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March 18, 2024

Board of Commissioners
Housing Authority of the City of Terre Haute
Vigo County, Indiana

We have reviewed the audit report of the Housing Authority of the City of Terre Haute, which was opined upon by Novogradac & Company LLP, Independent Public Accountants, for the period October 1, 2022 to September 30, 2023. Per the *Report of Independent Auditors*, the financial statements included in the report present fairly the financial condition of Housing Authority of the City of Terre Haute 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, Novogradac & Company LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023
WITH
REPORT OF INDEPENDENT AUDITORS

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
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YEAR ENDED SEPTEMBER 30, 2023

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners of the
Housing Authority of the City of Terre Haute:

Opinions

We have audited the accompanying financial statements of the business-type activities (primary government) and the aggregate discretely presented component units of the Housing Authority of the City of Terre Haute (the "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 financial statements, as listed in the accompanying table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the net position of the primary government and the aggregate discretely presented component units of the Authority, as of September 30, 2023, and the changes in their net position and, where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of the discretely presented component units, to conform those financial statements to present in accordance with the accounting standards issued by the Governmental Accounting Standards Board. Our opinions, as they relate to the amounts included for the discretely presented component units, prior to these conversion adjustments, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Warren Village II, L.P., a discretely presented component unit was not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAS and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, 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.

Other Matters (continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 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 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.

Novogradac & Company LLP

February 27, 2024
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2023

The management of the Terre Haute Housing Authority (the "Housing Authority") offers this narrative overview and analysis of its audited financial statements for the fiscal year ended September 30, 2023. The goal is for the reader to better understand the Housing Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Housing Authority's financial statements.

Financial reporting is based on the accounting principles for government enterprise funds, which are similar to the accounting principles as established by the Governmental Accounting Standards Board (GASB). Since these are business-type activities the standards of the Financial Accounting Standards Board (FASB) must also be followed except where there is conflict with GASB.

ECONOMIC FACTORS:

Significant economic factors affecting the Housing Authority are as follows:

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

HIGHLIGHTS:

- The Housing Authority implemented a new goal-based incentive point program designed to increase occupancy levels, reduce accounts receivable, improve the REAC scores, promote the FSS program etc. The goals were tiered in different increments corresponding to the bonus percentage for all employees. The all-inclusive incentive plan which was based on the respective performance of every department in the organization was extremely successful in its first year. The overall score hit the five percent bonus of the gross salary for all the employees. The bonus was paid out in the first week of December 2023.
- The THHA completed the Security Camera Project with a new key fob door system. The new system proved to be very beneficial for the overall well-being and safety of the tenants and the Housing Authority Staff.
- THHA commenced the work on Rental Assistance Demonstration application process with the assistance of a consulting firm- Brinshore Development. HUD issued a Commitment to Enter into a Housing Assistance Payment Contract for two of the Housing Authority locations - Margaret and Garfield Towers.
- With the utilization of the Tax Intercept Program in 2023, the Terre Haute Housing Authority collected a total of \$102,648.45. This amount includes balances from former tenants and former Section 8 voucher holders who left the program owing a balance. We were able to decrease the total balance of 305 individual accounts, with 28 of those accounts now being paid in full. For the first time the collections exceeded the write offs for two of the AMPs.
- The Housing Authority completed a number of smaller construction projects, consisting of roof repairs and replacements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2023

HIGHLIGHTS (continued):

- The THHA launched a new health screening initiative for all the employees. In cooperation with Ertel Co., a mobile screening unit will visit annually the Housing Authority and the employees are offered a comprehensive physical exam free of charge. THHA covers all the costs on behalf of the employees. The initiative proved to be very popular as the turnout was 98% and the all the attendees found the screening extremely beneficial in a follow-up survey.
- THHA Housing Choice Voucher (HCV) Program increased voucher leasing and budget authority utilization during FY 2023. This was achieved by the implementation of our HUD waiver, establishing exception payment standards at 120 percent of our applicable FY 2023 fair market rents. Our staff engaged in landlord outreach events, increasing the lease-up success rate for our voucher holders. These efforts resulted in the projected 14% increase in our projected Budget Authority, from \$4,480,132 in CY 2023 to \$5,124,473 in CY 2024. Due to our leasing efforts, we will not be subject to HAP reserve offset in 2024. Our HCV Program was awarded received \$113,060 in 2023 set-aside funding under the "Lower Than Average Leasing" category.
- THHA took advantage of the favorable market rates and invested in 30, 60,90 and 180 CDs. As of February 2024, the interest it earned on the CDs is more than \$200,000.
- In May 2023 the Housing Authority transitioned to a new online payment system for the tenant deposits. It is much more user friendly for the tenants and the staff and eliminated about \$240,000 in Merchant fees annually.
- The assets of the Housing Authority exceed its liabilities as of September 30, 2023, by \$31,893,348 (Net Position).
- The Housing Authority's net investment in capital assets as of September 30, 2023, was \$18,088,603.
- The Housing Authority's total operating revenue for the fiscal year ending September 30, 2023, was \$13,151,121.
- The Housing Authority's total operating expenses for the fiscal year ending September 30, 2023, were \$13,350,141.

OVERVIEW OF THE FINANCIAL STATEMENTS:

The following financial statements are included in this report:

- Statement of Net Position - reports the Housing Authority's current financial resources: its cash and other current assets, current and non-current liabilities and comparing those two elements, the resulting net position of the Housing Authority. A comparison between this year and the preceding year is also provided.
- Statement of Revenue and Expenses and Change in Net Position - reports the Housing Authority's various revenue and expenses and provides a comparison between this year and the preceding year.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2023

ANALYSIS OF FINANCIAL STATEMENTS:

Statement of Net Position

	SEPTEMBER 30		Change
	2023	2022	
Cash and investments	\$ 12,907,433	\$ 11,780,192	\$ 1,127,241
Other current assets	902,379	734,025	168,354
Net capital assets	18,786,947	19,819,091	(1,032,144)
Other non-current assets	2,644,719	2,759,415	(114,696)
Total Assets	\$ 35,241,478	\$ 35,092,723	\$ 148,755
Current liabilities	\$ 897,749	\$ 957,242	\$ (59,493)
Non-current liabilities	2,450,381	2,459,345	(8,964)
Total Liabilities	\$ 3,348,130	\$ 3,416,587	\$ (68,457)
Net investment in capital assets	\$ 18,088,603	\$ 19,060,275	\$ (971,672)
Restricted	461,123	513,530	(52,407)
Unrestricted	13,343,622	12,102,331	1,241,291
Total Net Position	\$ 31,893,348	\$ 31,676,136	\$ 217,212

The increase in cash and investments is a result from several factors:

- Increase in tenant rent payments.
- Increase in Operating Subsidy.
- Substantial increase in HAP payments.

The increase in the other current assets category is due to the increase in prepaid expenses caused by the increase in insurance premiums.

The current liabilities were lower in 2023 mainly due the unearned revenue, which is used to classify the drawn but not currently expended CARES Act funds. All CARES Act funds were subsequently expended in FY 2022.

Net capital assets decreased due to depreciation, exceeding modernization and improvement activity during the fiscal year.

The administrative fee reimbursement rate is based on the number of units leased as of the last day of each month, extended by the per unit rate established by HUD, and by the HUD pro-ratio to equate expenditures to the total appropriated funds.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2023

ANALYSIS OF FINANCIAL STATEMENTS (continued):

Statement of Revenues, Expenses, and Changes in Net Position

	SEPTEMBER 30		Change
	2023	2022	
Dwelling rental revenue	\$ 2,801,447	\$ 2,650,495	\$ 150,952
HUD operating grants	9,456,268	8,728,293	727,975
Other revenue	893,406	1,090,300	(196,894)
Total Operating Revenue	\$ 13,151,121	\$ 12,469,088	\$ 682,033
Administrative expenses	\$ 1,954,144	\$ 1,677,878	\$ 276,266
Tenant services	7,619	551,151	(543,532)
Utilities	1,182,779	1,219,179	(36,400)
Maintenance and repairs	2,865,104	2,576,407	288,697
General expenses	360,361	355,589	4,772
Protective services	271,089	240,059	31,030
Insurance expenses	602,669	544,797	57,872
Housing assistance payments	4,295,169	3,601,880	693,289
Depreciation	1,811,207	1,845,878	(34,671)
Total Operating Expenses	\$ 13,350,141	\$ 12,612,818	\$ 737,323
Investment income	\$ 53,701	\$ 48,199	\$ 5,502
Casualty losses, non-capitalized	(190,394)	(118,004)	(72,390)
Gain on sale of fixed assets	200,985	(37,846)	238,831
Capital grants	351,940	619,940	(268,000)
Total Non-Operating Revenues (Expenses)	\$ 416,232	\$ 512,289	\$ (96,057)
Change in Net Position	\$ 217,212	\$ 368,559	\$ (151,347)

The Housing Authority retained a strong financial position due to an increase in dwelling rental revenue and increase in the HUD operating subsidy for FYE 2023.

