

HOUSING AUTHORITY OF JOLIET  
JOLIET, ILLINOIS

REPORT ON EXAMINATION  
OF  
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

YEAR ENDED JUNE 30, 2022

HOUSING AUTHORITY OF JOLIET  
JOLIET, ILLINOIS

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
The Housing Authority of Joliet  
Joliet, Illinois

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the Housing Authority of Joliet (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our 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.

#### Change in Accounting Principle (Emphasis-of-Matter)

As described in Note M to the financial statements, as of the beginning of the fiscal year, the Authority adopted *Governmental Accounting Standards Board Statement No. 87 – Leases*. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Audit Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

### **Required Supplementary Information**

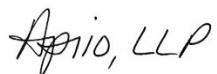
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 8 through 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule 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 March 23, 2023 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is fluid and cursive, with "Aprio" on the top line and "LLP" on the bottom line.

Birmingham, Alabama  
March 23, 2023

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
The Housing Authority of Joliet  
Joliet, Illinois

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 Authority, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 23, 2023.

### ***Report on 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

### ***Report on Compliance and Other Matters***

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Aprio, LLP*

Birmingham, Alabama

March 23, 2023

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

Board of Commissioners  
The Housing Authority of Joliet  
Joliet, Illinois

### ***Report on Compliance for Each Major Federal Program***

#### ***Opinion on Each Major Federal Program***

We have audited the Housing Authority of Joliet's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

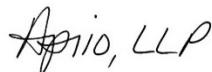
#### ***Report on Internal Control Over Compliance***

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

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

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

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



Birmingham, Alabama  
March 23, 2023

**HOUSING AUTHORITY OF JOLIET, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FOR THE YEAR ENDED JUNE 30, 2022**

The Housing Authority of Joliet's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

**FINANCIAL HIGHLIGHTS**

- The Authority's net position increased \$357,210 in 2022. Net Position was \$34,041,787 and \$34,398,997 for 2021 and 2022 respectively.
- Revenues increased \$386,393 during 2022 and were \$51,548,373 and \$51,934,766 for 2021 and 2022 respectively.
- Total expenses increased \$5,415,097 during 2022 and were \$46,162,459 and \$51,577,556 for 2021 and 2022 respectively.

## **USING THIS ANNUAL REPORT**

The Report includes three major sections, the “Management’s Discussion and Analysis (MD&A)”, “Basic Financial Statements”, and “Other Required Supplementary Information”:

### **MD&A**

~ Management’s Discussion  
and Analysis ~

### **Basic Financial Statements**

~ Authority-wide Financial Statements ~  
~ Notes to Financial Statements ~

### **Other Required Supplementary Information**

~ Required Supplementary Information ~  
(Other than the MD&A)

## Authority-Wide Financial Statements

### **Statement of Net Position**

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals “Net Position”, formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as “Current” (convertible into cash within one year), and “Non-current”.

The focus of the Statement of Net Position (the “Unrestricted Net Position”) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) are reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of “Net Investment in Capital Assets” or “Restricted Net Position.”

### **Statement of Revenues, Expenses, and Changes in Net Position**

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the “Change in Net Position,” which is similar to Net Income or Loss.

### **Statement of Cash Flows**

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

## **The Authority's Programs**

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income.

Capital Fund Program – a grant program funded by the Department of Housing and Urban Development as the primary sources of funding for physical and management improvements to the Authority's properties.

Central Office Cost Center (COCC) – As part of its conversion to Asset Management, the Authority established the COCC to manage and oversee the operations of the Public Housing Developments and other grant programs. Utilizing a “fee for service” approach, the COCC recognizes revenues through management and service fees charged to the other programs. Management fees cannot exceed the “safe harbor” amount established by HUD.

Section 8 Housing Choice and Mainstream Vouchers Program – Under the Housing Choice Vouchers Program, the Board administers contracts with independent landlords that own the property. The Board subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Board to structure a lease that sets the participants' rent at 30% of household income.

Other smaller programs are:

- Disaster Voucher Funding
- Family Self Sufficiency Program
- Blended Component Units

## AUTHORITY-WIDE STATEMENTS

### Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1**  
**STATEMENT OF NET POSITION**

	<b>2022</b>	<b>2021</b>	<b>Variance</b>
Assets:			
Current & Restricted Assets	\$ 13,177,649	\$ 11,941,655	\$ 1,235,994
Capital Assets	15,706,515	16,388,078	(681,563)
Other Assets	9,551,664	10,148,664	(597,000)
<b>Total Assets</b>	<b>\$ 38,435,828</b>	<b>\$ 38,478,397</b>	<b>\$ (42,569)</b>
Liabilities:			
Current Liabilities	\$ 1,267,821	\$ 1,441,916	\$ (174,095)
Non Current Liabilities & Deferred Inflows	2,769,010	2,994,694	(225,684)
<b>Total Liabilities</b>	<b>\$ 4,036,831</b>	<b>\$ 4,436,610</b>	<b>\$ (399,779)</b>
Net Position:			
Net Investment in Capital Assets	\$ 13,860,297	\$ 14,095,925	\$ (235,628)
Restricted Net Position	70,917	633,448	(562,531)
Unrestricted Net Position	20,467,783	19,312,414	1,155,369
<b>Total Net Position</b>	<b>\$ 34,398,997</b>	<b>\$ 34,041,787</b>	<b>\$ 357,210</b>

### Major Factors Affecting the Statement of Net Position

During 2022, current and restricted assets increased by \$1,235,994. The increase was primarily due to an increase cash and cash equivalents and accounts receivables. Other assets decreased due to payments received on developer fees receivable offset by an increase in interest accrued on notes receivable. Capital assets decreased due to depreciation expense exceeding capital additions. Current liabilities decreased primarily due to a decrease in accrued payables. Non-current liabilities decreased due primarily to payments on debt.

**Table 2 presents details on the change in Unrestricted Net Position**

**TABLE 2**  
**CHANGE OF UNRESTRICTED NET POSITION**

Unrestricted Net Position, June 30, 2021	\$ 19,312,414
Results of Operations	(653,953)
Capital Expenditures from Operations	(153,091)
Interest Income	382,342
Transfer from (to) Restricted Net Position	562,531
Proceeds from sale of Capital Assets	12,298
Principal and Interest on Capital Debt paid from Operations	(112,494)
Depreciation Expense	<u>1,117,736</u>
Unrestricted Net Position, June 30, 2022	<u>\$ 20,467,783</u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

**TABLE 3**  
**STATEMENT OF REVENUES AND EXPENSES**

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	<b>2022</b>	<b>2021</b>	<b>Variance</b>
<b>Revenues:</b>			
Tenant Rental Revenue	\$ 1,833,683	\$ 1,982,887	\$ (149,204)
Operating Grants	37,544,642	37,649,153	(104,511)
Capital Grants	703,614	717,298	(13,684)
Interest Income	382,342	388,912	(6,570)
Loss on Disposition of Capital Assets	(1,733)	-	(1,733)
Other Revenue	<u>11,472,218</u>	<u>10,810,123</u>	<u>662,095</u>
 <b>Total Revenues</b>	 <b><u>\$ 51,934,766</u></b>	 <b><u>\$ 51,548,373</u></b>	 <b><u>\$ 386,393</u></b>
 <b>Expenses:</b>			
Administrative Expenses	\$ 3,682,974	\$ 3,525,251	\$ 157,723
Tenant Services	935,110	739,211	195,899
Utilities	708,420	637,833	70,587
Maintenance & Operations	3,226,071	2,191,991	1,034,080
Protective Services	119,209	158,941	(39,732)
General Expense	1,101,121	1,055,742	45,379
Housing Assistance Payments	40,613,855	36,594,436	4,019,419
Interest Expense	73,060	88,656	(15,596)
Depreciation	<u>1,117,736</u>	<u>1,170,398</u>	<u>(52,662)</u>
 <b>Total Expenses</b>	 <b><u>\$ 51,577,556</u></b>	 <b><u>\$ 46,162,459</u></b>	 <b><u>\$ 5,415,097</u></b>
 <b>Excess (Deficiency) Revenues Over Expenses</b>	 <b><u>\$ 357,210</u></b>	 <b><u>\$ 5,385,914</u></b>	 <b><u>\$ (5,028,704)</u></b>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES**

The excess of revenues over expenses decreased due to an increase in expenses exceeding an increase in revenues.

