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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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May 21, 2025

Board of Commissioners
Housing Authority of the City of Michigan City
LaPorte County, Indiana

We have reviewed the audit report of the Housing Authority of the City of Michigan City, which was opined upon by Velma Butler & Company, Ltd., Independent Public Accountant, 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 Michigan City, 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, Velma Butler & Company, Ltd., prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

HOUSING AUTHORITY OF THE CITY
MICHIGAN CITY, IN
INDEPENDENT AUDITORS' REPORT,
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION,
INCLUDING SINGLE AUDIT REPORTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2023

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, IN

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Michigan City
Michigan City, IN 46360

U.S. Department of Housing and Urban
Development, Indianapolis Office
Minton-Capehart Federal Building
575 North Pennsylvania, Room 655
Indianapolis, Indiana 46204

Opinion

We have audited the accompanying financial statements of the primary government business type activities and the component unit of the Housing Authority of the City of Michigan City, Indiana (Authority), as of and for the year ended September 30, 2023, and the related statements of revenue, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the audit report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the primary government and the discretely presented component unit 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying financial data schedule (FDS) and the schedule of expenditures of federal awards (SEFA), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Summarized Comparative Information

We previously audited the Authority's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements based on our report dated June 23, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Velma Butler & Company, Ltd.".

Velma Butler & Company, Ltd.
Chicago, Illinois

November 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Housing Authority of the City of Michigan City

Michigan City, IN

Management's Discussion and Analysis

September 30, 2023

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

Financial Highlights

The most significant changes on the 2023 financial statements were in current assets and current liabilities.

Overview of the Financial Statements

The annual report includes a Management Discussion and Analysis report, the Basic Financial Statements, the Notes to the Financial Statements, and the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD. The financial statements are presented as fund level financial statements because the Housing Authority only has proprietary funds.

The financial statements report information using accounting methods like those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes assets and liabilities plus provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating capital structure to include assessing liquidity and financial flexibility.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities like those found in the private business sector where the determination of net position is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which assets and liabilities, associated with the operation of these funds, are included on the balance sheet. Their focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. Our discussion and analysis provides an overview of the financial activities and performance for the year-ended September 30, 2023.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the ability of management to meet budgets, maintain property (meets HUD specifications and inspections), and determines whether the Housing Authority has successfully recovered costs through its

rental fees and other charges. It can also be used to measure profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It also provides answers to such questions as the source, expenditures, and change in cash during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format.

Financial Analysis

One of the most important questions concerning finances is the following: “Is the Housing Authority as a whole better or worse because of the achievements of the reported fiscal year?” The purpose of the information presented in this Management’s Discussion and Analysis is to assist the reader in answering this question.

The basic financial statements are the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. The Statement of Net Position provides a summary of assets and liabilities as of the close of business on September 30, 2023. The Statement of Revenues, Expenses, and Changes in Fund Net Position summarize revenues, sources of those revenues generated, and expenses incurred in operating the Housing Authority for the year-ended September 30, 2023.

The Housing Authority of the City of Michigan City has a low-rent program that provides housing for qualified tenants, a capital fund program for improvements to its low-rent property, a Section 8 Housing Choice Voucher program that provides rental assistance to qualified individuals living in private housing, a discretely presented component unit, and a business activities program.

The following analysis focuses on the net position and the change in net position not the individual programs.

Net Position

September 30,

| | <u>2023</u> | <u>2022</u> | <u>Change</u> | <u>% of Change</u> |
|------------------------------|----------------------------|----------------------------|--------------------------|------------------------|
| Current Assets | \$ 3,709,219 | \$ 2,997,331 | \$ 711,888 | 23.75% |
| Capital Assets, Net | <u>4,831,352</u> | <u>4,787,601</u> | <u>43,751</u> | <u>0.91%</u> |
| Total Assets | \$ <u>8,540,571</u> | \$ <u>7,784,932</u> | \$ <u>755,639</u> | <u>9.71%</u> |
| Current Liabilities | 1,719,535 | 1,002,486 | 717,049 | 71.53% |
| Noncurrent Liabilities | <u>1,049,837</u> | <u>1,122,046</u> | <u>(72,209)</u> | <u>-6.44%</u> |
| Total Liabilities | \$ <u>2,769,372</u> | \$ <u>2,124,532</u> | \$ <u>644,840</u> | <u>30.35%</u> |
| Net Position: | | | | |
| Investment in Capital Assets | 4,831,352 | 4,787,601 | 43,751 | 0.91% |
| Restricted Net Position | 20,509 | 63,215 | (42,706) | -67.56% |
| Unrestricted Net Position | <u>919,338</u> | <u>809,584</u> | <u>109,754</u> | <u>13.56%</u> |
| Total Net Position | \$ <u>5,771,199</u> | \$ <u>5,660,400</u> | \$ <u>110,799</u> | <u>1.96%</u> |

Capital Assets

(Net of Accumulated Depreciation)

September 30,

| | <u>2023</u> | <u>2022</u> | <u>Change</u> | <u>% of Change</u> |
|-------------------------------|----------------------------|----------------------------|-------------------------|------------------------|
| Land | \$ 461,542 | \$ 461,542 | \$ 0 | 0.00% |
| Buildings | 18,828,863 | 18,824,922 | 3,941 | 0.02% |
| Furniture & Equipment - Dwell | 229,614 | 242,761 | (13,147) | -5.42% |
| Furniture & Equipment - Admin | 539,587 | 543,212 | (3,625) | -0.67% |
| Leasehold Improvements | 963,662 | 963,662 | 0 | 0.00% |
| Construction in progress | <u>988,945</u> | <u>720,174</u> | <u>268,771</u> | <u>37.32%</u> |
| Subtotal | 22,012,213 | 21,756,273 | 255,940 | 1.18% |
| Accumulated Depreciation | <u>(17,180,861)</u> | <u>(16,968,672)</u> | <u>(212,189)</u> | <u>1.25%</u> |
| Net Capital Assets | \$ <u>4,831,352</u> | \$ <u>4,787,601</u> | \$ <u>43,751</u> | <u>0.91%</u> |

Net Position

Total assets consist of current and capital assets. Current assets are resources that are reasonably expected, based on plans and intentions, to be converted into cash or its equivalent during the current operating cycle. Capital assets are long-term tangible assets obtained

because of past transactions, events, or circumstances and include buildings, equipment, and improvements to buildings and land.

Total liabilities consist of current and noncurrent payables. Current liabilities are current debts that are owed and due within 12 months. It is expected that current liabilities will consume current financial resources to satisfy debt. Noncurrent liabilities are debts that are owed but not due within 12 months. It is not expected that these liabilities will consume current financial resources to satisfy the debt.

Total assets increased due to capital additions and net cash provided by operating activities. Total liabilities increased due to unearned revenue (unknown HUD deposits, shortfall funding, capital grant revenue). Unearned revenue is revenue received yet is not expected to be used within the current fiscal year.

Total Net Position

As of September 30, 2023, the Housing Authority had \$5,771,199 invested in total net position. Of this amount, \$919,338 of unrestricted net position may be used to meet the Authority’s future ongoing expenses and obligations. Restricted net position of \$20,509 was available for turnkey reserves. Turnkey properties are part of the low rent program. The remainder of \$4,831,352 represents the investment in capital assets of land, buildings, furnishings, leasehold improvements, equipment, and construction in progress.

Debt

The Authority has total operational borrowings of \$1,000,440 in notes payable for an entergy performance contracting (EPC) loan. The current portion of notes payable is \$72,980 and the noncurrent portion is \$927,460.

Expendable Fund Balance

| | <u>2023</u> | <u>2022</u> | <u>Change</u> | <u>% of Change</u> |
|----------------------------------|---------------------|---------------------|------------------|------------------------|
| Expendable Fund Balance | \$ <u>1,923,267</u> | \$ <u>1,885,809</u> | \$ <u>37,458</u> | <u>1.99%</u> |
| Number of Months Expendable Fund | <u>14.74</u> | <u>13.56</u> | <u>1.17</u> | <u>8.66%</u> |

Expendable Fund Balance

If current assets, less materials inventory, were converted to cash and all current liabilities were paid, the Authority’s cash balance (expendable fund balance) would be \$1,923,267 which increased \$37,458.

Number of Months Expendable Fund Balance

The expendable fund balance is divided by average monthly expense (total expenses for the year, less depreciation, divided by twelve (12) to determine the number of months expendable fund balance. This factor indicates the number of months the entity could operate without relying on additional funding. As of the fiscal year-end, the Authority could continue operations for 14.74 months.

