

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

REPORT ON AUDIT
OF
FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION

YEAR ENDED JUNE 30, 2024

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
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, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statement as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2024, and the 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 Auditors' 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.

Responsibilities of Management for the Financial Statements

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

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Management's Discussion and Analysis on pages 8 through 16 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.

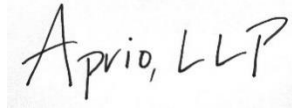
Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Statement and Certification of Program Costs – Capital Fund Program; the Statement and Certification of Program Costs – Family Self Sufficiency Grant; the 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 Statement and Certification of Program Costs – Capital Fund Program; the Statement and Certification of Program Costs – Family Self Sufficiency Grant; the Schedule of Expenditures of Federal Awards and the 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 24, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

Birmingham, Alabama
March 24, 2025



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
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 Housing Authority of Joliet (the Authority), as of and for the year ended June 30, 2024, 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 24, 2025.

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.

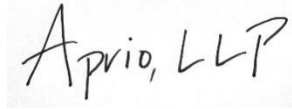
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies*. Given these limitations, during our audit we did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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free 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.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

Birmingham, Alabama
March 24, 2025



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

Board of Commissioners
Housing Authority of Joliet
Joliet, Illinois

Report on Compliance for the Major Federal Program

Opinion on the Major Program

We have audited the Housing Authority of Joliet's (the Authority's) 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 the Authority's major federal program for the year ended June 30, 2024. The Authority's major federal program is identified in the Summary of Auditors' 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 its major federal program for the year ended June 30, 2024.

Basis for Opinion on the 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 (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the 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.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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 the 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.

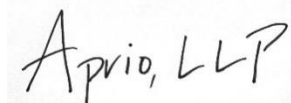
Report on Internal Control Over Compliance

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a *material weakness* in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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 24, 2025

**HOUSING AUTHORITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2024**

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 year's 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 \$2.4 million in 2024 and was \$44.9 million for 2023 and \$47.3 million for 2024.
- Revenues decreased \$1.9 million during 2024 and were \$63.1 million for 2023 and \$61.2 million for 2024.
- Expenses increased \$5.4 million during 2024 and were \$53.4 million for 2023 and \$58.8 million for 2024.

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 programs and reporting sectors include:

- Disaster Voucher Program
- Emergency Housing Voucher Program
- Mainstream Voucher Program
- Family Self Sufficiency Program
- HOME Investment Partnerships Program
- Blended Component Units

AUTHORITY-WIDE STATEMENTS

The following table reflects the Condensed Statement of Net Position compared to the prior year.

TABLE 1
CONDENSED STATEMENT OF NET POSITION

| | <u>2024</u> | <u>2023</u> | <u>Variance</u> |
|--|-----------------------------|-----------------------------|----------------------------|
| Assets: | | | |
| Current and Restricted Assets | \$ 11,058,340 | \$ 14,458,641 | \$ (3,400,301) |
| Capital Assets | 15,120,049 | 13,811,096 | 1,308,953 |
| Other Assets | <u>24,628,877</u> | <u>20,467,184</u> | <u>4,161,693</u> |
| Total Assets | <u>\$ 50,807,266</u> | <u>\$ 48,736,921</u> | <u>\$ 2,070,345</u> |
| Liabilities and Deferred Inflows of Resources: | | | |
| Current Liabilities | \$ 1,574,918 | \$ 1,618,880 | \$ (43,962) |
| Non-current Liabilities and Deferred Inflows | <u>1,937,683</u> | <u>2,196,184</u> | <u>(258,501)</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>\$ 3,512,601</u> | <u>\$ 3,815,064</u> | <u>\$ (302,463)</u> |
| Net Position: | | | |
| Net Investment in Capital Assets | \$ 13,713,877 | \$ 12,454,813 | \$ 1,259,064 |
| Restricted Net Position | 259,664 | 88,882 | 170,782 |
| Unrestricted Net Position | <u>33,321,124</u> | <u>32,378,162</u> | <u>942,962</u> |
| Total Net Position | <u>\$ 47,294,665</u> | <u>\$ 44,921,857</u> | <u>\$ 2,372,808</u> |