Revenues increased mainly due to an increase in other revenue offset by decreases in tenant rental revenue and operating grants. Other revenue primarily consists of HAP port in revenue.

Expenses increased due primarily to an increase maintenance expenses and housing assistance payments.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of year-end, the Authority had \$15,706,515 invested in a variety of capital assets as reflected in the following schedule, which represents a 4% decrease from last year.

**TABLE 4**  
**CAPITAL ASSETS AT YEAR-END**  
**(NET OF DEPRECIATION)**

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 8,880,484	\$ 8,880,484	\$ -	0%
Buildings and Improvements	44,116,125	43,755,886	360,239	1%
Furniture and Equipment	1,382,510	1,329,025	53,485	4%
Construction in Progress	132,975	114,795	18,180	16%
Accumulated Depreciation	<u>(38,805,579)</u>	<u>(37,692,112)</u>	<u>(1,113,467)</u>	<u>3%</u>
Net Capital Assets	<u><u>\$15,706,515</u></u>	<u><u>\$16,388,078</u></u>	<u><u>\$ (681,563)</u></u>	<u><u>-4%</u></u>

**TABLE 5**  
**CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Ending Balance June 30, 2021	\$ 16,388,078
Additions	
Improvements - Capital Fund	297,113
Improvements - Operating	153,091
Deletions (Net)	(14,031)
Depreciation Expense	<u>(1,117,736)</u>
Ending Balance, June 30, 2022	<u><u>\$ 15,706,515</u></u>

## DEBT ADMINISTRATION

As of year-end, the Authority had \$1,846,218 in long term debt outstanding, compared to a \$2,292,153 balance in 2021.

**TABLE 6**  
**OUTSTANDING LONG-TERM DEBT, AT YEAR-END**

	<u>2022</u>	<u>2021</u>
CFP Note Payable	\$ 1,778,967	\$ 2,185,468
Capital Lease Payable	<u>67,251</u>	<u>106,685</u>
<b>Total</b>	<b><u>\$ 1,846,218</u></b>	<b><u>\$ 2,292,153</u></b>

## ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on supplies and other costs
- Potential political and economic conditions due to public health concerns related to the novel coronavirus or COVID-19

## FINANCIAL CONTACT

This financial report is designed to provide our residents, the citizens of Joliet, Illinois, federal and state regulatory bodies with a general overview of the Joliet Housing Authority's finances as of June 30, 2022. The individual to be contacted regarding this report is:

Damien Kelly, Chief Financial Officer  
Housing Authority of the City of Joliet  
6 South Broadway Street  
Joliet, Illinois 60436

**HOUSING AUTHORITY OF JOLIET, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

	<b><u>Enterprise Fund</u></b>
<b><u>Current Assets</u></b>	
Cash and Cash Equivalents	\$ 11,528,507
Accounts Receivable - Other	624,576
Tenants Accounts Receivable	50,375
(Allowance for Doubtful Accounts)	(31,593)
Prepaid Costs	308,810
Inventory net of Allowance	47,883
Total Current Assets	<u>12,528,558</u>
<b><u>Restricted Assets</u></b>	
Cash and Cash Equivalents	649,091
Total Restricted Assets	<u>649,091</u>
<b><u>Capital Assets</u></b>	
Land	8,880,484
Buildings and Improvements	44,116,125
Furniture and Equipment	1,382,510
Construction in Progress	132,975
(Less): Accumulated Depreciation	54,512,094
Net Capital Assets	<u>(38,805,579)</u> <u>15,706,515</u>
<b><u>Other Non-Current Assets</u></b>	
Notes and Interest Receivable	7,238,797
Other Assets- Noncurrent	2,312,867
Total Other Non-Current Assets	<u>9,551,664</u>
<b><u>Deferred Outflows of Resources</u></b>	-
Total Assets and Deferred Outflows of Resources	<u>\$ 38,435,828</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF JOLIET, ILLINOIS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<b><u>Enterprise Fund</u></b>
<b><u>Current Liabilities</u></b>	
Accounts Payable	\$ 267,282
Accrued Wages and Payroll Taxes	77,017
Accrued Compensated Absences	28,920
Accrued PILOT	112,154
Accrued Interest	22,241
Tenant Security Deposits	77,608
Unearned Revenues	106,101
Current Portion of Capital Lease Liability	39,434
Current Portion of Debt	422,973
Other Current Liabilities	114,091
Total Current Liabilities	<u>1,267,821</u>
<b><u>Long-Term Liabilities</u></b>	
Accrued Compensated Absences	248,546
FSS Escrow	493,374
Long Term Portion of Unearned Revenue	442,500
Long Term Portion of Capital Lease Liability	27,817
Long Term Debt	1,355,994
Total Long-Term Liabilities	<u>2,568,231</u>
Total Liabilities	<u>3,836,052</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>200,779</u>
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	13,860,297
Restricted Net Position	70,917
Unrestricted Net Position	<u>20,467,783</u>
Total Net Position	<u>34,398,997</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b><u>\$ 38,435,828</u></b>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF JOLIET, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Enterprise Fund</b>
<b><u>Operating Revenues</u></b>	
Dwelling Rent	\$ 1,833,683
Operating Grants	37,544,642
Other Income	11,472,218
Total Operating Revenues	<u>50,850,543</u>
<b><u>Operating Expenses</u></b>	
Administrative	3,682,974
Tenant Services	935,110
Utilities	708,420
Maintenance and Operations	3,226,071
Protective Services	119,209
General	1,101,121
Housing Assistance Payments	40,613,855
Depreciation	1,117,736
Total Operating Expenses	<u>51,504,496</u>
Operating Income (Loss)	<u>(653,953)</u>
<b><u>Non-Operating Revenues (Expenses)</u></b>	
Interest Income	12,073
Interest from Mortgages Receivable	370,269
Interest Expense	(73,060)
Gain/(Loss) on Disposition of Capital Assets	(1,733)
Total Non-Operating Revenues/(Expenses)	<u>307,549</u>
Increase (Decrease) in Net Position Before Capital Contributions and Transfers	<u>(346,404)</u>
Capital Contributions	<u>703,614</u>
Increase (Decrease) in Net Position	357,210
Net Position, Beginning	34,041,787
Net Position, Ending	<u>\$ 34,398,997</u>

See the accompanying notes to financial statements.

**HOUSING AUTHORITY OF JOLIET, ILLINOIS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Enterprise Fund</b>
<b><u>Cash flows from operating activities:</u></b>	
Cash Received from Dwelling Rent	\$ 1,872,448
Cash Received from Operating Grants	37,544,642
Cash Received from Other Sources	12,318,075
Cash Payments for Salaries & Benefits	(3,509,746)
Cash Payments to Vendors & Landlords	(46,810,908)
Net Cash flows provided (used) by operating activities	<u>1,414,511</u>
<b><u>Cash flows from capital and related financing activities:</u></b>	
Capital Outlay	(564,999)
Principal and interest paid on Capital Debt	(524,073)
Proceeds from sale of Capital Assets	12,298
Capital Grants Received	818,409
activities	<u>(258,365)</u>
<b><u>Cash flows from investing activities:</u></b>	
Interest Received	47,163
Amounts paid out on Notes and Mortgages Receivable	<u>(230,664)</u>
Net cash flows provided (used) by investing activities	<u>(183,501)</u>
Net Increase (decrease) in cash and cash equivalents	<u>972,645</u>
Restricted and Unrestricted Cash and cash equivalents, beginning	<u>11,204,953</u>
Restricted and Unrestricted cash and cash equivalents, ending	<u>\$ 12,177,598</u>
<b><u>Reconciliation of operating income to net cash provided by (used in) operating activities:</u></b>	
Operating Income (Loss)	\$ (653,953)
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	1,117,736
Bad Debt Expense	98,316
Change in Accounts and Developer Fees Receivable	897,439
Change in Prepaid Expenses and Inventory	(11,977)
Change in Accounts Payable	(88,863)
Change in Accrued Expenses	20,024
Change in Tenant Security Deposits	(31,405)
Change in Unearned Revenues	(12,817)
Change in Other Liabilities	80,011
Net cash provided by (used in) operating activities	<u>\$ 1,414,511</u>

See the accompanying notes to financial statements.