Changes in Net Position

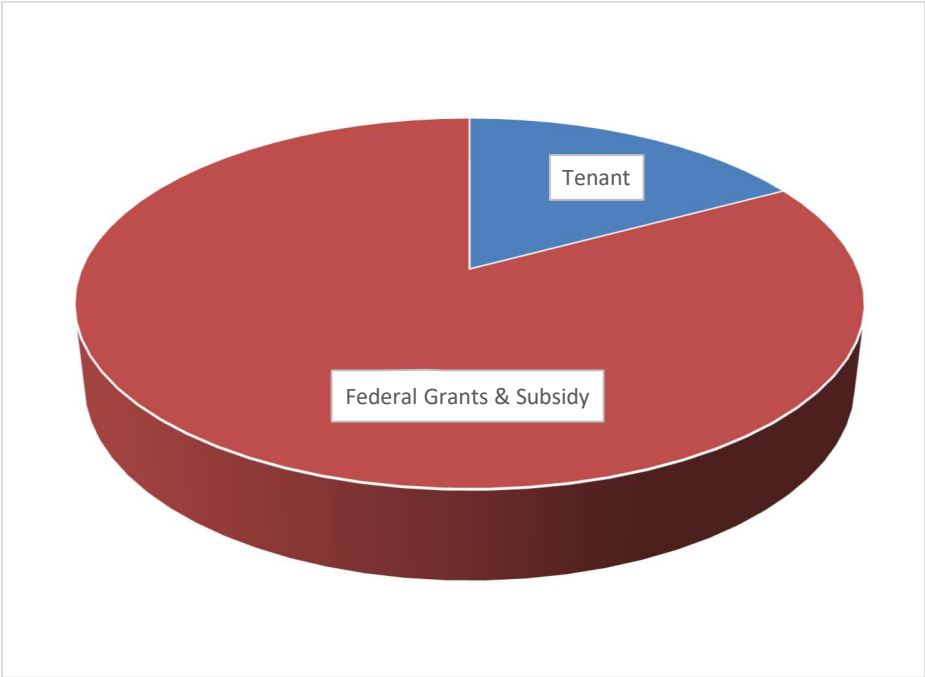
For the Year Ended September 30

| | <u>2023</u> | <u>2022</u> | <u>Change</u> | <u>% of Change</u> |
|--|--------------------------|--------------------------|----------------------------|------------------------|
| Revenue: | | | | |
| Tenant Revenue | \$ 654,703 | \$ 682,095 | \$ (27,392) | -4.02% |
| Federal Grants & Subsidy | 3,167,079 | 3,144,057 | 23,022 | 0.73% |
| Investment | 15,174 | 2,250 | 12,924 | 574.40% |
| Other Income | 30,573 | 133,686 | (103,113) | -77.13% |
| Total Revenue | <u>3,867,529</u> | <u>3,962,088</u> | <u>(94,559)</u> | <u>-2.39%</u> |
| Expenses: | | | | |
| Administrative | 655,181 | 745,261 | (90,080) | -12.09% |
| Tenant Services | 627 | 675 | (48) | -7.11% |
| Utilities | 213,929 | 228,641 | (14,712) | -6.43% |
| Routine Maintenance | 451,705 | 342,154 | 109,551 | 32.02% |
| Protective Services | 3,209 | 12,471 | (9,262) | -74.27% |
| General | 183,189 | 250,454 | (67,265) | -26.86% |
| Interest | 33,955 | 36,206 | (2,251) | -6.22% |
| Nonroutine | 24,078 | 52,486 | (28,408) | -54.12% |
| Housing Assistance Payments | 1,978,666 | 1,852,819 | 125,847 | 6.79% |
| Depreciation | 212,191 | 214,308 | (2,117) | -0.99% |
| Total Operating Expenses | <u>3,756,730</u> | <u>3,735,475</u> | <u>21,255</u> | <u>0.57%</u> |
| Increase (Decrease) in Net Position | <u>\$ 110,799</u> | <u>\$ 226,613</u> | <u>\$ (115,814)</u> | <u>-51.11%</u> |

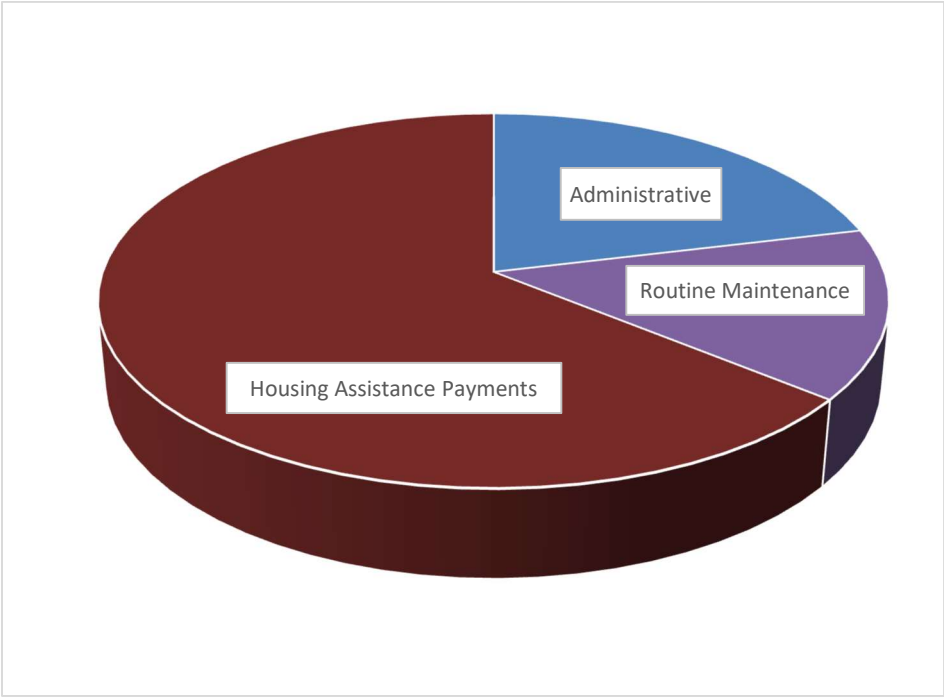
Changes in Net Position

Total revenue decreased primarily because CARES expenses were reclassified to other income in 2022. Total operating expenses remained materially consistent with prior year expenses. The net effect was a decrease in changes in net position.

2023 Total Revenue



2023 Total Operating Expenses



Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations. The entity is affected by both federal budgetary decisions and by local economic conditions.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show accountability for money it receives. If you have questions or need further clarification regarding the financial statements contact Tiffany Dixon, Executive Director, 621 East Michigan Blvd., Michigan City, IN 46360, (219) 872-7287.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
STATEMENT OF NET POSITION - ENTERPRISE FUND
SEPTEMBER 30, 2023 (WITH 2022 TOTALS)

EXHIBIT A

| | 2023 | 2022 |
|---|----------------------------|----------------------------|
| | TOTAL | TOTAL |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 2,613,624 | \$ 2,071,622 |
| Cash and Cash Equivalents - Restricted | 106,527 | 150,942 |
| Accounts Receivable, net | 916,920 | 539,800 |
| Investments | 36,433 | 55,987 |
| Prepaid Expenses | 19,902 | 6,968 |
| Material Inventories, net | 15,813 | 15,813 |
| Total Current Assets | <u>3,709,219</u> | <u>2,841,132</u> |
| NON CURRENT ASSETS | | |
| Capital Assets, net | <u>4,831,352</u> | <u>4,787,601</u> |
| Total Non-Current Assets | 4,831,352 | 4,787,601 |
| TOTAL ASSETS | \$ <u>8,540,571</u> | \$ <u>7,628,733</u> |
| LIABILITIES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 425,316 | \$ 183,317 |
| Accrued Liabilities - Current | 12,065 | 42,544 |
| Deferred Revenue | 1,209,174 | 549,770 |
| Notes Payable - Current | 72,980 | 70,656 |
| Total Current Liabilities | <u>1,719,535</u> | <u>846,287</u> |
| NON CURRENT LIABILITIES | | |
| Accrued Liabilities - Non Current | 75,223 | 75,223 |
| Deposits - Long-Term | 47,154 | 46,382 |
| Notes Payable - Non Current | 927,460 | 1,000,441 |
| Total Non Current Liabilities | <u>1,049,837</u> | <u>1,122,046</u> |
| Total Liabilities | <u>2,769,372</u> | <u>1,968,333</u> |
| NET POSITION | | |
| Unrestricted Net Position | 919,338 | 809,584 |
| Restricted Net Position | 20,509 | 63,215 |
| Net Investment in Capital Assets | <u>4,831,352</u> | <u>4,787,601</u> |
| Total Net Position | <u>5,771,199</u> | <u>5,660,400</u> |
| TOTAL LIABILITIES AND NET POSITION | \$ <u>8,540,571</u> | \$ <u>7,628,733</u> |