The increase in the Administrative and Maintenance expense categories is due to the higher salaries and health insurance expense.

The significant decrease in the Tenant Services category is a result of completion of the Care Act Funds in FYE 2022.

The casualty loss expense is due to several events- fire and inclement weather in several of our properties.

In FYE 2023 the Housing Authority realized gain in the sale of a scattered site house, a COCC building and several maintenance utility vehicles.

The overall increase in the other expense categories is due to the ongoing inflation.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2023

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY DURING THE YEAR:

Capital Assets

	SEPTEMBER 30		Change
	2023	2022	
Land	\$ 1,022,036	\$ 1,022,036	\$ -
Buildings and improvements	56,538,291	56,506,525	31,766
Furniture, equipment, and machinery	4,807,485	3,725,389	1,082,096
Accumulated depreciation	(43,812,486)	(42,338,036)	(1,474,450)
Construction in progress	231,621	903,177	(671,556)
Capital Assets, Net	\$ 18,786,947	\$ 19,819,091	\$ (1,032,144)

- Capital Assets - The Housing Authority's capital assets, as of September 30, 2023, totals \$18,786,947 (net of accumulated depreciation). Capital assets include land, buildings, improvements, furniture, equipment and machinery, and construction in progress. The decrease in Construction in progress is attributed to moving the completed projects to the AMPs books.
- The increase in Accumulated Depreciation is a result of transferring capital funds to AMPs books.
- Additional information regarding capital assets can be found at Note 5 of the notes to the financial statements.

Current and Non-Current Liabilities

	SEPTEMBER 30		Change
	2023	2022	
Accrued compensated absences	\$ 144,626	\$ 126,820	\$ 17,806
Notes payable	2,198,344	2,258,818	(60,474)
Family Self-Sufficiency escrows	261,342	224,353	36,989
Unclaimed tenant refunds	11,713	13,056	(1,343)
Accrued utilities	45,346	19,390	25,956
Due to related parties	11,765	-	11,765
Total Long-Term Debt	\$ 2,673,136	\$ 2,642,437	\$ 30,699

- The increase in tenant escrow is a result of adding new participants to the program.
- Additional information regarding notes payable can be found at Note 9 of the notes to the financial statements.
- The increase of the accrued liability is due to an increase in accrued payroll and compensated absences.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT:

This financial report is designed to provide a general overview of the Housing Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Executive Director:

Mr. Jeff Stewart
 2001 N. 19th Street
 Terre Haute, IN 47804

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	ASSETS		Total
	Primary Government	Discretely Presented Component Units	Reporting Entity (Memorandum Only)
Current assets:			
Cash and cash equivalents	\$ 12,543,725	\$ 442,851	\$ 12,986,576
Tenant security deposits	363,708	48,924	412,632
Accounts receivable, net	215,934	20,997	236,931
Notes receivable, current	55,435	-	55,435
Accrued interest receivable, current	18,267	-	18,267
Prepaid expenses	539,340	89,643	628,983
Inventory	73,403	328	73,731
Total current assets	13,809,812	602,743	14,412,555
Non-current assets:			
Restricted cash	722,465	496,699	1,219,164
Notes receivable, non-current	1,735,000	-	1,735,000
Accrued interest receivable, non-current	187,254	-	187,254
Other assets	-	89,359	89,359
Capital assets, net	18,786,947	17,228,913	36,015,860
Total non-current assets	21,431,666	17,814,971	39,246,637
Total assets	\$ 35,241,478	\$ 18,417,714	\$ 53,659,192

See accompanying notes to financial statements

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2023

LIABILITIES			
	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	\$ 129,076	\$ 118,035	\$ 247,111
Accrued expenses	122,750	7,413	130,163
Tenant security deposits	363,708	48,924	412,632
Prepaid rent	59,460	7,308	66,768
Accrued compensated absences, current	105,170	3,599	108,769
Notes payable, current	60,474	217,225	277,699
Accrued interest payable	-	328,559	328,559
Other current liabilities	<u>57,111</u>	<u>7,840</u>	<u>64,951</u>
Total current liabilities	<u>897,749</u>	<u>738,903</u>	<u>1,636,652</u>
Non-current liabilities:			
Accrued compensated absences, non-current	39,456	-	39,456
Notes payable, non-current	2,137,870	2,543,564	4,681,434
Other non-current liabilities	<u>273,055</u>	<u>-</u>	<u>273,055</u>
Total non-current liabilities	<u>2,450,381</u>	<u>2,543,564</u>	<u>4,993,945</u>
Total liabilities	<u>3,348,130</u>	<u>3,282,467</u>	<u>6,630,597</u>
NET POSITION			
Net position:			
Net investment in capital assets	18,088,603	14,468,124	32,556,727
Restricted	461,123	496,699	957,822
Unrestricted	<u>13,343,622</u>	<u>170,424</u>	<u>13,514,046</u>
Total net position	<u>31,893,348</u>	<u>15,135,247</u>	<u>47,028,595</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 35,241,478</u>	<u>\$ 18,417,714</u>	<u>\$ 53,659,192</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Tenant revenue	\$ 2,801,447	\$ 542,774	\$ 3,344,221
HUD operating grants	9,456,268	-	9,456,268
Other government grants	348,951	723,592	1,072,543
Other revenues	<u>544,455</u>	<u>357</u>	<u>544,812</u>
Total operating revenues	<u>13,151,121</u>	<u>1,266,723</u>	<u>14,417,844</u>
Operating expenses:			
Administrative	1,954,144	199,344	2,153,488
Tenant services	7,619	2,324	9,943
Utilities	1,182,779	329,041	1,511,820
Ordinary repairs and maintenance	2,865,104	214,146	3,079,250
Protective services	271,089	26,070	297,159
Insurance	602,669	74,489	677,158
General	360,361	130,542	490,903
Housing assistance payments	4,295,169	-	4,295,169
Depreciation	<u>1,811,207</u>	<u>665,134</u>	<u>2,476,341</u>
Total operating expenses	<u>13,350,141</u>	<u>1,641,090</u>	<u>14,991,231</u>
Operating loss	<u>(199,020)</u>	<u>(374,367)</u>	<u>(573,387)</u>
Non-operating revenues (expenses):			
Investment income	53,701	399	54,100
Interest expense	-	(113,835)	(113,835)
Casualty losses, non-capitalized	(190,394)	-	(190,394)
Gain on sale of fixed assets	<u>200,985</u>	<u>-</u>	<u>200,985</u>
Net non-operating revenues (expenses)	<u>64,292</u>	<u>(113,436)</u>	<u>(49,144)</u>
Loss before capital grants	(134,728)	(487,803)	(622,531)
Capital grants	<u>351,940</u>	<u>-</u>	<u>351,940</u>
Change in net position	217,212	(487,803)	(270,591)
Total net position, beginning of year	<u>31,676,136</u>	<u>15,623,050</u>	<u>47,299,186</u>
Total net position, end of year	<u>\$ 31,893,348</u>	<u>\$ 15,135,247</u>	<u>\$ 47,028,595</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 3,298,970
Cash received from grantors	9,813,936
Cash paid to employees	(1,956,956)
Cash paid to vendors and suppliers	<u>(9,706,872)</u>
Net cash provided by operating activities	<u>1,449,078</u>
Cash Flows from Noncapital Financing Activities:	
Casualty losses	<u>(190,394)</u>
Net cash used in noncapital financing activities	<u>(190,394)</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from sale of capital assets	216,042
Proceeds from capital grants	351,940
Purchase of capital assets	<u>(794,120)</u>
Net cash used in capital and related financing activities	<u>(226,138)</u>
Cash Flows from Investing Activities:	
Investment income	9,301
Collection of notes receivable	<u>69,974</u>
Net cash provided by investing activities	<u>79,275</u>
Net increase in cash and cash equivalents and restricted cash	1,111,821
Cash and cash equivalents and restricted cash, beginning of year	<u>12,518,077</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 13,629,898</u>
Reconciliation of cash and cash equivalents and restricted cash to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 12,543,725
Tenant security deposits	363,708
Restricted cash	<u>722,465</u>
Cash and cash equivalents and restricted cash	<u>\$ 13,629,898</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Primary Government</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (199,020)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,811,207
Forgiveness of debt income	(60,474)
Changes in operating assets and liabilities:	
Accounts receivable, net	(13,004)
Prepaid expenses	(64,912)
Inventory	(13,979)
Accounts payable	(126,410)
Accrued expenses	(2,812)
Tenant security deposits liability	20,674
Prepaid rent	6,635
Accrued compensated absences	17,806
Other liabilities	<u>73,367</u>
Net cash provided by operating activities	<u>\$ 1,449,078</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2023**