THE HOUSING AUTHORITY OF JOLIET, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements.

**FURTHER SIGNIFICANT ACCOUNTING POLICIES ARE:**

**Cash and Cash Equivalents**

The Housing Authority considers cash on hand and cash in checking and money market accounts to be cash equivalents. Cash on hand is not included in calculation of collateral required.

**Accounts Receivable**

Tenant accounts receivables are carried at the amount considered by management to be collectible. Tenant accounts receivable are immaterial for further disclosures. Other Accounts Receivable consists primarily of HUD grants receivable and receivables from other Authorities for HAP payments.

**Prepaid Items**

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

**Unearned Revenue**

The Authority recognizes revenues as earned. Amounts received in advance of the period in which it is earned is recorded as an Unearned Revenues.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

#### Inventories

Inventories consist of supplies that have not been used or consumed. Inventory is valued at the lower of cost or net realizable value and recorded as an expense when it is consumed.

#### Revenue Accounting Policies

Dwelling rent income, HUD Grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

#### Capital Assets

Capital Assets are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the statement of revenue and expenses. Estimated useful lives are as follows:

Buildings and Improvements	15 - 20 years
Furniture and Equipment	5 - 10 years

Authority management has assessed the carrying values of capital asset balances as of June 30, 2022, and as of March 23, 2023. No significant capital asset value impairments exist as of the noted dates.

#### Indirect Cost Recovery

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center and charges the programs management fees based on fee rates provided by the Department of Housing and Urban Development.

#### Budgetary Control

The Authority maintains budgetary controls over its enterprise fund, as required by the Budget and Fiscal Control Act and the terms of the Authority's annual contributions contract with HUD. An annual budget is adopted for its enterprise fund, except for the Authority's Capital Fund Grant Program. A multi-year budget is adopted for each Capital Grant within the Capital Fund Grant Program. The annual budget was prepared on the accrual basis of accounting.

### NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a public body and a body corporate and politic created under the authority of the State of Illinois. The Authority was created for the purpose of providing safe and sanitary housing for the low-income citizens of the City of Joliet. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing 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 HUD. The Authority is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the Authority.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in the *Governmental Accounting Standards Board Statement No. 61: The Financial Reporting Entity: Omnibus* – an amendment to of GASB Statements No. 14 and No. 34. These criteria include manifestation of oversight responsibility including financial accountability, imposition of will, financial benefit to or burden on a primary organization, and financial accountability as a result of fiscal dependency. Based upon the application of these criteria, the reporting entity includes the following blended and discrete component units:

**Will County Housing Development Corporation** (*Blended Component Unit*) is a nonprofit corporate affiliate created by the Authority to assist, as a public charity, needy persons of low income by providing safe, sanitary and affordable housing. The Board of Directors consists of members of the Housing Authority's Board of Commissioners; therefore, the Will County Housing Development Corporation is a blended component unit of the Authority. The entity's fiscal year end is December 31. Additional information concerning the Will County Housing Development Corporation can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

**Briggs – Rosalind Development, LLC** (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on March 6, 2006. The Company was formed to act as general partner of Briggs-Rosalind Phase One, LP a limited partnership established for the purpose of holding low income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Briggs-Rosalind Apartments a 74 unit apartment complex intended primarily for low-moderate income tenants.

**Liberty Meadow Estates, LLC** (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on March 18, 2008. The Company was formed to act as general partner of Liberty Meadows Estates, Phase II, LP a limited partnership established for the purpose of holding low income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Liberty Meadows Estates a mixed-income, mixed finance residential rental housing project.

**Water-McDonough, LLC**, (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on July 13, 2015. The Company was formed to act as general partner of Water's Edge, LP a limited partnership established for the purpose of holding low income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Water's Edge a low income rental housing project consisting of 68 units

**Liberty Meadow Estates Phase III, LLC** (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on June 4, 2018. The Company was formed to act as general partner of Liberty Meadows Estates, Phase III, LP a limited partnership established for the purpose of holding low income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Liberty Meadows Estates a mixed-income, mixed finance residential rental housing project.

### NOTE C - CASH AND INVESTMENT DEPOSITS

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

*Interest Rate Risk* – The Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE C - CASH AND INVESTMENT DEPOSITS - CONTINUED

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

The Authority's cash and cash equivalents consist of cash held in interest bearing checking accounts totaling \$12,177,198. The remaining \$400 is held in petty cash funds at the Authority.

Deposits with financial institutions are secured as follows:

	<u>Audited Balance</u>	<u>Bank Balance</u>
Insured by FDIC	\$ 500,000	\$ 500,000
Collateralized with specific securities in the Authority name which are held by the financial institution	11,677,198	12,271,184
Uncollateralized	<u><u>\$ 12,177,198</u></u>	<u><u>\$ 12,771,184</u></u>

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

### NOTE D - CONTRACTUAL COMMITMENTS

The Authority had outstanding contractual commitments as of the Statement of Net Position date as follows:

<u>Type Commitment</u>	<u>Amount</u>
Construction Contracts	\$400,564
Professional and Maintenance Contracts	761,316

### NOTE E – CONCENTRATION OF RISK

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

### NOTE F – RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage, or any claims not reimbursed.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE G – USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows and inflows, revenues and expenses in the financial statements. Accordingly, actual results could differ from those estimates.

### NOTE H – COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate a limited amount of earned but unused annual leave. Employees receive annual hours based on the number years of service. Upon separation from employment, an employee shall be paid for all allowable accumulated annual leave, as of their final date of employment. Leave accrued but not yet paid as of the end of the fiscal year, is shown as a liability allocated between current and non-current.

### NOTE I - PENSION PLAN

The Authority provides a defined contribution plan administered by John Hancock. All regular and full-time employees are eligible to participate in the plan upon completion of the evaluation period and extension if applicable. The employee may contribute a portion of their gross salary to the plan. The Authority will match the employee contribution up to six percent. The plan provisions and matching contributions are determined by the Board of the Housing Authority. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Contributions for the year ending June 30, 2022 were \$61,254.

Other than the above defined contribution plan the Authority does not participate in Other Post-Employment Benefits (OPEB).

### NOTE J – NOTES AND DEVELOPER FEES RECEIVABLE

1. In 2011, the Housing Authority of Joliet entered into a promissory note with Liberty Meadow Estates Phase II, LP in the original amount of \$136,000 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 42-unit mixed income, mixed finance housing development known as Liberty Meadow Estates. The loan shall bear interest at a rate of 2% per annum. The entire balance is due upon maturity on August 31, 2051. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$136,000 and accrued interest was \$32,823.
2. In 2011, the Housing Authority of Joliet entered into a promissory note with Liberty Meadow Estates Phase II, LP in the original amount of \$430,000 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 42-unit mixed income, mixed finance housing development known as Liberty Meadow Estates. The loan shall bear interest at a rate of 2% per annum. The entire balance is due upon maturity on August 31, 2051. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$430,000 and accrued interest was \$103,777.
3. In 2011, the Housing Authority of Joliet entered into a promissory note with Liberty Meadow Estates Phase II, LP in the original amount of \$1,041,858 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 42-unit mixed income, mixed finance housing development known as Liberty Meadow Estates. The loan shall bear interest at a rate of 2% per annum. The entire balance is due upon maturity on August 31, 2051. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$1,041,858 and accrued interest was \$251,445.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE J – NOTES AND DEVELOPER FEES RECEIVABLE - CONTINUED