See Accompanying Notes to Financial Statements

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023 (WITH 2022 TOTALS)**

EXHIBIT B

| | 2023 | 2022 |
|--|---------------------|---------------------|
| | TOTAL | TOTAL |
| OPERATING REVENUES | | |
| Tenant Charges | \$ 654,703 | \$ 682,095 |
| HUD Operating Grants | 2,919,140 | 2,741,442 |
| Other Income | 30,573 | 135,833 |
| TOTAL REVENUES | 3,604,416 | 3,559,370 |
| OPERATING EXPENSES | | |
| Administrative Expenses | 655,181 | 745,261 |
| Tenant Services | 627 | 675 |
| Utilities Expenses | 213,929 | 228,641 |
| Ordinary Maintenance | 451,705 | 342,154 |
| Protective Services | 3,209 | 12,471 |
| Insurance Expense | 180,371 | 143,145 |
| General Expenses | 2,818 | 71,103 |
| Interest Expense | 33,955 | 36,206 |
| Extraordinary Maint. | 24,078 | 88,692 |
| Housing Assistance Payments | 1,978,666 | 1,854,966 |
| Depreciation Expense | 212,191 | 214,308 |
| TOTAL OPERATING EXPENSES | 3,756,730 | 3,737,622 |
| OPERATING INCOME (LOSS) | (152,314) | (178,252) |
| NON-OPERATING REVENUES AND (EXPENSES) | | |
| Interest Income | 15,174 | 2,250 |
| Total Non-Operating Income/(Loss) | 15,174 | 2,250 |
| CAPITAL CONTRIBUTIONS AND (LOSSES) | | |
| HUD Capital Grants | 247,939 | 402,615 |
| Gain/(Loss) on Sale of Capital Assets | - | - |
| Total Capital Contributions. | 247,939 | 402,615 |
| CHANGES IN NET POSITION | 110,799 | 226,613 |
| BEGINNING NET POSITION | 5,660,400 | 5,433,787 |
| ENDING NET POSITION | \$ 5,771,199 | \$ 5,660,400 |

See Accompanying Notes to Financial Statements

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023 (WITH 2022 TOTALS)**

EXHIBIT C

| | 2023 | 2022 |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from Tenants and Others | \$ 3,449,740 | \$ 3,559,370 |
| Payments to Employees | (439,701) | (479,537) |
| Payments to Vendors and Suppliers | (2,467,980) | (2,954,943) |
| Net Cash Provided by/ (Used for) Operating Activities | <u>542,059</u> | <u>124,890</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| (Purchase)/Sale of Fixed Assets | (256,482) | (422,112) |
| Capital Grants | 247,939 | 402,615 |
| (Purchase)/Sale of Investments | 19,554 | - |
| Interest on Investments | 15,174 | 2,250 |
| Net Cash Provided by/ (Used for) Investing Activities | <u>26,185</u> | <u>(17,247)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Increase/ (Decrease) in Notes Payable | (70,657) | (68,404) |
| Net Cash Provided by/ (Used for) Financing Activities | <u>(70,657)</u> | <u>(68,404)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>497,587</u> | <u>39,239</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 2,222,564 | 2,183,325 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 2,720,151</u> | <u>\$ 2,222,564</u> |
| Unrestricted Cash and Cash Equivalents at Fiscal Year End | \$ 2,613,624 | \$ 2,071,622 |
| Restricted Cash and Cash Equivalents at Fiscal Year End | 106,527 | 150,942 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 2,720,151</u> | <u>\$ 2,222,564</u> |
| Reconciliation of Operating Loss to Net Cash Used by Operating Activities | | |
| Operating Income/ (Loss) | \$ (152,314) | \$ (178,252) |
| Adjustments To Reconcile: | | |
| Depreciation | 212,191 | 214,308 |
| Changes in Assets and Liabilities | | |
| (Increase)/Decrease in Accounts Receivable | (377,120) | (73,644) |
| (Increase)/Decrease in Prepaid Expenses | (12,934) | 7,632 |
| Increase/ (Decrease) in Accounts Payable | 241,999 | (49,459) |
| Increase/ (Decrease) in Accrued Liabilities | (29,939) | (8,905) |
| Increase/ (Decrease) in Deferred Revenue | 659,404 | 210,724 |
| Increase/ (Decrease) in Deposits | 772 | 2,486 |
| Net Cash Provided by/ (Used for) Operating Activities | <u>\$ 542,059</u> | <u>\$ 124,890</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES | | |
| Interest Expense | \$ 33,955 | \$ 36,206 |

See Accompanying Notes to Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Note 1 - Organization and Program Description

The Housing Authority of the City of Michigan City (Authority), Indiana is a public body, corporate body and politically organized under the laws of the State of Indiana for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the Mayor appoints a Governing Board for the Authority, but the Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U. S. Department of Housing and Urban Development (HUD) to be the administrator of the 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 United States Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with local housing authorities and provide funds to assist the Public Housing Authorities (PHAs) in financing the acquisition, construction, and/or leasing of housing units; make housing assistance payments; and make annual contributions (subsidies) to PHAs for the purpose of maintaining the low income character of the local housing program.

On the basis of the application of these criteria, the Authority is a legally separate entity that is fiscally independent of other governments, and there are no other entities that are to be reported as component units of the Authority nor for the Authority to be included in the City's or County's financial report therefore, the Authority reports independently.

The Authority is a separate governmental entity created for the purpose of constructing, maintaining, and operating public housing and providing rental assistance to low and moderate income persons. The majority of its funding is provided by the Department of Housing and Urban Development (HUD). All funds and programs are included in these statements.

A. Reporting Entity

The financial statements of the Authority have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America, as applicable to governmental units. As required by GAAP in the United States of America, the accompanying financial statements present the various program activities of the Authority. These principles define the reporting entity of the primary government, as well as its component units.

Low Income Housing - The low income housing program provides subsidized housing to low income residents. The Authority is the owner of public housing units located throughout the City. The Authority receives revenue from dwelling rental income and operating subsidies provided by HUD.

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Capital Fund Grants - Substantially all additions to land, buildings, and equipment are funded through Capital Grant Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.

Section 8 Housing Choice Voucher Program - The Authority participates in the Housing Choice Voucher Program. This program is designed to provide privately owned, decent, safe and sanitary housing to low income families. The Authority provides assistance to low income persons seeking decent, safe and sanitary housing by subsidizing rents between such persons and owners of existing private housing. Under the program, the Authority enters into housing assistance payment contracts with eligible landlords. To fund the program, the Authority enters into annual contribution contracts with HUD for the receipt of rental subsidies. The Housing Choice Voucher program is also reported as an enterprise fund.

Component Units

Blended Component Units

Consistent with applicable guidance, the criteria used by the Authority to include component units within its reporting entity are financial accountability and the nature and significance of the relationship. The Authority included organizations as component units under the following financial accountability criteria: (1) Organizations for which the Authority appoints a voting majority of the organizations governing body and for which (a) the Authority is able to impose its will on the organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Authority. (2) A financial benefit or burden relationship between the Authority and the component unit. (3) Management of the Authority has operational responsibility for the activities of the component unit.

The following is a brief description of the blended component unit meeting the above criteria that is included in the PHA's financial report entity.

The Michigan City Housing Development Inc. (MCHDI) is reported as if it were part of the primary government because its purpose is to advocate for and provide affordable housing, together by rental or sale to individuals and families of low to moderate income.

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

The accounts of the Authority are organized and operated on the basis of fund accounts. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounts segregate funds according to their intended purpose and are used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Enterprise Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time they are incurred. All assets and liabilities associated with the operation of these funds are included on the balance sheet.

C. Fund Accounting

Accounts are organized on the basis of funds. Each fund represents a separate program with a separate set of self-balancing accounts. All funds are reported as enterprise funds and are grouped as follows:

- PHA-Owned Housing consists of HUD-financed public housing owned by the Authority. Individual funds account for activities of the low-rent housing program, each capital fund phase, and the central office cost center. The funds are collectively known as low rent housing.

Proprietary Funds - The Authority's operations are accounted for in a single *Enterprise Fund*. Enterprise Funds account for those operations that are financed and operated in a manner similar to private business or where the Authority has decided that the determination of revenues earned, costs incurred and/or net income are necessary for management accountability.

Management's Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents are defined as short-term, highly liquid investments that are both: readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes all demand deposits, saving accounts and certificates of deposits or short-term investments with a maturity date of three months or less.

Restricted Cash - Restricted assets include cash legally restricted as to their use. The primary restricted assets are related to the low rent housing program for various funds restricted for tenants.

Net Position - Net position is comprised of three categories: (1) net investment in capital assets, (2) restricted net assets, and (3) unrestricted net assets. Each component of net position is reported separately on the statement of net position.

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

(1) Investment in capital assets, net of related debt - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

(2) Restricted for federal programs - the component of net position that reports the amount of revenue from a federal or state award for service programs in excess of expenditures. These funds are restricted for the use of the related federal or state program.

