,949	\$0	\$0	\$580,030	\$0	\$8,811
171 Notes, Loans and Mortgages Receivable - Non-Current					\$23,033,901		
180 Total Non-Current Assets	\$0	\$19,949	\$0	\$0	\$23,613,931	\$0	\$8,811
290 Total Assets and Deferred Outflow of Resources	\$3,578,511	\$450,227	\$0	\$0	\$23,623,023	\$3,425	\$1,710,371

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers
321 Accrued Wage/Payroll Taxes Payable							\$9,974
322 Accrued Compensated Absences - Current Portion							\$19,955
331 Accounts Payable - HUD PHA Programs							\$460
342 Unearned Revenue	\$1,471				\$35		
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities	\$1,965,404	\$244,718					\$34,994
346 Accrued Liabilities - Other							\$23
310 Total Current Liabilities	\$1,966,875	\$244,718	\$0	\$0	\$35	\$0	\$65,406
353 Non-current Liabilities - Other							\$139,976
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$139,976
300 Total Liabilities	\$1,966,875	\$244,718	\$0	\$0	\$35	\$0	\$205,382
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	\$0	\$19,949	\$0		\$580,030	\$0	\$8,811
512.4 Unrestricted Net Position	\$1,611,636	\$185,560	\$0	\$0	\$23,042,958	\$3,425	\$1,496,178
513 Total Equity - Net Assets / Position	\$1,611,636	\$205,509	\$0	\$0	\$23,622,988	\$3,425	\$1,504,989
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,578,511	\$450,227	\$0	\$0	\$23,623,023	\$3,425	\$1,710,371

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted		\$22,097	\$26,501	\$2,123,791		\$1,790,452	\$6,622,864		\$6,622,864
112 Cash - Restricted - Modernization and Development				\$1,894,026			\$3,859,430		\$3,859,430
113 Cash - Other Restricted		\$21,768		\$475,962			\$637,706		\$637,706
114 Cash - Tenant Security Deposits				\$15,032			\$15,032		\$15,032
115 Cash - Restricted for Payment of Current Liabilities					\$54,504		\$89,498		\$89,498
100 Total Cash	\$0	\$43,865	\$26,501	\$4,508,811	\$54,504	\$1,790,452	\$11,224,530	\$0	\$11,224,530
122 Accounts Receivable - HUD Other Projects			\$5,184				\$507,854		\$507,854
125 Accounts Receivable - Miscellaneous				\$0	\$127,991	\$106,118	\$258,133		\$258,133
126 Accounts Receivable - Tenants				\$71,992			\$71,992		\$71,992
126.1 Allowance for Doubtful Accounts -Tenants				-\$6,211			-\$6,211		-\$6,211
128 Fraud Recovery							\$157,642		\$157,642
128.1 Allowance for Doubtful Accounts - Fraud							-\$157,642		-\$157,642
129 Accrued Interest Receivable							\$200		\$200
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$5,184	\$65,781	\$127,991	\$106,118	\$831,968	\$0	\$831,968
131 Investments - Unrestricted							\$323,736		\$323,736
142 Prepaid Expenses and Other Assets				\$24,535		\$37,358	\$133,732		\$133,732
150 Total Current Assets	\$0	\$43,865	\$31,685	\$4,599,127	\$182,495	\$1,933,928	\$12,513,966	\$0	\$12,513,966
161 Land						\$35,060	\$615,090		\$615,090
162 Buildings				\$46,015,449		\$148,035	\$46,163,484		\$46,163,484
163 Furniture, Equipment & Machinery - Dwellings						\$465	\$465		\$465
164 Furniture, Equipment & Machinery - Administration				\$3,858,755		\$108,590	\$4,027,557		\$4,027,557
165 Leasehold Improvements				\$1,644,005			\$1,644,005		\$1,644,005
166 Accumulated Depreciation				-\$2,859,148		-\$217,188	-\$3,107,788		-\$3,107,788
167 Construction in Progress				\$8,803,610			\$8,803,610		\$8,803,610
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$57,462,671	\$0	\$74,962	\$58,146,423	\$0	\$58,146,423