4. In 2011, the Housing Authority of Joliet entered into a promissory note with Liberty Meadow Estates Phase II, LP in the original amount of \$610,264 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 42-unit mixed income, mixed finance housing development known as Liberty Meadow Estates. The loan shall bear interest at a rate of 2% per annum. The entire balance is due upon maturity on August 31, 2051. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$610,264 and accrued interest was \$147,283.
5. In 2007, the Housing Authority of Joliet entered into a promissory note with Briggs-Rosalind Phase One, LP in the original amount of \$620,000 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 74-unit low and moderate income housing development known as Briggs-Rosalind Apartments. The loan bears no interest. The entire balance is due upon maturity on October 1, 2037. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$620,000.
6. In 2007, the Housing Authority of Joliet entered into a promissory note with Briggs-Rosalind Phase One, LP in the original amount of \$350,000 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 74-unit low and moderate income housing development known as Briggs-Rosalind Apartments. The loan bears no interest. The entire balance is due upon maturity on October 1, 2037. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$350,000.
7. In 2007, the Housing Authority of Joliet entered into a promissory note with Briggs-Rosalind Phase One, LP in the original amount of \$203,645 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 74-unit low and moderate income housing development known as Briggs-Rosalind Apartments. The loan shall bear interest at a rate of 5% per annum. The entire balance is due upon maturity on October 1, 2037. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$203,645 and accrued interest was \$147,639.
8. Will County Housing Development Corporation provided a pass-thru loan to Water's Edge, LP in the original amount of \$750,000, dated September 16, 2016. The principal of the loan is to be paid to First Midwest Bank by Water's Edge, LP. The note bears 8% interest compounded annually which is to be paid to Will County Housing Development Corporation. The note matures September 30, 2031 and is secured by the real estate held for lease. As of June 30, 2022, the balance of the note was \$390,388, which consist only of accrued interest receivable. The principal balance has been eliminated on the financial statements.
9. In 2016, the Will County Housing Development Corporation, a blended component unit entered into a promissory note with Water's Edge, LP in the original amount of \$1,524,121 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 68-unit low income rental project known as Water's Edge. The loan shall bear interest at a rate of 8% per annum. The entire balance is due upon maturity on October 1, 2038. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$1,211,140 and accrued interest is \$682,788.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE J – NOTES AND DEVELOPER FEES RECEIVABLE - CONTINUED

10. Will County Housing Development Corporation provided a pass-thru loan to Liberty Meadows Estates Phase III, LP in the original amount of \$630,000, dated March 5, 2022. The principal of the loan is to be paid to First Midwest Bank by Liberty Meadows Estates, Phase, LP. The note bears 3% interest compounded annually which is to be paid to Will County Housing Development Corporation. The note matures April 1, 2036 and is secured by the real estate held for lease. As of June 30, 2022, the balance of the note was \$23,767, which consist only of accrued interest receivable. The principal balance has been eliminated on the financial statements.
11. In 2019, the Will County Housing Development Corporation, a blended component unit entered into a promissory note with Liberty Meadows Estates Phase III, LP in the original amount of \$362,000 to provide funds to help finance the acquisition, development, construction, equipping and furnishing of a 68-unit low income rental project known as Liberty Meadows Estate Phase III. The loan shall bear interest at a rate of 7% per annum compounded annually. The entire balance is due upon maturity on November 1, 2049. The loan is secured by real estate held for lease and assignment of rents and leases. As of June 30, 2022, the balance of the note was \$362,000 and accrued interest is \$71,187.
12. The Authority has advanced funds in the amount of \$424,493 for preliminary development. The receivable will be repaid when construction financing is finalized.

Notes and developer fees receivable and accrued interest as of June 30, 2022 consists of:

	Current	Noncurrent	Principal	Interest
Liberty Meadows Estates Phase II, LP	\$ -	\$ 2,218,122	\$ 2,218,122	\$ 535,328
Briggs-Rosalind Phase One, LP	-	1,173,645	1,173,645	147,639
Water's Edge, LP	-	1,961,140	1,961,140	1,073,176
Liberty Meadows Estates Phase III, LP	-	992,000	992,000	94,954
Miscellaneous non-current receivable	-	424,493	424,493	-
Eliminated	-	(1,381,700)	(1,381,700)	-
<b>Total Notes Receivable</b>	<b>\$ -</b>	<b>\$ 5,387,700</b>	<b>\$ 5,387,700</b>	<b>\$ 1,851,097</b>

### NOTE K – ACCOUNTS RECEIVABLE - OTHER

The Authority's accounts receivable – other consist of the following as of June 30, 2022:

Accounts Receivable HUD	\$ 95,662
Accounts Receivable Portable HAP	295,114
Accounts Receivable Lease	44,313
Accounts Receivable Miscellaneous	189,487
<b>Total Accounts Receivable - Other</b>	<b>\$ 624,576</b>

### NOTE L – OTHER ASSETS

Will County Housing Development Corporation, a blended component unit entered into a development Agreement with the Liberty Meadow Estates Phase II, LP. Pursuant to the Development Agreement, Liberty Meadow Estates Phase II, LP agreed to pay the Developer a development fee of \$669,078 for services rendered in connection with the development of the Property. As of June 30, 2022, a developer fee of \$175,818 is receivable.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE L – OTHER ASSETS - CONTINUED

The Will County Housing Development Corporation, a blended component unit entered into a development Agreement with the Briggs-Rosalind Phase One, PP. Pursuant to the Development Agreement, Briggs-Rosalind Phase One, LP agreed to pay the Developer a development fee of \$1,421,600 for services rendered in connection with the development of the Property. As of June 30, 2022, the developer fee had been paid in full.

The Will County Housing Development Corporation, a blended component unit entered into a development Agreement with the Water's Edge, LP. Pursuant to the Development Agreement, Water's Edge, LP agreed to pay the Developer a development fee of \$1,748,206 for services rendered in connection with the development of the Property. As of June 30, 2022, a developer fee of \$73,106 is receivable.

The Will County Housing Development Corporation, a blended component unit entered into a development Agreement with the Liberty Meadows III. Pursuant to the Development Agreement, Water's Edge, LP agreed to pay the Developer a development fee of \$1,748,206 for services rendered in connection with the development of the Property. As of June 30, 2021, a developer fee of \$180,706 is receivable.

Briggs-Rosalind Development, LLC, a blended component unit, is a partner in Briggs-Rosalind Phase One, LP, an Illinois limited partnership. Briggs-Rosalind Development, LLC was required to make an initial capital contribution of \$702,059. In December 2021 an additional capital contribution of \$756,928 was required. As of June 30, 2022, Briggs-Rosalind Development, LLC had equity of \$1,458,436 in Briggs-Rosalind Phase One, LP, which is shown as a non-current asset on the financial statements.

Liberty Meadow Estates, LLC, a blended component unit, is a partner in Liberty Meadow Estates Phase II, LP, an Illinois limited partnership. Liberty Meadow Estates, LLC was required to make an initial capital contribution of \$245,919. As of June 30, 2022, Liberty Meadow Estates, LLC had equity of \$268,335 in Liberty Meadow Estate Phase II, LP, which is shown as a non-current asset on the financial statements.

### NOTE M – BUILDING LEASE

In July 2021, the Authority entered into a Lease Agreement with a local Joliet entity, under which the Authority leased space to the local entity for a term of 5 years. Monthly payments of \$4,061 are payable through lease maturity in June 2026. The present value of anticipated future payments to be received under the lease, discounted at the effective Prime Rate as of the beginning of fiscal year 2022 of 3.25%, was \$200,779 as of June 30, 2022. During fiscal year 2022, the Authority recognized rent revenue applicable to the lease of \$48,734 and has deferred recognition of \$200,779 of the rent as of June 30, 2022, which is reported as a deferred inflow of resources in the Statement of Net Position. Additionally, the Authority recognized \$7,259 of interest income applicable to the lease receivable during the fiscal year. Anticipate future rent and interest receipts are as follows:

Fiscal Year	Principal		
	Principal	Interest	Balance Due
2323	\$ 44,313	\$ 5,869	\$ 156,466
2024	48,224	4,371	108,242
2025	53,243	2,729	54,999
2026	54,999	973	-
Total Payments	\$ 200,779	\$ 13,942	\$ -

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE M – BUILDING LEASE - CONTINUED

Upon the adoption of GASBS No. 87 as of the beginning of the Authority's fiscal year 2022, the Authority has recognized a lease receivable applicable to a building lease totaling \$242,254 and has deferred recognition of \$242,254 of the rent revenue. The effect of the adoption of the Standard increased beginning assets by \$242,254 and increased beginning deferred inflows of resources by \$242,254 as of July 1, 2021.