Major Factors Affecting the Condensed Statement of Net Position

During 2024, current and restricted assets decreased due primarily to a reduction of unrestricted cash resulting from operating, capital and investing cash outflows exceeding financing inflows. See the Statement of Cash Flows for additional details regarding cash inflows and outflows. A reduction of grants receivable due from HUD also contributed to the decrease of current assets. Capital assets increased due to property, equipment and software expenditures exceeding depreciation and amortization. Other assets increased due to advances to an affiliate under a note receivable, and interest receivable accruals. Non-current liabilities and deferred inflows of resources decreased due mainly to escrow liability and capital debt retirements.

Table 2 (below) presents details on the change in unrestricted net position during the fiscal year.

TABLE 2

CHANGE OF UNRESTRICTED NET POSITION

| | |
|--|------------------------------------|
| Unrestricted Net Position, June 30, 2023 | \$ 32,378,162 |
| Results of Operations | (1,949,225) |
| Capital Expenditures from Operations | (1,625,181) |
| Interest Income | 776,837 |
| Funding Restricted for Housing Assistance Payments | (189,634) |
| Transfer to Restricted Reserves | 18,852 |
| Predevelopment Costs Funded from Operations | (338,410) |
| Contributions Recognized to Fund Note Receivable | 3,500,000 |
| Principal and Interest on Capital Debt Funded from Operations | (197,365) |
| Depreciation and Amortization Expense | <u>947,088</u> |
| Unrestricted Net Position, June 30, 2024 | <u><u>\$ 33,321,124</u></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**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The following Schedule compares the revenues and expenses for the current and previous fiscal year.

| | 2024 | 2023 | Variance |
|--|----------------------|----------------------|-----------------------|
| Revenues: | | | |
| Tenant Rent | \$ 1,484,183 | \$ 1,744,668 | \$ (260,485) |
| Operating Grants | 41,695,579 | 39,703,515 | 1,992,064 |
| Capital Contributions | 4,137,084 | 1,759,045 | 2,378,039 |
| Interest Income | 776,837 | 532,241 | 244,596 |
| Gain on Disposition of Capital Assets | - | 6,346,644 | (6,346,644) |
| Other | 13,079,674 | 13,000,105 | 79,569 |
| Total Revenues | \$ 61,173,357 | \$ 63,086,218 | \$ (1,912,861) |
| Expenses: | | | |
| Administrative | \$ 3,818,490 | \$ 3,770,304 | \$ 48,186 |
| Tenant Services | 995,784 | 441,003 | 554,781 |
| Utilities | 635,720 | 584,659 | 51,061 |
| Maintenance | 1,698,597 | 2,298,822 | (600,225) |
| Protective Services | 24,029 | 37,559 | (13,530) |
| General | 1,010,728 | 1,263,903 | (253,175) |
| Housing Assistance Payments | 49,078,225 | 43,533,512 | 5,544,713 |
| Interest | 94,175 | 65,948 | 28,227 |
| Predevelopment Costs | 497,713 | - | 497,713 |
| Bad Debt on Interest Receivable | - | 390,388 | (390,388) |
| Depreciation and Amortization | 947,088 | 977,290 | (30,202) |
| Total Expenses | \$ 58,800,549 | \$ 53,363,388 | \$ 5,437,161 |
| Increase (Decrease) in Net Position | \$ 2,372,808 | \$ 9,722,830 | \$ (7,350,022) |

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

Operating grants increased due predominantly to increases of subsidies recognized through the Section 8 Housing Voucher and Mainstream Voucher Programs. Capital contributions increased in order to fund financing to an affiliate under HUD's Rental Assistance Demonstration (RAD) Program. The fiscal year 2023 gain on disposition of capital assets was a result of notes receivable recognitions from an affiliated partnership as consideration for a property conveyed through the fiscal year 2023 RAD conversion.

Tenant services expenses increased during 2024 due to relocation costs incurred in preparation of a fiscal year 2025 property sale. Maintenance expenses decreased due primarily to a reduction of external contracting costs incurred, including repair and unit turnover costs. Housing assistance payments increased due to increased leasing, rental rates and an increase of assistance payments expended on Program participants ported-in from other jurisdictions.