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
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FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
171 Notes, Loans and Mortgages Receivable - Non-Current							\$23,033,901		\$23,033,901
174 Other Assets				\$2,999,919			\$2,999,919		\$2,999,919
180 Total Non-Current Assets	\$0	\$0	\$0	\$60,462,590	\$0	\$74,962	\$84,180,243	\$0	\$84,180,243
290 Total Assets and Deferred Outflow of Resources	\$0	\$43,865	\$31,685	\$65,061,717	\$182,495	\$2,008,890	\$96,694,209	\$0	\$96,694,209
312 Accounts Payable <= 90 Days				\$3,642,471			\$3,642,471		\$3,642,471
321 Accrued Wage/Payroll Taxes Payable			\$64	\$3,828		\$30,687	\$44,553		\$44,553
322 Accrued Compensated Absences - Current Portion						\$20,703	\$40,658		\$40,658
325 Accrued Interest Payable				\$163,669			\$163,669		\$163,669
331 Accounts Payable - HUD PHA Programs							\$460		\$460
341 Tenant Security Deposits				\$20,498			\$20,498		\$20,498
342 Unearned Revenue		\$9,877		\$27,323	\$54,504		\$93,210		\$93,210
345 Other Current Liabilities				\$194,370			\$2,439,486		\$2,439,486
346 Accrued Liabilities - Other				\$661,121			\$661,144		\$661,144
310 Total Current Liabilities	\$0	\$9,877	\$64	\$4,713,280	\$54,504	\$51,390	\$7,106,149	\$0	\$7,106,149
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$25,453,935			\$25,453,935		\$25,453,935
352 Long-term Debt, Net of Current - Operating Borrowings				\$22,482,220			\$22,482,220		\$22,482,220
353 Non-current Liabilities - Other				\$696,021			\$835,997		\$835,997
355 Loan Liability - Non Current				\$1,911,304			\$1,911,304		\$1,911,304
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$50,543,480	\$0	\$0	\$50,683,456	\$0	\$50,683,456
300 Total Liabilities	\$0	\$9,877	\$64	\$55,256,760	\$54,504	\$51,390	\$57,789,605	\$0	\$57,789,605

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
508.4 Net Investment in Capital Assets	\$0			\$32,008,736		\$74,962	\$32,692,488		\$32,692,488
511.4 Restricted Net Position	\$0	\$21,768		\$0			\$21,768		\$21,768
512.4 Unrestricted Net Position	\$0	\$12,220	\$31,621	-\$22,203,779	\$127,991	\$1,882,538	\$6,190,348		\$6,190,348
513 Total Equity - Net Assets / Position	\$0	\$33,988	\$31,621	\$9,804,957	\$127,991	\$1,957,500	\$38,904,604	\$0	\$38,904,604
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$0	\$43,865	\$31,685	\$65,061,717	\$182,495	\$2,008,890	\$96,694,209	\$0	\$96,694,209

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers
70600 HUD PHA Operating Grants	\$670,891		\$126,216				\$14,812,285
71100 Investment Income - Unrestricted	\$51,638						\$27,478
71200 Mortgage Interest Income					\$462,000		
71400 Fraud Recovery							\$34,414
71500 Other Revenue	\$25,752	\$276,551					\$2,148
70000 Total Revenue	\$748,281	\$276,551	\$126,216	\$0	\$462,000	\$0	\$14,876,325
91100 Administrative Salaries		\$36,434					\$333,988
91200 Auditing Fees							\$13,815
91300 Management Fee							\$236,672
91310 Book-keeping Fee							\$146,737
91400 Advertising and Marketing		\$392					\$13,800
91500 Employee Benefit contributions - Administrative		\$7,088					\$121,745
91600 Office Expenses		\$3,695					\$40,205
91700 Legal Expense		\$328					\$919
91800 Travel							\$4,529
91900 Other		\$6,938			\$495		\$58,198
91000 Total Operating - Administrative	\$0	\$54,875	\$0	\$0	\$495	\$0	\$970,608
92100 Tenant Services - Salaries			\$113,888				
92300 Employee Benefit Contributions - Tenant Services			\$12,297				
92400 Tenant Services - Other			\$31				
92500 Total Tenant Services	\$0	\$0	\$126,216	\$0	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and Other							\$1,002
94300 Ordinary Maintenance and Operations Contracts							\$127
94500 Employee Benefit Contributions - Ordinary Maintenance							
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$1,129

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	Project Total	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	1 Business Activities	2 State/Local	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers
96110 Property Insurance							\$5,838
96120 Liability Insurance							\$19,197
96130 Workmen's Compensation							\$3,303
96140 All Other Insurance							\$2,241
96100 Total insurance Premiums	\$0	\$0	\$0	\$0	\$0	\$0	\$30,579
96200 Other General Expenses	\$136,203						\$6,506
96000 Total Other General Expenses	\$136,203	\$0	\$0	\$0	\$0	\$0	\$6,506
96900 Total Operating Expenses	\$136,203	\$54,875	\$126,216	\$0	\$495	\$0	\$1,008,822
97000 Excess of Operating Revenue over Operating Expenses	\$612,078	\$221,676	\$0	\$0	\$461,505	\$0	\$13,867,503
97300 Housing Assistance Payments							\$13,374,358
97400 Depreciation Expense		\$4,987					\$2,898
90000 Total Expenses	\$136,203	\$59,862	\$126,216	\$0	\$495	\$0	\$14,386,078
10080 Special Items (Net Gain/Loss)	-\$1,965,404						
10100 Total Other financing Sources (Uses)	-\$1,965,404	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$1,353,326	\$216,689	\$0	\$0	\$461,505	\$0	\$490,247
11030 Beginning Equity	\$8,202,182	-\$11,180	\$0	\$17,325,030	\$9,552	\$3,425	\$1,064,735
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$5,237,220			-\$17,325,030	\$23,151,931		-\$49,993
11170 Administrative Fee Equity							\$1,504,989
11190 Unit Months Available	0						19565
11210 Number of Unit Months Leased	0						19565
11270 Excess Cash	-\$365,118						

