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September 28, 2022

Board of Commissioners
Housing Authority of the City of Evansville
402 Court Street, Suite B
Evansville, IN 47708

We have reviewed the audit report of the Housing Authority of the City of Evansville, which was opined upon by MCM CPAs & Advisors LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Evansville as of December 31, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report on page 66. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 68.

In our opinion, MCM CPAs & Advisors LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White

Tammy R. White, CPA
Deputy State Examiner

The Housing Authority of the City of Evansville, Indiana

Financial Statements

Year Ended December 31, 2021

The Housing Authority of the City of Evansville, Indiana
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Year Ended December 31, 2021

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CPAs & ADVISORS

Independent Auditor's Report on Financial Statements

Board of Commissioners
The Housing Authority of the City of Evansville, Indiana

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of The Housing Authority of the City of Evansville, Indiana (the "Authority") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following discretely presented component units:

- Vision 1505, L.P.
- EHA RAD I, L.P.
- EHA RAD II, L.P.
- EHA RAD IV, L.P.
- CSSL, L.P.
- Evansville Townhomes, L.P.
- Trailside Townhomes, L.P.
- Trailside Commons, L.P.
- River View Vincennes, L.P.
- Evansville Townhomes II, L.P.
- KHA RAD I, L.P.

These entities represent 99 percent, 99 percent, and 100 percent, respectively, of the assets, net position and revenues of the discretely presented component units. Those financial statements, which were prepared in accordance with the Accounting Standards Codification as issued by the Financial Accounting Standards Board, were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

Independent Auditor's Report on Financial Statements (Continued)

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audit contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of Vison 1505, L.P., CSSL, L.P., Evansville Townhomes, L.P., Trailside Townhomes, L.P., Trailside Commons, L.P., River View Vincennes, L.P., Trailside Townhomes II, L.P. and Kokomo RAD I were not audited in accordance with Government Auditing Standards. 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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.

Independent Auditor's Report on Financial Statements (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 to 10 and the Schedules of the Authority's Proportionate Share of the Net Pension Liability and of the Authority's Contributions on pages 56 and 57 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying financial data schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 September 13, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

MCM CPAs & Advisors LLP

Lexington, Kentucky
September 13, 2022

The Housing Authority of the City of Evansville, Indiana
Management's Discussion and Analysis
Year Ended December 31, 2021

This section of The Housing Authority of the City of Evansville, Indiana's (the "Authority") annual financial report presents management's discussion and analysis of the Authority's financial position, results of operations and cash flows during the fiscal year ended December 31, 2021. This analysis should be read in conjunction with the Independent Auditor's Report, financial statements and accompanying notes.

Introduction - The Housing Authority of the City of Evansville, Indiana

The Authority is a Public Housing Authority with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Authority has complete legislative and administrative authority, and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from the Department of Housing and Urban Development ("HUD"). The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has included as blended component units the activities for Advantix Development Corporation and Lincoln Estates Redevelopment, Inc., both non-profit organizations. Advantix includes the financial information of its wholly-owned subsidiaries as described in Note A. These entities are considered blended component units because the Authority has financial accountability and control over their boards of directors and management.

The Authority has also included, as discretely presented component units, the activities of Vision 1505, L.P. ("Vision LP"), EHA RAD I, L.P. ("RAD I"), EHA RAD II, L.P ("RAD II"), EHA RAD IV, L.P. ("RAD IV"), CSSL, L.P., Evansville Townhomes L.P., Trailside Townhomes L.P., Trailside Commons L.P., River View Vincennes, L.P., Evansville Townhomes II, L.P., Erie Pointe L.P., and Kokomo RAD 1, L.P. These entities are shown as discretely presented component units because the Authority is financially accountable for them; however, they do not have full operational responsibilities for these entities.

The Authority's financial statements include the operations of funds that the Authority has established to achieve its purposes. The financial transactions of the Authority are recorded in the funds that consist of a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses, as appropriate. The Authority is a self-supporting entity and follows enterprise fund reporting.

This discussion and analysis are designed to assist the reader in focusing on significant financial issues and activities and to identity any significant changes in net position of the Authority. Readers are encouraged to consider the information presented in conjunction with the financial statements as a whole, which follow this section.

Financial Statements

The basic financial statements include three required statements, which provide different views of the Authority. They are the *Statement of Net Position*, the *Statement of Revenues, Expenses and Changes in Net Position* and the *Statement of Cash Flows*. These statements provide current and long-term information about the Authority's financial condition and activities.

The *Statement of Net Position* includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through externally funded programs, tenant rents and other revenue sources.

Financial Statements (Continued)

The primary purpose of the *Statement of Cash Flows* is to provide information about the Authority's cash receipts and cash payments during the accounting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing, and investing activities.

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

Financial Highlights

The Authority's most significant financial highlights consist of the following:

- The Authority's net position increased by approximately $1.5 million during 2021 and decreased by approximately $1.1 million during 2020.
- Operating revenues decreased by approximately $7.1 million from 2020 to 2021 and increased by approximately $10.1 million from 2019 to 2020.
- Total operating expenses for the Authority's programs decreased by approximately $6.9 million from 2020 to 2021 and increased by approximately $11.7 million from 2019 to 2020.
- Net nonoperating income (expense) for the Authority increased by $2.9 million from 2020 to 2021 and decreased by approximately $0.8 million from 2019 to 2020. Total net nonoperating income was approximately $3.1 million in income for 2021 and $0.2 million for 2020. The increase from 2020 to 2021 was related to gains on disposal of capital assets.

The Authority has several programs that are reported in a single enterprise fund. The main programs consist of the following:

Housing Choice Voucher Program

Under the Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 2826 housing units in 2021. The purpose of the program is to provide decent affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

Net Position

The following table is a condensed summary of net position of the business-type activities of the Authority at December 31, 2021 and 2020:

	2021	2020	$ Change	% Change
Assets				
Current assets	$ 10,035,614	$ 11,146,591	$ (1,110,977)	-10.0%
Capital assets, net	4,089,804	5,633,296	(1,543,492)	-27.4%
Notes receivable, net	27,006,250	23,356,250	3,650,000	15.6%
Other assets	697,232	726,100	(28,868)	-4.0%
Total assets	41,828,900	40,862,237	966,663	2.4%
Deferred outflows of resources	220,970	119,353	101,617	85.1%
Total assets and deferred outflows of resources	42,049,870	40,981,590	1,068,280	2.6%
Liabilities				
Current liabilities	3,549,258	3,888,117	(338,859)	-8.7%
Noncurrent liabilities	1,320,317	1,697,575	(377,258)	-22.2%
Total liabilities	4,869,575	5,585,692	(716,117)	-12.8%
Deferred inflows of resources	451,559	213,696	237,863	111.3%
Total liabilities and deferred inflows of resources	5,321,134	5,799,388	(478,254)	-8.2%
Net position				
Net investment in capital assets	4,089,804	5,233,296	(1,143,492)	-21.9%
Restricted	196,146	274	195,872	71486.1%
Unrestricted	32,442,786	29,948,432	2,494,354	8.3%
Total net position	$ 36,728,736	$ 35,182,002	$ 1,546,734	4.4%

Major Factors Affecting the Statement of Net Position

Total assets of the Authority as of December 31, 2021 and 2020 amounted to $41,828,900 and $40,862,237, respectively. Current assets primarily consist of cash and receivables and other current assets. Non-current assets primarily consist of capital assets and notes receivable. Capital assets primarily include land, buildings and improvements, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation. Notes receivable primarily consist of loans made to the discretely presented component units for the sale of property at appraised values. The principal change in assets from December 31, 2021 to December 31, 2020 was due to a decrease in capital assets of $1,543,492 which was offset by an increase in notes receivable of $3,650,000 and a decrease in current assets of approximately $1,100,000 for an increase of $966,663.

Total liabilities and deferred inflows of resources of the Authority are $5,321,134 and $5,799,388 as of December 31, 2021 and 2020, respectively. Current liabilities primarily include accounts payable and accrued expenses. Noncurrent liabilities primarily include the accrued pension obligation and mortgage and other notes payable, net of current portion. Current liabilities have decreased by approximately $340,000 primarily due to the timing of construction payables and accounts payable retention in 2021. Noncurrent liabilities have decreased by $377,000, primarily due to an increase in the FSS Escrow liability and long-term debt in 2021.

Deferred outflows of resources are $220,970 and $119,353 as of December 31, 2021 and 2020, respectively. Deferred inflows of resources are $451,559 and $213,696 as of December 31, 2021 and 2020, respectively. Deferred outflows and inflows of resources are related to the pension obligation and are being amortized into pension expense over the average expected remaining service life, except for the difference between expected and actual investment earnings, which is amortized over five years.

Net position represents the Authority's equity, a portion of which is restricted for certain use. Net position is divided into three major categories. The first category, net investment in capital assets shows the Authority's equity in land, buildings and improvements, construction in progress, and equipment, net of related capital debt outstanding. The next net position category, restricted, is reserved for the programs mandated by HUD. The last category, unrestricted, is available to use for any lawful and prudent purpose of the Authority. The increase in net position is due to operating and nonoperating expense during 2021.

Revenues, Expenses and Changes in Net Position

The following table is a condensed summary of revenues, expenses and changes in net position for the years ended December 31, 2021 and 2020.

	2021	2020	$ Change	% Change
Operating revenues				
Tenant revenue	$ 479,728	$ 634,355	$ (154,627)	-24.4%
HUD PHA operating grants	14,935,356	14,216,228	719,128	5.1%
Other government grants	103,574	170,667	(67,093)	-39.3%
Fraud recovery income	13,859	14,368	(509)	-3.5%
Management fees	1,107,601	164,969	942,632	0.0%
Other revenue	10,272,780	18,773,845	(8,501,065)	-45.3%
Total operating revenues	26,912,898	33,974,432	(7,061,534)	-20.8%
Operating expenses				
Administration	3,367,703	2,357,986	1,009,717	42.8%
Tenant services	287,751	431,214	(143,463)	-33.3%
Utilities	168,614	127,192	41,422	32.6%
Ordinary maintenance and operations	820,683	425,942	394,741	92.7%
Insurance	198,370	438,188	(239,818)	-54.7%
Other general expenses	9,900,420	18,427,387	(8,526,967)	-46.3%
Housing assistance payments	13,203,839	12,593,801	610,038	4.8%
Depreciation and amortization	432,585	479,400	(46,815)	-9.8%
Total operating expenses	28,379,965	35,281,110	(6,901,145)	-19.6%
Operating income (expense)	(1,467,067)	(1,306,678)	(160,389)	12.3%
Nonoperating income (expense), net	3,013,601	198,636	2,814,965	1417.1%
Change in net position	$ 1,546,534	$ (1,108,042)	$ 2,654,576	-239.6%

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position

During 2021, the Authority's net operating expense was approximately $1.3 million. Net nonoperating income and other special items resulted in approximately $200 thousand in income which primarily consisted of interest and other miscellaneous income.

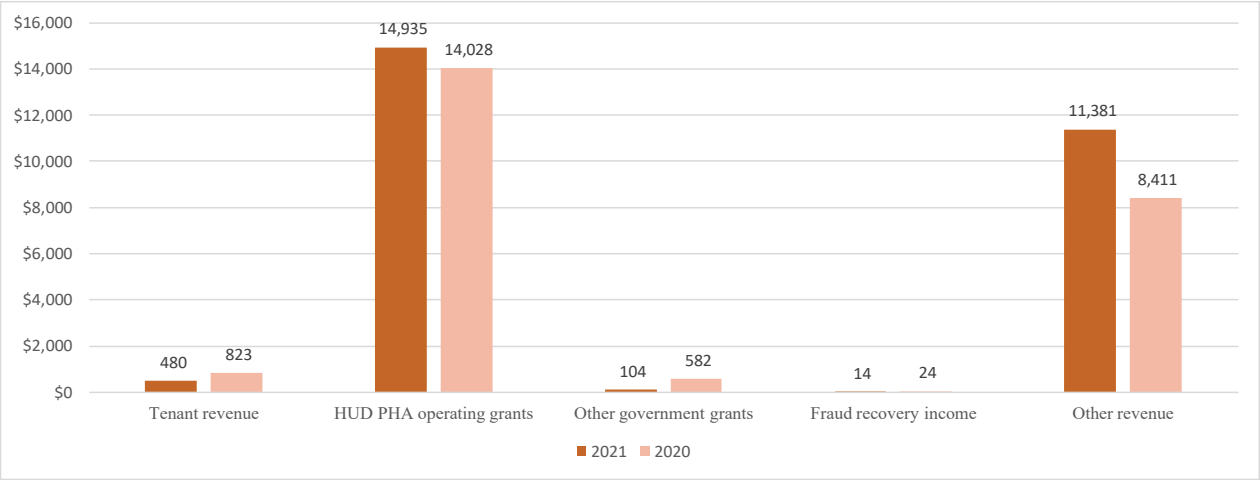
During 2020, the Authority's net operating income was approximately $2.9 million. Net nonoperating income resulted in approximately $2.9 million in income which primarily consisted of gains on disposal of capital assets.

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position (Continued)

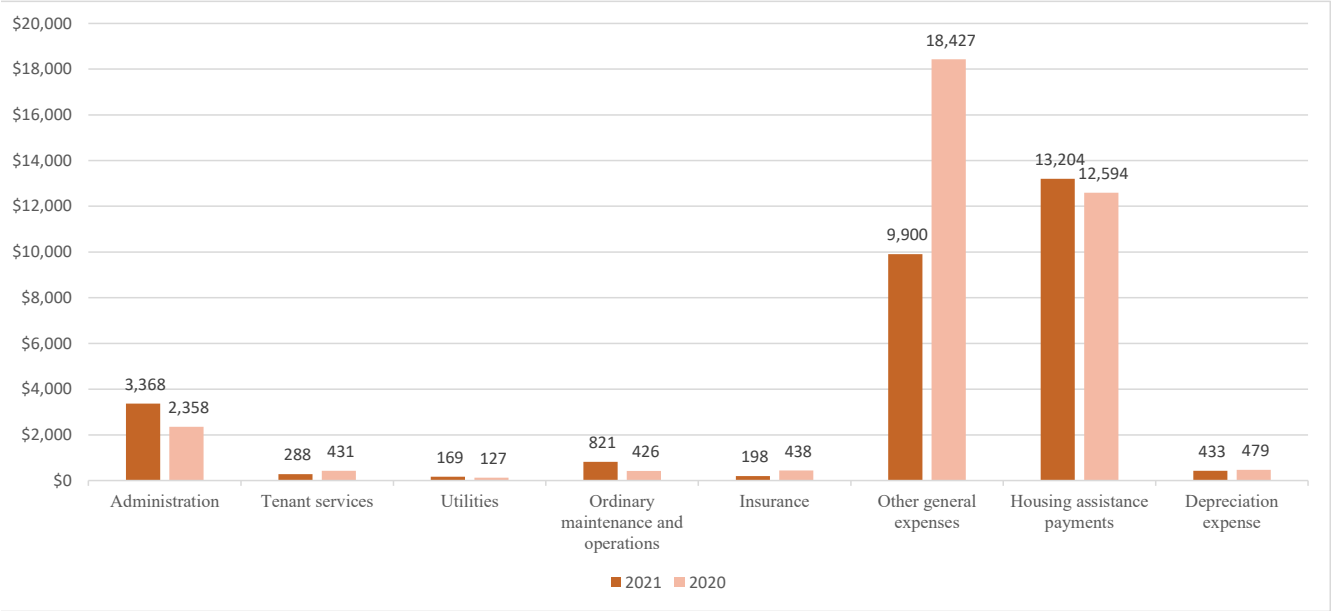
As seen in the charts below, the most important factors affecting the change in the Authority's operating income in 2021 were the increases in other revenue.

Operating revenue and expenses are shown in detail in the charts below:

Operating Revenue - 2021 and 2020 (Dollars in Thousands)



Operating Expenses - 2021 and 2020 (Dollars in Thousands)



Capital Assets

As of December 31, 2021 and 2020, the Authority had approximately $4.1 and $5.6 million, respectively, invested in a variety of capital assets as reflected in the following table:

	2021	2020
Land	$ 1,163,747	$ 1,246,324
Buildings and improvements	7,749,188	13,120,027
Furniture, equipment and machinery	1,115,624	1,071,027
Construction in progress	2,238	234,418
Accumulated depreciation	(5,940,993)	(10,038,500)
Capital assets, net	$ 4,089,804	$ 5,633,296

In 2021, the Authority had capital expenditures of approximately $400 thousand while recognizing depreciation expense of approximately $432 thousand.

In 2020, the Authority had capital expenditures of approximately $300 thousand while recognizing depreciation expense of approximately $479 thousand.

See Note D in the *Notes to Financial Statements* for additional disclosures regarding changes in capital assets during the year ended December 31, 2021.

Long-term Debt

Long-term debt outstanding totaled $894 thousand and $973 thousand at December 31, 2021 and 2020, respectively. The decrease in long-term debt was due to debt payments.

Requests of Information

This financial report is designed to provide a general overview of the Authority's finances and resources. Questions concerning any of this information should be addressed to The Housing Authority of the City of Evansville, Indiana, 500 SE Tenth Street, 47713.

Requests for full financial information of the discretely presented component units should also be addressed to The Housing Authority of the City of Evansville, Indiana, 500 SE Tenth Street, 47713.