Fiscal year 2024 predevelopment costs consisted primarily of costs incurred on behalf of an affiliate in connection with the fiscal year 2023 RAD conversion property disposition. During fiscal year 2023, certain interest accruals were deemed uncollectible and written down by management. No such write-downs applied to the fiscal year-end 2024 interest accrual balances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year-end, the Authority had \$15.1 million invested in a variety of capital assets as reflected in the following schedule, which represents a 9% increase from fiscal year-end 2023.

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

| | <u>2024</u> | <u>2023</u> | <u>Variance</u> | <u>% Change</u> |
|----------------------------|----------------------------|----------------------------|----------------------------|------------------|
| Land | \$ 8,913,263 | \$ 8,904,063 | \$ 9,200 | 0% |
| Buildings and Improvements | 35,871,759 | 34,038,155 | 1,833,604 | 5% |
| Furniture and Equipment | 1,922,509 | 1,306,862 | 615,647 | 47% |
| Construction in Process | - | 202,410 | (202,410) | -100% |
| Accumulated Depreciation | <u>(31,587,482)</u> | <u>(30,640,394)</u> | <u>(947,088)</u> | <u>3%</u> |
| Net Capital Assets | <u>\$15,120,049</u> | <u>\$13,811,096</u> | <u>\$ 1,308,953</u> | <u>9%</u> |

TABLE 5
CHANGE IN CAPITAL ASSETS

The following reconciliation summarizes the change in Capital Assets.

| | |
|---------------------------------------|-----------------------------|
| Ending Balance June 30, 2023 | \$ 13,811,096 |
| Additions: | |
| Land | 9,200 |
| Buildings and Improvements | 1,631,194 |
| Equipment and Software | 615,647 |
| Depreciation and Amortization Expense | <u>(947,088)</u> |
| Ending Balance, June 30, 2024 | <u>\$ 15,120,049</u> |

Debt Administration

As of fiscal year-end 2024, the Authority had \$1.4 million of capital debt outstanding.

TABLE 6
OUTSTANDING CAPITAL DEBT, AS OF FISCAL YEAR-END

| | <u>2024</u> | <u>2023</u> |
|------------------------|----------------------------|----------------------------|
| CFP Note Payable | \$ 921,776 | \$ 1,356,283 |
| Subscription Liability | 484,396 | - |
| Total | <u>\$ 1,406,172</u> | <u>\$ 1,356,283</u> |

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

FINANCIAL CONTACT

This financial report is designed to provide our residents; the citizens of Joliet, Illinois; and federal and state regulatory bodies with a general overview of the Housing Authority of Joliet's finances as of June 30, 2024. The individual to be contacted regarding this report is:

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

HOUSING AUTHORITY OF JOLIET
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

| | Enterprise Fund |
|--|-----------------------------|
| <u>Current Assets</u> | |
| Cash | \$ 10,004,551 |
| Accounts Receivable, Net | 215,781 |
| Prepaid Costs | 151,257 |
| Inventory | 60,888 |
| Total Current Assets | <u>10,432,477</u> |
| <u>Restricted Assets</u> | |
| Cash | <u>625,863</u> |
| Total Restricted Assets | <u>625,863</u> |
| <u>Capital Assets</u> | |
| Land | 8,913,263 |
| Buildings and Improvements | 35,871,759 |
| Furniture and Equipment | <u>1,922,509</u> |
| | 46,707,531 |
| (Less): Accumulated Depreciation/Amortization | <u>(31,587,482)</u> |
| Net Capital Assets | <u>15,120,049</u> |
| <u>Other Assets</u> | |
| Notes Receivable | 18,293,568 |
| Interest Receivable, Non-current | 2,623,712 |
| Accounts Receivable, Non-current | 201,839 |
| Prepaid Deposits, Non-current | 192,029 |
| Investment in Partnerships | <u>3,317,729</u> |
| Total Other Assets | <u>24,628,877</u> |
| Total Assets | <u>50,807,266</u> |
| Deferred Outflows of Resources | <u>-</u> |
| Total Assets and Deferred Outflows of Resources | <u><u>\$ 50,807,266</u></u> |