ASSETS			
	Warren <u>Village, LP</u>	Warren <u>Village II, LP</u>	Total Discretely Presented <u>Component Units</u>
Current assets:			
Cash and cash equivalents	\$ 167,690	\$ 275,161	\$ 442,851
Tenant security deposits	27,527	21,397	48,924
Accounts receivable, net	11,893	9,104	20,997
Prepaid expenses	34,738	54,905	89,643
Inventory	<u>328</u>	<u>-</u>	<u>328</u>
Total current assets	<u>242,176</u>	<u>360,567</u>	<u>602,743</u>
Non-current assets:			
Restricted cash	382,666	114,033	496,699
Other assets	48,278	41,081	89,359
Capital assets, net	<u>10,872,960</u>	<u>6,355,953</u>	<u>17,228,913</u>
Total non-current assets	<u>11,303,904</u>	<u>6,511,067</u>	<u>17,814,971</u>
Total assets	<u>\$ 11,546,080</u>	<u>\$ 6,871,634</u>	<u>\$ 18,417,714</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 72,012	\$ 46,023	\$ 118,035
Accrued expenses	5,625	1,788	7,413
Tenant security deposits	27,527	21,397	48,924
Prepaid rent	3,415	3,893	7,308
Accrued compensated absences, current	2,750	849	3,599
Notes payable, current	206,972	10,253	217,225
Accrued interest payable	237,357	91,202	328,559
Other current liabilities	<u>7,247</u>	<u>593</u>	<u>7,840</u>
Total current liabilities	<u>562,905</u>	<u>175,998</u>	<u>738,903</u>
Non-current liabilities:			
Notes payable, non-current	<u>1,408,000</u>	<u>1,135,564</u>	<u>2,543,564</u>
Total non-current liabilities	<u>1,408,000</u>	<u>1,135,564</u>	<u>2,543,564</u>
Total liabilities	<u>1,970,905</u>	<u>1,311,562</u>	<u>3,282,467</u>
NET POSITION			
Net position:			
Net investment in capital assets	9,257,988	5,210,136	14,468,124
Restricted	382,666	114,033	496,699
Unrestricted	<u>(65,479)</u>	<u>235,903</u>	<u>170,424</u>
Total net position	<u>9,575,175</u>	<u>5,560,072</u>	<u>15,135,247</u>
Total liabilities and net position	<u>\$ 11,546,080</u>	<u>\$ 6,871,634</u>	<u>\$ 18,417,714</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION -
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Warren Village, LP</u>	<u>Warren Village II, LP</u>	<u>Total Discretely Presented Component Units</u>
Operating revenues:			
Tenant revenue	\$ 365,098	\$ 177,676	\$ 542,774
Other government grants	612,556	111,036	723,592
Other revenues	<u>357</u>	<u>-</u>	<u>357</u>
Total operating revenues	<u>978,011</u>	<u>288,712</u>	<u>1,266,723</u>
Operating expenses:			
Administrative	145,597	53,747	199,344
Tenant services	1,708	616	2,324
Utilities	293,054	35,987	329,041
Ordinary repairs and maintenance	160,731	53,415	214,146
Protective services	23,303	2,767	26,070
Insurance	49,756	24,733	74,489
General	80,700	49,842	130,542
Depreciation	<u>463,532</u>	<u>201,602</u>	<u>665,134</u>
Total operating expenses	<u>1,218,381</u>	<u>422,709</u>	<u>1,641,090</u>
Operating loss	<u>(240,370)</u>	<u>(133,997)</u>	<u>(374,367)</u>
Non-operating revenues (expenses):			
Investment income	314	85	399
Interest expense	<u>(75,617)</u>	<u>(38,218)</u>	<u>(113,835)</u>
Net non-operating expenses	<u>(75,303)</u>	<u>(38,133)</u>	<u>(113,436)</u>
Change in net position	(315,673)	(172,130)	(487,803)
Total net position, beginning of year	<u>9,890,848</u>	<u>5,732,202</u>	<u>15,623,050</u>
Total net position, end of year	<u>\$ 9,575,175</u>	<u>\$ 5,560,072</u>	<u>\$ 15,135,247</u>

See accompanying notes to financial statements

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Terre Haute (the "Authority") is a governmental, public organization created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the City of Terre Haute (the "City"). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners which is essentially autonomous, but is responsible to HUD. An executive director is appointed by the Authority's board of commissioners to manage the day-to-day operations of the Authority.

B. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting / Financial Statement Presentation (continued)

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

On October 1, 2022, the Authority adopted GASB 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"). GASB 96 increases the transparency and comparability among governmental organizations by requiring the recognition of subscription assets and subscription liabilities on the statement of net position by subscribers and the disclosure of key information about subscription arrangements. For the year ended September 30, 2023, the adoption of GASB 96 did not have a material effect on the financial statements of the Authority.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, this report includes the following blended component units. The blended component units are, although legally separate entities, in substance part of the Authority's operations and so data from these units are combined with data of the primary government and reflected in the "Primary Government" column on the financial statements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Low Income Housing Development Corporation

Low Income Housing Development Corporation ("LIHDC") was established on September 8, 2009 to develop, finance, construct, and/or operate four housing projects known as Garfield Gardens, Warren Village, Warren Village II and thirty eight (38) homes through Neighborhood Stabilization Program grants. LIHDC is a wholly owned not-for-profit subsidiary of the Authority and the Board of Directors of LIHDC is identical to the Authority's Board of Commissioners.

Terre Haute Housing Development Corporation

Terre Haute Housing Development Corporation ("THHDC") was established by the Authority in 1975 to provide low-rent housing for qualified individuals. THHDC is a wholly owned not-for-profit subsidiary of the Authority and the Board of Directors of THHDC is identical to the Authority's Board of Commissioners.

Based upon the application of these criteria, this report includes the following discretely presented component units. The discretely presented component units are reported in a separate column to emphasize that they are legally separate from the primary government.

Warren Village, LP

Warren Village, LP consists of one hundred and eleven (111) housing units. The Authority is financially accountable, but does not have full ownership of the entity.

Warren Village II, LP

Warren Village II, LP consists of forty (40) housing units. The Authority is financially accountable, but does not have full ownership of the entity.

The discretely presented component units' issue their own separate audited financial statements which are presented as of and for the year ended December 31, 2022 and can be obtained by writing to the Executive Director, Housing Authority of the City of Terre Haute, 2001 N 19th Street., Terre Haute, IN 47804.

D. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Section 8 Housing Choice Vouchers

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income households under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Public and Indian Housing Program

The Public and Indian Housing program is designed to provide low-cost housing within the City. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

Public Housing Capital Fund Program

The purpose of the Public Housing Capital Fund program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Family Self-Sufficiency Program

The purpose of the Family Self-Sufficiency program is to promote the development of local strategies to coordinate the use of assistance under the Section 8 Housing Choice Vouchers and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Central Office Cost Center

The Central Office Cost Center is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the Central Office Cost Center is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

E. Use of Management Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses, depreciable lives of properties and equipment, and contingencies. Actual results could differ significantly from these estimates.

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts on hand and in demand deposits, interest-bearing demand deposits, and other investments that mature within 90 days after year-end. Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Texas law or under the laws of the United States.

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and treasury investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and due from vacated tenants. An allowance for doubtful accounts is established to provide for accounts which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also, included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts earned and billed but not received and for amounts unbilled but earned as of year end.

H. Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

I. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of affordable housing through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

J. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

K. Inventory

Inventory consists of miscellaneous supplies and are values at cost using the first-in first-out method. If inventory falls below cost due to damage, deterioration, or obsolescence, the Authority writes down inventory to its net realizable value through the establishment of an allowance for obsolete inventory. Management has determined that an allowance for obsolete inventory is not necessary as of September 30, 2023.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- | | | |
|---|----------------------------|-------------|
| • | Buildings and Improvements | 10-40 Years |
| • | Furniture and Equipment | 3-10 Years |

The Authority has established a capitalization threshold of \$10,000.

M. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended September 30, 2023, there were no impairment losses incurred.

N. Inter-program Receivables and Payables

Inter-program receivables and payables are current, and are the result of the use of the Central Office Cost Center fund as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes.

O. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. The Authority recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

P. Compensated Absences

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. 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 event take place.

Q. Prepaid Rent

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Net Position Classifications

Net position is displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

S. Use of Restricted Assets

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

T. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided, as well as government subsidies and grants used for operating purposes. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

U. Regulated Leases

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases, which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income. For the year ended September 30, 2023, rental revenue earned by the primary government under the aforementioned leases totaled \$2,593,585.

V. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. Taxes

The Authority is a unit of local government under the State of Indiana law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

X. Economic Dependency

The Section 8 Housing Choice Vouchers and Public and Indian Housing programs of the Authority are economically dependent on grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

Y. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

Z. Contingencies

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of September 30, 2023, the Authority estimates that no material liabilities will result from such audits.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

As of September 30, 2023, the Authority had funds on deposit in checking, savings, and certificates of deposits. The carrying amount of the primary government's cash and cash equivalents (including restricted cash) was \$13,629,898, and the bank balances approximated \$13,774,968.

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 12,543,725	\$ 442,851	\$ 12,986,576
Tenant security deposits	363,708	48,924	412,632
Restricted	<u>722,465</u>	<u>496,699</u>	<u>1,219,164</u>
Total cash and cash equivalents	<u>\$ 13,629,898</u>	<u>\$ 988,474</u>	<u>\$ 14,618,372</u>

Of the bank balances, \$500,000 was covered by federal depository insurance and the remaining \$13,274,968 was collateralized with the pledging financial institutions as of September 30, 2023.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of September 30, 2023, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

As of September 30, 2023, accounts receivable, net consisted of the following:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - HUD	\$ 36,387	\$ -	\$ 36,387
Accounts receivable - tenants, net	171,798	10,999	182,797
Accounts receivable - PHA projects	7,009	-	7,009
Accounts receivable - miscellaneous	<u>740</u>	<u>9,998</u>	<u>10,738</u>
Total accounts receivable, net	<u>\$ 215,934</u>	<u>\$ 20,997</u>	<u>\$ 236,931</u>

Accounts Receivable - HUD

As of September 30, 2023, accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under the Family Self-Sufficiency program that have not yet been received. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023**

NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent and amounts owed from tenants or other program participants who committed fraud or misrepresentation and now owe additional rent or retroactive rent. The balance is shown net of an allowance for doubtful accounts of \$291,806.

Accounts Receivable - PHA Projects

Accounts receivable - PHA projects represents amounts owed to the Authority under the portability provisions of the Section 8 Housing Choice Vouchers program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed for the reimbursement of expenses from affiliate entities. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

NOTE 4. RESTRICTED DEPOSITS

As of September 30, 2023, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payment reserves	\$ 7,447	\$ -	\$ 7,447
Family Self-Sufficiency program escrows	261,342	-	261,342
Replacement reserves	453,676	205,364	659,040
Operating deficit escrows	-	291,335	291,335
Tenant security deposits	<u>363,708</u>	<u>48,924</u>	<u>412,632</u>
Total restricted deposits	<u>\$ 1,086,173</u>	<u>\$ 545,623</u>	<u>\$ 1,631,796</u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers program for future housing assistance payments.

Family Self-Sufficiency program escrows are restricted for use in the Section 8 Housing Choice Vouchers and Public and Indian Housing programs by program participants.

Replacement reserves represent funds that are restricted for repairs and replacement of building components and equipment.

Operating deficit escrows represent funds that are restricted in the case that the discretely presented component units encounter an operating deficit.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the Authority, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 5. CAPITAL ASSETS, NET

The following is a summary of the primary government's changes in capital assets during the year ended September 30, 2023:

Description	September 30, 2022	Additions	Dispositions	Transfers	September 30, 2023
<u>Non-depreciable:</u>					
Land	\$ 1,022,036	\$ -	\$ -	\$ -	\$ 1,022,036
Construction in progress	<u>903,177</u>	<u>474,268</u>	<u>-</u>	<u>(1,145,824)</u>	<u>231,621</u>
Subtotal	<u>1,925,213</u>	<u>474,268</u>	<u>-</u>	<u>(1,145,824)</u>	<u>1,253,657</u>
<u>Depreciable:</u>					
Buildings and improvements	56,506,525	139,508	(301,189)	193,447	56,538,291
Furniture and equipment	<u>3,725,389</u>	<u>180,344</u>	<u>(50,625)</u>	<u>952,377</u>	<u>4,807,485</u>
Subtotal	<u>60,231,914</u>	<u>319,852</u>	<u>(351,814)</u>	<u>1,145,824</u>	<u>61,345,776</u>
Less: accumulated depreciation	<u>42,338,036</u>	<u>1,811,207</u>	<u>(336,757)</u>	<u>-</u>	<u>43,812,486</u>
Net capital assets	<u>\$ 19,819,091</u>	<u>\$ (1,017,087)</u>	<u>\$ (15,057)</u>	<u>\$ -</u>	<u>\$ 18,786,947</u>

Depreciation expense for the primary government for the year ended September 30, 2023 amounted to \$1,811,207.

The following is a summary of the discretely presented component units' changes in capital assets during the year ended September 30, 2023:

Description	September 30, 2022	Additions	Dispositions	Transfers	September 30, 2023
<u>Non-depreciable:</u>					
Land	\$ 144,691	\$ -	\$ -	\$ -	\$ 144,691
Construction in progress	<u>-</u>	<u>285,207</u>	<u>-</u>	<u>-</u>	<u>285,207</u>
Subtotal	<u>144,691</u>	<u>285,207</u>	<u>-</u>	<u>-</u>	<u>429,898</u>
<u>Depreciable:</u>					
Buildings and improvements	19,970,039	-	-	-	19,970,039
Furniture and equipment	<u>1,231,091</u>	<u>135,979</u>	<u>-</u>	<u>-</u>	<u>1,367,070</u>
Subtotal	<u>21,201,130</u>	<u>135,979</u>	<u>-</u>	<u>-</u>	<u>21,337,109</u>
Less: accumulated depreciation	<u>3,872,960</u>	<u>665,134</u>	<u>-</u>	<u>-</u>	<u>4,538,094</u>
Net capital assets	<u>\$ 17,472,861</u>	<u>\$ (243,948)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,228,913</u>

Depreciation expense for the discretely presented component units for the year ended September 30, 2023 amounted to \$665,134.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023**

NOTE 6. NOTES RECEIVABLE

Outstanding notes receivable as of September 30, 2023 consisted of the following:

On September 27, 2013, LIHDC entered into an Affordable Housing Program loan agreement with Warren Village in the amount of \$500,000. The loan accrues interest at 5.00% and matures on December 31, 2042, at which time the entire balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage on the property. Accrued interest on the loan totaled \$244,778.	\$ 500,000
On December 12, 2018, LIHDC entered into an Affordable Housing Program loan agreement with Warren Village II in the amount of \$500,000. The loan accrues interest at 2.50% and matures on December 31, 2048, at which time the entire balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage on the property. Accrued interest on the loan totaled \$62,255.	500,000
On December 12 2018, LIHDC agreed to loan Warren Village II for costs incurred during construction in the amount of \$569,365. The loan accrues interest at 3.00% and matures on December 31, 2048, at which time the entire balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage on the property. Accrued interest on the loan totaled \$-0-.	485,000
On December 17, 2020, LIHDC agreed to loan Warren Village to fund a repair and replacement project in the amount of \$203,450. The loan accrues interest at 3.00% and matures on December 31, 2023, at which time the entire balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage on the property. Accrued interest on the loan totaled \$18,267.	55,435
On August 15, 2022, LIHDC agreed to loan Warren Village to fund a repair and replacement project in the amount of \$250,000. The loan accrues interest at 3.00% and matures on August 14, 2025, at which time the entire balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage on the property. Accrued interest on the loan totaled \$-0-.	<u>250,000</u>
Total notes receivable	1,790,435
Less: current portion	<u>55,435</u>
Notes receivable, net of current portion	<u><u>\$ 1,735,000</u></u>

As of September 30, 2023, accrued interest on the aforementioned notes receivable amounted to \$325,300 and is shown net of an allowance for doubtful accounts in the amount of \$119,779.