The Housing Authority of the City of Evansville, Indiana
Statement of Net Position
December 31, 2021

	Primary government	Discretely presented component units
Current assets		
Cash and cash equivalents - unrestricted	$ 4,089,816	$ 1,339,493
Cash and cash equivalents - restricted for modernization and development	-	275,876
Cash and cash equivalents - other restricted	464,804	3,948,319
Cash and cash equivalents - tenant security deposits	9,855	178,548
Cash and cash equivalents - restricted for payment of current liabilities	-	362,072
Cash and cash equivalents - bond service reserve	-	15,475,000
Certificates of deposit	307,286	-
Accounts receivable - HUD	105,983	24,381
Accounts receivable - tenants	-	214,270
Accounts receivable - other government	366,671	29,792
Accounts receivable - other	3,697,420	438,716
Prepaid expense and other current assets	993,779	458,731
Total current assets	10,035,614	22,745,198
Noncurrent assets		
Capital assets, at cost, less accumulated depreciation	4,089,804	125,678,356
Notes receivable, net	27,006,250	-
Other investments	697,232	-
Other assets	-	170,283
Total noncurrent assets	31,793,286	125,848,639
Total assets	41,828,900	148,593,837
Deferred outflows of resources		
Deferred pension costs	220,970	-
Total assets and deferred outflows of resources	42,049,870	148,593,837
Current liabilities		
Accounts payable	2,142,776	4,349,396
Accounts payable - HUD	-	-
Tenant security deposits	9,505	171,573
Unearned revenue	71,974	79,280
Accrued compensated absences - current portion	70,037	-
Accrued wages and payroll taxes	40,371	-
Accrued expenses and other current liabilities	1,123,056	77,557
Current portion of long-term debt	91,539	2,903,635
Total current liabilities	3,549,258	7,581,441
Noncurrent liabilities		
Other liabilities	225,989	8,337,240
Accrued compensated absences, net of current portion	31,238	-
Accrued interest	-	5,466,513
Accrued pension obligation	261,064	-
Mortgage and other notes payable, net of current portion	802,026	78,319,508
Total noncurrent liabilities	1,320,317	92,123,261
Total liabilities	4,869,575	99,704,702
Deferred inflows of resources		
Deferred pension revenue	451,559	-
Total liabilities and deferred inflows of resources	5,321,134	99,704,702
Net position		
Net investment in capital assets	4,089,804	44,455,213
Restricted	196,146	4,213,660
Unrestricted	32,442,786	220,262
Total net position	$ 36,728,736	$ 48,889,135

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2021

	Primary government	Discretely presented component units
Operating revenues		
Tenant revenue	$ 479,728	$ 7,423,679
HUD PHA operating grants	14,935,356	-
Other government grants	103,574	-
Fraud recovery income	13,859	-
Management fees	1,107,601	-
Other revenue	10,272,780	-
Total operating revenues	26,912,898	7,423,679
Operating expenses		
Administration	3,367,703	1,568,984
Tenant services	287,751	-
Utilities	168,614	1,987,496
Ordinary maintenance and operations	820,683	1,969,335
Protective services	-	77,962
Insurance	198,370	510,501
Other general expenses	9,900,420	355,095
Housing assistance payments	13,203,839	-
Depreciation and amortization expense	432,585	4,066,154
Total operating expenses	28,379,965	10,535,527
Net operating loss	(1,467,067)	(3,111,848)
Nonoperating income (expense)		
Investment income - unrestricted	313,092	6,650
Interest expense and amortization cost	(23,110)	(2,212,444)
Gain on disposal of capital assets	2,723,619	-
Organization costs	-	(1,500)
Total nonoperating income (expense)	3,013,601	(2,207,294)
Changes in net position	1,546,534	(5,319,142)
Net position, beginning of year	35,182,202	35,542,967
Syndication costs	-	(155,000)
Capital contributions	-	18,820,310
Net position, end of year	$ 36,728,736	$ 48,889,135

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Statement of Cash Flows
Year Ended December 31, 2021

	Primary government
Cash flows from operating activities	
Cash received from tenants	$ 496,098
Cash received from HUD grants	14,684,466
Cash received from other governmental grants	127,948
Cash received from other sources	12,350,872
Cash payments to employees for services	(1,991,534)
Cash payments for employee benefits	(427,732)
Cash payments to participants in the Housing Choice Voucher Program	(13,203,839)
Cash payments to other suppliers for goods and services	(12,113,334)
Net cash used by operating activities	(77,055)
Cash flows from capital and related financing activities	
Purchases of capital assets	(366,790)
Proceeds from sale of capital assets	1,801,316
Repayment of loan payable	(79,962)
Issuance of notes receivable	(1,250,000)
Interest paid	(23,110)
Net cash provided by capital and related financing activities	81,454
Cash flows from investing activities	
Loss from partnership investments	28,868
Change in certificates of deposit	24,555
Interest received	313,092
Net cash provided by investing activities	366,515
Increase in cash	370,914
Cash and cash equivalents	
Beginning of year	4,193,561
End of year	$ 4,564,475
Reconciliation of cash and cash equivalents to the statement of net position	
Cash and cash equivalents - unrestricted	$ 4,089,816
Cash and cash equivalents - other restricted	464,804
Cash and cash equivalents - tenant security deposits	9,855
Total cash and equivalents	$ 4,564,475

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Statement of Cash Flows (Continued)
Year Ended December 31, 2021

	Primary government
Operating activities net operating loss	$ (1,467,067)
Adjustments to reconcile net operating income to net cash used by operating activities	
Depreciation expense	432,585
Bad debt expense - tenant rents	155,357
Decrease (increase) in assets	
Accounts receivable - HUD	(94,252)
Accounts receivable - tenants	(155,357)
Accounts receivable - other government	24,374
Accounts receivable - other	970,491
Prepaid expenses and other current assets	556,723
Deferred outflows of resources	(101,617)
Increase (decrease) in liabilities	
Accounts payable	425,286
Accounts payable - HUD	(5,295)
Tenant security deposits	(5,156)
Unearned revenue	(143,826)
Accrued wages and payroll taxes	(9,664)
Accrued expenses and other current liabilities	(598,433)
Accrued compensated absences	(3,580)
Other liabilities	19,408
Accrued pension obligation	(314,895)
Deferred inflows of resources	237,863
Net cash used by operating activities	$ (77,055)
Schedule of noncash financing and investment activities	
Capital assets exchanged for notes receivable	$ 2,400,000

See accompanying notes.

Note A - Nature of Organization and Operations

Nature of Operations

The Housing Authority of the City of Evansville, Indiana (the "Authority" or the "Primary Government"), a governmental entity, is organized under the laws of the State of Indiana ("State") for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owned and operated 135 public housing units through October 31, 2018, at which time all public housing units were disposed of through the Rental Assistance Demonstration Program. The Authority also administers 2319 Section 8 vouchers, under an Annual Contributions Contract ("ACC") in Evansville, Indiana.

The Authority's activities include the following program:

Section 8 Housing Choice Voucher Program - Under the Section 8 Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 2826 housing units. The purpose of the program is to provide decent affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

Reporting Entity

The Housing Authority of the City of Evansville - The Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments.

The 7-member Board of Commissioners of the Authority is appointed to 4-year staggered terms by the Mayor of the City of Evansville, but the Authority designates its own management. The City of Evansville is not financially accountable for the Authority as it cannot impose its will on the Authority, and there is no potential for the Authority to provide financial benefits to, or impose financial burdens on the City of Evansville. Accordingly, the Authority is not a component unit of the financial reporting entity of the City of Evansville.

The following entities are reported as blended component units because the Authority has financial accountability and control over their boards of directors and management.

Advantix Development Corporation ("Advantix") - The Authority established the non-profit entity, which is legally separate from the Authority. The purpose of the entity is to foster low-income housing within the State of Indiana through ownership, development, construction, property management and RAD consultation. The board consists of 8 members, all of which are Authority board members.

ADC V1505 Inc.: ADC V1505, Inc. has 1,000 shares of common stock, 490 shares are owned by Advantix Development Corporation and 510 shares are owned by the Authority. ADC V1505, Inc. is the .008% general partner in Vision 1505, L.P. ("Vision LP"). Vision LP operates a 32-unit, residential supportive apartment project known as Vision 1505 located in Evansville, Indiana. Due to the limited activity in ADC V1505, Inc., all activity is incorporated into the financial information of Advantix.

Note A - Nature of Organization and Operations (Continued)

Reporting Entity (Continued)

Advantix established and wholly owns the following entities:

- Lincoln Estates Redevelopment Corporation and Lincoln Estates Redevelopment Partnership, L.P.
- Corydon SSL, LLC, which is the .009% general partner in CSSL, L.P. ("CSSL")
- Evansville RAD One, LLC, which is the .01% general partner in EHA RAD I, L.P. ("RAD I") and EHA RAD II, L.P. (RAD II). RAD I owns and operates a 438-unit apartment community. RAD II owns and operates a 121-unit apartment community. RAD I and RAD II apartment communities are both located in Evansville, Indiana.
- Evansville RAD Four, LLC, which is the .01% general partner in EHA RAD IV, L.P. ("RAD IV"). RAD IV operates a 194-unit apartment community located in Evansville, Indiana.
- ET Evansville, LLC is the .01% general partner in Evansville Townhomes, L.P.
- Trailside Townhomes GP, LC is the .01% general partner in Trailside Townhomes, LP.
- SP Kokomo, LLC is the .01% general partner in Trailside Commons, L.P.
- RVV, LLC, which is the .01% general partner in River View Vincennes, L.P.
- Erie Evansville, LLC which is the .01% general partner in Erie Pointe, L.P.
- KHA RAD One, LLC which is the .01% general partner in KHA RAD, I L.P.
- ET 2 Evansville, LLC which is the .01% general partner in Evansville Townhomes, II L.P.

The activity of Lincoln Estates Redevelopment Partnership LP is included within Lincoln Estates Redevelopment Corporation. Activity of the remaining entities is included in the Advantix financial information in these financial statements.

RAD I, RAD II and RAD IV as well as Evansville Townhomes, L.P., Trailside Townhomes, LP., Trailside Commons, L.P., River View Vincennes, L.P. Evansville Townhomes II L.P., KHA RAD I, L.P. and Erie Pointe, L.P. units are rented to low-income individuals and, as a result, federal income tax credits are available to investors. The RAD I Partnership's major program is the Section 221 (d) (4) insured mortgage. The other entities have entered into a housing assistance payment contract ("HAP contract") with Evansville Housing Authority (the primary government). The contract is a rent assistance program for low-income families (or persons) as provided by the Section 8 Program of the National Housing Act.

The Authority has included, as discretely presented component units, the activity for Vision LP, RAD I, RAD II, RAD IV, CSSL, Evansville Townhomes, L.P., Trailside Townhomes, LP., Trailside Commons, L.P. River View Vincennes, L.P. Evansville Townhomes II L.P., KHA RAD I, L.P. and Erie Pointe, L.P. These entities are shown as discretely presented component units because the Authority, through its blended component unit, Advantix, is financially accountable for them; however, they do not have full operational responsibility for the entities. ADC V1505, Inc. (which is included as a blended component of the Authority) has a .001% general partner interest in Vision LP. Vision LP operates a 32-unit, residential supportive apartment project known as Vision 1505 located in Evansville, Indiana.

Requests for full financial information of Vision LP, RAD I, RAD II, RAD IV, CSSL, Evansville Townhomes, Trailside Townhomes, Trailside Commons, River View Vincennes, L.P., Evansville Townhomes II L.P., KHA RAD I, L.P., and Erie Pointe, L.P. (the Discretely Presented Component Units) should be addressed to The Housing Authority of the City of Evansville, Indiana, 500 SE Tenth Street, 47713.

Note B - Summary of Organization and Significant Accounting Policies

This summary of significant accounting policies of the Authority is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who is responsible for their integrity and objectivity. These accounting policies are in accordance with accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

1. Basis of Presentation: The Authority's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"). The Authority accounts for all of its activity as a proprietary fund which includes business-type activities that are financed in whole or in part by fees charged to external parties.

2. Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation: The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred, regardless of the timing of related cash flows.

4. Revenue and Expenses: Revenue from rentals is recorded as earned over the life of the lease, and expenses are charged against such revenue as incurred without regard to the date of receipt or payment of cash. Rental agreements generally do not exceed one year, but are renewable.

   The discretely presented component units recognize net rent revenue in the period in which the rent is earned.

   The Authority has entered into annual contribution contracts with HUD to develop, manage and own public housing projects and to administer the federal Section 8 programs whereby the Authority pays the owner a portion of the rent, a housing assistance payment ("HAP"), on behalf of the family. Such contributions are reflected as HUD grants in the accompanying financial statements.

   The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, tenant services, utilities, maintenance, protective services, insurance, depreciation, housing assistance payments and other general expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

   Advantix receives revenue from construction contracts. Advantix recognizes revenue using a cost-based input method, which uses actual costs incurred relative to total estimated contract costs to determine, as a percentage, progress toward contract completion. Contract assets reflected on the balance sheet include costs and estimated earnings in excess of billings on uncompleted contracts. Contract liabilities consist of billings in excess of costs and estimated earnings on uncompleted contracts.

Note B - Summary of Organization and Significant Accounting Policies (Continued)

4. Revenue and Expenses (Continued): In applying the cost-based input method of revenue recognition, the Company uses actual costs incurred relative to the total estimated costs to determine progress towards contract completion and to calculate the corresponding amount of revenue and gross profit to recognize. Costs incurred towards contract completion include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Selling, general and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. There were no provisions for losses accrued as of December 31, 2021.

5. Cash and Cash Equivalents: The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are stated at fair value.

6. Investments: Investments consist of certificates of deposit and are stated at cost, which approximates fair value given the nature of the investments.

7. Other Investments: Other investments represent general partner equity contributions by certain subsidiaries of Advantix related to certain discretely presented component units.

8. Allowance for Doubtful Accounts: The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. For the year ended December 31, 2021, management has determined the allowance for doubtful accounts to be $21,250 for notes receivable and $4,781,158 for accrued interest receivable.

9. Capital Assets: Capital assets are recorded at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. The Authority capitalizes capital asset purchases over $5,000. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts. Capital assets are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	10 - 39 years
Furniture, equipment and machinery	5 - 7 years

The Authority evaluates prominent events or changes in circumstances affecting capital assets to determine when impairment of a capital asset has occurred. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage are generally measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off.

10. Deferred Outflows of Resources: The Authority reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section on the Statement of Net Position.

11. Deferred Inflows of Resources: The Authority reports increases in net position that relate to future periods as deferred inflows of resources in a separate section on the Statement of Net Position.

12. Pension Plan: The employees of the Authority participate in the Indiana Public Retirement System ("INPRS"). The Authority recognizes its proportionate share of the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension and pension expense.

Note B - Summary of Organization and Significant Accounting Policies (Continued)

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

14. Net Position: The Authority classifies net position for accounting and financial reporting purposes in the following net position categories:

    - Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, 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 - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
    - Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

15. Use of Restricted and Unrestricted Resources: When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

16. Primary Government Income Taxes: Income received or generated by the Authority is not subject to federal income tax, pursuant to Internal Revenue Code Section 115. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients, pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended. Contributions to the Authority are tax deductible contributions, pursuant to Sections 170(b)(1)(A)(v) and 170(c)(1) of the Internal Revenue Code of 1986, as amended.

17. Discretely Presented Component Unit's Income Taxes: No provision for federal or state income taxes has been made in the Discretely Presented Component Unit's financial statements as the federal and state income tax effect on the Discretely Presented Component Unit's activities accrues to its partners.

18. Discretely Presented Component Units - Capital Contributions: Vision LP's limited partner made capital contributions totaling $7,155,588 at various times, as specified in the partnership agreement. As of December 31, 2020, all investor limited partner contributions have been received. The general partner is required to contribute $100 in capital contributions to the partnership; as of December 31, 2020, all required capital contributions have been received. The special limited partners A and B are to make capital contribution of $100 each, of which $100 is outstanding at December 31, 2021.

    Evansville Townhomes' general partner has made a capital contribution of $147,143, which was required by the partnership agreement. The limited partner is to make capital contributions totaling $8,800,000 as specified in the partnership agreement. The total contribution is subject to adjustment based on the timing of lease-up and other factors. The limited partner had contributions payable of $2,040,000 at December 31, 2021.

    Trailside Townhomes' general partner has made a capital contribution of $105,000 as specified in the partnership agreement. The limited partner is to make capital contributions totaling $6,422,000 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors, with a downward adjustor of $105,000 incurred in 2021. The limited partner had contributions payable of $50,000 at December 31, 2021.

Note B - Summary of Organization and Significant Accounting Policies (Continued)

18. Discretely Presented Component Units - Capital Contributions (Continued): Trailside Commons' general partner was required to make a capital contribution of $76,000 which has been paid. The limited partner is required to make capital contributions totaling $6,246,000 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. The limited partner had contributions payable of $1,249,200 at December 31, 2021.

    River View Vincennes' general partner has made a capital contribution of $396,957 as specified in the partnership agreement. The limited partner is to make capital contributions totaling $6,387,000 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. The limited partner had contributions payable of $1,277,400 at December 31, 2021.

    Evansville Townhomes II, L.P.'s general partner has made a capital contribution of $100 as required by the partnership agreement. The administrative limited partner has made a capital contribution of $100 as required by the partnership agreement. The limited partner is to make capital contributions totaling $6,071,322 as specified in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. The limited partner had contributions payable of $4,857,158 at December 31, 2021.