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF JOLIET
STATEMENT OF NET POSITION
JUNE 30, 2024

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

| | Enterprise Fund |
|--|----------------------------|
| <u>Current Liabilities</u> | |
| Accounts Payable | \$ 627,962 |
| Accrued Wages and Payroll Taxes | 86,878 |
| Accrued Compensated Absences | 76,481 |
| Accrued Interest Payable | 16,954 |
| Tenant Security Deposits | 59,874 |
| Unearned Revenue | 112,991 |
| Current Portion of Capital Debt | 593,778 |
| Total Current Liabilities | <u>1,574,918</u> |
| <u>Non-current Liabilities</u> | |
| Long Term Capital Debt | 812,394 |
| FSS Escrow Liability | 337,181 |
| Accrued Compensated Absences | 252,366 |
| Total Non-current Liabilities | <u>1,401,941</u> |
| Total Liabilities | <u>2,976,859</u> |
| Deferred Inflows of Resources - Leases | <u>535,742</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>3,512,601</u> |
| <u>Net Position</u> | |
| Net Investment in Capital Assets | 13,713,877 |
| Restricted Net Position | 259,664 |
| Unrestricted Net Position | 33,321,124 |
| Total Net Position | <u>47,294,665</u> |
| Total Liabilities, Deferred Inflows of Resources and Net Position | <u>\$ 50,807,266</u> |

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF JOLIET
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

| | Enterprise Fund |
|---|----------------------------|
| <u>Operating Revenues</u> | |
| Tenant Rent Revenue | \$ 1,484,183 |
| Operating Grants | 41,695,579 |
| Other Revenue | 13,079,674 |
| Total Operating Revenues | <u>56,259,436</u> |
| <u>Operating Expenses</u> | |
| Administrative | 3,818,490 |
| Tenant Services | 995,784 |
| Utilities | 635,720 |
| Maintenance | 1,698,597 |
| Protective Services | 24,029 |
| General | 1,010,728 |
| Housing Assistance Payments | 49,078,225 |
| Depreciation and Amortization | 947,088 |
| Total Operating Expenses | <u>58,208,661</u> |
| Operating Income (Loss) | <u>(1,949,225)</u> |
| <u>Non-Operating Revenues (Expenses)</u> | |
| Interest Income | 68,876 |
| Interest Income on Notes Receivable | 707,961 |
| Interest Expense | (94,175) |
| Predevelopment Costs | (497,713) |
| Total Non-Operating Revenues (Expenses) | <u>184,949</u> |
| Increase (decrease) before Capital Contributions | <u>(1,764,276)</u> |
| Capital Contributions | <u>4,137,084</u> |
| Increase (Decrease) in Net Position | 2,372,808 |
| Net Position, Beginning | 44,921,857 |
| Net Position, Ending | <u>\$ 47,294,665</u> |

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF JOLIET
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

| | Enterprise Fund |
|---|----------------------------|
| <u>Cash flows from operating activities:</u> | |
| Cash Received from Dwelling Rent | \$ 1,431,344 |
| Cash Received from Operating Grants | 42,230,611 |
| Cash Received from Other Sources | 12,716,639 |
| Cash Payments for Salaries and Benefits | (3,370,998) |
| Cash Payments to Vendors and Landlords | (53,784,808) |
| Net cash provided (used) by operating activities | <u>(777,212)</u> |
| <u>Cash flows from non-capital financing activities:</u> | |
| Contributions from HUD to Fund Note Receivable | 3,500,000 |
| Contributions from HUD to Fund Predevelopment Costs | 159,303 |
| Net cash provided (used) by noncapital financing activities | <u>3,659,303</u> |
| <u>Cash flows from capital and related financing activities:</u> | |
| Contributions from HUD | 477,781 |
| Capital Outlay | (1,668,455) |
| Principal and Interest Paid on Capital Debt | (640,349) |
| Net cash provided (used) by capital and related financing activities | <u>(1,831,023)</u> |
| <u>Cash flows from investing activities:</u> | |
| Interest Received on Cash Deposits | 68,876 |
| Proceeds Advanced on Note Receivable | (3,500,000) |
| Predevelopment Costs | (497,713) |
| Net cash provided (used) by investing activities | <u>(3,928,837)</u> |
| Net Decrease of Cash and Restricted Cash | (2,877,769) |
| Total Cash and Restricted Cash, Beginning of Year | <u>13,508,183</u> |
| Total Cash and Restricted Cash, End of Year | <u>\$ 10,630,414</u> |
| Reconciliation of cash and restricted cash presented on the Statement of Net Position, to ending cash and restricted cash presented above on the Statement of Cash Flows: | |
| Cash | \$ 10,004,551 |
| Restricted Cash | 625,863 |
| Cash and Restricted Cash, End of Year | <u>\$ 10,630,414</u> |