NOTE 7. PAYMENTS IN LIEU OF TAXES

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for their Authority owned properties in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023**

NOTE 7. PAYMENTS IN LIEU OF TAXES (continued)

For the year ended September 30, 2023, the primary government and the discretely presented component units incurred PILOT expense in the amounts of \$83,666 and \$122,012, respectively.

NOTE 8. ACCOUNTS PAYABLE

As of September 30, 2023, accounts payable consisted of the following:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts payable - vendors	\$ 44,060	\$ 7,081	\$ 51,141
Accounts payable - other governments	<u>85,016</u>	<u>110,954</u>	<u>195,970</u>
Total accounts payable	<u>\$ 129,076</u>	<u>\$ 118,035</u>	<u>\$ 247,111</u>

Accounts Payable - Vendors

Accounts payable - vendors represents the amounts payable to contractors and vendors for materials received or services rendered.

Accounts Payable - Other Governments

Accounts payable - other governments represents amounts due and payable to the City for payment in lieu of taxes.

NOTE 9. NOTES PAYABLE

Notes payable of the primary government consisted of the following as of September 30, 2023:

On September 14, 2010, THHDC entered into multiple loan agreements with the City of Terre Haute Department of Redevelopment related to the rehabilitation of seven properties. The loans are unsecured, interest free and are forgivable over a 20-year period at 5% each year. \$ 221,010

In September 2013, LIHDC entered into an Affordable Housing Program loan agreement through the Federal Home Loan Bank of Indianapolis in the amount of \$500,000. The loan is interest free and shall be forgiven after a 15 year compliance period ending in August 2029. The loan is secured by a mortgage with Warren Village. 500,000

In December 2018, LIHDC entered into an Affordable Housing Program loan agreement through the Federal Home Loan Bank of Indianapolis in the amount of \$500,000. The loan is interest free and shall be forgiven after a 15 year compliance period ending in December 2034. The loan is secured by a mortgage with Warren Village II. 500,000

In November 2018, LIHDC entered into an Affordable Housing Program loan agreement through the Federal Home Loan Bank of Indianapolis in the amount of \$500,000. The loan is interest free and shall be forgiven after a 15 year compliance period ending in November 2034. The loan is secured by properties known as Scattered Sites. 500,000

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023**

NOTE 9. NOTES PAYABLE (continued)

On August 28, 2018, LIHDC entered into a HOME Program loan agreement through the Federal Home Loan Bank of Indianapolis in the amount of \$640,000. The loan is interest free and is forgivable over a 20-year period at 5% each year. The loan is secured by properties known as Scattered Sites.

	<u>477,334</u>
Total notes payable	2,198,344
Less: current portion	<u>60,474</u>
Notes payable, net of current portion	<u>\$ 2,137,870</u>

Annual debt service for principal over the next five years and in five-year increments thereafter is as follows:

Year	Principal	Interest	Total
2024	\$ 60,474	\$ -	\$ 60,474
2025	60,474	-	60,474
2026	60,474	-	60,474
2027	60,474	-	60,474
2028	60,474	-	60,474
2029-2033	645,779	-	645,779
2034-2038	<u>1,250,195</u>	<u>-</u>	<u>1,250,195</u>
	<u>\$ 2,198,344</u>	<u>\$ -</u>	<u>\$ 2,198,344</u>

A summary of the Authority's discretely presented component units' notes payable is as follows:

<u>Notes payable to the Authority as evidenced by a Note Receivable (see Note 6):</u>	<u>Amount</u>
Warren Village, LP Affordable Housing Program Loan with LIHDC	\$ 500,000
Warren Village II, LP Affordable Housing Program Loan with LIHDC	500,000
Warren Village II, LP Construction Loan with LIHDC	485,000
Warren Village, LP Repair and Replacement Project Loan with LIHDC	<u>375,409</u>
Total primary government loans to discretely presented component units	<u>1,860,409</u>

Notes payable to other lenders:

On September 27, 2015, Warren Village, LP entered into a construction loan agreement with First Financial Bank in the maximum amount of \$12,000,000. The loan accrues interest at a rate of 6.00% and matures on September 30, 2030, at which time the remaining principal and interest will be due in full. The loan is secured by a Multifamily Apartment Complex. Accrued interest on the loan totaled \$226,028.

739,563

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023**

NOTE 9. NOTES PAYABLE (continued)

On April 1, 2016, Warren Village, LP entered into a loan agreement with the Indiana Housing and Community Development Authority in the amount of \$500,000. The loan accrued interest at a rate of 1.00% and matured on January 31, 2022, at which time the remaining principal and interest was paid in full. The loan was secured by a Multifamily Apartment Complex.

On December 12, 2018, Warren Village II, LP entered into an Affordable Housing and Community Development Fund loan agreement with the Indiana Housing and Community Development Authority in the maximum amount of \$310,000. The loan accrues interest at a rate of 3.00% and is due in monthly payments of principal and interest in the amount of \$15,078. The loan matures on July 31, 2036 and is secured by a Multifamily Apartment Complex.

	<u>160,817</u>
Total notes payable to other lenders	<u>900,380</u>
Total notes payable	2,760,789
Less: current portion of notes payable	<u>217,225</u>
Total notes payable, net of current portion	<u>\$ 2,543,564</u>

Annual debt service for principal over the next five years and thereafter is as follows:

Year	Principal	Interest	Total
2024	\$ 217,225	\$ 120,330	\$ 337,555
2025	95,977	113,490	209,467
2026	350,302	105,806	456,108
2027	104,736	98,122	202,858
2028	109,369	100,615	209,984
Thereafter	<u>1,883,180</u>	<u>648,737</u>	<u>2,531,917</u>
	<u>\$ 2,760,789</u>	<u>\$ 1,187,100</u>	<u>\$ 3,947,889</u>

Interest expense for the year ended September 30, 2023 totaled \$113,835 for the discretely presented component units.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 10. NON-CURRENT LIABILITIES

Non-current liabilities of the primary government as of September 30, 2023 consisted of the following:

Description	September 30, 2022	Additions	Reductions/ Payments	September 30, 2023	Amounts due within one Year
Accrued compensated absences	\$ 126,820	\$ 139,845	\$ (122,039)	\$ 144,626	\$ 105,170
Notes payable	2,258,818	-	(60,474)	2,198,344	60,474
Family Self-Sufficiency escrows	224,353	207,995	(171,006)	261,342	-
Accrued utilities	19,390	43,689	(17,733)	45,346	45,346
Due to related parties	-	11,765	-	11,765	11,765
Unclaimed tenant refunds	<u>13,056</u>	<u>6,090</u>	<u>(7,433)</u>	<u>11,713</u>	<u>-</u>
Total non-current liabilities	<u>\$ 2,642,437</u>	<u>\$ 409,384</u>	<u>\$ (378,685)</u>	<u>\$ 2,673,136</u>	<u>\$ 222,755</u>

Non-current liabilities of the discretely presented component units as of September 30, 2023 consisted of the following:

Description	September 30, 2022	Additions	Reductions/ Payments	September 30, 2023	Amounts due within one Year
Accrued compensated absences	\$ 4,204	\$ 6,457	\$ (7,062)	\$ 3,599	\$ 3,599
Notes payable	2,688,599	240,659	(168,469)	2,760,789	217,225
Accrued interest payable	266,913	97,644	(35,998)	328,559	328,559
Accrued utilities	<u>7,020</u>	<u>820</u>	<u>-</u>	<u>7,840</u>	<u>7,840</u>
Total non-current liabilities	<u>\$ 2,966,736</u>	<u>\$ 345,580</u>	<u>\$ (211,529)</u>	<u>\$ 3,100,787</u>	<u>\$ 557,223</u>

NOTE 11. PENSION PLAN

The Authority provides pension benefits for its full-time employees through a defined contribution plan titled "Housing Authority of the City of Terre Haute Pension Trust" (the "Plan"), administered by One America. The Plan was established and may be amended under IRC Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees who choose to participate can contribute some of their regular wages, on a tax-deferred basis, to their retirement account. Enrollment in the Plan occurs once per year. New full time employees who are at least 20 and a half years old and have completed at least six months of service as of the enrollment date are eligible to be enrolled in the Plan.