    KHA RAD I, L.P.'s investor limited partner is to make capital contributions totaling $17,175,766, as required in the partnership agreement. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. As of December 31, 2021, capital contributions totaling $13,740,693 are outstanding. The administrative limited partner and general partner each made capital contributions totaling $100 as specified in the partnership agreement.

    Erie Pointe, L.P.'s general partner contributed land with a fair market value of $233,000. This contribution was treated as a capital contribution made by the general partner. The investor limited partner is required to make capital contributions totaling $7,769,363. The total contribution is subject to adjustment based upon the timing of lease-up and other factors. As of December 31, 2021, capital contributions totaling $7,380,890 are outstanding. The administrative limited partner and general partner each made capital contributions totaling $100 as specified in the partnership agreement.

    Discretely presented net position attributable to third party investors is 99.99% in total.

19. Syndication Costs: Syndication costs represent costs associated with capital contributions and have been netted within net position for the discretely presented component unit column.

20. Subsequent Events: The Authority has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditor's Report, the date the accompanying financial statements were available for issuance.

Note C - Cash, Cash Equivalents and Investments

During the year ended December 31, 2021, the Authority held cash, cash equivalents and investments with several financial institutions. In accordance with GASB Statement No. 40 "Deposits and Investment Risk Disclosures", information related to cash, cash equivalents and investments is as follows:

1. Custodial Credit Risk: Custodial credit risk is the risk that the Authority will not be able to recover the value of its deposits that are in the possession of an outside party if the counterparty fails. Cash is exposed to risk if it is not covered by depository insurance in the pledging financial institution. The Federal Deposit Insurance Corporation ("FDIC") generally insures deposits up to $250,000 per bank. In addition, the State of Indiana's Public Deposit Insurance Fund ("PDIF") insures public funds deposited in approved financial institutions which exceed the limits of coverage provided by any federal deposit insurance. At December 31, 2021, all of the Authority's cash was insured by FDIC or PDIF.

2. Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

   Investments are made based upon prevailing market conditions at the time of the transaction. The Authority reviews its cash and investment needs in order to maintain adequate liquidity to meet its cash flow needs. Investments will typically be limited to securities maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the Authority.

3. Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the 'prudent investor' standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely and (c) reasonable action is taken to control any adverse developments. The Authority's investment policy requires investments to be made in accordance with HUD Financial Handbook, 7475.1 Chapter 4.

4. Concentration of Credit Risk: The Authority's investment policy does not limit the amount it may invest with one financial institution as long as all funds are secured by the FDIC or identifiable United States government securities.

5. Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect fair value of an investment or deposit. All of the Authority's deposits and investments are denominated in United States currency.

The carrying value of cash and cash equivalents owned at December 31, 2021 was $4,564,475. The bank balance of cash and cash equivalents owned at December 31, 2021 was $5,251,951.

Investments are carried at fair value. The financial statements reflect the accounting standard related to fair value measurements, which provides a comprehensive framework for measuring fair value and expands required disclosures concerning fair value measurements. Specifically, the standard sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs.

Note C - Cash, Cash Equivalents and Investments (Continued)

The standard defines levels with the hierarchy of inputs as follows:

- Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2: Quoted prices for similar assets and liabilities in active markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Authority's investments consist of certificates of deposit which are valued at the face amount plus any interest accrued. Fair values of the Authority's investments at December 31, 2021, are as follows:

Investment type	Fair value	Level 1	Level 2	Level 3
Certificates of deposit	$ 307,286	$ 307,286	$ -	$ -

Discretely Presented Component Unit Deposits

As of December 31, 2021, the carrying value of cash and cash equivalents held by the discretely presented component units was $21,579,308. At times, the bank balances held with financial institutions may exceed federally insured limits. However, there have been no losses in such accounts and management believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Regulations of HUD require that security deposits be segregated from cash. Accordingly, the discretely presented component units hold all security deposits in a separate account. At December 31, 2021, amounts held for security deposits totaled $178,548. Regulations of HUD also require that deposits for modernization and development activities be classified as restricted. As of December 31, 2021, deposits for development related obligations totaled $395,412.

Pursuant to various agreements, the discretely presented component units must hold amounts in reserves for restricted use. The following is a summary of activity in the reserve accounts for the year ended December 31, 2021:

	Operating reserve	Expense coverage reserve	Subsidy reserve	Replacement reserve	Bond service reserve	Latent defect escrow	Mortgage escrow reserve	Total
Balance - January 1, 2021	$ 2,294,793	$ 99,917	$ 251,012	$ 607,248	$ -	$ 74,118	$ 111,022	$ 3,438,110
Additions	117,601	63	37	377,686	15,475,000	151,059	239,651	16,361,097
Withdrawals	-	(168)	-	(13,648)	-	-	-	(13,816)
Balance - December 31, 2021	$ 2,412,394	$ 99,812	$ 251,049	$ 971,286	$ 15,475,000	$ 225,177	$ 350,673	$ 19,785,391

These restricted reserves are included on the statement of net position as restricted for payment of current liabilities, other restricted and bond service reserve.

Note D - Capital Assets

The following is a summary of changes in the capital assets of the primary government for the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Disposals	Transfers	Balance December 31, 2021
Land	$ 1,246,324	$ -	$ (82,577)	$ -	$ 1,163,747
Buildings and improvements	13,120,027	-	(5,370,839)	-	7,749,188
Furniture, equipment and machinery	1,071,027	366,790	(322,193)	-	1,115,624
Construction in progress	234,418	-	(232,180)	-	2,238
	15,671,796	366,790	(6,007,789)	-	10,030,797
Accumulated depreciation	(10,038,500)	(432,585)	4,530,092	-	(5,940,993)
Total capital assets	$ 5,633,296	$ (65,795)	$ (1,477,697)	$ -	$ 4,089,804

Total depreciation expense for the year ended December 31, 2021 was $432,585.

The following is a summary of changes in the capital assets of the discretely presented component units for the year ended December 31, 2021:

	Balance December 31, 2020	Additions	Disposals	Transfers	Balance December 31, 2021
Land	$ 2,266,757	$ 1,362,500	$ -	$ -	$ 3,629,257
Buildings and improvements	85,295,914	19,917,588	-	11,892,395	117,105,897
Furniture, equipment and machinery	5,861,424	2,393,034	-	-	8,254,458
Construction in progress	11,892,395	9,237,787	-	(11,892,395)	9,237,787
	105,316,490	32,910,909	-	-	138,227,399
Accumulated depreciation	(8,507,193)	(4,041,850)	-	-	(12,549,043)
Total capital assets	$ 96,809,297	$ 28,869,059	$ -	$ -	$ 125,678,356

Note E - Notes Receivable

Notes receivable, including related accrued interest, for the primary government consisted of the following as of December 31, 2021:

EHA RAD I, L.P. - sellers note receivable	$ 6,690,000
EHA RAD I, L.P. - ADC note receivable	800,000
EHA RAD I, L.P. - note receivable	3,250,000
EHA RAD II, L.P. - note receivable	3,400,000
EHA RAD IV, L.P. - note receivable	6,890,000
Memorial Community Development Corporation	42,500
Trailside Townhomes - note receivable	25,000
Evansville Townhomes - note receivable	1,000,000
Trailside Commons, L.P. - note receivable	295,000
Trailside Commons, LP. - note receivable	400,000
River View Vincennes, L.P. - AHP note receivable	500,000
River View Vincennes, L.P. - sponsor note receivable	85,000
Evansville Townhomes II L.P. - sponsor note receivable	350,000
Evansville Townhomes II L.P. - acquisition note receivable	2,400,000
Erie Pointe, LP - note receivable	900,000
Total notes receivable	27,027,500
Less allowance for doubtful accounts	(21,250)
Less current portion	-
Notes receivable - less current portion	$ 27,006,250

EHA RAD I, L.P. - Sellers Note Receivable - On May 1, 2016, the Authority sold 4 public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of $6,690,000. The loan is secured by a 5th mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2021 an allowance has been provided for accrued interest totaling $1,572,150. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

EHA RAD I, L.P. - ADC Note Receivable - On May 1, 2016, the Authority sold 4 public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of $800,000. The loan is secured by a 4th mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2021 an allowance has been provided for accrued interest totaling $188,000. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

Note E - Notes Receivable (Continued)

EHA RAD I, L.P. - Note Receivable - On May 1, 2016, the Authority sold 4 public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of $3,250,000. The loan is secured by a 6th mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2021 an allowance has been provided for accrued interest totaling $763,750. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

EHA RAD II, L.P. - Note Receivable - On May 1, 2016, the Authority sold public housing property consisting of 129 units, to EHA RAD II, L.P. Permanent financing was provided by the Authority under a loan commitment of $3,400,000. The loan is secured by a 3rd mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing July 1, 2017. At December 31, 2021 an allowance has been provided for accrued interest totaling $918,000. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

EHA RAD IV, L.P. - Note Receivable - On December 22, 2017, the Authority sold public housing properties consisting of 194 units, to EHA RAD IV, L.P. Permanent financing was provided by the Authority under a loan commitment of $6,890,000. The loan is secured by a 1st mortgage and a security agreement against the property. Interest accrues at an annual rate of 6% commencing February 1, 2019. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2059. Accrued interest at December 31, 2021 totaled $1,240,200 and is fully reserved.

Memorial Community Development Corporation - Note Receivable - On August 18, 2015, the Authority issued an $85,000 note receivable to the Memorial Community Development Corporation ("MCDC"). The note is between Advantix and MCDC for $85,000 interest free, to be repaid over a 10-year time period until maturity on August 1, 2025. The loan is to be repaid in the form of student sponsorships through the Youth Build Program. For each $531.25 student sponsorship, Advantix will forgive $531.25 of the note and credit the note for an additional $531.25 cash payment, as required by the promissory note. As of December 31, 2021, the balance of the note receivable was $42,500.

Trailside Townhomes, L.P. - Note Receivable - On February 26, 2019, the Authority issued a note receivable to Trailside Townhomes, L.P. in the amount of $25,000. The note is between Advantix and Trailside Townhomes, L.P. Interest is to accrue at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The note matures December 31, 2049. Accrued interest on the note is $2,750 at December 31, 2021 and is fully reserved.

Evansville Townhomes, L.P. - Note Receivable - On December 31, 2019, the Authority issued a $1,000,000 note receivable to Evansville Townhomes, L.P. The note is between Advantix and Evansville Townhomes, L.P. Interest is to accrue at 7% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is $46,667 at December 31, 2021 of which $5,975 is reserved. at year end of which The note matures December 31, 2049.

Trailside Commons, L.P. - Note Receivable - On December 19, 2019, the Authority issued a $295,000 note receivable to Trailside Commons, L.P. The note is between Advantix and Trailside Commons, L.P. Interest is to accrue at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is $13,275 at December 31, 2021 and is fully reserved. The note matures December 31, 2049.

Trailside Commons, L.P. - Note Receivable - Advantix received funds from IHCDA under the National Housing Trust Fund in the amount of $400,000, which it in turned loaned to Trailside Commons, L.P. as evidenced through a promissory note dated December 19, 2019. Interest is to accrue 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is $48,000 at December 21, 2021 and is fully reserved. The note matures December 31, 2049.

Note E - Notes Receivable (Continued)

River View Vincennes, L.P. - Affordable Housing Program Note Receivable - On February 25, 2020, the Authority issued a $500,000 note receivable to River View Vincennes, L.P. The note is between Advantix and River View Vincennes, L.P. Interest is to accrue at 2.15% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is $19,708 at December 31, 2021. The note matures December 31, 2050.

River View Vincennes, L.P. - Sponsor Note Receivable - On February 25, 2020, the Authority issued a $85,000 note receivable to River View Vincennes, L.P. The note is between Advantix and River View Vincennes, L.P. Interest is to accrue at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. Accrued interest on the note is $9,350 at December 31, 2021. The note matures December 31, 2050.

Evansville Townhomes II, L.P. - Sponsor Note Receivable - Advantix issued a $350,000 sponsor note receivable to Evansville Townhomes II, L.P. on March 2, 2021. Interest accrues at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The note is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The note matures December 31, 2051.

Evansville Townhomes II, L.P.- Acquisition Note Receivable - Advantix issued a $2,400,000 promissory note to Evansville Townhomes II, L.P. on March 2, 2021. Interest accrues at 5.5% per annum. Payments of principal and interest are to be made based on available cash flow. The note is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The note matures December 31, 2051.

Erie Point, LP - Note Receivable - Advantix issued a $900,000 note receivable to Erie Pointe, L.P. on December 1, 2021. Interest accrues at 6.50% per annum. Payments of principal and interest are to be made based on available cash flow as defined. The note is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The note matures on December 31, 2051.

Note F - Uncompleted Contracts

Costs and estimated earnings on uncompleted Advantix construction contracts at December 31, 2021 are as follows:

Costs incurred on uncompleted contracts	$ 5,386,831
Less billings to date	6,360,396
	$ (973,565)
Costs and estimated earnings in excess of billings on uncompleted contracts	$ -
Billings in excess of costs and estimated earnings on uncompleted contracts	(973,565)
	$ (973,565)

Billings in excess of costs and estimated earnings are included in accrued expenses and other current liabilities on the Statement of Net Position.

Note G - Compensated Absences

Authority employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave is not vested and is not paid to an employee upon separation. Vested or accumulated vacation is recorded as an expense and liability as the benefits accrue to employees. Sick leave is recorded as an expense as the employee utilizes it. A liability has been recorded for compensated absences totaling $101,275 at December 31, 2021, of which $70,037 is considered current.

Note H - Long-term Debt and Other Long-term Obligations

Primary Government

On November 23, 2011, the Authority entered into a financing agreement to purchase energy efficient equipment for $1,079,391. This equipment was sold to EHA RAD IV, L.P. during the year ending December 31, 2017, but the note payable remains on the Authority's books. Effective July 15, 2012, the Authority began making monthly payments of $7,533, which include principal and interest. The loan bears interest at 4.70% annually and matures on November 15, 2026. As of December 31, 2021, the balance of the loan was $493,565, of which $91,539 is considered current.

On November 15, 2018, Advantix entered into an agreement with the Indiana Housing and Community Development Authority ("IHCDA") whereby Advantix was awarded $400,000 from the Housing Trust Fund Program for the purpose of providing a loan to Trailside Commons, L.P. No funds were advanced until December 2019. This agreement remains in effect through the compliance period as set forth in 24 CFR 93.302(d), December 31, 2049, of Trailside Commons, L.P. at which time the loan will be considered forgiven. No principal or interest is due until such time as the compliance period ends, or the project is not deemed to be out of compliance.

Debt service requirements of the Primary Government as of December 31, 2021 are as follows:

	Principal	Interest
Payable in		
2022	$ 91,539	$ 21,282
2023	95,936	16,886
2024	100,543	12,279
2025	105,372	7,450
2026	100,175	2,390
Thereafter	400,000	-
Total requirements	$ 893,565	$ 60,287

A summary of changes in long-term debt and other long-term obligations of the primary government for the year ended December 31, 2021 is presented below:

	Balance at December 31, 2020	Additions/ transfers	Retirements	Balance at December 31, 2021	Due within one year
Other liabilities - noncurrent	$ 206,581	$ 19,408	$ -	$ 225,989	$ -
IHCDA loan	400,000	-	-	400,000	-
Accrued compensated absences	104,855	-	(3,580)	101,275	70,037
Loan payable to bank	573,527	-	(79,962)	493,565	91,539
Total long-term obligations	$ 1,284,963	$ 19,408	$ (83,542)	$ 1,220,829	$ 161,576

Note H - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units

Long-term debt for the discretely presented component units consisted of the following:

Vision LP - IHCDA loan	$ 500,000
EHA RAD I, LP -Merchants Capital Corporation loan	4,778,330
EHA RAD I, LP - IHCDA loan	1,000,000
EHA RAD I, LP - Evansville Housing Authority loan	800,000
EHA RAD I, LP - Evansville Housing Authority loan	6,690,000
EHA RAD I, LP - Evansville Housing Authority loan	3,250,000
EHA RAD II, LP - Merchants Capital Corporation loan	2,196,520
EHA RAD II, LP - IHCDA loan	500,000
EHA RAD II, LP - Evansville Housing Authority loan	3,400,000
EHA RAD IV, LP - Evansville Housing Authority loan	6,890,000
EHA RAD IV - Merchants Capital Corporation loan	3,980,608
EHA RAD IV - IHCDA loan	727,476
CSSL - IHCDA HOME loan	400,000
CSSL - IHCDA Development Fund loan	487,490
Evansville Townhomes - Advantix Development Corporation loan	1,000,000
Evansville Townhomes - Merchants Bank Corporation loan	1,487,615
Evansville Townhomes - IHDCA loan	500,000
Trailside Townhomes - Merchants Bank Corporation loan	899,560
Trailside Townhomes - HOME IHCDA loan	400,000
Trailside Townhomes - Development Fund loan	500,000
Trailside Townhomes - Advantix Development Corporation loan	25,000
Trailside Commons - Merchants Bank Corporation loan	806,780
Trailside Commons - HOME IHCDA loan	395,000
Trailside Commons - Development Fund loan	500,000
Trailside Commons - Advantix Development Corporation loan	295,000
Trailside Commons - Advantix Development Corporation loan	400,000
River View Vincennes - Merchants Bank of Indiana	1,007,634
River View Vincennes - HOME IHCDA loan	395,000
River View Vincennes - Development fund loan	500,000
River View Vincennes - Advantix Development Corporation loan	500,000
River View Vincennes - Advantix Development Corporation loan	85,000
Evansville Townhomes II LP - Merchants Bank of Indian loan	3,726,324
Evansville Townhomes II LP - Development Fund loan	243,590
Evansville Townhomes II, LP - Advantix Development Corporation loan	2,400,000
Evansville Townhomes II, LP - Advantix Development Corporation loan	350,000
KHA RAD I, LP - City of Kokomo	79,308
KHA RAD I, LP - City of Kokomo	15,475,000
KHA RAD I, LP - Merchants Capital	900,670
KHA RAD I, LP - Housing Authority of the City of Kokomo	12,700,000
Erie Pointe LP - Advantix Development Corporation loan	900,000
	82,071,905
Less: debt issuance cost	(848,762)
Total debt net of debt issuance cost	81,223,143
Less: current portion of long term debt	(2,903,635)
Total long-term debt	$ 78,319,508

Note H - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

Vision LP

In October 2011, Vision LP obtained a loan from the Indiana Housing and Community Development Authority ("IHCDA"), in the amount of $500,000. The loan originally bore interest at 3%. Payments were deferred during construction. The loan was converted and amended on December 18, 2014, prior to any required principal payments. Interest accrues at 4.167% per annum with an annual principal and interest payment of the lesser of $29,504 subject to available cash flow. The loan matures on January 1, 2030. The loan is secured by a mortgage on certain real estate. At December 31, 2021, the balance of the loan was $500,000 and the balance of accrued interest was $188,187.