### NOTE N – NOTES PAYABLE

On April 4, 2019, the Authority entered into a promissory note with Capital One Public Funding, LLC in the original amount of \$2,965,031. The loan shall bear interest at a rate of 3.75% per annum. Payments are made semi-annually and are to be paid from the Capital Fund Grants. The loan is secured by future capital fund revenues. As of June 30, 2022, the balance of the note was \$1,778,967 and accrued interest was \$21,980.

Future note payments are as follows:

Fiscal Year	Principal	Interest	Principal Balance Due
2023	\$ 422,973	\$ 62,757	\$ 1,355,994
2024	434,507	46,787	921,487
2025	450,713	30,341	470,774
2026	470,774	8,832	-
Total Payments	<u>\$ 1,778,967</u>	<u>\$ 148,717</u>	<u>\$ -</u>

### NOTE O – CAPITAL LEASES

At June 30, 2022, \$14,673 in accumulated depreciation expense and \$22,246 in accumulated depreciation has been recorded in the financial statements related to assets costing \$178,932 purchased under capital leases. The current portion of the outstanding liability related to these capital leases at June 30, 2022 totaled \$39,434. The remaining long-term portion of these capital lease obligations totaled \$27,817 and accrued interest was \$261.

Future minimum lease payments at June 30, 2022 are as follows:

Fiscal Year	Principal	Interest	Principal Balance Due
2023	39,434	1,486	27,817
2024	27,716	934	101
2025	101	-	-
Total Payments	<u>\$ 67,251</u>	<u>\$ 2,420</u>	<u>\$ -</u>

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### NOTE P – LONG TERM LIABILITIES

A summary of the Authority's long-term liabilities is as follows at June 30, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Accrued Compensated Absences	\$ 299,839	\$ 111,930	\$ 134,303	\$ 277,466	\$ 28,920
FSS Escrows	413,363	259,722	179,711	493,374	-
Notes Payable	2,185,468	-	406,501	1,778,967	422,973
Lease Payable	106,685	-	39,434	67,251	39,434
Deferred Cell Tower Lease	468,125		10,625	457,500	15,000
<b>Total Long Term Liabilities</b>	<b>\$ 3,473,480</b>	<b>\$ 371,652</b>	<b>\$ 770,574</b>	<b>\$ 3,074,558</b>	<b>\$ 506,327</b>

### NOTE Q – INTERPROGRAM ACTIVITY

The Housing Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by the Housing Authority's various funds and are subsequently reimbursed. Balances due for such charges are reflected in the Interprogram Due to/Due from account balances. The balances are eliminated on the top-level financial statements.

### NOTE R – PILOT AGREEMENT

The Authority has entered into a Payment In lieu of Taxes (PILOT) agreement with Joliet whereby the Authority agrees to pay a negotiated sum in lieu of city real property taxes. As of June 30, 2022, the Authority owes the City \$112,154 for PILOT costs for the year.

### NOTE S – GROUND LEASE

The Authority entered into a ground lease on August 16, 2011 with the Liberty Meadow Estates Phase II, LP. A base rent of \$1 per year is to be paid until the ground lease expiration date ninety-nine (99) years from the commencement date. The Partnership is responsible for all taxes, insurance, and other costs during the lease term. The cost of the leased land is not material to the financial statements.

The Authority entered into a ground lease on November 4, 2019 with the Liberty Meadow Estates Phase III, LP. The lease runs for 99 years expiring October 31, 2118. Rent in the amount of \$10 was prepaid in full concurrently with the execution of the ground lease. The Partnership is responsible for all taxes, insurance, and other costs during the lease term. The cost of the leased land is not material to the financial statements.

### NOTE T – RESTRICTED ASSETS AND RESTRICTED NET POSITION

The Authority's restricted cash at June 30, 2022 consists of the following:

	Enterprise Fund
FSS Escrows	\$ 493,374
Restricted for Disaster Voucher Program	4,802
Scholarship Fund	47,270
Restricted for Unearned Insurance Proceeds	84,800
WCHDC Reserve Account	18,845
<b>Total Restricted Assets</b>	<b>\$ 649,091</b>

The FSS Escrows and unearned revenue have a related liability. Therefore, the Net Position is not restricted for these amounts. Restricted net position is \$70,917.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

**NOTE U – CAPITAL ASSETS**

A summary of the Authority's capital assets at June 30, 2022 is as follows:

	Public Housing & CFP	Housing Choice Vouchers	Central Office	Blended Component Unit	Total Enterprise Fund
Land	\$ 8,494,983	\$ -	\$ 186,308	\$ 199,193	\$ 8,880,484
Building and Improvements	41,729,035	-	1,394,583	992,507	44,116,125
Furniture and Equipment	535,456	134,999	659,982	52,073	1,382,510
Construction in Process	132,975	-	-	-	132,975
Less Accumulated Depreciation	(36,869,485)	(79,605)	(1,456,498)	(399,991)	(38,805,579)
 Total Capital Assets	 \$ 14,022,964	 \$ 55,394	 \$ 784,375	 \$ 843,782	 \$ 15,706,515

	Balance	Additions	Deletions	Balance
Land	\$ 8,880,484	\$ -	\$ -	\$ 8,880,484
Construction in Progress	114,795	297,402	(279,222)	132,975
Total Assets not being Depreciated	8,995,279	297,402	(279,222)	9,013,459
Buildings and Improvements	43,755,886	81,017	279,222	44,116,125
Furniture and Equipment	1,329,025	71,785	(18,300)	1,382,510
Total Capital Assets	54,080,190	450,204	(18,300)	54,512,094
Less Accumulated Depreciation:				
Building and Improvements	(34,472,756)	(990,963)	-	(35,463,719)
Furniture and Equipment	(3,219,356)	(126,773)	4,269	(3,341,860)
 Net Book Value	 \$ 16,388,078	 \$ (667,532)	 \$ (14,031)	 \$ 15,706,515

**NOTE V – COMMITMENTS AND CONTINGENCIES**

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

**NOTE W – UNEARNED REVENUE**

The Authority had the following in unearned revenue at June 30, 2022:

	Enterprise Fund
Deferred Cell Tower Lease	\$ 457,500
Unearned Insurance Proceeds	84,800
Tenant Rent	6,301
Less Current Portion	(106,101)
 Total Other Unearned Revenue	 \$ 442,500

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE X – SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 23, 2023 the date the financial statements were issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTE Y – BLENDED COMPONENT UNIT CONDENSED FINANCIAL STATEMENTS

Condensed Blended Component Unit - Statement of Net Position

Will County Housing Development Corporation June 30, 2022		
<b>Assets</b>		
Current and restricted assets	\$	1,657,047
Non-current assets		7,545,946
Total assets	<u>\$</u>	<u>9,202,993</u>
<b>Liabilities</b>		
Current liabilities	\$	89,894
Long-Term Liabilities		1,474,871
Total liabilities		<u>1,564,765</u>
<b>Net position</b>		
Net Position		<u>7,638,228</u>
Total net position	<u>\$</u>	<u>7,638,228</u>

Will County Housing Development Corporation June 30, 2022		
<b>Revenues</b>		
Revenues	\$	840,775
Total revenues		<u>840,775</u>
<b>Expenses</b>		
Administrative and general expenses		839,521
Maintenance and Utilities		297,274
Depreciation		<u>61,758</u>
Total expenses		<u>1,198,553</u>
Operating Income		<u>(357,778)</u>
Investment Income		272,265
Gain on sale of capital assets		<u>1,970</u>
Increase (decrease) in net position		<u>(83,543)</u>
Beginning net position - Restated		7,721,771
Ending net position	<u>\$</u>	<u>7,638,228</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE Y – BLENDED COMPONENT UNIT CONDENSED FINANCIAL STATEMENTS - CONTINUED

Condensed Blended Component Unit - Statement of Cash Flows

Will County Housing Development Corporation June 30, 2022		
Cash flows provided (used) by operating activities	\$	1,497,825
Cash flows provided (used) by capital and and related financing activities		(1,365)
Cash flows provided (used) by investing activities		<u>(1,070,868)</u>
Net increase in cash and equivalents		425,592
Beginning current and restricted cash		1,135,114
Ending current and restricted cash	<u>\$</u>	<u>1,560,706</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income	\$	(357,778)
Depreciation Expense		61,758
Change in other operating activities		<u>1,793,845</u>
Net cash provided (used) by operating activities	<u>\$</u>	<u>1,497,825</u>