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue				\$862,833			\$862,833		\$862,833
70500 Total Tenant Revenue	\$0	\$0	\$0	\$862,833	\$0	\$0	\$862,833	\$0	\$862,833
70600 HUD PHA Operating Grants	\$71,938	\$204,215	\$41,702	\$2,364,471	\$132,143		\$18,423,861		\$18,423,861
70710 Management Fee						\$241,064	\$241,064	-\$241,064	\$0
70730 Book Keeping Fee						\$149,482	\$149,482	-\$149,482	\$0
70700 Total Fee Revenue						\$390,546	\$390,546	-\$390,546	\$0
71100 Investment Income - Unrestricted				\$978		\$6,805	\$86,899		\$86,899
71200 Mortgage Interest Income							\$462,000		\$462,000
71400 Fraud Recovery							\$34,414		\$34,414
71500 Other Revenue				\$47,959		\$464,550	\$816,960		\$816,960
70000 Total Revenue	\$71,938	\$204,215	\$41,702	\$3,276,241	\$132,143	\$861,901	\$21,077,513	-\$390,546	\$20,686,967
91100 Administrative Salaries		\$6,909	\$3,247	\$266,774		\$386,559	\$1,033,911		\$1,033,911
91200 Auditing Fees				\$18,715		\$13,815	\$46,345		\$46,345
91300 Management Fee		\$2,664	\$1,728	\$169,780			\$410,844	-\$241,064	\$169,780
91310 Book-keeping Fee		\$1,665	\$1,080	\$0			\$149,482	-\$149,482	\$0
91400 Advertising and Marketing				\$5,741		\$2,600	\$22,533		\$22,533
91500 Employee Benefit contributions - Administrative		\$525		\$0		\$89,204	\$218,562		\$218,562
91600 Office Expenses		\$2,250		\$47,402		\$24,791	\$118,343		\$118,343
91700 Legal Expense				\$30,320		\$1,322	\$32,889		\$32,889
91800 Travel		\$1,343				\$10,825	\$16,697		\$16,697
91900 Other		\$41		\$199,257		\$69,363	\$334,292		\$334,292
91000 Total Operating - Administrative	\$0	\$15,397	\$6,055	\$737,989	\$0	\$598,479	\$2,383,898	-\$390,546	\$1,993,352

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
92100 Tenant Services - Salaries	\$68,395						\$182,283		\$182,283
92200 Relocation Costs				\$1,141			\$1,141		\$1,141
92300 Employee Benefit Contributions - Tenant Services				\$46,502			\$58,799		\$58,799
92400 Tenant Services - Other	\$3,543	\$13,293		\$872			\$17,739		\$17,739
92500 Total Tenant Services	\$71,938	\$13,293	\$0	\$48,515	\$0	\$0	\$259,962	\$0	\$259,962
93100 Water				\$75,820			\$75,820		\$75,820
93200 Electricity				\$224,502			\$224,502		\$224,502
93300 Gas				\$149,080			\$149,080		\$149,080
93600 Sewer				\$101,064			\$101,064		\$101,064
93000 Total Utilities	\$0	\$0	\$0	\$550,466	\$0	\$0	\$550,466	\$0	\$550,466
94100 Ordinary Maintenance and Operations - Labor				\$136,198			\$136,198		\$136,198
94200 Ordinary Maintenance and Operations - Materials and Other				\$50,443		\$1,838	\$53,283		\$53,283
94300 Ordinary Maintenance and Operations Contracts				\$222,171		\$32,676	\$254,974		\$254,974
94500 Employee Benefit Contributions - Ordinary Maintenance				\$88,354			\$88,354		\$88,354
94000 Total Maintenance	\$0	\$0	\$0	\$497,166	\$0	\$34,514	\$532,809	\$0	\$532,809
95200 Protective Services - Other Contract Costs				\$21,960			\$21,960		\$21,960
95300 Protective Services - Other				\$837			\$837		\$837
95000 Total Protective Services	\$0	\$0	\$0	\$22,797	\$0	\$0	\$22,797	\$0	\$22,797
96110 Property Insurance				\$101,643			\$107,481		\$107,481
96120 Liability Insurance						\$11,857	\$31,054		\$31,054
96130 Workmen's Compensation				\$4,373		\$2,040	\$9,716		\$9,716
96140 All Other Insurance				\$40,486		\$4,980	\$47,707		\$47,707
96100 Total insurance Premiums	\$0	\$0	\$0	\$146,502	\$0	\$18,877	\$195,958	\$0	\$195,958