Continued on next page

HOUSING AUTHORITY OF JOLIET
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2024

| | Enterprise Fund |
|--|----------------------------|
| <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> | |
| Operating Income (Loss) | \$ (1,949,225) |
| Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities: | |
| Depreciation and Amortization | 947,088 |
| Bad Debt Expense | 247,076 |
| Change in Accounts Receivable (Tenants) | (40,964) |
| Change in Accounts Receivable (Grants) | 617,652 |
| Change in Accounts Receivable (Other) | (218,724) |
| Change in Prepaid Costs and Inventory | (36,240) |
| Change in Accounts Payable - Operating | (148,062) |
| Change in Accrued Personnel Expenses | 42,993 |
| Change in Unearned Revenue (Tenants) | (11,875) |
| Change in Unearned Revenue (Grants) | (82,620) |
| Change in Unearned Revenue (Other) | 55,078 |
| Change in Security and Escrow Deposits Held | (136,165) |
| Change in Deferred Lease Revenue (Non-dwelling) | (63,224) |
| Net cash provided (used) by operating activities | <u><u>\$ (777,212)</u></u> |

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF JOLIET, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

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 and GASB 63.

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.

Cash

Cash and restricted cash consisted of funds held in checking accounts.

Accounts Receivable

Accounts receivables are reported at amounts management expects to collect and consisted of tenant receivables, fraud recovery receivables, non-dwelling rent receivables, developer fee receivables, fees and advances due from affiliates, amounts due from other housing authorities for Section 8 Housing Choice Voucher Program participants ported-in, and other miscellaneous receivables. Gross current and non-current accounts receivable totaled \$5,303,717 and are reported net of allowances of \$4,886,097, at \$417,620. See Note J for additional detail regarding accounts receivable.

Prepaid Costs, Prepaid Deposits and Inventory

Prepaid items and inventory consist of payments made to vendors for services and supplies that will benefit future periods.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, Expenses and Changes in Net Position. 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, 2024, and as of March 24, 2025. No significant capital asset value impairments exist as of the noted dates.

PILOT Agreement

The Authority has entered into a Payments-In-Lieu-of Taxes (PILOT) Agreement with the City of Joliet whereby the Authority agreed to pay a negotiated sum in-lieu-of real property tax. During fiscal year 2024, the Authority incurred \$91,520 of payments-in-lieu-of taxes expense and owed the City \$91,520 as of fiscal year-end.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under unearned revenue. As of June 30, 2024, the Authority's unearned revenue balance consisted of tenant rent prepayments, insurance proceeds, operating grant receipts and other miscellaneous receipts.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of assets by the Authority that is applicable to a future reporting period. Conversely, a deferred inflow of resources is an acquisition of assets by the Authority that is applicable to a future reporting period. As of June 30, 2024, the Authority did not have any deferred outflows of resources. Deferred inflows of resources consisted of non-dwelling rental revenue deferrals. See Note S for additional detail regarding deferred inflows of resources.

Revenue Accounting Policies

Dwelling rent income, HUD grants recognized to fund operations, property management and development fees, and other miscellaneous income sources resulting from operations are reported as operating revenue. Capital contributions from HUD and interest income is reported as non-operating revenue.