EHA RAD I, LP

On May 1, 2016, RAD I obtained a loan from Merchants Capital Corp. (formally P/R Mortgage & Investment, Corp) in the amount of $5,022,700. The loan bears an annual interest rate of 3.65%. The loan requires monthly interest only through December 1, 2017. Monthly principal and interest payments of $19,912 began September 1, 2018. The note matures on December 1, 2057. The loan is secured by a mortgage, security agreement, and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2017, decreasing by 1% each year thereafter. As of December 31, 2021, the note had an outstanding balance of $4,778,330 and the balance of accrued interest was $0.

On May 1, 2016, RAD I obtained two loans from Indiana Housing and Community Development Authority in the amount of $500,000 each for a total of $1,000,000. The notes bear an annual interest rate of 3% and a maturity date of November 30, 2058. Annual payments for each loan in the amount of $21,631 are to be made subject to surplus cash as defined by HUD. The loans stipulate payments are to be no greater than 75% of available surplus cash as defined by the regulatory agreement. The loans are secured by a mortgage, security agreement, and assignment of rents. No surplus cash was available for payments in 2021. As of December 31, 2021, the notes had an outstanding balance of $1,000,000 and the balance of accrued interest was $90,000.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of $800,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. No surplus cash was available for payments in 2021. The loan is secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2021, $800,000 remains outstanding and the balance of accrued interest was $188,000.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of $6,690,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. The loan is secured by a security instrument. As of December 31, 2021, $6,690,000 remains outstanding and the balance of accrued interest was $1,572,150. No surplus cash was available for payments in 2021.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of $3,250,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. No cash was available for payments in 2021. The loan is secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2021, $3,250,000 remains outstanding and the balance of accrued interest was $763,750.

Note H - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

EHA RAD II, LP

On May 1, 2016, RAD II obtained a loan from HUD through Merchants Capital Corp. (formally P/R Mortgage & Investment, Corp) in the amount of $2,319,400. The loan bears an annual interest rate of 3.65%. The loan required monthly interest only payments through August 1, 2017. Monthly principal and interest payments of $9,195 began September 1, 2017. The note matures on August 1, 2057. The loan is secured by a mortgage, security agreement, and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2017, decreasing by 1% each year thereafter. As of December 31, 2021, $2,196,520 was outstanding and the balance of accrued interest on the loan was $918,000.

On May 31, 2016, RAD II obtained a loan from Indiana Housing and Community Development Authority in the amount of $500,000. The note bears an annual interest rate of 3% and a maturity date of November 30, 2058. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. No surplus cash was available for payment in 2021. The loan is secured by a mortgage, security agreement, and assignment of rents. No payments are due until maturity. As of December 31, 2021, $500,000 remains outstanding and the balance of accrued interest was $53,542.

In May 2016, RAD II obtained a loan from The Housing Authority of the City of Evansville in the amount of $3,400,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. No payments are due until maturity. The loan is secured by a security instrument. As of December 31, 2021, $3,400,000 remains outstanding and the balance of accrued interest was $918,000.

EHA RAD IV, LP

On December 22, 2017, RAD IV obtained a surplus cash loan from The Housing Authority of the City of Evansville in the amount of $6,890,000. The note bears interest at an annual interest rate of 6%. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2059. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage and a security agreement against the property. As of December 31, 2021, $6,890,000 remains outstanding and the balance of accrued interest was $1,240,200.

On December 1, 2017, RAD IV obtained a loan through Merchants Capital Corp. (Formerly P/R Mortgage & Investment Corp) in the amount of $4,100,000. The loan bears an annual interest rate of 3.77%. The loan requires monthly interest only payments through May 1, 2019. Monthly principal and interest payments of $17,135 began June 1, 2019. The note matures on June 1, 2059. The loan is secured by a mortgage, security agreement and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2019, decreasing by 1% each year thereafter. The outstanding balance on the loan at December 31, 2021 is $3,980,608

On December 22, 2017, RAD IV obtained a Development Fund loan from IHCDA in the amount of $727,476. The note bears an annual interest rate of 3% and a maturity date of December 31, 2058. The loan is to convert to a permanent loan no later than December 31, 2019. Commencing on the first day of the twelfth month following conversion, annual payments for the loan in the amount of $31,472 are to be made subject to surplus cash as defined by HUD. The loan stipulates payments are to be no greater than 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage, security agreement, and assignment of rents. No payments have been made through December 31, 2021. The outstanding balance on the loan at December 31, 2021 is $727,476 and the balance of $31,705.

Note H - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

CSSL

On December 28, 2017, CSSL obtained a HOME convertible loan from IHCDA in the amount of $400,000. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time accrued interest is due and payable. The loan matures October 31, 2021 at which time the note may be converted to a 15-year term loan. Upon conversion, annual payments of principal and interest of $20,408 are required. Conversion is expected in 2022. The note is secured by a mortgage on certain real estate and assignment of rents and leases. The outstanding balance on the loan at December 31, 2021 is $400,000.

On December 28, 2017, CSSL obtained a Development Fund convertible loan from IHCDA in the amount of $500,000. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time accrued interest is due and payable. The loan matured December 31, 2019 at which time the note was converted to a 15-year term loan. Upon conversion annual payments of principal and interest of the lesser of $25,510 or 100% of available cash flow, as defined are required. The note is secured by a mortgage on certain real estate and assignments of rents and leases. The outstanding balance on the loan at December 31, 2021 is $487,490.

Evansville Townhomes

On December 30, 2019, Evansville Townhomes obtained a promissory note from Advantix Development Corporation in the amount of $1,000,000. Interest is to accrue 7% per annum. Payments of principal and interest are to be made based on available cash flow. The note matures December 31, 2049. The outstanding balance on the loan at December 31, 2021 is $1,000,000.

On December 30, 2019, Evansville Townhomes obtained a loan in the amount of $6,300,000 from Merchants Bank of Indiana for construction. Interest is to accrue at the 30-day LIBOR plus 2.50% per annum (2.60% at December 31, 2021). Payments of interest are due monthly, with the entire principal balance due January 1, 2023. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The outstanding balance on the loan at December 31, 2021 is $1,487,615.

On December 30, 2019, IHCDA made a loan of $500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note. Interest is to accrue at 3% per annum until conversion, at which time accrued interest is due and payable. The note matured December 31, 2021 at which time the note was converted to a 15-year term loan. Any accrued interest was due at the time of conversion. Commencing on the twelfth month following conversion, annual payments of principal and interest of the $25,510 are required. The note is secured by a mortgage on certain real estate and an assignment of rents and leases. The outstanding balance on the loan at December 31, 2021 is $500,000.

Trailside Townhomes

On February 26, 2019, Trailside Townhomes obtained a construction loan in the amount of $5,100,000 from Merchants Bank of Indiana that bears interest at 30-day LIBOR plus 2.50% per annum (2.65% at December 31, 2020). Payments are due monthly, with the entire principal balance due August 1, 2021 at which time the loan may be converted to a permanent mortgage of up to $900,000 with interest at the rate of 6.25%. The loan converted to a permanent loan in December 2021 with a maturity date of December 10, 2036. Monthly principal and interest payments of $5,284 are required. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The outstanding balance on the loan at December 31, 2021 is $899,560.

Note H - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

Trailside Townhomes (Continued)

On February 26, 2019, Trailside Townhomes obtained a HOME convertible loan from IHCDA in the amount of $400,000 that bears interest at 3% per annum until conversion. The note matured August 16, 2021, at which the loan converted to a 30-year term loan maturing on September 1, 2051. Any accrued interest was due at the time of conversion. Commencing on the twelfth month following conversion, annual payments of principal and interest of $20,408 are required. The loan is secured by a mortgage on certain real estate and an assignment of rents and leases. The outstanding balance of the loan as of December 31, 2021 is $400,000.

IHCDA also made $500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note dated February 26. 2019. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time interest is due and payable. The loan matured February 28, 2021, at which time the note was converted to a 15-year term loan maturing on March 1, 2036. Commencing on the twelfth month following conversion, annual payments of principal and interest of $25,510 are required. The note is secured by a mortgage on certain real estate and assignment of rents and leases. The outstanding balance of the loan as of December 31, 2021 is $500,000.

On February 26, 2019, Trailside Townhomes obtained a promissory note from Advantix Development Corporation in the amount of $25,000 that bears interest at 6% per annum. The note matures December 31, 2049. Payments of principal and interest are to be made based on the financial performance of the Partnership. The outstanding balance on the loan at December 31, 2021 is $25,000.

Trailside Commons

On December 19, 2019, Trailside Commons obtained a loan in the amount of $4,500,000 from Merchants Bank of Indiana for construction. Interest is to accrue at the 30-day LIBOR plus 2.50% per annum (2.60% at December 31, 2021). Payments of interest are due monthly, with the entire principal balance due on July 10, 2022. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The outstanding balance on the loan at December 31, 2021 is $806,780.

On December 19, 2019, Trailside Commons obtained a HOME convertible loan from IHCDA in the amount of $400,000 that bears interest at 3% per annum until conversion. The note matures December 31, 2021, at which time the note may be converted to a 30-year term loan. Any accrued interest is due at the time of conversion. Commencing on the twelfth month following conversion annual payments of principal and interest of $20,408 are required. The loan converted in January 2022. The loan is secured by a mortgage on certain real estate and an assignment of rents and leases. The outstanding balance of the loan as of December 31, 2021 is $395,000.

IHCDA has also made $500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note dated December 19, 2019. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time accrued interest is due and payable. The loan matures December 31, 2021 at which time the note may be converted to a 15-year term loan. Commencing on the twelfth month following conversion, annual payments of principal and interest of $25,510 are required. The loan converted in January 2022. The note is secured by a mortgage on certain real estate and assignments of rents and leases. The outstanding balance of the loan at December 31, 2021 is $500,000.

On December 19, 2019, Trailside Commons obtained a promissory note from Advantix Development Corporation in the amount of $295,000 that bears interest at 6% per annum. The note matures December 31, 2049. Payments of principal and interest are to be made based on available cash flow, as defined. The outstanding balance on the loan at December 31, 2021 is $295,000.

Note H - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

Trailside Commons (Continued)

On December 19, 2019, Trailside Commons obtained a promissory note from Advantix Development Corporation under the National Housing Trust in the amount of $400,000 that bears interest at 6% per annum. The note matures December 31, 2049. Payments of principal and interest are to be made based on available cash flow, as defined. The outstanding balance on the loan at December 31, 2021 is $400,000.

River View Vincennes

On February 25, 2020, River View Vincennes obtained a loan in the amount of $5,910,000 from Merchants Bank of Indiana for construction. Interest is to accrue at the 30-day LIBOR plus 2.50% per annum (2.59% at December 31, 2021). The note matures on August 10, 2022, at which time the loan may be converted to a permanent mortgage of up to $265,000 with interest at the rate of 6.25%. Monthly principal and interest payments based on a 360-month amortization schedule will be required. The permanent loan will mature August 10, 2037, at which time the remaining balance must be paid in full. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The outstanding balance on the loan at December 31, 2021 is $1,007,634.

On February 25, 2020, River View Vincennes obtained a HOME convertible loan from IHCDA in the amount of $400,000 that bears interest at 1% per annum until conversion. The note matures February 28, 2022, at which time the note may be converted to a 30-year term loan. Any accrued interest is due at the time of conversion. The loan is secured by a mortgage on certain real estate and an assignment of rents and leases. The outstanding balance of the loan as of December 31, 2021 is $395,000.

IHCDA has also made $500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note dated February 25, 2020. Interest is to accrue at the rate of 3% per annum until the conversion date, at which time the note may be converted to a 15-year term loan. Commencing on the twelfth month following conversion, annual payments of principal and interest of $25,510 are required. The note is secured by a mortgage on certain real estate and assignment of rents and leases. The full $500,000 was advanced in 2021 and remains outstanding at December 31, 2021.

On February 25, 2020, River View Vincennes obtained a promissory note from Advantix Development Corporation in the amount of $500,000 of Affordable Housing Program ("AHP") funds that bears interest at 2.15% per annum. The note matures December 31, 2050. No payments of principal or interest are due until maturity. The outstanding balance on the loan at December 31, 2021 is $500,000.

On February 25, 2020, River View Vincennes obtained a promissory note from Advantix Development Corporation in the amount of $85,000 that bears interest at 2.15% per annum. The note is a sponsor loan which matures December 31, 2050. Payments of principal and interest are to be made based on the financial performance of the Partnership. The outstanding balance of the loan at December 31, 2021 is $85,000.

Evansville Townhomes II, L.P.

Evansville Townhomes II, L.P. obtained a loan in the original amount of $4,000,000 dated March 2, 2021 from Merchants Bank of Indiana for construction. Interest is to accrue at the 30-day LIBOR per annum (3.25% at December 31, 2021). Payments of interest are due monthly, with the entire principal balance due March 10, 2024. The loan is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. Accrued interest on the loan was $10,411 at December 31, 2021. The outstanding balance of the loan at December 31, 2021 is $3,726,324.

Note H - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

Evansville Townhomes II, L.P. (Continued)

IHCDA has made up to $500,000 of Affordable Housing and Community Development Fund monies available through a convertible promissory note dated March 2, 2021. Interest is to accrue at the rate of 3% per annum until conversion, at which time accrued interest is due and payable. The note matures March 31, 2024 at which time the note may be converted to a 15-year term loan. The accrued interest is due at the time of conversion. Commencing on the twelfth month following conversion, annual payments of principal and interest of $25,510 are required. The note is secured by a mortgage on certain real estate. Accrued interest on the loan was $2,855 at December 31, 2021. The outstanding balance of the loan at December 31, 2021 is $243,590.

Evansville Townhomes II, L.P. obtained a loan in the amount of $2,400,000 (acquisition loan) from Advantix on March 2, 2021. Interest is to accrue at 5.50% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The loan is secured by a mortgage on certain real estate and other assets and assignments of rents and leases. The note matures December 31, 2051. Accrued interest on the loan was $0 at December 31, 2021. The outstanding balance of the loan at December 31, 2021 was $2,400,000.

Evansville Townhomes II, L.P. obtained a loan in the amount of $250,000 (sponsor loan) from Advantix on March 2, 2021. Interest is to accrue at 6% per annum. Payments of principal and interest are to be made based on available cash flow, as defined. The loan is secured by a mortgage on certain real estate and other assets and assignments of rents and leases. The note matures December 31, 2051. Accrued interest on the loan was $0 at December 31, 2021. The outstanding balance of the loan was $350,000 at December 31, 2021.

KHA RAD I, L.P.

On October 27, 2021, KHA RAD I, L.P. obtained a loan from the City of Kokomo, Indiana in the amount of $5,725,000. The loan bears an annual interest rate at the secured overnight financing rate plus 2.75% (2.80%) at December 31, 2021), with interest payments due monthly. A principal payment in the amount of the outstanding principal balance is due within ten days of the limited partner's payment of its second capital contribution, with the entire unpaid principal balance and all accrued interest due on November 10, 2024. Accrued interest at December 31, 2021 was $225. The amount drawn on this loan as of December 31, 2021 was $79,308.

On October 29, 2021, KHA RAD I, L.P. obtained a loan from the City of Kokomo, Indiana, backed by Series A tax exempt bonds in the amount of $15,475,000. KHA RAD I, L.P. is responsible for repayment of the bonds. The maturity date of the bonds is February 1, 2025, and the first coupon is February 1, 2022. Tax exempt bond interest rate is 0.56% sold at par. Accrued interest at December 31, 2021 was $0. As of December 31, 2021, the City of Kokomo has loaned the $15,475,000 of the bond proceeds to KHA RAD I, L.P. which is holding these proceeds in bond reserve investment accounts.