Employees may contribute up to the maximum amount allowable by law to the Plan. The Authority will contribute an amount equal to 2.5% of the employees' regular wages. Additionally, the Authority will match employee contributions up to 6%.

The Authority's total eligible payroll in the year ended September 30, 2023, approximated \$2,433,064. The Authority's contributions for the year ended September 30, 2023 totaled \$158,661 and have been charged to the employee fringe benefit account.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 12. RESTRICTED NET POSITION

Restricted net position consists of the following as of September 30, 2023:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payments reserves	\$ 7,447	\$ -	\$ 7,447
Replacement reserves	453,676	205,364	659,040
Operating deficit escrows	<u>-</u>	<u>291,335</u>	<u>291,335</u>
 Total restricted net position	 <u>\$ 461,123</u>	 <u>\$ 496,699</u>	 <u>\$ 957,822</u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers program for future housing assistance payments.

Replacement reserves represent funds that are restricted for repairs and replacement of building components and equipment.

Operating deficit escrows represent funds that are restricted in the case that the discretely presented component units encounter an operating deficit.

NOTE 13. CONDENSED FINANCIAL INFORMATION OF THE BLENDED COMPONENT UNITS

	<u>LIHDC</u>	<u>THHDC</u>	<u>Total Blended Component Units</u>
Assets:			
Current assets	\$ 4,079,814	\$ 2,586,327	\$ 6,666,141
Other assets	2,038,506	337,424	2,375,930
Capital assets, net	<u>4,709,201</u>	<u>1,726,413</u>	<u>6,435,614</u>
Total assets	<u>10,827,521</u>	<u>4,650,164</u>	<u>15,477,685</u>
Liabilities:			
Current liabilities	139,602	147,051	286,653
Non-current liabilities	<u>1,947,773</u>	<u>194,490</u>	<u>2,142,263</u>
Total liabilities	<u>2,087,375</u>	<u>341,541</u>	<u>2,428,916</u>
Net Position:			
Net investment in capital assets	4,231,868	1,505,402	5,737,270
Restricted	116,252	337,424	453,676
Unrestricted	<u>4,392,026</u>	<u>2,465,797</u>	<u>6,857,823</u>
Net position	<u>\$ 8,740,146</u>	<u>\$ 4,308,623</u>	<u>\$ 13,048,769</u>

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2023

NOTE 13. CONDENSED FINANCIAL INFORMATION OF THE BLENDED COMPONENT UNITS (continued)

	<u>LIHDC</u>	<u>THHDC</u>	<u>Total Blended Component Units</u>
Operating revenues:			
Tenant revenue	\$ 343,137	\$ 459,761	\$ 802,898
Other governmental grants	498,801	520,508	1,019,309
Other revenues	<u>2,905</u>	<u>21,042</u>	<u>23,947</u>
Total operating revenues	<u>844,843</u>	<u>1,001,311</u>	<u>1,846,154</u>
Operating expenses:			
Administrative, utilities, maintenance, etc.	512,604	540,816	1,053,420
Depreciation	<u>199,435</u>	<u>265,164</u>	<u>464,599</u>
Total operating expenses	<u>712,039</u>	<u>805,980</u>	<u>1,518,019</u>
Non-operating revenues (expenses)	<u>44,461</u>	<u>(11,165)</u>	<u>33,296</u>
Transfer in (out)	<u>6,729</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 183,994</u>	<u>\$ 184,166</u>	<u>\$ 361,431</u>

NOTE 14. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through February 27, 2024, which is the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**INDEPENDENT AUDITORS' 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***

To the Board of Commissioners
Housing Authority of the City of Terre Haute:

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 business type activities (primary government) and the discretely presented component units of the Housing Authority of the City of Terre Haute (the "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 February 27, 2024. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units of the Authority as described in our report. The financial statements of Warren Village II, L.P., a discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with that discretely presented component unit.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 Authority'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.

Compliance and Other Matters

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

Purpose of this Report

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

Novogradec & Company LLP

February 27, 2024
Toms River, New Jersey

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

To the Board of Commissioners of the
Housing Authority of the City of Terre Haute:

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Terre Haute's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2023. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Opinion on Each Major Federal Program

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 Auditors' 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.

Responsibility 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.

Auditors' 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.

Auditors' Responsibilities for the Audit of Compliance (continued)

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 auditing standards generally accepted in the United States of America, *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 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 Auditors' 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.

Purpose of this Report

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.

Novogradac & Company LLP

February 27, 2024
Toms River, New Jersey

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<u>Federal Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	\$ <u>5,479,640</u>
Total Housing Voucher Cluster		5,479,640
Public and Indian Housing Program	14.850	3,667,857
Public Housing Capital Fund Program	14.872	709,940
Family Self-Sufficiency Program	14.896	<u>132,628</u>
Total Expenditures of Federal Awards		\$ <u><u>9,990,065</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended September 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The Authority has not elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. SCHEDULE OF CAPITAL FUND COSTS AND ADVANCES

The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended September 30, 2023 are provided herein:

	<u>501-18</u>	<u>501-19</u>	<u>Totals</u>
<u>Budget</u>	\$ <u>1,577,260</u>	\$ <u>183,000</u>	\$ <u>1,760,260</u>
<u>Advances:</u>			
Cumulative through 9/30/2022	\$ 717,870	\$ -	\$ 717,870
Current Year	<u>526,940</u>	<u>183,000</u>	<u>709,940</u>
Cumulative through 9/30/2023	<u>1,244,810</u>	<u>183,000</u>	<u>1,427,810</u>
<u>Costs:</u>			
Cumulative through 9/30/2022	717,870	-	717,870
Current Year	<u>526,940</u>	<u>183,000</u>	<u>709,940</u>
Cumulative through 9/30/2023	<u>1,244,810</u>	<u>183,000</u>	<u>1,427,810</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

As of September 30, 2023, Public Housing Capital Fund Grant IN36Po21501-19 with approved funding of \$183,000 has been fully drawn down and expended as per Capital Fund Grant Regulations.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

I. Summary of Auditors' Results

Financial Statement Section

- | | | |
|----|---|---------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|--|---------------|
| 1. | Internal Control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None Reported |
| 2. | Type of auditors' report on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. | Identification of major programs: | |

ALN

Name of Federal Program

14.850

Public and Indian Housing Program

- | | | |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee? | Yes |

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Federal Audit Findings

There were no findings or questioned costs in the prior year.

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 9/30/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
111 Cash - Unrestricted	\$4,731,267	\$442,851	\$6,343,876	
112 Cash - Restricted - Modernization and Development	\$0			
113 Cash - Other Restricted	\$130,091	\$496,699	\$453,676	
114 Cash - Tenant Security Deposits	\$263,465	\$48,924	\$100,243	
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$5,124,823	\$988,474	\$6,897,795	\$0
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				\$36,387
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous		\$9,998	\$3,664	
126 Accounts Receivable - Tenants	\$65,873	\$12,221	\$31,806	
126.1 Allowance for Doubtful Accounts - Tenants	-\$7,856	-\$1,222	-\$3,168	
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			\$55,435	
128 Fraud Recovery	\$13,304			
128.1 Allowance for Doubtful Accounts - Fraud	\$0			
129 Accrued Interest Receivable			\$18,267	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$71,321	\$20,997	\$106,004	\$36,387
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$388,313	\$89,643	\$116,018	
143 Inventories	\$27,920	\$328		
143.1 Allowance for Obsolete Inventories	\$0	\$0		
144 Inter Program Due From			\$0	
145 Assets Held for Sale				
150 Total Current Assets	\$5,612,377	\$1,099,442	\$7,119,817	\$36,387
161 Land	\$589,452	\$144,691	\$419,559	
162 Buildings	\$39,627,096	\$19,970,039	\$15,225,113	
163 Furniture, Equipment & Machinery - Dwellings	\$2,798,180	\$960,799	\$68,740	
164 Furniture, Equipment & Machinery - Administration	\$1,293,019	\$406,271	\$222,803	
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$33,162,496	-\$4,538,094	-\$9,550,666	
167 Construction in Progress	\$181,556	\$285,207	\$50,065	
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$11,326,807	\$17,228,913	\$6,435,614	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$1,735,000	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets		\$89,359	\$187,254	
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$11,326,807	\$17,318,272	\$8,357,868	\$0
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$16,939,184	\$18,417,714	\$15,477,685	\$36,387