Indirect Costs 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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Predevelopment Costs

Predevelopment costs of \$497,713 consisted of expenditures made on behalf of affiliates to fund various construction preparations including consulting and professional fees, and tax credit application fees. \$356,028 of the fiscal year 2024 costs were incurred in connection with the Authority's fiscal year 2023 property disposition to Stevenson Crossing, LP, an affiliated partnership, through HUD's Rental Assistance Demonstration (RAD) Program. The remaining \$141,685 consisted of costs incurred on behalf of another affiliate, Downtown Villas, LP.

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.

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 *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity, Statement No. 39: Determining Whether Certain Organizations are Component Units, and Statement No. 61: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

Based upon the application of these criteria, the Authority has the following blended component units:

Will County Housing Development Corporation (WCHDC, a *Blended Component Unit*) is a not-for-profit 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 WCHDC is a blended component unit of the Authority and the Corporation's financial transactions for the fiscal year ended, and balances as of June 30, 2024, are consolidated into the Authority's financial statements. WCHDC does not issue stand-alone financial statements. Additional information concerning the WCHDC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

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. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2023, are consolidated into and reported with WCHDC's financial transactions and balances. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

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 Meadow 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 Meadow Estates, a mixed-income residential rental housing project. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2023, are consolidated into and reported with WCHDC's financial transactions and balances. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

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. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2023, are consolidated into and reported with WCHDC's financial transactions and balances. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

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 Meadow 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 Meadow Estates, a mixed-income residential rental housing project. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2023, are consolidated into and reported with WCHDC's financial transactions and balances. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

Stevenson Crossing, LLC (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on July 27, 2020. The Company was formed to act as general partner of Stevenson Crossing, 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 Stevenson Crossing, a mixed-income residential rental housing project. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2023, are consolidated into and reported with WCHDC's financial transactions and balances. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C - CASH 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.

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 consisted of funds held in interest-bearing checking accounts with reconciled balances totaling \$10,630,414.

Deposits held with financial institutions totaled \$11,286,509 and were secured as follows:

| | <u>Bank Deposits</u> |
|---|-----------------------------|
| Insured by FDIC | \$ 500,000 |
| Collateralized with specific securities in the Authority's name which are held by a third-party financial institution | 9,821,035 |
| Uncollateralized | <u>965,474</u> |
| | <u><u>\$ 11,286,509</u></u> |

The Authority's uncollateralized deposits consisted of non-federal funds held by WCHDC, the blended component unit. WCHDC deposit balances exceed the FDIC insured deposit limit of \$250,000 per financial institution. As of June 30, 2024, the Corporation's deposit balances exceeded the FDIC limits by \$965,474. The Corporation has not experienced any losses through March 24, 2025, the date the financial statements were available to be issued.

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had outstanding contractual commitments as of June 30, 2024, as follows:

| | |
|--|--------------------------|
| <u>Type of Commitment:</u> | |
| Professional Services | \$ 198,639 |
| Repairs and Maintenance | 192,010 |
| Other Operations | <u>45,278</u> |
| Total Outstanding Contractual Commitments | <u><u>\$ 435,927</u></u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

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.

NOTE G - RETIREMENT PLAN

The Authority provides retirement benefits through 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. Employer contributions for the year ended June 30, 2024, were \$65,858, and employees contributed \$59,180 to the plan.

NOTE H - RESTRICTED ASSETS AND RESTRICTED NET POSITION

As of June 30, 2024, the Authority's restricted cash consisted of the following:

| | |
|---|-------------------|
| FSS Escrow Funds | \$ 337,181 |
| Disaster Voucher Program Funds | 4,802 |
| Scholarship Fund | 47,344 |
| Unearned Emergency Housing Voucher Program Funds | 29,018 |
| Housing Assistance Payments Reserve | 207,518 |
| Total Restricted Assets | \$ 625,863 |

There are no off-setting liabilities applicable to the Disaster Voucher Program funds, the Scholarship Fund or the Housing Assistance Payments Reserve. Therefore, \$259,664 of applicable net position is reported as restricted net position in the Statement of Net Position.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I - SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives; and the realizable value of accounts, notes and interest receivable. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTE J - ACCOUNTS RECEIVABLE