(3) Unrestricted - The difference between the assets and liabilities that is not reported in the net position invested in capital, net of related debt or net position restricted for federal and state programs.

It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fair Value - GASB Statement No. 72, Fair Value Measurement and Application. This Statement should improve financial reporting by clarifying the definition of fair value for financial reporting purposes. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy and valuation techniques. The disclosures should be organized by type asset or liability reported at fair value.

Investments - Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 40 *Deposit and Investment Risk Disclosures*. Federal statutes authorize investment of excess federal funds in instruments guaranteed by the federal government. The Authority has adopted this policy for all invested funds, whether or not they are federal funds. GASB Statement No. 40 requires general disclosures by investment type with disclosures of the specific risks to which those investments are exposed. Investments exposed to credit risk, custodial credit risk, concentration of credit risk (5% of total net position), interest rate risk, and foreign currency risk must be disclosed, and the government reporting unit is required to describe their deposit or investment policies (or the lack of a policy) that relate to the risks stated above, if they are subject to them.

Custodial Credit Risk

- a. Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned or that the Authority will not be able to recover collateral securities in the possession of an outside party.
- b. Investments - Custodial credit risk is the risk that in the event of the failure of the depository, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Credit Risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Housing Authority has no investment policy that limits its investment choices other than the limitation of state law and/or the Department of Urban Development regulations.

Concentrations of Credit Risk is the risk of loss attributed to the amount of the investment in a single issuer. The Authority does not have a formal investment policy covering the concentration of credit risk.

Investment Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Housing Authority has no formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Inventories – Inventories are stated at the lower of cost or market.

Prepaid Expenditures – Payments made to vendors for services that will benefit periods beyond fiscal year end are recorded as prepaid items.

Compensated Absences – Compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

Capital Assets – The Authority capitalizes capital assets with a cost of more than \$500 and a useful life of one year or more. Proprietary fund types focus on capital maintenance. Accordingly, land, structures and equipment are recorded in the enterprise fund, which acquires such assets.

Capital assets are stated at cost or at estimated historical cost. The cost of maintenance and repairs is charged to operations as incurred and improvements are capitalized. Capital assets are depreciated over their useful lives using the straight-line method of depreciation as follows:

| | |
|--------------------------------|------------|
| Land Improvements | 15 years |
| Buildings | 40 years |
| Office Furniture and Equipment | 3-10 years |

Pension – The Authority has established a defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual’s account are to be determined instead of specifying the amount of benefits the individual is to receive.

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Inter-program Due to/from - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Federal Awards - Federal grants for reimbursable programs are recognized as revenue in the year the related program expenditure occurs. Awards received prior to meeting revenue recognition criterion are recorded as deferred revenue. Operating grants are recorded as revenue in the year earned.

Operating Revenues and Expenses - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position in the non-operating revenue and expense.

Risk Management - The Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority manages these various risks of loss with the following insurance coverage: worker's compensation, property and equipment, liability, flood and automobile. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Concentration of Risk - During the fiscal year, the Authority received approximately 84 percent of its revenue from HUD.

Compliance - The Authority is subject to various federal, state and local laws and regulations and contractual regulations.

Note 2 - Budget Information

Enterprise Funds - The Authority is required by contractual agreements to adopt annual operating budgets for all its enterprise funds receiving federal expenditure awards. The Executive Director prepares all budgets on a HUD basis, which is materially consistent with accounting principles generally accepted in the United States of America.

Operating budgets for the year are prepared for all programs. Budgets are submitted by the Authority's Executive Director and approved by resolutions of the Board of Commissioners and/or HUD. Appropriations for capital projects are authorized at the fund and expenditure level, and effective budgetary control is achieved through periodic budgeting and reporting requirements.

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Note 3 - Cash and Cash Equivalents

Cash and cash equivalents totaled \$2,720,151, at September 30, 2023, and are maintained in commercial checking accounts and are readily available. HUD regulations require authorities to maintain funds in accounts that are fully collateralized by United States government securities.

Cash amounts in excess of the \$250,000, FDIC limit, insured by the government were collateralized by government securities and held in the pledging financial institutions' trust departments in the Authority's name. The Authority is also in compliance with all state and local laws and regulations regarding cash equivalents. Total cash on hand at September 30, 2023, consisted of \$2,613,624 unrestricted and \$106,527 was restricted as shown below.

| | |
|-----------------------------|---------------------|
| Unrestricted Cash | \$ 2,613,624 |
| Restricted Cash: | |
| Tenant Security Deposits | 55,923 |
| FSS Escrow | 20,509 |
| Housing Assistance Payments | 30,095 |
| Total Restricted Cash | <u>106,527</u> |
| Total Cash | <u>\$ 2,720,151</u> |

Note 4 - Accounts Receivable

At September 30, 2023, accounts receivable totaled \$916,920, and consisted of the following:

| Accounts Receivable | Amount |
|----------------------------------|-------------------|
| Tenant Accts. Receivable | \$ 243,918 |
| Allowance for Doubtful Accounts | (24,392) |
| Accounts Receivable HUD | 640,646 |
| Other Accounts Receivable | 56,748 |
| Total Accounts Receivable | <u>\$ 916,920</u> |

The Authority reviews the accounts receivable periodically. During the year \$2,115 was charged to bad debts.

Note 5 - Investments

Investments totaled \$36,433, at September 30, 2023, and consisted of an investment account, all of which is considered a Level 1 hierarchy input.

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Note 6 - Prepaid Assets

Prepaid assets totaled \$19,902, at September 30, 2023, and consisted of various deposits.

Note 7 - Material Inventories - Net

Material inventories net totaled \$15,813, at September 30, 2023. Material inventories are stated at the lower of cost or market. Inventory at year end totaled \$16,646, with an allowance of (\$833).

Note 8 - Land, Structures and Equipment

Capital assets totaled \$4,831,352 at September 30, 2023, as shown in the table below:

| Capital Assets | 09/30/22 | Additions / Deletions | 09/30/23 |
|-----------------------------|---------------------|----------------------------------|---------------------|
| Land | \$ 461,542 | \$ | \$ 461,542 |
| Buildings and Improvements | 19,788,585 | 3,940 | 19,792,525 |
| Equipment and Furniture | 785,973 | (16,772) | 769,201 |
| Construction in Progress | 720,171 | 268,774 | 988,945 |
| Less Accum. Depreciation | (16,968,670) | (212,191) | (17,180,861) |
| Total Capital Assets | \$ 4,787,601 | \$ 43,751 | \$ 4,831,352 |

Capital additions totaled \$3,940, construction in progress totaled \$988,945 and dispositions totaled 16,722 and were fully depreciated. Depreciation expense for the year totaled \$212,191.

Note 9 - Accounts Payable

Accounts payable totaled \$425,316, at September 30, 2023, which consisted of the following:

| Accounts Payable | Amount |
|-------------------------------|-------------------|
| Vendors | \$ 278,940 |
| Security Deposits | 56,281 |
| Other Payables | 90,095 |
| Total Accounts Payable | \$ 425,316 |

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Note 10 - Accrued Payables

Accrued liabilities totaled \$87,288, at September 30, 2023, of which, \$12,065 is current and \$75,223 is non-current, and the breakdown is as follows:

| | | |
|-----------------------------------|----|----------------------|
| Accrued Wages | \$ | 4,197 |
| Compensated Abs. - Current | | 7,868 |
| Total Current Accrued Liabilities | | <u>12,065</u> |
| Compensated Abs. - Non-Current | | 75,223 |
| Total Non-Current Accr. Liab. | | <u>75,223</u> |
| Total Accrued Liabilities | \$ | <u><u>87,288</u></u> |

Note 11 - Deferred Revenue

Deferred revenue totaled \$1,209,174, which consisted of prepaid rents and advanced HUD funding.

Note 12 - Deposits

Deposits totaled \$47,154, which consisted of FSS and Homeownership deposits from tenants.

Note 13 - Note Payable

The mortgage is payable to the FCN Bank, National Associates and bears interest at 4.558% per annum over 10 years. Quarterly payments are \$26,153 per quarter. The mortgage note is secured by the Project. The final payment is due March 2035. The balance due is \$1,000,440.