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 9/30/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$28,112	\$7,081	\$623	
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$51,011	\$7,413	\$13,197	\$5,024
322 Accrued Compensated Absences - Current Portion	\$48,379	\$3,599	\$12,883	\$1,848
324 Accrued Contingency Liability				
325 Accrued Interest Payable		\$328,559		
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$81,529	\$110,954		
341 Tenant Security Deposits	\$263,465	\$48,924	\$100,243	
342 Unearned Revenue	\$32,035	\$7,308	\$27,425	
344 Current Portion of Long-term Debt - Operating Borrowings		\$217,225	\$60,474	
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities			\$66,526	\$29,515
346 Accrued Liabilities - Other	\$39,767	\$7,840	\$5,282	
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$544,298	\$738,903	\$286,653	\$36,387
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$2,543,564	\$637,870	
352 Long-term Debt, Net of Current - Operating Borrowings			\$1,500,000	
353 Non-current Liabilities - Other	\$130,091			
354 Accrued Compensated Absences - Non Current	\$16,989		\$4,393	
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$147,080	\$2,543,564	\$2,142,263	\$0
300 Total Liabilities	\$691,378	\$3,282,467	\$2,428,916	\$36,387
400 Deferred Inflow of Resources	\$0			
508.4 Net Investment in Capital Assets	\$11,326,807	\$14,468,124	\$5,737,270	\$0
511.4 Restricted Net Position	\$0	\$496,699	\$453,676	\$0
512.4 Unrestricted Net Position	\$4,920,999	\$170,424	\$6,857,823	\$0
513 Total Equity - Net Assets / Position	\$16,247,806	\$15,135,247	\$13,048,769	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$16,939,184	\$18,417,714	\$15,477,685	\$36,387

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 9/30/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
111 Cash - Unrestricted	\$314,876	\$1,153,706		\$12,986,576
112 Cash - Restricted - Modernization and Development				\$0
113 Cash - Other Restricted	\$138,698			\$1,219,164
114 Cash - Tenant Security Deposits				\$412,632
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$453,574	\$1,153,706	\$0	\$14,618,372
121 Accounts Receivable - PHA Projects	\$7,009			\$7,009
122 Accounts Receivable - HUD Other Projects				\$36,387
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous		\$144,514	-\$147,438	\$10,738
126 Accounts Receivable - Tenants				\$109,900
126.1 Allowance for Doubtful Accounts - Tenants				-\$12,246
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current				\$55,435
128 Fraud Recovery	\$351,399			\$364,703
128.1 Allowance for Doubtful Accounts - Fraud	-\$279,560			-\$279,560
129 Accrued Interest Receivable				\$18,267
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$78,848	\$144,514	-\$147,438	\$310,633
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$14,349	\$20,660		\$628,983
143 Inventories		\$45,483		\$73,731
143.1 Allowance for Obsolete Inventories		\$0		\$0
144 Inter Program Due From		\$0		\$0
145 Assets Held for Sale				
150 Total Current Assets	\$546,771	\$1,364,363	-\$147,438	\$15,631,719
161 Land		\$13,025		\$1,166,727
162 Buildings		\$1,686,082		\$76,508,330
163 Furniture, Equipment & Machinery - Dwellings		\$27,740		\$3,855,459
164 Furniture, Equipment & Machinery - Administration	\$28,517	\$368,486		\$2,319,096
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$9,505	-\$1,089,819		-\$48,350,580
167 Construction in Progress				\$516,828
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$19,012	\$1,005,514	\$0	\$36,015,860
171 Notes, Loans and Mortgages Receivable - Non-Current				\$1,735,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				\$276,613
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$19,012	\$1,005,514	\$0	\$38,027,473
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$565,783	\$2,369,877	-\$147,438	\$53,659,192

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 9/30/2023

	14,871 Housing Choice Vouchers	COCC	ELIM	Total
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$416	\$14,909		\$51,141
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$11,192	\$42,326		\$130,163
322 Accrued Compensated Absences - Current Portion	\$8,085	\$33,975		\$108,769
324 Accrued Contingency Liability				
325 Accrued Interest Payable				\$328,559
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government	\$3,487			\$195,970
341 Tenant Security Deposits				\$412,632
342 Unearned Revenue				\$66,768
344 Current Portion of Long-term Debt - Operating Borrowings				\$277,699
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities	\$47,733	\$15,429	-\$147,438	\$11,765
346 Accrued Liabilities - Other		\$297		\$53,186
347 Inter Program - Due To				
348 Loan Liability - Current				
310 Total Current Liabilities	\$70,913	\$106,936	-\$147,438	\$1,636,652
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$3,181,434
352 Long-term Debt, Net of Current - Operating Borrowings				\$1,500,000
353 Non-current Liabilities - Other	\$131,251	\$11,713		\$273,055
354 Accrued Compensated Absences - Non Current	\$2,526	\$15,548		\$39,456
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities				
350 Total Non-Current Liabilities	\$133,777	\$27,261	\$0	\$4,993,945
300 Total Liabilities	\$204,690	\$134,197	-\$147,438	\$6,630,597
400 Deferred Inflow of Resources				\$0
508.4 Net Investment in Capital Assets	\$19,012	\$1,005,514		\$32,556,727
511.4 Restricted Net Position	\$7,447			\$957,822
512.4 Unrestricted Net Position	\$334,634	\$1,230,166	\$0	\$13,514,046
513 Total Equity - Net Assets / Position	\$361,093	\$2,235,680	\$0	\$47,028,595
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$565,783	\$2,369,877	-\$147,438	\$53,659,192

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 9/30/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
70300 Net Tenant Rental Revenue	\$1,811,588	\$532,762	\$781,997	
70400 Tenant Revenue - Other	\$186,961	\$10,012	\$20,901	
70500 Total Tenant Revenue	\$1,998,549	\$542,774	\$802,898	\$0
70600 HUD PHA Operating Grants	\$4,025,857			\$132,628
70610 Capital Grants	\$351,940			
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		\$723,592	\$1,019,309	
71100 Investment Income - Unrestricted	\$7,753	\$399	\$44,596	
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery				
71500 Other Revenue	\$186,121	\$357	\$23,947	
71600 Gain or Loss on Sale of Capital Assets	\$113,800			
72000 Investment Income - Restricted				
70000 Total Revenue	\$6,684,020	\$1,267,122	\$1,890,750	\$132,628
91100 Administrative Salaries	\$235,779	\$48,520	\$67,722	\$84,008
91200 Auditing Fees	\$19,230	\$13,666	\$4,990	
91300 Management Fee	\$992,405	\$77,542	\$78,932	
91310 Book-keeping Fee	\$74,055	\$3,360		
91400 Advertising and Marketing	\$1,449	\$252	\$78	
91500 Employee Benefit contributions - Administrative	\$90,175	\$16,537	\$22,992	\$41,236
91600 Office Expenses	\$77,874	\$26,747	\$12,633	\$2,384
91700 Legal Expense	\$1,346	\$71	\$199	
91800 Travel	\$975		\$300	
91810 Allocated Overhead				
91900 Other				
91000 Total Operating - Administrative	\$1,493,288	\$186,695	\$187,846	\$127,628
92000 Asset Management Fee	\$102,900	\$12,649		
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other	\$7,328	\$2,324	\$291	
92500 Total Tenant Services	\$7,328	\$2,324	\$291	\$0