On October 29, 2021, KHA RAD I, L.P. obtained a loan through Merchants Capital in the amount of $15,364,300. The loan bears an annual interest rate of 2.88%. The loan requires monthly interest only payments through August 1, 2023. Monthly principal and interest payments of $53,945 are to begin September 1, 2023. The note matures on August 1, 2063. The loan is secured by a mortgage, security agreement and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2023 decreasing by 1% each year thereafter. Accrued interest at December 31, 2021 was $1,408. The amount drawn on this loan as of December 31, 2021 was $900,670.

On October 1, 2021, KHA RAD I, L.P. obtained a loan from the Housing Authority of the City of Kokomo, Indiana (KHA) in the amount of $12,700,000. The loan bears interest at 6%, payable annually beginning December 1, 2063. Accrued interest at December 31, 2021, was $127,000. The outstanding balance of the loan was $12,700,000 at December 31, 2021.

Note H - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

Erie Point, L.P.

Advantix issued a $900,000 note receivable to Erie Pointe, L.P. on December 1, 2021. Interest accrues at 6.50% per annum. Payments of principal and interest are to be made based on available cash flow as defined. The note is secured by a mortgage on certain real estate and other assets and an assignment of rents and leases. The note matures on December 31, 2051.

Debt service requirements of the discretely presented component units as of December 31, 2021, net of $848,762 of debt issuance costs, are estimated as follows based on annual net cash flow:

	Principal
Payable in	
2022	$ 2,903,635
2023	1,930,848
2024	4,927,303
2025	15,781,661
2026	257,153
Thereafter	55,422,543
Total requirements	$ 81,223,143

A summary of changes in long-term debt and other long-term obligations of the discretely presented component units for the year ended December 31, 2021 is presented below:

	Balance at December 31, 2020	Additions/ transfers	Retirements	Balance at December 31, 2021	Due within one year
Other liabilities - noncurrent	$ 6,246,819	$ 2,403,098	$ (312,677)	$ 8,337,240	$ -
Long-term debt	52,931,813	41,288,331	(12,148,239)	82,071,905	2,903,635
Total long-term obligations	$ 59,178,632	$ 43,691,429	$ (12,460,916)	$ 90,409,145	$ 2,903,635

Other liabilities are related to developer fees payable and are payable as specified in related developer agreements.

Note I - Retirement Plan

Plan Description

The Authority contributed to the Public Employees' Defined Benefit Account ("PERF DB") which is administered by the Indiana Public Retirement System ("INPRS") as a cost-sharing, multiple-employer defined benefit plan. The account provides retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions that elect to participate in the retirement fund. PERF DB is a component of the Public Employees' Hybrid plan ("PERF Hybrid").

Note I - Retirement Plan (Continued)

Plan Description (Continued)

PERF Hybrid consists of two components: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account ("PERF DC"), a member-funded account. First time new employees hired by a participating subdivision have a one-time election to join either the PERF Hybrid plan or PERF My Choice: Retirement Savings Plan for Public Employees ("PERF MC DC"). Contribution Account, the defined contribution component. The PERF Hybrid option is grandfathered to employees hired before July 1, 2016.

Retirement Benefits - Defined Benefit Pension

Pension benefits vest after 10 years of creditable service. A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. The early retirement benefit is the accrued retirement benefit determined as of the early retirement date and payable commencing at the normal retirement date. A member may elect to have the benefit commence prior to normal retirement provided the benefit is reduced by 1/10% for each of the first 60 months and by 5/12% for each of the next 120 months that the benefit commencement date precedes the normal retirement date. The minimum monthly benefit is $180 if the member has at least 10 years of credible service.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments ("COLA"). Such increases are not guaranteed by statute and will only be provided by legislative action. In 2021 a 1% COLA beginning January 1, 2022 was granted.

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and qualified for Social Security disability benefits or federal Civil Service disability benefits may retire. The disability benefit is the accrued retirement benefit determined as of the disability date and payable commencing the month following disability date without reduction for early commencement. The minimum benefit is $180 per month, or the actuarial equivalent.

Upon the death in service of a member with 10 or more years of creditable service the spouse or dependent beneficiary receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at http://www.inprs.in.gov/.

Note I - Retirement Plan (Continued)

Significant Actuarial Assumptions

The total pension liability is determined by INPRS actuaries as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Asset valuation date:	June 30, 2021
Liability valuation date and method:	June 30, 2020 - The TPL as of June 30, 2021 was determined based on an actuarial valuation prepared as of June 30, 2020 rolled forward one year to June 30, 2021, using the following key actuarial assumptions and other inputs, such as benefit accruals and actual benefit payments during that time period.
Actuarial cost method:	Entry age normal - level percent of payroll
Experience study date:	The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019, was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were used beginning with the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the Board in May 2020 following the completion of an Asset-Liability study and first used in the June 30, 2021 actuarial valuation.
COLA:	As of June 30, 2021: Members were granted a 1.00% COLA on January 1, 2022 and no COLA on January 1, 2023. Thereafter, the following COLAs, compounded annually were assumed: 0.4% beginning on January 1, 2024; 0.5% beginning on January 1, 2034; and, 0.6% beginning on January 1, 2039.
Future salary increases, including inflation:	2.65%-8.65% based on service
Inflation:	2.00%
Discount rate:	6.25%, net of investment expenses. The discount rate is equal to the expected long-term rate of return on plan investments, net of investment expense and including price inflation. The discount rate decreased from the 6.75% used on the prior measurement date.
Mortality assumption:	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019. General Employee table with a 3-year set forward for males and a 1 year set forward for females is used for healthy members. The General Retiree table with a 3-year set forward for males and a 1 year set forward for females is used for retirees. The Contingent Survivor table with no set forward for males and a 2-year set forward for females is used for beneficiaries. The General Disabled table with a 140% load is used for disabled members.

Note I - Retirement Plan (Continued)

Significant Actuarial Assumptions (Continued)

The long-term return expectation for the defined benefit retirement plan has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return. This range ultimately supports the long-term expected rate of return assumption of 6.25% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

	Target allocation	Geometric basis long-term expected real rate of return
Public equity	20.0%	3.6%
Private markets	15.0%	7.3%
Fixed income - ex inflation-linked	20.0%	1.5%
Fixed income - inflation-linked	15.0%	(0.3)%
Commodities	10.0%	0.8%
Real estate	10.0%	4.2%
Absolute return	5.0%	2.5%
Risk parity	20.0%	4.4%
Leverage offset	(15.0)%	(1.4)%

Total pension liability for the Plan was calculated using the discount rate of 6.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana (the non-employer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.25% long-term assumed investment rate of return. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the Plan.

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the Plan calculated using the discount rate of 6.25 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

1% decrease	Current discount rate	1% increase
$ 682,797	$ 261,064	$ (90,717)

Note I - Retirement Plan (Continued)

Investment Valuation and Benefit Payment Policies

The pooled and non-pooled investments are reported at fair value by INPRS.

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' annuity savings accounts. These distributions may be requested by members or automatically distributed by the fund when certain criteria are met.

Funding Policy

The State is obligated by statute to make contributions to the PERF Hybrid Plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal year 2021, all participating employers were required to contribute 11.2 percent of covered payroll for members employed by the State.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Authority reported a liability of $261,064 for its proportionate share of the net pension liability. The Authority's proportionate share of the net pension liability was based on the Authority's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2021 measurement date was 0.0001984.

Note I - Retirement Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2021, the Authority recognized pension income of $68,831 which is net of income from the net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of $108,180. At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 8,929	$ 5,213
Net differences between project and actual earnings on pension plan investments	-	338,968
Changes of assumptions	131,317	58,640
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	19,203	48,738
Total that will be recognized in pension expense (income) based on table below	159,449	451,559
Pension contribution subsequent to measurement date	61,521	-
Total	$ 220,970	$ 451,559

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ending December 31,	Amount
2022	$ (95,126)
2023	(66,633)
2024	(33,457)
2025	(96,894)
	$ (292,110)

Public Employees Defined Contribution Account ("PERF DC")

PERF DC is a multiple-employer defined contribution fund that provides supplemental retirement benefits to PERF DB members and serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members.

Note I - Retirement Plan (Continued)

Public Employees Defined Contribution Account ("PERF DC") (Continued)

PERF DC consists of two tiers:

- The Public Employees' Hybrid Members Defined Contribution Account ("PERF Hybrid DC") is the defined contribution component of the Public Employees' Hybrid Plan. The PERF DB is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at 3% of compensation, and the employer may choose to make contributions on behalf of the member. Members are 100% vested in their account balance, which includes all contributions and earnings.
- My Choice: Retirement Savings Plan for Public Employees ("My Choice") is for members who are full-time employees of the State of Indiana or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at 3% of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account. Members are 100% vested in all member contributions and are vested in employer contributions based on years of service.

Retirement, Disability and Survivor Benefits

Members may withdraw their account balance upon retirement, termination, disability, or death.

Retirement & Termination Benefit - After a 30-day separation from employment, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. PERF DC members are 100 percent vested in their account balance.

Disability Benefit - Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a full or partial withdrawal as a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

Survivor Benefit - The beneficiary is entitled to the sum total of contributions plus earnings. The amount may be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.

DC Investment Options

The DC plans are structured to provide members with a choice of diverse investment options that offer a range of risk and return characteristics appropriate for members. Members can self-direct their investment options or leave their contributions invested in a default target date retirement fund. The offered investment options undergo periodic reviews by the INPRS Board.

Note J - Concentrations

The Authority is substantially funded by federal awards. The Authority received 54% of its total operating revenue from a single Federal Agency during the year ended December 31, 2021.

Note K - Risk Management and Contingencies

The Authority is exposed to various risks of loss from torts, theft of, damages to, or destruction of assets, business interruption, errors or omissions, job related illnesses or injuries to employees, and natural disasters. The Authority has purchased commercial insurance to mitigate its exposure to such losses. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductible and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of such uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. Settled claims have not exceeded coverage levels for the past three years, and insurance coverage levels, and insurance coverage, by major categories of risk, is consistent with coverage in the prior year.

The Authority is party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several federal grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

Discretely Presented Component Units

Operating Deficit Guaranty

Vision LP

Upon reduction of the operating reserve to zero, the General Partner, Class B Limited Partner and other specified guarantors, pursuant to the guaranty agreement, are obligated to provide funds, up to $1,200,000, to Vision LP to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins the month in which stabilized operations are achieved and continues for a period of 60 months thereafter; provided, however, that both of the following conditions are satisfied (1) the Property has operated at or above a debt coverage ratio at least equal to 1.20:1.00 for the preceding 12-month period and (2) the operating reserve has been restored to its original amount of $100,000. The operating deficit guaranty period shall be extended until such conditions are met. Funds made available under this guaranty agreement shall be treated as non-interest bearing loans to the Partnership, repayable as provided in the distribution of cash flow, as defined.

EHA RAD I, LP

Operating deficits for the period prior to the expiration of five years from the date RAD I achieves rental achievement, which was met on November 29, 2018, are to be paid from the operating deficit reserve account. The general partner is to advance funds to RAD I if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed $1,010,000 and are to be treated as unsecured loans bearing interest at an annual rate equal to the prime rate. No funds have been advanced as of December 31, 2021.

The operating deficit guaranty period shall not terminate unless RAD I has achieved a debt service coverage ratio of at least 1.15 to 1.0 for the immediately preceding 12 months; there are no material defaults under the partnership agreement; the asset management fee has been fully paid; all reports required by the partnership agreement have been delivered to the administrative limited partner and the operating reserve is not less than $1,010,000.

Note K - Risk Management and Contingencies (Continued)

Discretely Presented Component Units (Continued)

EHA RAD II, LP

Operating deficits for the period prior to the expiration of five years from the date RAD II achieves rental achievement, which was June 28, 2018, are to be paid from the operating deficit reserve account. The general partner is to advance funds to RAD II if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed $365,000 and are to be treated as unsecured loans bearing interest at an annual rate equal to the prime rate. No funds have been advanced as of December 31, 2021.

EHA RAD IV, LP

Operating deficits for the period prior to the expiration of five years from the date RAD IV achieves rental achievement, which was met in August 2019, are to be paid from the operating deficit reserve account. The general partner is to advance funds to RAD IV if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed $571,438 and are to be treated as unsecured loans bearing interest at an annual rate equal to the greater of 12% or the prime rate plus 2%. No funds have been advanced as of December 31, 2021.

The operating deficit guaranty period shall not terminate unless RAD IV has achieved a debt service coverage ratio of at least 1.15 to 1.0 for the immediately preceding 12 months; there are no material defaults under the partnership agreement; the asset management fee has been fully paid; all reports required by the partnership agreement have been delivered to the administrative limited partner and the operating reserve is not less than $571,438.

CSSL, L.P.

Upon reduction of the operating reserve to zero, the general partner, is obligated to provide funds to the CSSL to cover operating deficits during the perating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60th month following rental achievement or the project achieving an income to expense ratio of at least 1.15 to 1.0 during any consecutive twelve-month period ending no earlier than the end of the 60th month following rental achievement. Advances are not to exceed $124,087, amended in 2020 to $134,587, and are to be treated as non-interest-bearing loans to the Partnership. No funds have been advanced as of December 31, 2021.

Evansville Townhomes

Upon reduction of the operating reserve to zero, the general partner, is obligated to provide funds to the Evansville Townhomes to cover operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60th month following rental achievement or the project achieving a debt service coverage ratio of at least 1.15 to 1.0 during any consecutive twelve-month period ending no earlier than the end of the 60th month following rental achievement. Advances are not to exceed $241,289 and are to be treated as non-interest-bearing loans to the Partnership. No funds were advanced under this guaranty in 2021.

Trailside Townhomes

Upon reduction of the operating reserve to zero, the general partner, are obligated to provide funds to the Trailside Townhomes to cover operating deficits during the operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60th month following rental achievement or the project achieving an income to expense ratio of at least 1.15 to 1.0 during any consecutive twelve-month period ending no earlier than the end of the 60th month following rental achievement. Advances are not to exceed $223,172 and are to be treated as non-interest-bearing loans to the Partnership. No funds have been advanced as of December 31, 2021.

Note K - Risk Management and Contingencies (Continued)

Discretely Presented Component Units (Continued)

Trailside Townhomes (Continued)

During the period commencing upon the expiration of the operating deficit guaranty period and terminating upon the end of the compliance period, if the Partnership requires funds to cover any deficits in order to maintain at least breakeven operations the general partner is to make operating deficit loans sufficient to cover such deficits up to the extended operating deficit amount of $70,000.

Trailside Commons

Upon reduction of the operating reserve to zero, the general partner is obligated to provide funds to Trailside Commons to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins with the stabilization of operations and ends on the fifth anniversary of the stabilization date provided, however, that a minimum debt service coverage of 1.15 to 1.00 to be achieved for the 12-month period ending no earlier than the end of the 60th month following rental achievement. Advances are not to exceed $200,277 and are to be treated as non-interest-bearing loans. No funds have been advanced as of December 31, 2021.

River View Vincennes, LP

Upon reduction of the operating reserve to zero, the general partner is obligated to provide funds to River View Vincennes, LP, to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60th month following rental achievement or the project achieving an income to expense ratio of at least 1.15 to 1 during any consecutive twelve-month period ending no earlier than the end of the 60th month following rental achievement. Advances are not to exceed $186,533 and are to be treated as non-interest-bearing loans. No funds have been advanced as of December 31, 2021.

Evansville Townhomes II, LP

Upon reduction of the operating reserve to zero, the general partner is obligated to provide funds to the Evansville Townhomes II, LP to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins at rental achievement and ends at the later of the last day of the 60th month following rental achievement or the project achieving a debt service coverage ratio of at least 1.15 to 1 during any consecutive twelve-month period ending no earlier than the end of the 60th month following rental achievement. Advances are not to exceed the greater of $239,217 or 7 months of expenses and are to be treated as loans bearing interest at the greater of 12% or 2% over the prime rate. No funds were advanced under this guaranty in 2021.

KHA RAD I, LP

Operating deficits for the period prior to the expiration of five years from the date KHA RAD I, LP achieves rental achievement, which has not yet been met, are to be paid from the operating deficit reserve account. The general partner is to advance funds to the entity if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed the greater of $1,960,000 or seven months of expenditures and are to be treated as unsecured loans bearing interest an annual rate equal to the greater of 12% or the prime rate plus 2%. No funds have been advanced as of December 31, 2021.

The operating deficit guaranty period shall not terminate unless the entity has achieved a debt service coverage ratio of at least 1.15 or 1.0 for the immediately preceding 12 months; there are no material defaults under the partnership agreement; the asset management fee has been fully paid; all reports required by the partnership agreement have been delivered to the administrative limited partner and the operating reserve is not less than $850,000.

Note L - Related Party Information

Primary Government

During 2021 Advantix Development Corporation sold property with a net book value of $1,220,105 to Evansville Townhomes II, L.P for $3,935,000. Advantix recognized a gain related to this transaction of $2,714,985 which is included in "gain on disposal of capital assets" on the Statement of Revenues, Expenses and Changes in Net Position.

Discretely Presented Component Units

Vision LP

City Real Estate Advisors, Inc. ("CREA") is entitled to a compliance monitoring and consulting service fee. During construction, a prepayment of the monitoring fee was made in the amount of $60,000 which will be amortized over 15 years. The prepaid balance as of December 31, 2020 was $19,000.

The general partner is entitled to receive an annual incentive partnership management fee of 85% of remaining cash flow, not to exceed 12% of the gross revenues of the Partnership on a noncumulative basis. The fee does not accrue if net cash is not available to be paid and will be expensed when paid. No fee was earned in 2021.