HOUSING AUTHORITY OF JOLIET  
JOLIET, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

EXPENDITURES

Low Rent Public Housing

Total Assistance Listing Number 14.850	\$ 3,266,823
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Public Housing Capital Fund Program

Total Assistance Listing Number 14.872	3,002,278
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Housing Voucher Cluster

Section 8 Housing Choice Vouchers	28,567,717
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Section 8 Emergency Housing Vouchers	717,473
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Total Assistance Listing Number 14.871	29,285,190
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Mainstream Vouchers

Total Assistance Listing Number 14.879	2,598,655
--	-----------

Total Housing Voucher Cluster	31,883,845
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Family Self-Sufficiency Program

Total Assistance Listing Number 14.896	95,310
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<b>TOTAL HUD EXPENDITURES</b>	<b>38,248,256</b>
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<b>TOTAL FEDERAL EXPENDITURES</b>	<b>\$ 38,248,256</b>
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Note 1 - Basis of Presentation

The above 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 on 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*. Because the schedule presents only a selected portion of operations of the Authority it is not intended to and does not present the financial net position, changes in net position or cash flows of the Authority.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The Authority did not elect to use the 10% *De Minimus Cost Rate*.

THE HOUSING AUTHORITY OF THE CITY OF JOLIET [IL024]  
JOLIET, ILLINOIS

FINANCIAL DATA SCHEDULE

JUNE 30, 2022

	PUBLIC HOUSING LOW RENT 14,856a	CAPITAL FUND PROGRAM 14,672	DISASTER VOUCHER PROGRAM 14,DVP	SECTION 8 HOUSING CHOICE VOUCHERS 14,671	MAINSTREAM VOUCHERS 14,879	EMERGENCY HOUSING VOUCHER 14,EHV	FAMILY SELF SUFFICIENCY 14,696	COCC CAPITAL FUND 14,671	COCC	BLENDED COMPONENT UNIT	RETE OWNER ELIMINATIONS	BLENDED COMPONENT UNIT	RETE OWNER ELIMINATIONS	TOTAL
<b>ASSETS</b>														
<b>CURRENT ASSETS</b>														
CASH														
1114 CASH UNRESTRICTED	5,850,668	1,797	-	2,657,053	72,693	21,794	-	-	1,346,909	1,492,051	-	-	-	11,443,165
1152 CASH RESTRICTED MODERNIZATION AND DEV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1153 CASH OTHER RESTRICTED	84,800	-	4,802	493,374	-	-	-	-	2,987	63,128	-	-	-	64,909
1164 CASH TENANT SECURITY DEPOSIT	79,815	-	-	-	-	-	-	-	-	5,527	-	-	-	85,342
1155 CASH RESTRICTED FOR PAYMENT OF S/T DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 TOTAL CASH	6,015,483	1,797	4,802	3,150,427	72,693	21,794	-	-	1,349,896	1,560,706	-	-	-	12,177,598
ACCOUNTS AND NOTES RECEIVABLE														
1211 A/R - PHA PROJECTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1222 A/R - HUD PROJECTS	-	-	3,229	-	92,133	-	-	-	-	-	-	-	-	95,662
1244 A/R - OTHER GOVT	-	-	-	-	153,741	-	-	-	-	-	-	-	-	153,741
1255 A/R - MISCELLANEOUS	45,551	-	-	-	141,373	-	-	-	103,114	85,235	-	-	-	375,173
1265 A/R - TENANTS DWELLING RENT	50,014	-	-	-	-	-	-	-	-	50,375	-	-	-	50,375
1266.1 ALLOWANCE FOR DA - TENANTS	(31,593)	-	-	-	-	-	-	-	-	361	-	-	-	(31,593)
1266.2 ALLOWANCE FOR DA - OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1277 NOTES AND MORTGAGES RECEIVABLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1283 FRAUD RECOVERY	-	-	-	-	-	-	-	-	-	-	-	-	-	240,960
1286.1 ALLOWANCE FOR FRAUD RECOVERY	-	-	-	-	-	(240,960)	-	-	-	-	-	-	-	(240,960)
1299 ACCRUED INTEREST RECEIVABLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 TOTAL RECEIVABLES NET OF ALLOW	63,872	3,229	-	3,872,247	-	-	-	-	103,114	85,526	-	-	-	643,358
CURRENT INVESTMENTS														
1311 INVESTMENTS - UNRESTRICTED PYMTS/T DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1315 INVESTMENTS - RESTRICTED PYMTS/T DEBT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1322 INVESTMENTS - RESTRICTED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1422 PREPAID COSTS	145,445	-	-	-	9,079	-	-	-	143,541	10,745	-	-	-	308,810
1433 INVENTORIES - MATERIALS	51,488	-	-	-	-	-	-	-	-	-	-	-	-	51,488
1435.1 ALLOWANCE FOR OBSOLETE INV	(3,065)	-	-	-	-	-	-	-	-	-	-	-	-	(3,065)
1444 INTERPROGRAM DUE FROM	616	-	-	-	-	-	-	-	-	139,420	-	-	-	(140,036)
1455 ASSETS HELD FOR SALE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 TOTAL CURRENT ASSETS	6,273,299	5,326	4,802	3,546,753	72,693	21,794	-	-	1,735,971	1,657,047	(140,036)	13,177,649	-	-
NONCURRENT ASSETS														
1614 ACCUMULATED DEPRECIATION	(36,369,485)	-	-	(79,605)	-	-	-	-	(1,456,498)	(399,991)	-	-	-	(38,805,579)
1660 TOTAL FIXED ASSETS, NET OF DEPR	14,022,064	-	-	55,394	-	-	-	-	704,375	843,702	-	-	-	15,706,515
1683 INFRASTRUCTURE	1,128,210	-	-	-	-	-	-	-	614,706	23,579	-	-	-	1,766,495
1692 BUILDINGS	38,826,231	-	-	-	-	-	-	-	779,877	968,928	-	-	-	40,575,036
1693 FURNITURE & EQUIPMENT - DWELLINGS	50,690	-	-	13,999	-	-	-	-	-	-	-	-	-	485,689
1694 FURNITURE & EQUIPMENT - ADMINISTRSTR	484,766	-	-	-	-	-	-	-	659,912	52,073	-	-	-	1,196,821
1695 HOUSEHOLD IMPROVEMENTS	1,774,594	-	-	-	-	-	-	-	-	-	-	-	-	1,774,594
1697 CONSTRUCTION IN PROGRESS	132,975	-	-	-	-	-	-	-	-	-	-	-	-	132,975
1696 ACCUMULATED DEPRECIATION	(36,369,485)	-	-	(79,605)	-	-	-	-	(1,456,498)	(399,991)	-	-	-	(38,805,579)
1714 NOTES & MORTGAGES RECEIVABLE - N/C	-	-	-	-	-	-	-	-	2,023,884	4,545,763	(1,381,700)	7,238,777	-	-
1722 NOTES & MORTGAGES RECEIVABLE - PD	2,050,450	-	-	-	-	-	-	-	-	-	-	-	-	-
1733 GRANTS RECEIVABLE - NONCURRENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1744 OTHER ASSETS	156,666	-	-	-	-	-	-	-	-	2,156,401	-	-	-	2,326,667
1755 INVESTMENT IN JOINT VENTURES	16,230,280	-	-	55,394	-	-	-	-	2,808,259	7,545,946	(1,381,700)	25,258,179	-	-
1800 TOTAL NONCURRENT ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200 DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
290 TOTAL ASSETS	22,503,779	5,326	4,802	3,602,147	72,693	21,794	-	-	4,544,210	9,202,933	(1,521,736)	38,435,828	-	-
LIABILITIES AND EQUITY														
3111 CURRENT LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3122 BANK OVERDRAFT	68,788	5,326	-	-	-	-	-	-	74,222	2,853	-	-	-	267,282
3133 A/P > 90 DAYS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3222 ACCRUED COMPENSATED ABSENCES	29,187	-	-	-	21,586	-	-	-	15,038	11,206	-	-	-	77,017
3244 ACCRUED CONTINGENCY LIABILITY	-	-	-	-	-	-	-	-	6,234	782	-	-	-	28,920
3311 ACCRUED INTEREST PAYABLE	21,981	-	-	-	-	-	-	-	-	-	-	-	-	22,241
3322 ACCOUNTS PAYABLE - PHA PROJECTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3333 ACCOUNTS PAYABLE OTHER GOVT	112,154	-	-	-	-	-	-	-	-	-	-	-	-	112,154
3444 TENANT SECURITY DEPOSIT	73,508	-	-	-	-	-	-	-	-	-	-	-	-	77,608
3455 UNCLAIMED REVENUES	103,601	-	-	-	-	-	-	-	-	2,500	-	-	-	106,101
3433 CURRENT PORTION OF LT DEBT CAPITAL	429,592	-	-	-	-	-	-	-	-	3,335	-	-	-	412,407
3444 CURRENT PORTION OF LT DEBT OPERATING	54,679	-	-	-	-	-	-	-	-	-	-	-	-	60,321