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
96200 Other General Expenses		\$520		\$6,795			\$150,024		\$150,024
96400 Bad debt - Tenant Rents				\$92,851			\$92,851		\$92,851
96000 Total Other General Expenses	\$0	\$520	\$0	\$99,646	\$0	\$0	\$242,875	\$0	\$242,875
96710 Interest of Mortgage (or Bonds) Payable				\$422,638			\$422,638		\$422,638
96720 Interest on Notes Payable (Short and Long Term)				\$193,399			\$193,399		\$193,399
96730 Amortization of Bond Issue Costs				\$37,999			\$37,999		\$37,999
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$654,036	\$0	\$0	\$654,036	\$0	\$654,036
96900 Total Operating Expenses	\$71,938	\$29,210	\$6,055	\$2,757,117	\$0	\$651,870	\$4,842,801	-\$390,546	\$4,452,255
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$175,005	\$35,647	\$519,124	\$132,143	\$210,031	\$16,234,712	\$0	\$16,234,712
97300 Housing Assistance Payments			\$31,973	\$39,922			\$13,446,253		\$13,446,253
97350 HAP Portability-In		\$193,515					\$193,515		\$193,515
97400 Depreciation Expense				\$1,419,120		\$8,132	\$1,435,137		\$1,435,137
90000 Total Expenses	\$71,938	\$222,725	\$38,028	\$4,216,159	\$0	\$660,002	\$19,917,706	-\$390,546	\$19,527,160
10010 Operating Transfer In						\$4,152	\$4,152	-\$4,152	\$0
10020 Operating transfer Out						-\$4,152	-\$4,152	\$4,152	\$0
10080 Special Items (Net Gain/Loss)							-\$1,965,404		-\$1,965,404
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	-\$4,152	\$4,152	-\$1,965,404	\$0	-\$1,965,404
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	-\$18,510	\$3,674	-\$939,918	\$127,991	\$206,051	-\$805,597	\$0	-\$805,597

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

FINANCIAL DATA SCHEDULE – (Continued)
Year Ended September 30, 2023

	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	14.218 Community Development Block Grants/Entitlement Grants	COCC	Subtotal	ELIM	Total
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$0	\$52,498	\$35,810	\$6,039,362	\$0	\$1,751,449	\$34,472,863		\$34,472,863
11170 Administrative Fee Equity							\$1,504,989		\$1,504,989
11190 Unit Months Available		222	144	3840			23771		23771
11210 Number of Unit Months Leased		222	144	2958			22889		22889
11270 Excess Cash							-\$365,118		-\$365,118



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, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued my report thereon dated April 29, 2024.

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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, 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 no instance 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 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

April 29, 2024



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

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

Basis for Opinion on Each Major Federal Program

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 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.

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 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

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.

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. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I 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.

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.

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

April 29, 2024



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, 2023, and have issued my report thereon dated April 29, 2024. 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 April 29, 2024, 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
April 29, 2024

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

AGREED UPON PROCEDURES
September 30, 2023

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
September 30, 2023

The prior audit report for the year ended September 30, 2022, contained the following audit findings:

Financial Statement Findings

2022-001 Finding: Account Analysis.
 Status: Implemented.

2022-002 Finding: Late Submission.
 Status: Implemented.

Federal Award Findings

2022-003 Finding: Account Analysis (same as financial statement finding #2022-001).
 Status: Implemented.

2022-004 Finding: Late Submission (same as financial statement finding #2022-002).
 Status: Implemented.

HOUSING AUTHORITY OF THE CITY OF BLOOMINGTON
Bloomington, Indiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2023

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?	No
➤ Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

<u>Internal control over major programs:</u>	
➤ Material weakness(es) identified?	No
➤ Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No
<u>Identification of Major programs:</u>	
➤ ALN #14.871 Section 8 Housing Choice Vouchers (Housing Voucher Cluster)	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

The current audit report for the year ended September 30, 2023, disclosed no Financial Statement audit findings.

Section III - Federal Award Findings and Questioned Costs

The current audit report for the year ended September 30, 2023, disclosed no Federal Awards audit findings and questioned costs.