Below is breakdown of the current and non-current portions of the notes payable:

| <u>Year</u> | <u>Amount</u> |
|-----------------------------------|----------------------------|
| Current Year Portion | \$ 72,980 |
| Long-Term Portion | |
| September 30, 2024 | 75,132 |
| September 30, 2025 | 77,872 |
| September 30, 2026 | 80,213 |
| September 30, 2027 | 82,982 |
| September 30, 2028 | 85,567 |
| September 30, 2029 and thereafter | <u>525,694</u> |
| Total Long-Term Payments | \$ 927,460 |
| Total Notes Payable | <u><u>\$ 1,000,440</u></u> |

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Note 14 - Employee Benefit Plans

The Authority provides pension benefits for all of its full-time employees through a defined contribution plan with MetLife (Plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Plan requires the Authority to contribute 5% of the employee's base salary each month. The Authority's contribution for each employee is vested after 5 years. The Authority's contributions forfeited by employees who leave employment prior to vesting are used to reduce current costs and contribution requirements. The plan may be amended at the discretion of the Board of Commissioners. For the fiscal year end September 30, 2023, actual contributions by the Authority were \$14,884 based on \$437,876 of wages and salary expense. The Authority made all the required contributions to the Plan.

Note 15 - Operating Lease Commitments and Contingencies

The Authority receives financial assistance from federal government agencies in the form of grants and operating subsidies. Disbursements of funds received under these programs require compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. In the opinion of management, any such disallowed claims would not have a material effect on the overall financial position of the Authority.

The Authority has under its normal operations entered into commitments for the purchase of maintenance, cleaning and other services. Such commitments are monthly or annual.

The Authority also has certain contingent liabilities resulting from litigations, claims, and commitments incident to the ordinary course of business. Management expects the final resolution of such contingencies will not have a material adverse effect on the financial position of the Authority.

Note 16 - Allocation of Cost

The Authority allocates expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units or staff in each program. Management considers this to be an equitable method of allocation.

Note 17 - Subsequent Events

Management has performed an analysis of activities and transactions subsequent to fiscal year end, to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended September 30, 2023. Management has performed their analysis through June 21, 2024, the date the financial statements were issued. The Authority has not evaluated events occurring after the issuance date in these financial statements.

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
STATEMENT OF PROGRAM NET POSITION
SEPTEMBER 30, 2023

EXHIBIT D

| | Low Rent Program | Housing Choice Vouchers | Business Activities | Blended Component Unit | Eliminations | 2023 TOTAL |
|---|-----------------------------|------------------------------------|--------------------------------|-----------------------------------|---------------------|-----------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents (Unrestricted) | \$ 502,884 | \$ 360,729 | \$ 1,052,593 | \$ 697,418 | \$ - | \$ 2,613,624 |
| Cash and Cash Equivalents (Restricted) | 55,983 | 30,095 | 11,771 | 8,678 | - | 106,527 |
| Accounts Receivable (net allowances) | 773,960 | 56,748 | 48,446 | 37,766 | - | 916,920 |
| Investments | 45 | - | 36,388 | - | - | 36,433 |
| Prepaid, Deposits and Escrows | 2,876 | 17,026 | - | - | - | 19,902 |
| Inventory (net allowances) | 15,481 | - | 94 | 238 | - | 15,813 |
| TOTAL CURRENT ASSETS | 1,351,229 | 464,598 | 1,149,292 | 744,100 | - | 3,709,219 |
| Capital Assets, Net | 3,635,349 | 78 | 598,905 | 597,020 | - | 4,831,352 |
| TOTAL NON-CURRENT ASSETS | 3,635,349 | 78 | 598,905 | 597,020 | - | 4,831,352 |
| TOTAL ASSETS | \$ 4,986,578 | \$ 464,676 | \$ 1,748,197 | \$ 1,341,120 | \$ - | \$ 8,540,571 |
| LIABILITIES AND NET POSITION | | | | | | |
| Accounts Payable | \$ 105,902 | \$ 164,210 | \$ 3,847 | \$ 95,076 | \$ - | \$ 369,035 |
| Tenant Security Deposits | 35,474 | - | 12,129 | 8,678 | - | 56,281 |
| Deferred Revenue | 1,115,382 | 33,195 | 27,584 | 33,013 | - | 1,209,174 |
| Accrued Liabilities - Current | 10,840 | 650 | - | 575 | - | 12,065 |
| Notes Payable - Current | 72,980 | - | - | - | - | 72,980 |
| TOTAL CURRENT LIABILITIES | 1,340,578 | 198,055 | 43,560 | 137,342 | - | 1,719,535 |
| Accrued Liabilities - Non Current | 64,203 | 5,846 | - | 5,174 | - | 75,223 |
| Deposit - Long-Term | 17,059 | 30,095 | - | - | - | 47,154 |
| Notes Payable - Non Current | 927,460 | - | - | - | - | 927,460 |
| TOTAL NON-CURRENT LIABILITIES | 1,008,722 | 35,941 | - | 5,174 | - | 1,049,837 |
| TOTAL LIABILITIES | 2,349,300 | 233,996 | 43,560 | 142,516 | - | 2,769,372 |
| Invested in Capital Assets | 3,635,349 | 78 | 598,905 | 597,020 | - | 4,831,352 |
| Unrestricted Net Position | (1,018,580) | 230,602 | 1,105,732 | 601,584 | - | 919,338 |
| Restricted Net Position | 20,509 | - | - | - | - | 20,509 |
| TOTAL NET POSITION | 2,637,278 | 230,680 | 1,704,637 | 1,198,604 | - | 5,771,199 |
| TOTAL LIABILITIES AND NET POSITION | \$ 4,986,578 | \$ 464,676 | \$ 1,748,197 | \$ 1,341,120 | \$ - | \$ 8,540,571 |

See Accompanying Notes to the Financial Statements

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

EXHIBIT E

| | Low Rent Program | Housing Choice Vouchers | Business Activites | Blended Component Unit | Eliminations | 2023 TOTAL |
|--|---------------------|----------------------------|-----------------------|---------------------------|--------------|---------------------|
| OPERATING REVENUES | | | | | | |
| Net Tenant Rental Revenue | \$ 422,699 | \$ | \$ 137,012 | \$ 94,992 | \$ | \$ 654,703 |
| HUD Operating Grants | 785,429 | 2,133,711 | | | | 2,919,140 |
| Other Income | 6,494 | 21,401 | | 2,678 | | 30,573 |
| TOTAL OPERATING REVENUES | 1,214,622 | 2,155,112 | 137,012 | 97,670 | - | 3,604,416 |
| OPERATING EXPENSES | | | | | | |
| Administrative Expenses | 545,989 | 94,270 | 4,641 | 10,281 | | 655,181 |
| Tenant Services | 176 | | 451 | | | 627 |
| Utilities Expense | 186,926 | | 8,476 | 18,527 | | 213,929 |
| Ordinary Maintenance and Materials | 416,778 | 1,363 | 19,689 | 13,875 | | 451,705 |
| Protective Services | 3,209 | | | | | 3,209 |
| Insurance Expense | 98,530 | 27,424 | 34,168 | 20,249 | | 180,371 |
| General Expenses | 247 | 415 | 1,557 | 599 | | 2,818 |
| Interest Expense | 33,955 | | | | | 33,955 |
| Extraordinary Maint | 6,034 | | 2,778 | 15,266 | | 24,078 |
| Housing Assistance Payments | | 1,978,666 | | | | 1,978,666 |
| Depreciation Expense | 148,663 | 115 | 34,657 | 28,756 | | 212,191 |
| TOTAL OPERATING EXPENSES | 1,440,507 | 2,102,253 | 106,417 | 107,553 | - | 3,756,730 |
| OPERATING INCOME (LOSS) | (225,885) | 52,859 | 30,595 | (9,883) | - | (152,314) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Interest Income | 1,596 | 1,917 | 5,453 | 6,208 | | 15,174 |
| INCOME BEFORE OTHER REVENUES (EXPENSES) | 1,596 | 1,917 | 5,453 | 6,208 | - | 15,174 |
| CAPITAL CONTRIBUTIONS AND TRANSFERS | | | | | | |
| Capital Contributions | 247,939 | | | | | 247,939 |
| Gain/(Loss) on Sale of Capital Assets | | | | | | - |
| TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS | 247,939 | - | - | - | - | 247,939 |
| CHANGE IN NET POSITION | 23,650 | 54,776 | 36,048 | (3,675) | - | 110,799 |
| NET POSITION AT BEGINNING OF PERIOD | 2,613,628 | 175,904 | 1,668,589 | 1,202,279 | - | 5,660,400 |
| NET POSITION AT END OF PERIOD | \$ 2,637,278 | \$ 230,680 | \$ 1,704,637 | \$ 1,198,604 | \$ - | \$ 5,771,199 |

See Accompanying Notes to the Financial Statements

Housing Authority of the City of Michigan City (IN019)