THE HOUSING AUTHORITY OF THE CITY OF JOLIET [IL024]

JOLIET, ILLINOIS  
FINANCIAL DATA SCHEDULE

JUNE 30, 2022

	PUBLIC HOUSING LOW RENT 14,850a	CAPITAL FUND PROGRAM 14,672	DISASTER VOUCHER PROGRAM 14,DVP	SECTION 8 HOUSING CHOICE VOUCHERS 14,671	MAINSTREAM VOUCHERS 14,879	EMERGENCY HOUSING VOUCHER 14,EHV	FAMILY SELF SUFFICIENCY 14,696	COCC CAPITAL FUND 14,671	COCC 14,671	BLENDED COMPONENT UNIT	RETE OUNT ELIMINATIONS	TOTAL
346	ACCrued Liabilities - OTHER											53,770
347	INTERPROGRAM DUE TO	9,884	-	-	65,634	-	-	-	-	64,518	(140,036)	-
348	LOAN LIABILITIES - CURRENT				191,408	-						
310	TOTAL CURRENT LIABILITIES	921,298	5,326				794,443			120,418	89,904	(140,036)
	NONCURRENT LIABILITIES											
351	LONG TERM DEBT NET OF CURRENT OPERATING	1,347,663	-	6,365	-	-	-			24,446	5,337	-
352	LONG TERM DEBT NET OF CURRENT OPERATING	369,750	-		491,374	-	-			1,381,700	(1,381,700)	1,383,811
353	NONCURRENT LIABILITIES OTHER	86,361	-		29,449	-	-			118,452	14,084	93,974
354	LONG TERM PORTION OF COMPENSATED ABSENC											246,546
355	LOAN LIABILITIES - OTHER											-
350	TOTAL NONCURRENT LIABILITIES	1,802,074	-		529,188	-	-			142,898	1,474,871	(1,381,700)
300	TOTAL LIABILITIES	2,724,262	5,326		720,676	-				263,316	1,564,765	(1,521,736)
400	DEFERRED INFLOWS OF RESOURCES											20,779
500	NET INVESTMENT IN CAPITAL ASSETS	12,246,009	-		38,871	-				740,307	835,110	13,860,297
511	RESTRICTED NET POSITION		4,802								2,987	63,128
512	UNRESTRICTED NET POSITION	7,332,529	-		2,842,600	72,693	(57,649)			3,537,620	6,739,930	20,467,783
513	TOTAL EQUITY	19,578,538	-	4,802	2,881,471	72,693	(57,649)			4,280,914	7,638,228	34,398,997
600	TOTAL LIABILITIES, DEF. INFLOWS OF RES. & EQUITY	22,503,579	5,326	4,802	3,602,147	72,693	21,794			4,544,230	9,202,993	(1,521,736)
	REVENUE											-
70300	NET TENANT RENTAL REVENUE	1,717,612	-									1,803,267
70400	TENANT REVENUE - OTHER	30,416	-									-
70500	TOTAL TENANT REVENUE	1,748,028	-									1,835,693
70600	HUD PHA GRANTS	3,266,023	2,297,760		28,567,777	2,590,655	717,773	95,510	904			37,544,642
70610	CAPITAL GRANTS RECEIVED	-	698,861	-					4,753			703,164
70710	MANAGEMENT FEE	-								1,247,823		(1,247,823)
70720	ASSET MANAGEMENT FEE	-										-
70730	BOOKKEEPING FEE	-								264,539		(264,539)
70750	OTHER FEES	-										-
70800	OTHER GOVT GRANTS	-										-
71100	INVESTMENT INCOME - UNRESTRICTED	9,455	-		1,847	-	-			771		12,073
71200	MORTGAGE INTEREST INCOME	-								57,209	27,2265	329,474
71300	PROCEEDS FROM DISPOSITION OF ASSETS HELD FOR SALE	-										-
71310	COST OF SALE OF ASSETS	-										-
71400	FRAUD RECOVERY	-			10,530	-	-			34,637	755,120	-
71500	OTHER REVENUE	87,339	-		10,584,492	-	-			(3,703)	1,970	11,461,688 (1,733)
71600	GAIN OR LOSS ON THE DISPOSAL OF CAPITAL ASSETS	-										-
72000	INVESTMENT INCOME - RESTRICTED	40,795	-									40,795
70000	TOTAL REVENUE	5,152,540	2,996,621		39,164,506	2,590,655	717,773	95,510	5,657	1,601,276	1,115,010	(1,512,263)
	EXPENSES											-
91100	ADMINISTRATIVE SALARIES	372,401	-		462,808	35,726	9,563	-		552,230	434,231	-
91200	AUDITING FEES	16,060			16,960	-				16,960	26,267	1,866,959 77,147
91300	MANAGEMENT FEES	51,061	229,188	-	452,532	37,965	10,017	-		-		(1,247,823)
91310	BOOKKEEPING FEE	50,138	-		195,142	15,366	3,593	-				(264,539)
91400	ADVERTISING AND MARKETING	627	-		251,636	20,810	5,570	-		15,290		-
91500	EMPLOYEE BENEFIT CONTRIBUTION	162,316	-		240,155	-				184,974	110,074	16,168
91600	OFFICE EXPENSE	142,015	-		103,356	-				127,841	163,958	735,400
91700	LEGAL	51,362	-		79	-				14,113	6,146	673,969
91800	TRAVEL	-								9,763	4,513	17,579
91900	OTHER OPERATING ADMINISTRATIVE	29,591	3,818	-	58,997	-	-			30,959	32	14,355
92000	ASSET MANAGEMENT FEE	-										123,397
92100	TENANT SERVICES SALARIES	-										-
92200	RELOCATION COSTS	1,005	772,363	-	40,867	-				71,483	-	112,370
92300	EMPLOYEE BENEFIT CONTRIBUTION	-								23,827	-	773,368
92400	TENANT SERVICES OTHER	1,527	-							-	-	1,527
	UTILITIES	-										-
92100	WATER	340,529	-		396	-				3,094	162	344,191
92200	ELECTRICITY	182,662	-		11,359	-				2,666	-	196,707
92300	GAS	93,310	156,592	-	7,411	-				1,313	1,056	166,372
92400	FUEL	-										-
92500	LABOR	-										-
92600	SEWER	-										-
92700	EMPLOYEE BENEFIT CONTRIBUTION UTILITY	296	-									296
92800	OTHER UTILITIES	-										864
92900	ORDINARY MAINTENANCE & OPERATION	-										-
94100	ORDINARY MAINT. AND OP LABOR	354,936	-							147,409	14,403	502,345
94200	ORDINARY MAINTENANCE AND OF MATERIALS	188,186	-							10,699		219,205

THE HOUSING AUTHORITY OF THE CITY OF JOLIET [IL024]