Flaherty & Collins Inc. serves as the property manager. The property management fee is calculated as 7% of all income collected from any source exclusive of security deposits not chargeable as rent. Fees totaling $22,198 were earned for the year ended December 31, 2021. Total management fees payable at December 31, 2021 were $25,835.

The Authority, its blended component unit Advantix Development, Inc., and Flaherty & Collins Development, LLC served as co-developers for the project. As compensation for their services, the developers are to receive $1,200,000, which is to be paid at various times, as specified in the development agreement. If any developer fee remains outstanding as of December 31, 2027, the general partner is to make a capital contribution in the amount of the unpaid fee in order for Vision LP to pay the entire unpaid amount. As of December 31, 2021, $542,795 remains unpaid.

EHA RAD I, LP

The investor limited partner is entitled to an annual asset management fee of $3,750, increasing 3% per year of available cash flow as defined. If there is no available cash flow, the fee accrues without interest. The fee earned for 2021 of $4,220 is included in accounts payable at December 31, 2021. Total asset management fees included in accounts payable at December 31, 2021 is $19,909.

Advantix Development Corporation served as developer for the project. As compensation for their services, the developer is to receive $3,843,000, which is to be paid at various times, as specified in the development agreement. As of December 31, 2021, the full amount has been earned and a total of $1,859,027 is outstanding.

Advantix Development Corporation advanced funds during 2021 to cover various operating expenses. The total amount of funds owed at December 31, 2021 is $304,334.

Beginning in 2021, Advantix Development Corporation serves as property manager. The property management fee is calculated as 5% of gross rental receipts. Fees totaling $129,634 were earned in 2021 and a total of $31,745 is outstanding.

EHA RAD II, LP

The investor limited partner is entitled to an annual asset management fee of $3,750 once completion occurs, increasing 3% per year out of available cash flow as defined. If there is no available cash flow, the fee accrues without interest. The fee earned for 2021 is $4,221. Accrued asset management fees of $14,228 are included in accounts payable at December 31, 2021.

Note L - Related Party Information (Continued)

Discretely Presented Component Units (Continued)

EHA RAD II, LP (Continued)

Advantix Development Corporation served as the developer for the project. As compensation for their services, the developer is to receive $1,361,000, which is to be paid at various times, as specified in the development agreement. If the developer fee has not been paid by the thirteenth anniversary of completion, the general partner is to make a capital contribution in an amount sufficient to pay any unpaid balance. As of December 31, 2021, $844,199 remains outstanding.

Advantix Development Corp advanced funds during 2020 to cover various operating expenses. The total amount of funds owed at December 31, 2021 is $20,210 and is included in accounts payable - related parties at December 31, 2020.

EHA RAD IV, LP

Advantix Development Corporation, sole member of the general partner, served as the developer for the project. As compensation for its services, the developer is to receive $1,876,500, which is to be paid at various times, as specified in the development agreement. As of December 31, 2021, $573,490 remains unpaid.

Commencing in the year completion occurs, the investor limited partner is entitled to an annual asset management fee of $7,500, increasing 3% a year payable out of available cash flow as defined. If there is no available cash flow, the fee accrues without interest. A fee of $15,225 was earned for the year ended December 31, 2021 and is included in accounts payable at year end.

Beginning in February 2021, Advantix Development Corporation serves as the property manager. The property management fee is calculated at 5% of gross rental receipts. Fees totaling $59,937 were earned in 2021. Unpaid fees of $15,831 are included in accounts payable at December 31, 2021.

CSSL

Advantix Development Corporation, and Myszak & Palmer Development, LLC served as co-developers for the project. As compensation for their services, the developers are to receive $710,000, which is to be paid at various times, as specified in the development agreement. A portion of the developers' fee totaling $585,986 is to be deferred and is payable out of available cash flows. Any unpaid amounts at the end of the compliance period are to be paid from the proceeds of a capital contribution from the general partner. Any unpaid developer fee is to bear interest commencing upon the final installment payment date at the applicable federal rate in effect on the placed-in-service date. As of December 31, 2021, $570,437 remains unpaid. Accrued interest on the developer fee was $11,992 at December 31, 2021.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of $5,000 per year increasing by 3% per year commencing in 2018. The fee is payable out of available cash flows as defined. Fees of $5,463 were expensed in 2021. The total amount of unpaid fees in accounts payable at December 31, 2021 is $14,668.

Advantix Development Corporation advanced CSSL $2,098 in 2021 for operating expenses: this amount remains unpaid and is included in accounts payable at December 31, 2021.

Advantix Development Corporation serves as property manager beginning in March 2021. The property management fee is calculated as 6% of gross rental receipts. Fees totaling $15,505 were earned in 2021. Unpaid management fees of $4,673 are included in accounts payable at December 31, 2021.

Note L - Related Party Information (Continued)

Discretely Presented Component Units (Continued)

Evansville Townhomes, LP

Advantix Development Corporation served as developer for the project. As compensation for its services, the developer is to receive $1,090,000 which is to be paid at various times as specified in the development agreement. A portion of the developer fee of $281,465 is to be deferred and is payable out of available cash flows. Any deferred amount shall bear interest at 6% per annum, commencing upon the fourth equity installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. At December 31, 2021, $685,732 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of $5,000 per year increasing by 3% per year commencing in 2019. The fee is payable out of available cash flows, as defined. Fees of $5,305 were earned in 2021. A total of $10,455 is included in accounts payable as of December 31, 2021.

The general partner is entitled to receive a one-time lease-up fee based on actual receipts and expenditures during the lease-up period through the date of rental achievement. The fee is projected to be $47,330. No payment of the fee is to be made until rental achievement has occurred. No fees were earned in 2021.

Advantix Development Corporation advanced funds for operating and development expenses. At December 31, 2021 $1,308 of operating advances are included in accounts payable. At December 31, 2021, $44,064 of development advances are included in accounts payable.

During 2021, a lender erroneously deposited loan proceeds in the bank account of Evansville Townhomes L.P. for funds belonging to another partnership under common ownership. At December 31, 2021, Evansville Townhomes L.P. owed the entity $243,590 which is included in accounts payable. The funds were transferred in January 2022.

Beginning in February 2021, Advantix Development Corporation serves as the property manager. The property management fee is calculated at 6% of gross rental receipts. Fees totaling $21,137 were earned in 2021. Unpaid fees of $7,834 are included in accounts payable at December 31, 2021.

Trailside Townhomes LP

Advantix Development Corporation served as developer for the project. As compensation for its services, the developer is to receive $662,500 which is to be paid at various times as specified in the development agreement. A portion of the developer's fee totaling $64,861 is to be deferred and is payable out of available cash flows, as defined. Any deferred amount shall bear interest at 6% per annum commencing upon the final installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. At December 31, 2020 $333,798 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of $5,000 per year increasing by 3% per year commencing in 2019. The fee is payable out of available cash flows. Fees of $5,305 were earned in 2021. A total of $15,455 is included in accounts payable as of December 31, 2021.

The general partner is entitled to receive a one-time lease-up fee based on actual receipts and expenditures during the lease-up period through the date of rental achievement. The fee is projected to be $24,649. The full fee of $24,649 was earned in 2021 and included in accounts payable at December 31, 2021.

During 2021, Advantix Development Corporation advanced funds to cover operating costs. A total of $53,640 remains outstanding as of December 31, 2021 and is included in accounts payable.

Note L - Related Party Information (Continued)

Discretely Presented Component Units (Continued)

Trailside Townhomes LP (Continued)

Advantix Development Corporation serves as property manager beginning in 2021. The property management fee is calculated as 5% of gross rental receipts. Fees totaling $30,551 were earned in 2021. Unpaid management fees of $5,125 are included in accounts payable at December 31, 2021.

Trailside Commons LP

Advantix Development Corporation served as developer for the project. As compensation for its services, the developer is to receive $557,500 which is to be paid at various times as specified in the development agreement. A portion of the developer's fee totaling $30,364 is to be deferred and is payable out of available cash flows, as defined. Any deferred amount shall bear interest at 6% per annum commencing upon the fourth installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. At December 31, 2021, $325,142 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of $5,000 per year increasing by 3% per year commencing in 2019. The fee is payable out of available cash flows. Fees of $10,633, which included prior year fees were recorded in 2021 and included in accounts payable.

Advantix Development Corporation advanced funds to cover operating costs. A total of $54,046 is included in accounts payable at December 31, 2021.

River View Vincennes, LP

Advantix Development Corporation, and Myszak & Palmer Development, LLC, an unrelated entity, served as co-developers for the project. As compensation for their services, the developers are to receive $647,000, which is to be paid at various times, as specified in the development agreement. A portion of the developers' fee totaling $111,000 is to be deferred and is payable out of available cash flows. Any deferred amount shall bear interest at 6% per annum commencing upon the final installment payment date. The outstanding balance and accrued interest shall be due in full on the expiration of the compliance period and are to be paid from the proceeds of a general partner contribution. As of December 31, 2021, $379,000 remains unpaid.

The investor limited partner is entitled to receive an annual local administrative fee in the amount of $5,000 per year increasing by 3% per year commencing in 2020. The fee is payable out of available cash flows. Fees of $5,150 were earned in 2021. Fees totaling $10,150 are included in accounts payable at December 31, 2021.

The general partner is entitled to receive a one-time lease-up fee based on actual receipts and expenditures during the lease-up period through the date of rental achievement. The fee is projected to be $11,698. No payment of the fee is to be made until rental achievement has occurred.

Advantix Development Corporation advanced funds during 2021 to cover various operating expenses. A total of $109,719 is included in accounts payable at December 31, 2021.

Advantix Development Corporation serves as property manager beginning in February 2021. The property management fee is calculated as 5% of gross receipts. Fees totaling $16,116 were earned in 2021. Unpaid management fees of $4,946 are included in accounts payable related parties at December 31, 2021.

Note L - Related Party Information (Continued)

Discretely Presented Component Units (Continued)

Evansville Townhomes II, LP

Advantix Development Corporation served as developer for the project. As compensation for its services, the developer is to receive $1,198,625 which is to be paid at various times as specified in the development agreement. A portion of the developer fee of $300,841 is to be deferred and is payable out of available cash flows, as defined. In the event that the developer fee has not been paid in full by the 13th anniversary following completion, the general partner is required to make a capital contribution sufficient to pay off the unpaid balance of the developer fee. At December 31, 2021, $569,702 remains unpaid.

The investor limited partner is entitled to receive a cumulative annual asset management fee the in the amount of $5,000 per year increasing by 3% per year commencing in the year in which completion occurs. The fee is payable out of available cash flows as defined. No fees were earned or paid as of December 31, 2021.

The general partner is entitled to receive an incentive management fee in an amount equal to 49.98% of remaining cash flow, as defined, commencing in the year in which rental achievement occurs. No fees were earned or paid as of December 31, 2021.

Evansville Townhomes I, L.P. (a partnership under common ownership) received in error $243,590 of IHCDA loan funds in 2021 which were included in accounts receivable as of December 31, 2021. These funds were repaid to the partnership in January 2022.

During 2021, Advantix Development Corporation advanced funds to cover operating and construction costs. A total of $437,800 remains outstanding as of December 31, 2021 and is included in accounts payable at December 31, 2021.

Advantix Development Corporation serves as property manager. The property management fee is calculated as 6% of gross rental receipts. Fees totaling $12,534 were earned and paid in 2021.

KHA RAD I LP

Commencing in the year completion occurs, the investor limited partner is entitled to an annual asset management fee of $7,500, increasing 3% a year payable out of available cash flow, as defined. If there is not available cash flow, the fee accrues without interest. No fee was earned in 2021.

Commencing in the year rental achievement occurs, the general partner is entitled to receive a noncumulative incentive management fee in an amount equal to 50% of remaining cash flow, as defined. No fee was earned in 2021.

Commencing in the year rental achievement occurs, the general partner is entitled to receive a noncumulative supervisory management fee in an amount equal to 39.98% of remaining cash flow, as defined. No fee was earned in 2021.

Advantix Development Corporation, a member of the general partner, serves as the property manager. The property management fee is calculated as 5% of gross rental receipts. Fees totaling $11,248 were earned in 2021.

Note M - Condensed Financial Statements - Blended Component Units

Statement of Net Position
December 31, 2021

	Primary government	Blended component units			
	Housing Authority of the City of Evansville	Advantix Development Corporation	Lincoln Estates Redevelopment, Inc.	Eliminations	Total
Assets					
Current assets	$ 1,829,406	$ 8,206,208	$ -	$ -	$ 10,035,614
Capital assets, net	981,631	3,108,173	-	-	4,089,804
Noncurrent assets	21,030,000	6,673,482	-	-	27,703,482
Total assets	23,841,037	17,987,863	-	-	41,828,900
Deferred outflows of resources	220,970	-	-	-	220,970
Total assets and deferred outflows of resources	24,062,007	17,987,863	-	-	42,049,870
Liabilities					
Current liabilities	351,325	3,197,933	-	-	3,549,258
Noncurrent liabilities	912,870	407,447	-	-	1,320,317
Total liabilities	1,264,195	3,605,380	-	-	4,869,575
Deferred inflows of resources	451,559	-	-	-	451,559
Total liabilities and deferred inflows of resources	1,715,754	3,605,380	-	-	5,321,134
Net position					
Net investment in capital assets	981,631	3,108,173	-	-	4,089,804
Restricted net position	196,146	-	-	-	196,146
Unrestricted net position	21,168,476	11,274,310	-	-	32,442,786
Total net position	$ 22,346,253	$ 14,382,483	$ -	$ -	$ 36,728,736

Note M - Condensed Financial Statements - Blended Component Units (Continued)

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2021

	Primary government	Blended component units			
	Housing Authority of the City of Evansville	Advantix Development Corporation	Lincoln Estates Redevelopment, Inc.	Eliminations	Total
Operating revenues					
Tenant revenue	$ (288)	$ 480,016	$ -	$ -	$ 479,728
HUD PHA operating grants	14,935,356	-	-	-	14,935,356
Other government grants	57,456	46,118	-	-	103,574
Fraud recovery income	13,859	-	-	-	13,859
Management fees	-	1,107,601	-	-	1,107,601
Other revenue	297,490	10,518,307	-	(543,017)	10,272,780
Total operating revenues	15,303,873	12,152,042	-	(543,017)	26,912,898
Operating expenses					
Administration	1,383,578	2,527,142	-	(543,017)	3,367,703
Tenant services	287,751	-	-	-	287,751
Utilities	14	168,600	-	-	168,614
Ordinary maintenance and operations	(1,557)	822,240	-	-	820,683
Protective Services	-	-	-	-	-
Insurance	60,573	137,797	-	-	198,370
Other general expenses	(163,815)	10,064,235	-	-	9,900,420
Housing assistance payments	13,203,839	-	-	-	13,203,839
Depreciation expense	-	432,585	-	-	432,585
Total operating expenses	14,770,383	14,152,599	-	(543,017)	28,379,965
Total operating income (expense)	533,490	(2,000,557)	-	-	(1,467,067)
Nonoperating income (expense)					
Investment income - unrestricted	(78,109)	391,201	-	-	313,092
Interest expense and amortization cost	(23,110)	-	-	-	(23,110)
Net gain on disposal of capital assets	-	2,723,619	-	-	2,723,619
Total nonoperating income	(101,219)	3,114,820	-	-	3,013,601
Change in net position before capital grants and other special items	432,271	1,114,263	-	-	1,546,534
Transfers to/from component unit	(307,286)	307,286	-	-	-
Changes in net position	124,985	1,421,549	-	-	1,546,534
Net position, beginning of year	22,221,268	12,960,934	-	-	35,182,202
Net position, end of year	$ 22,346,253	$ 14,382,483	$ -	$ -	$ 36,728,736

Note M - Condensed Financial Statements - Blended Component Units (Continued)

Statement of Cash Flows
Year Ended December 31, 2021

	Primary government	Blended component units			
	Housing Authority of the City of Evansville	Advantix Development Corporation	Lincoln Estates Redevelopment, Inc.	Eliminations	Total
Net cash provided (used) by operating activities	$ 84,703	$ (161,758)	$ -	$ -	$ (77,055)
Net cash provided (used) by capital and related financing activities	(122,168)	203,622	-	-	81,454
Net cash provided (used) by investing activities	(53,554)	420,069	-	-	366,515
Net increase (decrease) in cash and cash equivalents	(91,019)	461,933	-	-	370,914
Cash and cash equivalents, beginning of year	1,509,973	2,683,588	-	-	4,193,561
Cash and cash equivalents, end of year	$ 1,418,954	$ 3,145,521	$ -	$ -	$ 4,564,475