MICHIGAN CITY, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2023

| | Project Total | 6.2 Component Unit - Blended | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|---------------|---------------------------------|--------------------------|-----------------------------------|---------------|---------------|
| 111 Cash - Unrestricted | \$502,884 | \$697,418 | \$1,052,593 | \$360,729 | \$2,613,624 | \$2,613,624 |
| 112 Cash - Restricted - Modernization and Development | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 113 Cash - Other Restricted | \$20,509 | \$0 | \$0 | \$30,095 | \$50,604 | \$50,604 |
| 114 Cash - Tenant Security Deposits | \$35,474 | \$8,678 | \$11,771 | \$0 | \$55,923 | \$55,923 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 100 Total Cash | \$558,867 | \$706,096 | \$1,064,364 | \$390,824 | \$2,720,151 | \$2,720,151 |
| 121 Accounts Receivable - PHA Projects | \$0 | \$0 | \$0 | \$55,990 | \$55,990 | \$55,990 |
| 122 Accounts Receivable - HUD Other Projects | \$640,646 | \$0 | \$0 | \$0 | \$640,646 | \$640,646 |
| 124 Accounts Receivable - Other Government | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 125 Accounts Receivable - Miscellaneous | \$0 | \$0 | \$0 | \$758 | \$758 | \$758 |
| 126 Accounts Receivable - Tenants | \$148,127 | \$41,962 | \$53,829 | \$0 | \$243,918 | \$243,918 |
| 126.1 Allowance for Doubtful Accounts - Tenants | -\$14,813 | -\$4,196 | -\$5,383 | \$0 | -\$24,392 | -\$24,392 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 128 Fraud Recovery | \$0 | \$0 | \$0 | \$59,263 | \$59,263 | \$59,263 |
| 128.1 Allowance for Doubtful Accounts - Fraud | \$0 | \$0 | \$0 | -\$59,263 | -\$59,263 | -\$59,263 |
| 129 Accrued Interest Receivable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$773,960 | \$37,766 | \$48,446 | \$56,748 | \$916,920 | \$916,920 |
| 131 Investments - Unrestricted | \$45 | \$0 | \$36,388 | \$0 | \$36,433 | \$36,433 |
| 132 Investments - Restricted | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 135 Investments - Restricted for Payment of Current Liability | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 142 Prepaid Expenses and Other Assets | \$2,876 | \$0 | \$0 | \$17,026 | \$19,902 | \$19,902 |
| 143 Inventories | \$16,296 | \$251 | \$99 | \$0 | \$16,646 | \$16,646 |
| 143.1 Allowance for Obsolete Inventories | -\$815 | -\$13 | -\$5 | \$0 | -\$833 | -\$833 |
| 144 Inter Program Due From | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 145 Assets Held for Sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 150 Total Current Assets | \$1,351,229 | \$744,100 | \$1,149,292 | \$464,598 | \$3,709,219 | \$3,709,219 |
| 161 Land | \$359,098 | \$48,810 | \$53,634 | \$0 | \$461,542 | \$461,542 |
| 162 Buildings | \$16,323,413 | \$1,150,060 | \$1,354,996 | \$394 | \$18,828,863 | \$18,828,863 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$218,306 | \$3,960 | \$7,348 | \$0 | \$229,614 | \$229,614 |
| 164 Furniture, Equipment & Machinery - Administration | \$433,910 | \$26,498 | \$4,160 | \$75,019 | \$539,587 | \$539,587 |
| 165 Leasehold Improvements | \$938,606 | \$8,038 | \$17,018 | \$0 | \$963,662 | \$963,662 |
| 166 Accumulated Depreciation | -\$15,626,929 | -\$640,346 | -\$838,251 | -\$75,335 | -\$17,180,861 | -\$17,180,861 |
| 167 Construction in Progress | \$988,945 | \$0 | \$0 | \$0 | \$988,945 | \$988,945 |
| 168 Infrastructure | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$3,635,349 | \$597,020 | \$598,905 | \$78 | \$4,831,352 | \$4,831,352 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 173 Grants Receivable - Non Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 174 Other Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 176 Investments in Joint Ventures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 180 Total Non-Current Assets | \$3,635,349 | \$597,020 | \$598,905 | \$78 | \$4,831,352 | \$4,831,352 |
| 200 Deferred Outflow of Resources | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 290 Total Assets and Deferred Outflow of Resources | \$4,986,578 | \$1,341,120 | \$1,748,197 | \$464,676 | \$8,540,571 | \$8,540,571 |
| 311 Bank Overdraft | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 312 Accounts Payable <= 90 Days | \$105,902 | \$4,981 | \$3,847 | \$164,210 | \$278,940 | \$278,940 |
| 313 Accounts Payable >90 Days Past Due | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 321 Accrued Wage/Payroll Taxes Payable | \$4,197 | \$0 | \$0 | \$0 | \$4,197 | \$4,197 |
| 322 Accrued Compensated Absences - Current Portion | \$6,643 | \$575 | \$0 | \$650 | \$7,868 | \$7,868 |
| 324 Accrued Contingency Liability | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 325 Accrued Interest Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 331 Accounts Payable - HUD PHA Programs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Housing Authority of the City of Michigan City (IN019)

MICHIGAN CITY, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2023

| | Project Total | 6.2 Component Unit - Blended | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|---------------|---------------------------------|--------------------------|-----------------------------------|-------------|-------------|
| 332 Account Payable - PHA Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333 Accounts Payable - Other Government | \$0 | \$90,095 | \$0 | \$0 | \$90,095 | \$90,095 |
| 341 Tenant Security Deposits | \$35,474 | \$8,678 | \$12,129 | \$0 | \$56,281 | \$56,281 |
| 342 Unearned Revenue | \$1,115,382 | \$33,013 | \$27,584 | \$33,195 | \$1,209,174 | \$1,209,174 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | \$72,980 | \$0 | \$0 | \$0 | \$72,980 | \$72,980 |
| 345 Other Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 346 Accrued Liabilities - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 347 Inter Program - Due To | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 348 Loan Liability - Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 310 Total Current Liabilities | \$1,340,578 | \$137,342 | \$43,560 | \$198,055 | \$1,719,535 | \$1,719,535 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | \$927,460 | \$0 | \$0 | \$0 | \$927,460 | \$927,460 |
| 353 Non-current Liabilities - Other | \$17,059 | \$0 | \$0 | \$30,095 | \$47,154 | \$47,154 |
| 354 Accrued Compensated Absences - Non Current | \$64,203 | \$5,174 | \$0 | \$5,846 | \$75,223 | \$75,223 |
| 355 Loan Liability - Non Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 356 FASB 5 Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 357 Accrued Pension and OPEB Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 350 Total Non-Current Liabilities | \$1,008,722 | \$5,174 | \$0 | \$35,941 | \$1,049,837 | \$1,049,837 |
| 300 Total Liabilities | \$2,349,300 | \$142,516 | \$43,560 | \$233,996 | \$2,769,372 | \$2,769,372 |
| 400 Deferred Inflow of Resources | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 508.4 Net Investment in Capital Assets | \$3,635,349 | \$597,020 | \$598,905 | \$78 | \$4,831,352 | \$4,831,352 |
| 511.4 Restricted Net Position | \$20,509 | \$0 | \$0 | \$0 | \$20,509 | \$20,509 |
| 512.4 Unrestricted Net Position | -\$1,018,580 | \$601,584 | \$1,105,732 | \$230,602 | \$919,338 | \$919,338 |
| 513 Total Equity - Net Assets / Position | \$2,637,278 | \$1,198,604 | \$1,704,637 | \$230,680 | \$5,771,199 | \$5,771,199 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$4,986,578 | \$1,341,120 | \$1,748,197 | \$464,676 | \$8,540,571 | \$8,540,571 |

Housing Authority of the City of Michigan City (IN019)