JOLIET, ILLINOIS  
FINANCIAL DATA SCHEDULE

JUNE 30, 2022

	PUBLIC HOUSING LOW RENT 14,850a	CAPITAL FUND PROGRAM 14,872	DISASTER VOUCHER PROGRAM 14,DVP	SECTION 8 HOUSING CHOICE VOUCHERS 14,871	MAINSTREAM VOUCHERS 14,879	EMERGENCY HOUSING VOUCHER 14,EHV	FAMILY SELF SUFFICIENCY 14,896	COCC CAPITAL FUND 14,871	COCC CAPITAL FUND 14,871	BLENDED COMPONENT UNIT	RETE OUNT ELIMINATIONS	TOTAL
943100	ORDINARY MAINTENANCE AND OF CONTRACT	988,994	1,115,157	-	73,172	-	-	-	-	76,329	63,431	-
945000	EMPLOYEE BENEFIT CONTRIBUTION	112,921	-	-	-	-	-	-	-	74,517	-	187,438
951000	PROTECTIVE SERVICES	38,472	-	-	-	-	-	-	-	-	-	38,472
952000	PROTECTIVE SERVICES - LABOR	62,169	-	-	-	-	-	-	-	-	-	62,169
953000	PROTECTIVE SERVICES - OTHER	-	-	-	-	-	-	-	-	-	-	-
955000	EMPLOYEE BENEFIT CONTRIBUTION PS	18,168	-	-	-	-	-	-	-	-	-	18,168
961000	GENERAL EXPENSES	-	-	-	-	-	-	-	-	-	-	-
961100	PROPERTY INSURANCE	153,388	-	-	-	-	-	-	-	9,790	5,743	-
961200	LIABILITY INSURANCE	78,006	-	-	-	-	-	-	-	-	3,559	-
961300	WORKERS' COMPENSATION	56,386	-	-	49,654	-	-	-	-	22,512	13,841	-
961400	ALL OTHER INSURANCE	29,779	-	-	8,484	-	-	-	-	8,686	-	46,949
962000	OTHER GENERAL EXPENSE	47,069	-	-	102,595	-	198,482	-	-	3,976	41,776	-
962100	COMPENSATED ABSENCES	17,391	-	-	5,415	-	-	-	-	15,527	14,089	-
963000	PAYMENTS IN LIEU OF TAXES	115,557	-	-	-	-	-	-	-	-	-	115,557
964000	BAD DEBT - TENANT	70,559	-	-	-	-	-	-	-	-	-	70,559
965000	BAD DEBT - MORTGAGES	-	-	-	-	-	-	-	-	-	-	-
966000	BAD DEBT - OTHER	-	-	-	27,357	-	-	-	-	-	-	27,357
967000	INTEREST EXPENSE (BONDS PAYABLE)	72,215	-	-	-	-	-	-	-	845	-	73,060
967100	INTEREST EXPENSE (SHORT AND LONG TERM)	-	-	-	-	-	-	-	-	-	-	-
967300	AMORTIZATION OF BOND ISSUE COSTS	-	-	-	-	-	-	-	-	-	-	-
968000	SEVERANCE EXPENSE	-	-	-	-	-	-	-	-	-	-	-
969000	TOTAL OPERATING EXPENSES	4,433,078	2,120,526	-	2,138,661	109,867	227,225	95,310	-	1,096,865	1,136,795	(1,512,362)
970000	EXCESS OPERATING REVENUE OVER EXP	719,462	876,095	-	37,025,925	2,486,789	490,248	-	5,657	504,411	(21,705)	42,098,801
971000	EXTRAORDINARY MAINTENANCE	-	-	-	-	-	-	-	-	-	-	-
972000	CASUALTY LOSSES - NON CAPITALIZED	-	-	-	-	-	-	-	-	-	-	-
973000	HAP	-	-	-	26,762,110	2,570,173	687,647	-	-	-	-	30,019,930
973500	HAP - PORTABILITY IN	-	-	-	10,593,925	-	-	-	-	-	-	10,593,925
974000	DEPRECIATION EXPENSE	966,444	-	-	-	-	-	-	-	68,011	61,758	1,117,756
975000	FRAUD LOSSES	-	-	-	21,323	-	-	-	-	-	-	-
976000	CAPITAL OUTLAYS GOVT FUNDS	-	-	-	-	-	-	-	-	-	-	-
977000	DEBT PRINCIPAL PAYMENT GOVT FUNDS	-	-	-	-	-	-	-	-	-	-	-
978000	DWELLING UNITS RENT EXPENSE	-	-	-	-	-	-	-	-	-	-	-
900000	TOTAL EXPENSES	5,399,722	2,120,526	-	395,16,019	2,680,040	914,972	95,310	-	1,164,876	1,198,533	(1,512,362)
100100	OPERATING TRANSFERS IN	1,150,909	114,794	-	-	-	-	-	(5,637)	5,637	-	(1,263,703)
100120	OPERATING TRANSFERS OUT	(274,814)	(990,889)	-	-	-	-	-	-	-	-	1,263,703
100160	PROCEEDS FROM PROPERTY SALES	-	-	-	-	-	-	-	-	-	-	-
100170	EXTRAORDINARY ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-	-	-	-
100180	SPECIAL ITEMS (NET GAIN/LOSS)	-	-	-	-	-	-	-	-	-	-	-
101000	TOTAL OTHER FINANCING SOURCES (USES)	876,095	(876,095)	-	-	-	-	(5,637)	5,637	-	-	-
100100	EXCESS REVENUE OVER EXPENSES	628,913	-	-	(351,433)	(61,395)	(197,399)	-	-	442,057	(83,543)	357,210
110130	BEGINNING EQUITY	18,834,830	114,795	-	3,232,904	154,078	144,552	-	-	3,838,857	7,721,771	-
110400	EQUITY TRANSFERS	114,795	(114,795)	4,802	-	(4,802)	-	-	-	-	-	34,041,787
110400	PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	-	-	-	-	-
110400	ENDING EQUITY	19,578,338	-	4,802	2,881,471	72,693	(57,649)	-	4,280,914	7,638,228	-	34,398,997
112000	GROSS # UNITS	8,320	-	-	26,019	2,124	715	-	-	60	-	37,438
112100	# UNIT MONTHS LEASED	6,149	-	-	26,019	2,037	-	-	-	60	-	35,445
111700	ADMINISTRATIVE FEE EQUITY	-	-	-	-	2,881,471	-	-	-	-	-	2,881,471
111800	HOUSING ASSISTANCE PAYMENTS EQUITY	-	-	-	-	-	-	-	-	-	-	-
116200	LAND PURCHASES	-	-	-	-	-	-	-	-	-	-	621,325
116300	BUILDING PURCHASES	-	-	-	-	-	-	-	-	-	-	7,976
116400	FURNITURE & EQUIPMENT - DWELLING PURCHASES	-	-	-	-	-	-	-	-	-	-	-
116400	FURNITURE & EQUIPMENT - ADMINISTRATIVE PURCHASES	15,052	-	-	-	-	-	-	-	-	-	15,052
116500	LEASEHOLD IMPROVEMENT PURCHASES	-	-	-	-	-	-	-	-	-	-	-

THE HOUSING AUTHORITY OF JOLIET  
JOLIET, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

**Section I: Summary of Auditors' Results:**

**FINANCIAL STATEMENTS**

Type of Auditors' report issued:	Unmodified	
Internal Control over financial reporting:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are significant deficiencies that are not considered to be material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Is noncompliance that could have a material effect on the financial statements identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**FEDERAL AWARDS**

Internal control over major programs:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are significant deficiencies that are not considered to be material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of report issued on compliance with requirements applicable to each major program:	Unmodified	
Are there any audit findings that are required to be reported in accordance with 2CFR Section 200.516(a) of the Uniform Guidance?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>Name of Federal Program</u>	<u>Assistance Listing No.</u>
Section 8 Housing Choice Voucher Cluster	
Section 8 Housing Choice Vouchers	14.871
Section 8 Mainstream Vouchers	14.879
Emergency Housing Vouchers	14.EHV
Public and Indian Housing	14.850
Public Housing Capital Fund Program	14.872

Dollar threshold used to distinguish between type A and type B programs: \$1,147,448

Is the auditee identified as a low-risk auditee?  Yes  No

HOUSING AUTHORITY OF JOLIET  
JOLIET, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

**Section II: Financial Statement Findings:**

**Prior Year Findings and Questioned Costs**

None Noted

**Current Year Findings and Questioned Costs**

None Noted

**Section III: Federal Award Findings and Questioned Costs:**

**Prior Year Findings and Questioned Costs**

None Noted

**Current Year Findings and Questioned Costs**

None Noted