Note N - Condensed Financial Statements - Discretely Presented Component Units

Statement of Net Position
December 31, 2021

	Discretely presented component units												
	Vision 1505, L.P.	EHA RAD I, L.P.	EHA RAD II, L.P.	EHA RAD IV	CSSL L.P.	Trailside Townhomes	Evansville Townhomes	Evansville Townhomes II	Erie Pointe	Trailside Commons	Kokomo RAD 1	Vincennes Riverview	Total
Assets													
Current assets	$ 504,461	$ 2,025,802	$ 705,089	$ 1,577,102	$ 385,737	$ 327,845	$ 498,951	$ 445,468	$ -	$ 262,925	$ 15,914,334	$ 97,484	$ 22,745,198
Capital assets, net	5,366,439	25,110,508	8,645,955	15,773,307	8,730,084	7,234,819	9,783,763	8,464,830	1,937,680	7,257,949	19,581,428	7,791,594	125,678,356
Noncurrent assets	21,695	51,736	-	-	-	46,247	-	-	-	50,605	-	-	170,283
Total assets	5,892,595	27,188,046	9,351,044	17,350,409	9,115,821	7,608,911	10,282,714	8,910,298	1,937,680	7,571,479	35,495,762	7,889,078	148,593,837
Deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	5,892,595	27,188,046	9,351,044	17,350,409	9,115,821	7,608,911	10,282,714	8,910,298	1,937,680	7,571,479	35,495,762	7,889,078	148,593,837
Liabilities													
Current liabilities	44,263	660,009	431,827	228,458	67,240	197,798	357,265	533,067	416,207	901,151	1,662,957	2,081,199	7,581,441
Noncurrent liabilities	1,230,982	20,925,827	7,884,184	13,386,941	1,516,116	1,971,113	3,729,829	7,262,382	900,000	1,992,026	30,332,193	991,668	92,123,261
Total liabilities	1,275,245	21,585,836	8,316,011	13,615,399	1,583,356	2,168,911	4,087,094	7,795,449	1,316,207	2,893,177	31,995,150	3,072,867	99,704,702
Deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	1,275,245	21,585,836	8,316,011	13,615,399	1,583,356	2,168,911	4,087,094	7,795,449	1,316,207	2,893,177	31,995,150	3,072,867	99,704,702
Net position													
Net investment in capital assets	4,866,439	8,592,178	2,549,435	4,175,223	7,842,594	5,454,709	6,796,148	1,785,416	1,037,680	4,861,169	(8,820,444)	5,314,666	44,455,213
Restricted net position	442,265	1,702,217	538,066	742,614	136,751	133,314	264,152	34,603	-	207,876	901	10,901	4,213,660
Unrestricted net position (deficit)	(691,354)	(4,692,185)	(2,052,468)	(1,182,827)	(446,880)	(148,023)	(864,680)	(705,170)	(416,207)	(390,743)	12,320,155	(509,356)	220,262
Total net position	$ 4,617,350	$ 5,602,210	$ 1,035,033	$ 3,735,010	$ 7,532,465	$ 5,440,000	$ 6,195,620	$ 1,114,849	$ 621,473	$ 4,678,302	$ 3,500,612	$ 4,816,211	$ 48,889,135

Note N - Condensed Financial Statements - Discretely Presented Component Units (Continued)

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2021

	Discretely presented component units												
	Vision 1505, L.P.	EHA RAD I, L.P.	EHA RAD II, L.P.	EHA RAD IV	CSSL L.P.	Trailside Townhomes	Evansville Townhomes	Evansville Townhomes II	Erie Pointe	Trailside Commons	Kokomo RAD 1	Vincennes Riverview	Total
Operating revenues													
Tenant revenue	$ 339,546	$ 2,599,831	$ 900,448	$ 1,307,930	$ 312,512	$ 523,752	$ 371,920	$ 215,182	$ -	$ 144,748	$ 419,770	$ 288,040	$ 7,423,679
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenues	339,546	2,599,831	900,448	1,307,930	312,512	523,752	371,920	215,182	-	144,748	419,770	288,040	7,423,679
Operating expenses													
Administration	99,206	435,105	155,288	214,738	81,605	171,660	76,281	38,660	-	107,077	96,372	112,220	1,588,212
Utilities	112,331	847,332	320,925	443,775	24,828	34,273	39,877	4,670	-	24,480	105,402	29,603	1,987,496
Ordinary maintenance and operations	91,346	820,213	362,610	277,901	60,779	80,812	72,777	50,342	-	57,981	33,299	61,275	1,969,335
Protective services	-	43,107	16,825	18,030	-	-	-	-	-	-	-	-	77,962
Insurance	21,879	121,572	87,186	61,112	21,051	22,276	87,152	27,430	-	26,465	493	33,885	510,501
Other general expenses	2,812	97,448	51,145	15,177	25,920	74,182	14,819	7,325	-	13,093	-	33,946	335,867
Depreciation expense	238,313	815,300	281,960	497,522	643,433	489,374	366,630	47,930	-	203,726	51,077	430,889	4,066,154
Total operating expenses	565,887	3,180,077	1,275,939	1,528,255	857,616	872,577	657,536	176,357	-	432,822	286,643	701,818	10,535,527
Net operating loss	(226,341)	(580,246)	(375,491)	(220,325)	(545,104)	(348,825)	(285,616)	38,825	-	(288,074)	133,127	(413,778)	(3,111,848)
Nonoperating income (expense)													
Investment income - unrestricted	115	4,105	281	1,651	466	3	2	2	-	-	-	25	6,650
Interest expense and amortization cost	(20,778)	(852,179)	(299,591)	(574,155)	(38,547)	(77,470)	(147,364)	(63,342)	-	(66,424)	(1,288)	(71,306)	(2,212,444)
Organization costs	-	-	-	-	-	-	-	-	-	-	(1,500)	-	(1,500)
Total nonoperating income (expense)	(20,663)	(848,074)	(299,310)	(572,504)	(38,081)	(77,467)	(147,362)	(63,340)	-	(66,424)	(2,788)	(71,281)	(2,207,294)
Changes in net position	(247,004)	(1,428,320)	(674,801)	(792,829)	(583,185)	(426,292)	(432,978)	(24,515)	-	(354,498)	130,339	(485,059)	(5,319,142)
Net position, beginning of year	4,864,354	7,030,530	1,709,834	4,527,839	8,115,650	4,736,892	1,788,598	-	-	1,300,200	-	1,469,070	35,542,967
Syndication costs	-	-	-	-	-	-	-	(75,000)	-	(15,000)	(65,000)	-	(155,000)
Capital contributions	-	-	-	-	-	1,129,400	4,840,000	1,214,364	621,473	3,747,600	3,435,273	3,832,200	18,820,310
Net position, end of year	$ 4,617,350	$ 5,602,210	$ 1,035,033	$ 3,735,010	$ 7,532,465	$ 5,440,000	$ 6,195,620	$ 1,114,849	$ 621,473	$ 4,678,302	$ 3,500,612	$ 4,816,211	$ 48,889,135

Note O - Recent Accounting Pronouncements

In June 2017, the GASB issued *Statement No. 87, Leases*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2021. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

In May 2020, the GASB issued *Statement No. 96, Subscription-Based Information Technology Arrangements*. The provisions of the statement are effective for fiscal years beginning after June 15, 2022. This Statement requires recognition of certain subscription-based technology arrangements to establish a single model to prevent inconsistencies in financial reporting similar to how GASB 87 addresses leases. Under this Statement, government entities are required to recognize the right-of-use subscription assets and a corresponding subscription liability as a specified contract.

In June 2022, the GASB issued *Statement No. 101. Compensated Absences*. The provisions of the statement are effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means.

The Authority is currently evaluating these standards.

Note P - Impact of COVID-19

In March 2020, the World Health Organization declared the global novel coronavirus disease 2019 ("COVID-19") outbreak a pandemic. Further, the United States Centers for Disease Control and Prevention confirmed the spread of the disease throughout the United States. As of the date the financial statements are available to be issued, the Authority's operations have not been significantly impacted by the COVID-19 outbreak. However, the Authority's operations could be adversely affected as a result of COVID-19, but the impact is not known at this point as the scale and severity of the outbreak, and resulting economic impact, is still largely unknown.

Required Supplementary Information

The Housing Authority of the City of Evansville, Indiana
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employee's Retirement Fund
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net position liability	0.01984%	0.01907%	0.02017%	0.02152%	0.02375%	0.03484%	0.03905%	0.04691%	0.05236%
Authority's proportionate share of the net pension liability	$ 261,064	$ 575,959	$ 666,631	$ 731,044	$ 1,059,617	$ 1,581,195	$ 1,590,468	$ 1,232,760	$ 1,793,371
Authority's covered-employee payroll	$ 1,093,588	$ 1,029,449	$ 1,051,000	$ 1,098,000	$ 1,178,339	$ 1,669,728	$ 1,870,301	$ 2,290,295	$ 2,514,014
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	92.5%	81.4%	80.1%	78.9%	76.6%	75.3%	77.3%	84.3%	78.8%

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 108,180	$ 105,754	$ 107,945	$ 121,223	$ 131,573	$ 185,291	$ 191,630	$ 198,731	$ 181,661
Contributions in relation to the contractually required contribution	108,180	105,754	107,945	121,223	131,573	185,291	191,630	198,731	181,661
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 1,093,588	$ 1,029,449	$ 1,051,000	$ 1,098,000	$ 1,178,339	$ 1,669,728	$ 1,870,301	$ 2,290,295	$ 2,514,014
Contributions as a percentage of covered-employee payroll	9.9%	11.2%	10.3%	11.0%	11.2%	11.1%	10.2%	8.7%	7.2%

*Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Schedule of the Authority's Contributions
Public Employee's Retirement Fund
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 108,180	$ 105,754	$ 107,945	$ 121,223	$ 131,573	$ 185,291	$ 191,630	$ 198,731	$ 181,661
Contributions in relation to the contractually required contribution	108,180	105,754	107,945	121,223	131,573	185,291	191,630	198,731	181,661
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 1,093,588	$ 1,029,449	$ 1,051,000	$ 1,098,000	$ 1,178,339	$ 1,669,728	$ 1,870,301	$ 2,290,295	$ 2,514,014
Contributions as a percentage of covered-employee payroll	9.9%	11.2%	10.3%	11.0%	11.2%	11.1%	10.2%	8.7%	7.2%

*Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Notes to the Required Supplementary Information
Year Ended December 31, 2021

Actuarial valuation date:	June 30, 2021
Actuarial cost method:	Entry age normal - level percent of payroll
Asset valuation method:	Five-year smoothed market
Inflation:	2.00% per year
Projected salary increases:	2.65%-8.65% based on service
Investment rate of return:	6.25% (net of administrative and investment expenses)
Cost-of-Living Adjustment ("COLA")	Members in pay were granted a 1.00% COLA effective January 1, 2022 for the next biennium. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2024 0.5% beginning on January 1, 2034 0.6% beginning on January 1, 2039
Mortality:	PUB-201 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019. Healthy Employees - General Employee table with a 3 year set forward for males and a 1 year set forward for females Retirees - General Retiree table with a 3 year set forward for males and a 1 year set forward for females. Beneficiaries - Contingent Survivor table with no set forward for males and a 2 year set forward for females. Disableds - General Disabled table with a 140% load.

Supplementary Information

The Housing Authority of the City of Evansville, Indiana
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal grantor/pass through entity	Federal CFDA number	Pass-through entity identifying number	Total federal expenditures	Passed-through to subrecipients
U.S. Department of Housing and Urban Development				
Direct Awards:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	-	$ 14,544,257	$ -
HCV CARES Act Funding	14.871	-	193,831	-
Emergency Housing Vouchers	14.EHV	-	83,928	-
			14,822,016	-
Family Self-Sufficiency Program	14.896	-	113,340	-
			14,935,356	-
Passed through the City of Evansville:				
Community Development Block Grants/States Program	14.228	B-18-MC-18-002	46,095	-
Total U.S. Department of Housing and Urban Development			14,981,451	-
U.S. Department of Labor				
Direct Awards:				
YouthBuild	17.274		57,479	-
Total U.S. Department of Labor			57,479	-
Total Expenditures of Federal Awards			$ 15,038,930	$ -

Note A - Basis of Presentation

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

Note B - Indirect Cost Rate

The Authority has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Other Reports

CPAs & ADVISORS

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

Board of Commissioners
The Housing Authority of the City of Evansville, Indiana

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 and the aggregate discretely presented component units of the Housing Authority of the City of Evansville, Indiana (the "Authority") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 13, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units listed in our audit report. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Vison 1505, L.P., CSSL, L.P., Evansville Townhomes, L.P., Trailside Townhomes, L.P., Trailside Commons, L.P., River View Vincennes, L.P., Trailside Townhomes II, L.P. and Kokomo RAD I were not audited in accordance with Government Auditing Standards.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Continued)

Internal Control over Financial Reporting (Continued)

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-1 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Authority's Response to Findings

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

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.

MCM CPAs & Advisors LLP

Lexington, Kentucky
September 13, 2022

CPAs & ADVISORS

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

Board of Commissioners
The Housing Authority of the City of Evansville, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of the City of Evansville, Indiana's (the "Authority's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance (Continued)

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

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

MCM CPAs & Advisors LLP

Lexington, Kentucky
September 13, 2022

The Housing Authority of the City of Evansville, Indiana
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weakness(es) identified?	__yes _x_no
Significant deficiency(ies) identified not considered to be material weaknesses?	_x_yes __none reported
Noncompliance material to financial statements noted?	__yes _x_no

Federal Awards

Internal Control over major programs	
Material weakness(es) identified?	__yes _x_no
Significant deficiency(ies) identified not considered to be material weaknesses?	__yes _x_none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	__yes _x_ no

Identification of major programs

CFDA Number	Name of Federal Program or Cluster	
	Housing Voucher Cluster	
14.871, 14.EHV	Section 8 Housing Choice Vouchers	$14,822,016

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

Auditee qualified as low-risk auditee? _x_yes _ no

Section II - Findings - Financial Statement Audit

Significant Deficiency

2021-1: Financial records of Advantix Development Corporation Required Material Adjusting Entries

Criteria: Financial statements should be supported by complete and accurate underlying accounting records.

Condition: During the course of our engagement, material adjusting entries were identified and proposed related to the Advantix Development Corporation (a blended component unit of the Authority). These entries were required to record interest and notes receivable from discretely presented component units that were not recorded in the Advantix Development Corporation's general ledger. Significant adjusting entries were proposed to properly record the contribution of land and sale of property to two discretely presented component units. Additionally, an entry was proposed to correct cash balances due to errors in bank reconciliations.

Cause: Advantix Development Corporation does not have appropriate policies and procedures in place to ensure that all transactions with discretely component units are appropriately recorded and reviewed. During 2021, Advantix Development Corporation assumed the bookkeeping function for the discretely presented component units which has increased the volume of transactions for which the accounting staff is responsible.

Effect: Interim financial statements utilized by users for decision making purposes did not accurately reflect the financial position of Advantix.

Recommendation: We recommend that Advantix Development Corporation develop and implement policies and procedures to ensure that all transactions related to the discretely presented component units and any related inter-company transactions are appropriately recorded and reviewed. Additionally, we recommend that management assess the staffing requirements of the accounting department and take steps to ensure that the department is appropriately staffed to manage the volume and complexity of transactions that are required.

Section III - Findings - Major Federal Award Programs Audit

None.

The Housing Authority of the City of Evansville, Indiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

None.

The Housing Authority of the City of Evansville, Indiana
Corrective Action Plan
Year Ended December 31, 2021

The Housing Authority of the City of Evansville, Indiana submits the following corrective action plan for the year ended December 31, 2021.

The findings from the December 31, 2021 Schedule of Findings and Questioned Costs are discussed below.

Finding 2021-1: Financial records of Advantix Development Corporation Required Material Adjusting Entries

Recommendation: We recommend that Advantix Development Corporation develop and implement policies and procedures to ensure that all transactions related to the discretely presented component units and any related inter-company transactions are appropriately recorded and reviewed. Additionally, we recommend that management assess the staffing requirements of the accounting department and take steps to ensure that the department is appropriately staffed to manage the volume and complexity of transactions that are required.

Action Taken: We are reviewing each of the issues brought to our attention. As a result, we have increased staffing and will be increasing staffing to address the issues involved. We are restructuring our accounting department to ensure discrete component units are recording transactions timely and accurately. This will allow Advantix to correctly record intercompany transactions in a timely manner. We will be increasing review functions to ensure oversight and accuracy of transactions.