MICHIGAN CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2023

| | Project Total | 6.2 Component Unit - Blended | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|---------------|---------------------------------|--------------------------|-----------------------------------|-------------|-------------|
| 70300 Net Tenant Rental Revenue | \$403,095 | \$92,939 | \$137,006 | \$0 | \$633,040 | \$633,040 |
| 70400 Tenant Revenue - Other | \$19,604 | \$2,053 | \$6 | \$0 | \$21,663 | \$21,663 |
| 70500 Total Tenant Revenue | \$422,699 | \$94,992 | \$137,012 | \$0 | \$654,703 | \$654,703 |
| 70600 HUD PHA Operating Grants | \$1,029,868 | \$0 | \$0 | \$2,133,711 | \$3,163,579 | \$3,163,579 |
| 70610 Capital Grants | \$3,500 | \$0 | \$0 | \$0 | \$3,500 | \$3,500 |
| 70710 Management Fee | | | | | | |
| 70720 Asset Management Fee | | | | | | |
| 70730 Book Keeping Fee | | | | | | |
| 70740 Front Line Service Fee | | | | | | |
| 70750 Other Fees | | | | | | |
| 70700 Total Fee Revenue | | | | | | |
| 70800 Other Government Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71100 Investment Income - Unrestricted | \$1,596 | \$6,208 | \$5,453 | \$1,917 | \$15,174 | \$15,174 |
| 71200 Mortgage Interest Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71300 Proceeds from Disposition of Assets Held for Sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71310 Cost of Sale of Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71400 Fraud Recovery | \$0 | \$0 | \$0 | \$1,766 | \$1,766 | \$1,766 |
| 71500 Other Revenue | \$6,494 | \$2,678 | \$0 | \$19,635 | \$28,807 | \$28,807 |
| 71600 Gain or Loss on Sale of Capital Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 72000 Investment Income - Restricted | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70000 Total Revenue | \$1,464,157 | \$103,878 | \$142,465 | \$2,157,029 | \$3,867,529 | \$3,867,529 |
| 91100 Administrative Salaries | \$266,331 | \$0 | \$0 | \$0 | \$266,331 | \$266,331 |
| 91200 Auditing Fees | \$5,200 | \$1,100 | \$2,000 | \$1,700 | \$10,000 | \$10,000 |
| 91300 Management Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 91310 Book-keeping Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 91400 Advertising and Marketing | \$1,040 | \$0 | \$0 | \$272 | \$1,312 | \$1,312 |
| 91500 Employee Benefit contributions - Administrative | \$85,692 | \$0 | \$0 | \$4,910 | \$90,602 | \$90,602 |
| 91600 Office Expenses | \$18,888 | \$273 | \$375 | \$7,033 | \$26,569 | \$26,569 |
| 91700 Legal Expense | \$150 | \$6,115 | \$0 | \$0 | \$6,265 | \$6,265 |
| 91800 Travel | \$38,837 | \$0 | \$0 | \$1,482 | \$40,319 | \$40,319 |
| 91810 Allocated Overhead | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 91900 Other | \$129,851 | \$2,793 | \$2,266 | \$78,873 | \$213,783 | \$213,783 |
| 91000 Total Operating - Administrative | \$545,989 | \$10,281 | \$4,641 | \$94,270 | \$655,181 | \$655,181 |
| 92000 Asset Management Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92100 Tenant Services - Salaries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92200 Relocation Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92300 Employee Benefit Contributions - Tenant Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92400 Tenant Services - Other | \$176 | \$0 | \$451 | \$0 | \$627 | \$627 |
| 92500 Total Tenant Services | \$176 | \$0 | \$451 | \$0 | \$627 | \$627 |
| 93100 Water | \$18,880 | \$3,960 | \$1,560 | \$0 | \$24,400 | \$24,400 |
| 93200 Electricity | \$87,286 | \$7,068 | \$2,358 | \$0 | \$96,712 | \$96,712 |
| 93300 Gas | \$66,057 | \$4,783 | \$3,134 | \$0 | \$73,974 | \$73,974 |
| 93400 Fuel | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93500 Labor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93600 Sewer | \$14,703 | \$2,716 | \$1,424 | \$0 | \$18,843 | \$18,843 |
| 93700 Employee Benefit Contributions - Utilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93800 Other Utilities Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93000 Total Utilities | \$186,926 | \$18,527 | \$8,476 | \$0 | \$213,929 | \$213,929 |
| 94100 Ordinary Maintenance and Operations - Labor | \$171,545 | \$0 | \$0 | \$0 | \$171,545 | \$171,545 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$84,623 | \$6,794 | \$11,172 | \$1,363 | \$103,952 | \$103,952 |
| 94300 Ordinary Maintenance and Operations Contracts | \$137,646 | \$7,081 | \$8,517 | \$0 | \$153,244 | \$153,244 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$22,964 | \$0 | \$0 | \$0 | \$22,964 | \$22,964 |
| 94000 Total Maintenance | \$416,778 | \$13,875 | \$19,689 | \$1,363 | \$451,705 | \$451,705 |

Housing Authority of the City of Michigan City (IN019)

MICHIGAN CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2023

| | Project Total | 6.2 Component Unit - Blended | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | Total |
|--|---------------|---------------------------------|--------------------------|-----------------------------------|-------------|-------------|
| 95100 Protective Services - Labor | \$1,825 | \$0 | \$0 | \$0 | \$1,825 | \$1,825 |
| 95200 Protective Services - Other Contract Costs | \$1,244 | \$0 | \$0 | \$0 | \$1,244 | \$1,244 |
| 95300 Protective Services - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95500 Employee Benefit Contributions - Protective Services | \$140 | \$0 | \$0 | \$0 | \$140 | \$140 |
| 95000 Total Protective Services | \$3,209 | \$0 | \$0 | \$0 | \$3,209 | \$3,209 |
| 96110 Property Insurance | \$87,141 | \$12,942 | \$28,035 | \$19,816 | \$147,934 | \$147,934 |
| 96120 Liability Insurance | \$0 | \$5,979 | \$4,951 | \$6,540 | \$17,470 | \$17,470 |
| 96130 Workmen's Compensation | \$3,531 | \$650 | \$1,182 | \$1,068 | \$6,431 | \$6,431 |
| 96140 All Other Insurance | \$7,858 | \$678 | \$0 | \$0 | \$8,536 | \$8,536 |
| 96100 Total insurance Premiums | \$98,530 | \$20,249 | \$34,168 | \$27,424 | \$180,371 | \$180,371 |
| 96200 Other General Expenses | \$216 | \$0 | \$0 | \$415 | \$631 | \$631 |
| 96210 Compensated Absences | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96300 Payments in Lieu of Taxes | \$0 | \$0 | \$72 | \$0 | \$72 | \$72 |
| 96400 Bad debt - Tenant Rents | \$31 | \$599 | \$1,485 | \$0 | \$2,115 | \$2,115 |
| 96500 Bad debt - Mortgages | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96600 Bad debt - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96800 Severance Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96000 Total Other General Expenses | \$247 | \$599 | \$1,557 | \$415 | \$2,818 | \$2,818 |
| 96710 Interest of Mortgage (or Bonds) Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96720 Interest on Notes Payable (Short and Long Term) | \$33,955 | \$0 | \$0 | \$0 | \$33,955 | \$33,955 |
| 96730 Amortization of Bond Issue Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96700 Total Interest Expense and Amortization Cost | \$33,955 | \$0 | \$0 | \$0 | \$33,955 | \$33,955 |
| 96900 Total Operating Expenses | \$1,285,810 | \$63,531 | \$68,982 | \$123,472 | \$1,541,795 | \$1,541,795 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$178,347 | \$40,347 | \$73,483 | \$2,033,557 | \$2,325,734 | \$2,325,734 |
| 97100 Extraordinary Maintenance | \$6,034 | \$15,266 | \$2,778 | \$0 | \$24,078 | \$24,078 |
| 97200 Casualty Losses - Non-capitalized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97300 Housing Assistance Payments | \$0 | \$0 | \$0 | \$1,959,167 | \$1,959,167 | \$1,959,167 |
| 97350 HAP Portability-In | \$0 | \$0 | \$0 | \$19,499 | \$19,499 | \$19,499 |
| 97400 Depreciation Expense | \$148,663 | \$28,756 | \$34,657 | \$115 | \$212,191 | \$212,191 |
| 97500 Fraud Losses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97600 Capital Outlays - Governmental Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97700 Debt Principal Payment - Governmental Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97900 Dwelling Units Rent Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 90000 Total Expenses | \$1,440,507 | \$107,553 | \$106,417 | \$2,102,253 | \$3,756,730 | \$3,756,730 |
| 10010 Operating Transfer In | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10020 Operating transfer Out | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10030 Operating Transfers from/to Primary Government | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10040 Operating Transfers from/to Component Unit | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10050 Proceeds from Notes, Loans and Bonds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10060 Proceeds from Property Sales | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10070 Extraordinary Items, Net Gain/Loss | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10080 Special Items (Net Gain/Loss) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10091 Inter Project Excess Cash Transfer In | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10092 Inter Project Excess Cash Transfer Out | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10093 Transfers between Program and Project - In | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10094 Transfers between Project and Program - Out | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$23,650 | -\$3,675 | \$36,048 | \$54,776 | \$110,799 | \$110,799 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Housing Authority of the City of Michigan City (IN019)