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 9/30/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
93100 Water	\$161,822	\$35,530	\$20,640	
93200 Electricity	\$389,601	\$202,318	\$54,344	
93300 Gas	\$130,680		\$5,731	
93400 Fuel				
93500 Labor				
93600 Sewer	\$358,861	\$91,193	\$34,852	
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$1,040,964	\$329,041	\$115,567	\$0
94100 Ordinary Maintenance and Operations - Labor	\$856,568	\$89,494	\$240,674	
94200 Ordinary Maintenance and Operations - Materials and Other	\$737,666	\$44,405	\$201,412	
94300 Ordinary Maintenance and Operations Contracts	\$390,515	\$64,069	\$81,706	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$198,572	\$16,178	\$51,948	
94000 Total Maintenance	\$2,183,321	\$214,146	\$575,740	\$0
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs	\$251,791	\$26,070	\$19,298	
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$251,791	\$26,070	\$19,298	\$0
96110 Property Insurance	\$297,808		\$82,203	
96120 Liability Insurance	\$93,068		\$40,711	
96130 Workmen's Compensation	\$16,499	\$1,513	\$587	
96140 All Other Insurance	\$23,040	\$72,976	\$10,982	
96100 Total insurance Premiums	\$430,415	\$74,489	\$134,483	\$0
96200 Other General Expenses	\$81,870			
96210 Compensated Absences	\$61,017	\$6,457	\$14,703	\$5,000
96300 Payments in Lieu of Taxes	\$81,529	\$122,012	\$2,137	
96400 Bad debt - Tenant Rents	\$51,625	\$2,073	\$3,355	
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$276,041	\$130,542	\$20,195	\$5,000
96710 Interest of Mortgage (or Bonds) Payable		\$102,767		
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs		\$11,068		
96700 Total Interest Expense and Amortization Cost	\$0	\$113,835	\$0	\$0
96900 Total Operating Expenses	\$5,786,048	\$1,089,791	\$1,053,420	\$132,628
97000 Excess of Operating Revenue over Operating Expenses	\$897,972	\$177,331	\$837,330	\$0

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 9/30/2023

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized	\$179,094		\$11,300	
97300 Housing Assistance Payments				
97350 HAP Portability-In				
97400 Depreciation Expense	\$1,266,206	\$665,134	\$464,599	
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$7,231,348	\$1,754,925	\$1,529,319	\$132,628
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In	\$250,000			
10092 Inter Project Excess Cash Transfer Out	-\$250,000			
10093 Transfers between Program and Project - In			\$6,729	
10094 Transfers between Project and Program - Out	-\$6,729			
10100 Total Other financing Sources (Uses)	-\$6,729	\$0	\$6,729	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$554,057	-\$487,803	\$368,160	\$0
11020 Required Annual Debt Principal Payments	\$0	-\$91,816	\$0	\$0
11030 Beginning Equity	\$16,801,863	\$15,623,050	\$12,680,609	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			\$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				
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	10284	1812	2700	0
11210 Number of Unit Months Leased	9874	1752	2585	0

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 9/30/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
70300 Net Tenant Rental Revenue				\$3,126,347
70400 Tenant Revenue - Other				\$217,874
70500 Total Tenant Revenue	\$0	\$0	\$0	\$3,344,221
70600 HUD PHA Operating Grants	\$5,297,783			\$9,456,268
70610 Capital Grants				\$351,940
70710 Management Fee		\$1,186,825	-\$1,186,825	\$0
70720 Asset Management Fee		\$102,900	-\$102,900	\$0
70730 Book Keeping Fee		\$146,235	-\$146,235	\$0
70740 Front Line Service Fee				
70750 Other Fees		\$83,312		\$83,312
70700 Total Fee Revenue		\$1,519,272	-\$1,435,960	\$83,312
70800 Other Government Grants			-\$670,358	\$1,072,543
71100 Investment Income - Unrestricted	\$143	\$1,209		\$54,100
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery	\$18,851			\$18,851
71500 Other Revenue	\$215,235	\$16,989		\$442,649
71600 Gain or Loss on Sale of Capital Assets		\$87,185		\$200,985
72000 Investment Income - Restricted				
70000 Total Revenue	\$5,532,012	\$1,624,655	-\$2,106,318	\$15,024,869
91100 Administrative Salaries	\$169,645	\$568,749		\$1,174,423
91200 Auditing Fees	\$6,920	\$3,610		\$48,416
91300 Management Fee	\$115,488		-\$1,186,825	\$77,542
91310 Book-keeping Fee	\$72,180		-\$146,235	\$3,360
91400 Advertising and Marketing	\$710	\$1,229		\$3,718
91500 Employee Benefit contributions - Administrative	\$84,992	\$173,301		\$429,233
91600 Office Expenses	\$11,656	\$252,967		\$384,261
91700 Legal Expense	\$850	\$4,363		\$6,829
91800 Travel		\$2,430		\$3,705
91810 Allocated Overhead				
91900 Other		\$9,352		\$9,352
91000 Total Operating - Administrative	\$462,441	\$1,016,001	-\$1,333,060	\$2,140,839
92000 Asset Management Fee			-\$102,900	\$12,649
92100 Tenant Services - Salaries				
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services				
92400 Tenant Services - Other				\$9,943
92500 Total Tenant Services	\$0	\$0	\$0	\$9,943

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 9/30/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
93100 Water		\$2,032		\$220,024
93200 Electricity		\$15,858		\$662,121
93300 Gas		\$7,264		\$143,675
93400 Fuel				
93500 Labor				
93600 Sewer		\$1,094		\$486,000
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				
93000 Total Utilities	\$0	\$26,248	\$0	\$1,511,820
94100 Ordinary Maintenance and Operations - Labor	\$15,021	\$23,524		\$1,225,281
94200 Ordinary Maintenance and Operations - Materials and Other	\$257	\$10,112		\$993,852
94300 Ordinary Maintenance and Operations Contracts	\$9,040	\$29,404		\$574,734
94500 Employee Benefit Contributions - Ordinary Maintenance	\$8,930	\$9,755		\$285,383
94000 Total Maintenance	\$33,248	\$72,795	\$0	\$3,079,250
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				\$297,159
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$297,159
96110 Property Insurance		\$5,370		\$385,381
96120 Liability Insurance	\$1,580	\$3,693		\$139,052
96130 Workmen's Compensation	\$2,890	\$5,836		\$27,325
96140 All Other Insurance	\$2,787	\$15,615		\$125,400
96100 Total insurance Premiums	\$7,257	\$30,514	\$0	\$677,158
96200 Other General Expenses				\$81,870
96210 Compensated Absences	\$11,167	\$47,958		\$146,302
96300 Payments in Lieu of Taxes				\$205,678
96400 Bad debt - Tenant Rents				\$57,053
96500 Bad debt - Mortgages				
96600 Bad debt - Other				
96800 Severance Expense				
96000 Total Other General Expenses	\$11,167	\$47,958	\$0	\$490,903
96710 Interest of Mortgage (or Bonds) Payable				\$102,767
96720 Interest on Notes Payable (Short and Long Term)				
96730 Amortization of Bond Issue Costs				\$11,068
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$113,835
96900 Total Operating Expenses	\$514,113	\$1,193,516	-\$1,435,960	\$8,333,556
97000 Excess of Operating Revenue over Operating Expenses	\$5,017,899	\$431,139	-\$670,358	\$6,691,313

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 9/30/2023

	14.871 Housing Choice Vouchers	COCC	ELIM	Total
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				\$190,394
97300 Housing Assistance Payments	\$4,770,523		-\$670,358	\$4,100,165
97350 HAP Portability-In	\$195,004			\$195,004
97400 Depreciation Expense	\$5,703	\$74,699		\$2,476,341
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$5,485,343	\$1,268,215	-\$2,106,318	\$15,295,460
10010 Operating Transfer In				
10020 Operating transfer Out				
10030 Operating Transfers from/to Primary Government				
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)				
10091 Inter Project Excess Cash Transfer In			-\$250,000	\$0
10092 Inter Project Excess Cash Transfer Out			\$250,000	\$0
10093 Transfers between Program and Project - In			-\$6,729	\$0
10094 Transfers between Project and Program - Out			\$6,729	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$46,669	\$356,440	\$0	-\$270,591
11020 Required Annual Debt Principal Payments	\$0	\$0		-\$91,816
11030 Beginning Equity	\$314,424	\$1,879,240		\$47,299,186
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors				\$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	\$353,646			\$353,646
11180 Housing Assistance Payments Equity	\$7,447			\$7,447
11190 Unit Months Available	10992	0		25788
11210 Number of Unit Months Leased	9636	0		23847