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	1 Business Activities	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted		$1,339,493	$3,008,630	$64		$6,025	$479,613		$10,760	$3,954	$520,040	$60,730	$5,429,309	$0	$5,429,309
112 Cash - Restricted - Modernization and Development		$275,876	$0										$275,876		$275,876
113 Cash - Other Restricted		$19,423,319	$129,359				$229,717			$105,728			$19,888,123		$19,888,123
114 Cash - Tenant Security Deposits		$178,548	$9,855										$188,403		$188,403
115 Cash - Restricted for Payment of Current Liabilities		$362,072					$0			$0			$362,072		$362,072
100 Total Cash	$0	$21,579,308	$3,147,844	$64	$0	$6,025	$709,330	$0	$10,760	$109,682	$520,040	$60,730	$26,143,783	$0	$26,143,783
121 Accounts Receivable - PHA Projects															
122 Accounts Receivable - HUD Other Projects		$24,381		$11,432			$94,551						$130,364		$130,364
124 Accounts Receivable - Other Government		$29,792	$354,305				$12,366						$396,463		$396,463
125 Accounts Receivable - Miscellaneous		$438,716	$3,539,839									$176,014	$4,154,569	-$18,433	$4,136,136
126 Accounts Receivable - Tenants		$214,270											$214,270		$214,270
126.1 Allowance for Doubtful Accounts -Tenants		$0	$0									$0	$0	$0	$0
126.2 Allowance for Doubtful Accounts - Other		$0	$0	$0			$0					$0	$0		$0
127 Notes, Loans, & Mortgages Receivable - Current			$0										$0		$0
128 Fraud Recovery															
128.1 Allowance for Doubtful Accounts - Fraud															
129 Accrued Interest Receivable															
120 Total Receivables, Net of Allowances for Doubtful Accounts	$0	$707,159	$3,894,144	$11,432	$0	$0	$106,917	$0	$0	$0	$0	$176,014	$4,895,666	-$18,433	$4,877,233
131 Investments - Unrestricted													$0	$0	$0
132 Investments - Restricted			$307,286										$307,286		$307,286
135 Investments - Restricted for Payment of Current Liability															
142 Prepaid Expenses and Other Assets		$458,731	$915,827				$23,123		$3,587			$50,379	$1,451,647		$1,451,647
143 Inventories															
143.1 Allowance for Obsolete Inventories															
144 Inter Program Due From			$0									$0	$0		$0
145 Assets Held for Sale							$0						$0		$0
150 Total Current Assets	$0	$22,745,198	$8,265,101	$11,496	$0	$6,025	$839,370	$0	$14,347	$109,682	$520,040	$287,123	$32,798,382	-$18,433	$32,779,949
161 Land		$3,629,257	$200,748								$962,535		$4,792,540		$4,792,540
162 Buildings		$117,105,897	$7,749,188										$124,855,085		$124,855,085
163 Furniture, Equipment & Machinery - Dwellings		$8,254,458	$9,444										$8,263,902		$8,263,902
164 Furniture, Equipment & Machinery - Administration		$0	$1,086,759				$19,420						$1,106,179		$1,106,179
165 Leasehold Improvements		$0											$0		$0
166 Accumulated Depreciation		-$12,549,043	-$5,940,205				-$324						-$18,489,572		-$18,489,572
167 Construction in Progress		$9,237,787	$2,238										$9,240,025		$9,240,025
168 Infrastructure		$0											$0		$0
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$125,678,356	$3,108,172	$0	$0	$0	$19,096	$0	$0	$0	$962,535	$0	$129,768,159	$0	$129,768,159
171 Notes, Loans and Mortgages Receivable - Non-Current			$6,018,250								$21,030,000		$27,048,250	-$42,000	$27,006,250
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due															
173 Grants Receivable - Non Current															
174 Other Assets		$170,283	$0								$39,000		$209,283	-$39,000	$170,283
176 Investments in Joint Ventures			$697,232										$697,232		$697,232
180 Total Non-Current Assets	$0	$125,848,639	$9,823,654	$0	$0	$0	$19,096	$0	$0	$0	$22,031,535	$0	$157,722,924	-$81,000	$157,641,924
200 Deferred Outflow of Resources							$71,430					$149,539	$220,969		$220,969

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	1 Business Activities	COCC	Subtotal	ELIM	Total
290 Total Assets and Deferred Outflow of Resources	$0	$148,593,837	$18,088,755	$11,496	$0	$6,025	$929,896	$0	$14,347	$109,682	$22,551,575	$436,662	$190,742,275	-$99,433	$190,642,842
311 Bank Overdraft															
312 Accounts Payable <= 90 Days		$4,349,396	$2,080,006			$9,876	$57,104		$2,342	$822		$10,066	$6,509,612	-$18,433	$6,491,179
313 Accounts Payable >90 Days Past Due															
321 Accrued Wage/Payroll Taxes Payable			$20,174	$2,496			$9,263					$8,437	$40,370		$40,370
322 Accrued Compensated Absences - Current Portion			$26,093				$10,942					$33,002	$70,037		$70,037
324 Accrued Contingency Liability															
325 Accrued Interest Payable		$0											$0		$0
331 Accounts Payable - HUD PHA Programs															
332 Account Payable - PHA Projects															
333 Accounts Payable - Other Government															
341 Tenant Security Deposits		$171,573	$9,505										$181,078		$181,078
342 Unearned Revenue		$79,280	$29,486							$42,488			$151,254		$151,254
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		$2,903,635									$91,539		$2,995,174		$2,995,174
344 Current Portion of Long-term Debt - Operating Borrowings															
345 Other Current Liabilities		$0	$1,079,267	$9,000		$41,967	$35,150		$30,000			$8,805	$1,204,189	-$81,000	$1,123,189
346 Accrued Liabilities - Other		$77,557											$77,557		$77,557
347 Inter Program - Due To															
348 Loan Liability - Current															
310 Total Current Liabilities	$0	$7,581,441	$3,244,531	$11,496	$0	$51,843	$112,459	$0	$32,342	$43,310	$91,539	$60,310	$11,229,271	-$99,433	$11,129,838
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		$78,319,508	$400,000								$402,026		$79,121,534		$79,121,534
352 Long-term Debt, Net of Current - Operating Borrowings															
353 Non-current Liabilities - Other		$13,803,753	$0				$225,989						$14,029,742		$14,029,742
354 Accrued Compensated Absences - Non Current			$7,447				$9,716					$14,075	$31,238		$31,238
355 Loan Liability - Non Current		$0											$0		$0
356 FASB 5 Liabilities															
357 Accrued Pension and OPEB Liabilities							$63,573					$197,490	$261,063		$261,063
350 Total Non-Current Liabilities	$0	$92,123,261	$407,447	$0	$0	$0	$299,278	$0	$0	$0	$402,026	$211,565	$93,443,577	$0	$93,443,577
300 Total Liabilities	$0	$99,704,702	$3,651,978	$11,496	$0	$51,843	$411,737	$0	$32,342	$43,310	$493,565	$271,875	$104,672,848	-$99,433	$104,573,415
400 Deferred Inflow of Resources							$113,852					$337,707	$451,559		$451,559
508.4 Net Investment in Capital Assets	$0	$44,455,213	$3,108,172	$0	$0	$0	$19,097	$0	$0	$0	$962,535	$0	$48,545,017		$48,545,017
511.4 Restricted Net Position		$4,213,660	$130,000	$0		$0	$3,728	$0	$0	$62,418			$4,409,806		$4,409,806
512.4 Unrestricted Net Position	$0	$220,262	$11,198,605	$0	$0	-$45,818	$381,482	$0	-$17,995	$3,954	$21,095,475	-$172,920	$32,663,045		$32,663,045
513 Total Equity - Net Assets / Position	$0	$48,889,135	$14,436,777	$0	$0	-$45,818	$404,307	$0	-$17,995	$66,372	$22,058,010	-$172,920	$85,617,868	$0	$85,617,868
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$0	$148,593,837	$18,088,755	$11,496	$0	$6,025	$929,896	$0	$14,347	$109,682	$22,551,575	$436,662	$190,742,275	-$99,433	$190,642,842

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit Fiscal Year End: 12/31/2021

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	17.274 YouthBuild Program	14.EHV Emergency Housing Voucher	1 Business Activities	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		$7,256,667	$471,438								$0		$7,728,105		$7,728,105
70400 Tenant Revenue - Other		$167,012	$8,290								$0		$175,302		$175,302
70500 Total Tenant Revenue	$0	$7,423,679	$479,728	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,903,407	$0	$7,903,407
70600 HUD PHA Operating Grants				$113,340			$14,544,257	$193,831		$83,928			$14,935,356		$14,935,356
70610 Capital Grants															
70710 Management Fee												$234,609	$234,609	-$234,609	$0
70720 Asset Management Fee													$0	$0	$0
70730 Book Keeping Fee												$203,183	$203,183	-$203,183	$0
70740 Front Line Service Fee															
70750 Other Fees															
70700 Total Fee Revenue												$437,792	$437,792	-$437,792	$0
70800 Other Government Grants			$0			$46,095			$57,479				$103,574		$103,574
71100 Investment Income - Unrestricted		$6,650	$312,040				$90				$935	$27	$319,742		$319,742
71200 Mortgage Interest Income															
71300 Proceeds from Disposition of Assets Held for Sale															
71310 Cost of Sale of Assets															
71400 Fraud Recovery							$13,859						$13,859		$13,859
71500 Other Revenue		$18,663,810	$11,705,895			$110	$46,158				$16,111	$564,033	$30,996,117	-$951,926	$30,044,191
71600 Gain or Loss on Sale of Capital Assets		$0	$2,723,619										$2,723,619	$0	$2,723,619
72000 Investment Income - Restricted			$0										$0		$0
70000 Total Revenue	$0	$26,094,139	$15,221,282	$113,340	$0	$46,205	$14,604,364	$193,831	$57,479	$83,928	$17,046	$1,001,852	$57,433,466	-$1,389,718	$56,043,748
91100 Administrative Salaries		$546,576	$1,125,137			$57,788	$331,846		$48,697	$5,373		$550,004	$2,665,421	-$601,927	$2,063,494
91200 Auditing Fees		$0	$26,680				$24,000					$3,250	$53,930		$53,930
91300 Management Fee		$387,392	$0				$234,608				$0		$622,000	-$234,608	$387,392
91310 Book-keeping Fee							$203,183						$203,183	-$203,183	$0
91400 Advertising and Marketing		$4,787	$3,278				$1,631						$9,696		$9,696
91500 Employee Benefit contributions - Administrative		$0	$177,355			$14,792	$72,395		$3,118	$3,137		$76,424	$347,221		$347,221
91600 Office Expenses		$389,011	$527,310			$8,917	$191,494		$6,003	$3,012	$659	$87,166	$1,213,572	$0	$1,213,572
91700 Legal Expense		$0	$43,936				$900				$105	$8,869	$53,810		$53,810
91800 Travel		$6,746											$6,746		$6,746
91810 Allocated Overhead															
91900 Other		$234,472	$543,476							$3,634		$19,247	$800,829		$800,829
91000 Total Operating - Administrative	$0	$1,568,984	$2,447,172	$0	$0	$81,497	$1,060,057	$0	$57,818	$15,156	$764	$744,960	$5,976,408	-$1,039,718	$4,936,690
92000 Asset Management Fee		$0											$0		$0
92100 Tenant Services - Salaries				$92,337				$39,845					$132,182		$132,182
92200 Relocation Costs															
92300 Employee Benefit Contributions - Tenant Services				$21,003				$11,331					$32,334		$32,334
92400 Tenant Services - Other		$0						$123,235		$0			$123,235		$123,235
92500 Total Tenant Services	$0	$0	$0	$113,340	$0	$0	$0	$174,411	$0	$0	$0	$0	$287,751	$0	$287,751
93100 Water		$821,267	$49,423										$870,690		$870,690
93200 Electricity		$958,999	$109,290			$377							$1,068,666		$1,068,666
93300 Gas		$207,230	$9,128			$396							$216,754		$216,754
93400 Fuel															
93500 Labor															
93600 Sewer															
93700 Employee Benefit Contributions - Utilities															

Housing Authority of the City of Evansville (IN016)

Evansville, IN

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93800 Other Utilities Expense			$0										$0		$0
93000 Total Utilities	$0	$1,987,496	$167,841	$0	$0	$773	$0	$0	$0	$0	$0	$0	$2,156,110	$0	$2,156,110
94100 Ordinary Maintenance and Operations - Labor		$453,573	$338,799										$792,372		$792,372
94200 Ordinary Maintenance and Operations - Materials and Other		$331,476	$160,153				$4,881		$2,051				$498,561		$498,561
94300 Ordinary Maintenance and Operations Contracts		$1,044,362	$213,197				$44,283		$255			$8,887	$1,310,984		$1,310,984
94500 Employee Benefit Contributions - Ordinary Maintenance		$139,924	$48,177										$188,101		$188,101
94000 Total Maintenance	$0	$1,969,335	$760,326	$0	$0	$0	$49,164	$0	$2,306	$0	$0	$8,887	$2,790,018	$0	$2,790,018
95100 Protective Services - Labor		$77,962											$77,962		$77,962
95200 Protective Services - Other Contract Costs															
95300 Protective Services - Other															
95500 Employee Benefit Contributions - Protective Services															
95000 Total Protective Services	$0	$77,962	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$77,962	$0	$77,962
96110 Property Insurance		$498,025	$95,268						$1,794			$34,857	$629,944		$629,944
96120 Liability Insurance		$0	$507									$6,359	$6,866		$6,866
96130 Workmen's Compensation		$12,476	$42,022				$6,321					$11,242	$72,061		$72,061
96140 All Other Insurance															
96100 Total insurance Premiums	$0	$510,501	$137,797	$0	$0	$0	$6,321	$0	$1,794	$0	$0	$52,458	$708,871	$0	$708,871
96200 Other General Expenses		$32,861	$10,050,534			$30,156	$3,169		$5,833				$10,122,553	-$350,000	$9,772,553
96210 Compensated Absences		$0	$4,187			$7,507	$57,956					$54,863	$124,513		$124,513
96300 Payments in Lieu of Taxes		$158,546	$10,068										$168,614		$168,614
96400 Bad debt - Tenant Rents		$163,688	$22,277										$185,965		$185,965
96500 Bad debt - Mortgages															
96600 Bad debt - Other							$3,546						$3,546		$3,546
96800 Severance Expense															
96000 Total Other General Expenses	$0	$355,095	$10,087,066	$0	$0	$37,663	$64,671	$0	$5,833	$0	$0	$54,863	$10,605,191	-$350,000	$10,255,191
96710 Interest of Mortgage (or Bonds) Payable		$2,212,444											$2,212,444		$2,212,444
96720 Interest on Notes Payable (Short and Long Term)											$23,110		$23,110		$23,110
96730 Amortization of Bond Issue Costs		$0											$0		$0
96700 Total Interest Expense and Amortization Cost	$0	$2,212,444	$0	$0	$0	$0	$0	$0	$0	$0	$23,110	$0	$2,235,554	$0	$2,235,554
96900 Total Operating Expenses	$0	$8,681,817	$13,600,202	$113,340	$0	$119,933	$1,180,213	$174,411	$67,751	$15,156	$23,874	$861,168	$24,837,865	-$1,389,718	$23,448,147
97000 Excess of Operating Revenue over Operating Expenses	$0	$17,412,322	$1,621,080	$0	$0	-$73,728	$13,424,151	$19,420	-$10,272	$68,772	-$6,828	$140,684	$32,595,601	$0	$32,595,601
97100 Extraordinary Maintenance		$0											$0		$0
97200 Casualty Losses - Non-capitalized															
97300 Housing Assistance Payments							$13,169,245			$2,400			$13,171,645		$13,171,645
97350 HAP Portability-In							$32,194						$32,194		$32,194
97400 Depreciation Expense		$4,066,154	$432,585				$324						$4,499,063		$4,499,063
97500 Fraud Losses															
97600 Capital Outlays - Governmental Funds															
97700 Debt Principal Payment - Governmental Funds															
97800 Dwelling Units Rent Expense															
90000 Total Expenses	$0	$12,747,971	$14,032,787	$113,340	$0	$119,933	$14,381,976	$174,411	$67,751	$17,556	$23,874	$861,168	$42,540,767	-$1,389,718	$41,151,049
10010 Operating Transfer In						$32,000							$32,000		$32,000

Housing Authority of the City of Evansville (IN016)

Evansville, IN

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10020 Operating transfer Out			-$32,000										-$32,000		-$32,000
10030 Operating Transfers from/to Primary Government															
10040 Operating Transfers from/to Component Unit			$307,286								-$307,286		$0		$0
10050 Proceeds from Notes, Loans and Bonds															
10060 Proceeds from Property Sales															
10070 Extraordinary Items, Net Gain/Loss		$0											$0		$0
10080 Special Items (Net Gain/Loss)															
10091 Inter Project Excess Cash Transfer In															
10092 Inter Project Excess Cash Transfer Out															
10093 Transfers between Program and Project - In							$19,420						$19,420		$19,420
10094 Transfers between Project and Program - Out								-$19,420					-$19,420		-$19,420
10100 Total Other financing Sources (Uses)	$0	$0	$275,286	$0	$0	$32,000	$19,420	-$19,420	$0	$0	-$307,286	$0	$0	$0	$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$0	$13,346,168	$1,463,781	$0	$0	-$41,728	$241,808	$0	-$10,272	$66,372	-$314,114	$140,684	$14,892,699	$0	$14,892,699
11020 Required Annual Debt Principal Payments	$0	$867,439	$87,050	$0	$0	$0	$0	$0	$0	$0	$91,231	$0	$1,045,720		$1,045,720
11030 Beginning Equity	$0	$35,542,967	$12,972,996	$0	$0	-$4,090	$162,499	$0	-$7,723	$0	$22,372,124	-$313,604	$70,725,169		$70,725,169
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	$0	$0	$0									$0	$0		$0
11050 Changes in Compensated Absence Balance															
11060 Changes in Contingent Liability Balance															
11070 Changes in Unrecognized Pension Transition Liability															
11080 Changes in Special Term/Severance Benefits Liability															
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents															
11100 Changes in Allowance for Doubtful Accounts - Other															
11170 Administrative Fee Equity							$400,579						$400,579		$400,579
11180 Housing Assistance Payments Equity							$3,728						$3,728		$3,728
11190 Unit Months Available	0	15132	1440	0		0	33905		0	96		0	50573		50573
11210 Number of Unit Months Leased	0	13695	1292	0		0	27028		0	3		0	42018		42018
11270 Excess Cash	$0												$0		$0
11610 Land Purchases	$0											$0	$0		$0
11620 Building Purchases	$0											$0	$0		$0
11630 Furniture & Equipment - Dwelling Purchases	$0											$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0											$0	$0		$0
11650 Leasehold Improvements Purchases	$0											$0	$0		$0
11660 Infrastructure Purchases	$0											$0	$0		$0
13510 CFFP Debt Service Payments	$0											$0	$0		$0
13901 Replacement Housing Factor Funds	$0											$0	$0		$0