MICHIGAN CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2023

| | Project Total | 6.2 Component Unit - Blended | 1 Business Activities | 14.871 Housing Choice Vouchers | Subtotal | Total |
|---|---------------|---------------------------------|--------------------------|-----------------------------------|-------------|-------------|
| 11030 Beginning Equity | \$2,613,628 | \$1,202,279 | \$1,668,589 | \$175,904 | \$5,660,400 | \$5,660,400 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0 | | | | \$0 | \$0 |
| 11050 Changes in Compensated Absence Balance | | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | | | |
| 11170 Administrative Fee Equity | \$0 | | | \$230,680 | \$230,680 | \$230,680 |
| 11180 Housing Assistance Payments Equity | | | | \$0 | \$0 | \$0 |
| 11190 Unit Months Available | 2244 | 174 | 302 | 3523 | 6243 | 6243 |
| 11210 Number of Unit Months Leased | 2110 | 173 | 302 | 3443 | 6028 | 6028 |
| 11270 Excess Cash | -\$135,074 | | | | -\$135,074 | -\$135,074 |
| 11610 Land Purchases | \$0 | | | | \$0 | \$0 |
| 11620 Building Purchases | \$244,439 | | | | \$244,439 | \$244,439 |
| 11630 Furniture & Equipment - Dwelling Purchases | \$0 | | | | \$0 | \$0 |
| 11640 Furniture & Equipment - Administrative Purchases | \$0 | | | | \$0 | \$0 |
| 11650 Leasehold Improvements Purchases | \$0 | | | | \$0 | \$0 |
| 11660 Infrastructure Purchases | \$0 | | | | \$0 | \$0 |
| 13510 CFFP Debt Service Payments | \$0 | | | | \$0 | \$0 |
| 13901 Replacement Housing Factor Funds | \$0 | | | | \$0 | \$0 |

HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
 SCHEDULE EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

EXHIBIT F

| FEDERAL GRANTOR | ALN # | FEDERAL AWARDS EXPENDED | TOTAL PROGRAM EXPENDITURES |
|---|--------|-------------------------------|----------------------------------|
| Major Federal Programs - U S Department of Housing and Urban Development | | | |
| <u>Housing Choice Voucher Cluster</u> | | | |
| Housing Choice Voucher | 14.871 | \$ 2,133,711 | \$ 2,102,253 |
| Total Major Federal Program | | 2,133,711 | 2,102,253 |
| Non-Major Federal Programs - U S Department of Housing and Urban Development | | | |
| Public and Indian Housing | 14.850 | \$ 785,429 | \$ 1,192,568 |
| Public Housing Capital Fund | 14.872 | 247,939 | 247,939 |
| Total Non-Major Federal Program | | 1,033,368 | 1,440,507 |
| Total All Programs | | \$ 3,167,079 | \$ 3,542,760 |

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Michigan City, (Authority), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the Authority's consolidated financial statements.

The schedule summarizes the federal funds expended by the Authority under the programs of the federal government during the year ended September 30, 2023. The awards are classified into major and non-major program categories in accordance with the provisions of the Uniform Guidance. The schedule of expenditures of federal awards displays the Authority's expenditures charged to federal programs for the year ended September 30, 2023, and should be read in conjunction with the Authority's consolidated financial statements.

The Authority did not elect to use the 10% de minimis cost rate as covered in 2 CFR 200.414 Indirect (F&A) costs.

Note 2 - Sources of Funding

The schedule includes all grants and contracts entered into directly between the Authority and agencies and departments of the federal government, as well as federal funds passed-through to the Authority by primary recipients. The Authority provided no part of its direct grant federal dollars to sub-recipients.

Note 3 - Sub-recipients

There were no sub-recipients for the year ended September 30, 2023.

Note 4 - Loans Outstanding

There were no federal loans outstanding for the year ended September 30, 2023.

Note 5 - Non-Cash Assistance

The Authority provided no non-cash assistance for the year ended September 30, 2023.

Note 6 - Insurance

The Authority had no federal insurance for the year ended September 30, 2023.

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
STATEMENT OF CAPITAL FUND PROGRAM COST UNCOMPLETED
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

EXHIBIT G

PHASES IN36P019 - 501-17, 501-18, 501-19 AND 501-20

| | 501-17 | 501-18 | 501-19 | 501-20 | Total |
|-------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Funds Approved | \$ 229,492 | \$ 353,566 | \$ 353,838 | \$ 387,918 | \$ 1,324,814 |
| Funds Expended | <u>158,169</u> | <u>126,732</u> | <u>106,152</u> | <u>135,771</u> | <u>526,824</u> |
| Excess\ (Deficit) of Funds Approved | \$ <u>71,323</u> | \$ <u>226,834</u> | \$ <u>247,686</u> | \$ <u>252,147</u> | \$ <u>797,990</u> |
| Funds Advanced | \$ 158,169 | \$ 126,732 | \$ 73,168 | \$ 84,202 | \$ 442,271 |
| Funds Expended | <u>158,169</u> | <u>126,732</u> | <u>106,152</u> | <u>135,771</u> | <u>526,824</u> |
| Excess\ (Deficit) of Funds Advanced | \$ <u>-</u> | \$ <u>-</u> | \$ <u>32,984</u> | \$ <u>51,569</u> | \$ <u>84,553</u> |

- 1) Capital Fund Program costs for Phases IN36P019 - 501-17, 501-18, 501-19, and 501-20 are shown above.
- 2) Cost additions during this fiscal year, totaled \$355,026, and were audited by VB&C.

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
STATEMENT OF CAPITAL FUND PROGRAM COST COMPLETED
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

EXHIBIT H

No completed CFP Programs were closed in FYE September 30, 2023.

SINGLE AUDIT REPORTS

**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 Michigan City
Michigan City, IN 46360

U.S. Department of Housing and Urban
Development, Indianapolis Office
Minton-Capehart Federal Building
575 North Pennsylvania, Room 655
Indianapolis, Indiana 46204

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the primary government business type activities and the blended component units of the Housing Authority of the City of Michigan City, Indiana (Authority), 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 our report thereon dated November 22, 2024.

Report on Internal Control over Financial Reporting

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

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

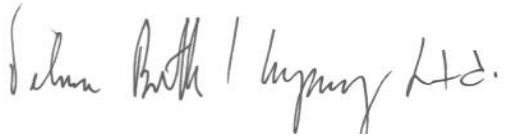
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Velma Butler & Company, Ltd.".

Velma Butler & Company, Ltd.
Chicago, Illinois

November 22, 2024

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

Independent Auditor's Report

Board of Commissioners
Housing Authority of the City of Michigan City
Michigan City, IN 46360

U.S. Department of Housing and Urban
Development, Indianapolis Office
Minton-Capehart Federal Building
575 North Pennsylvania, Room 655
Indianapolis, Indiana 46204

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Michigan City, Indiana (Authority), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on 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 our 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

We conducted our 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

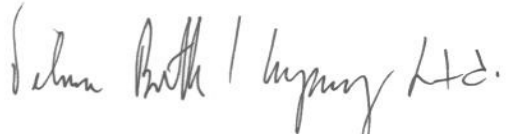
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the Authority as of and for the year ended September 30, 2023, and have issued our report thereon dated November 22, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures

in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Velma Butler & Company Ltd.".

Velma Butler & Company, Ltd.
Chicago, Illinois

November 22, 2024

Independent Auditor's Report on Applying Agreed-Upon Procedures

Board of Commissioners
Housing Authority of the City of Michigan City
Michigan City, IN 46360

U.S. Department of Housing and Urban
Development, Indianapolis Office
Minton-Capehart Federal Building
575 North Pennsylvania, Room 655
Indianapolis, Indiana 46204

We have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Michigan City (Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we 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.

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

We were engaged to perform an audit of the financial statements of the Authority as of and for the year ended September 30, 2023, and have issued our report thereon dated June 21, 2024, the information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedule (FDS) dated November 22, 2024, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the financial statement package and the FDS, which included the auditor's report, is available in its entirety from the Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit report. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

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

A handwritten signature in black ink that reads "Velma Butler / Company Ltd." The signature is written in a cursive, slightly slanted style.

Velma Butler & Company, Ltd.
Chicago, Illinois

November 22, 2024

SCHEDULE OF FINDINGS AND QUESTIONED COST

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Section I – Summary of Auditor's Results

Financial Statements

The type of report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Deficiencies identified not considered to be material weaknesses?
 ___ Yes X None reported

Noncompliance material to financial statements noted?
 ___ Yes X None reported

Federal Awards

Type of auditors' report issued on compliance for major programs: **Unmodified**

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Deficiencies identified not considered to be material weaknesses?
 ___ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with Uniform Audit Guidance?

 ___ Yes X No

Identification of major program:

U.S. Department of Housing and Urban Development

| <u>ALN Number</u> | <u>Name of Federal Program</u> |
|-------------------|--------------------------------|
| 14.871 | Housing Choice Voucher Program |

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

Auditee qualified as low-risk auditee? X Yes ___ No

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CURRENT YEAR
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Section II - Financial Statement Findings

There were no reportable findings for the fiscal year ended September 30, 2023.

Section III - Federal Award Findings and Questioned Costs

There were no reportable findings for the fiscal year ended September 30, 2023.

**HOUSING AUTHORITY OF THE CITY OF MICHIGAN CITY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - PRIOR YEAR
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Section IV - Financial Statement Findings

There were no reportable findings for the fiscal year ended September 30, 2022.

Section V - Federal Award Findings and Questioned Costs

There were no reportable findings for the fiscal year ended September 30, 2022.