As of June 30, 2024, the Authority's current and non-current accounts receivable balances consisted of the following:

| | <u>Receivable</u> | <u>Allowance for Doubtful Accounts</u> | <u>Net Receivable</u> |
|--|----------------------------|--|---------------------------|
| Dwelling Rent Receivables | \$ 52,001 | \$ (2,182) | \$ 49,819 |
| Fees and Advances due from Affiliated Partnerships | 438,549 | (424,508) | 14,041 |
| Fraud Recovery Receivables | 232,791 | (232,791) | - |
| Due from Other Housing Authorities for Voucher Program Participants Ported-in | 3,940,132 | (3,865,477) | 74,655 |
| Non-dwelling Rent Receivable | 108,242 | - | 108,242 |
| Due from Voucher Program Landlords | 361,139 | (361,139) | - |
| Developer Fees Receivable | 141,821 | - | 141,821 |
| Other Miscellaneous Receivables | <u>29,042</u> | <u>-</u> | <u>29,042</u> |
| Total Receivables, Net of Allowances | <u>\$ 5,303,717</u> | <u>\$ (4,886,097)</u> | <u>\$ 417,620</u> |

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K - CAPITAL ASSETS

A summary of the Authority's capital asset activity and balances as of June 30, 2024, is as follows:

| | July 1, <u>2023 Balance</u> | <u>Additions</u> | Transfers and <u>Dispositions</u> | June 30, <u>2024 Balance</u> |
|---|--------------------------------|---------------------|--------------------------------------|---------------------------------|
| Land | \$ 8,904,063 | \$ 9,200 | \$ - | \$ 8,913,263 |
| Construction in Process | <u>202,410</u> | <u>-</u> | <u>(202,410)</u> | <u>-</u> |
| Total Assets not being Depreciated | 9,106,473 | 9,200 | (202,410) | 8,913,263 |
| Buildings and Improvements | 34,038,155 | 1,631,194 | 202,410 | 35,871,759 |
| Furniture and Equipment | <u>1,306,862</u> | <u>615,647</u> | <u>-</u> | <u>1,922,509</u> |
| Total Capital Assets | 44,451,490 | 2,256,041 | - | 46,707,531 |
| Less Accumulated Depreciation and Amortization: | | | | |
| Building and Improvements | (29,464,442) | (713,123) | - | (30,177,565) |
| Furniture and Equipment | <u>(1,175,952)</u> | <u>(233,965)</u> | <u>-</u> | <u>(1,409,917)</u> |
| Net Book Value | <u>\$ 13,811,096</u> | <u>\$ 1,308,953</u> | <u>\$ -</u> | <u>\$ 15,120,049</u> |

The Authority uses operational and accounting software under a subscription-based information technology agreement provided by Yardi Systems, Inc. In July of 2024, Authority management exercised a renewal option of the agreement which provides right-of-use software licensing through August of 2027. During fiscal year 2024, the Authority capitalized right-of-use asset costs associated with the agreement, including cost obligations of the executed renewal option, of \$587,586 reported as Equipment on the Statement of Net Position. The software costs are amortized on the straight-line basis through subscription expiration in August of 2027. Amortization expense incurred during fiscal year 2024 was \$141,021 and accumulated amortization as of June 30, 2024, was \$141,021.

Subsequent to the fiscal year ended June 30, 2024, in July of 2024, the Authority sold an apartment building from its John Murphy Center dwelling project. As of fiscal year-end 2024 the building was reported at a net book value of \$275,099 with a cost basis of \$7,739,310 and accumulated depreciation of \$7,464,211. The Authority sold the property to an unrelated purchaser for a cash payment of \$4,359,688.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L - NOTES AND INTEREST RECEIVABLE

The Authority has provided financing to its affiliated partnerships identified in Note B, to partially finance the development of various low and mixed-income dwelling properties.

A summary of notes and interest receivable as of fiscal year-end is as follows:

| <u>Debtor and Description</u> | <u>Interest Rate</u> | <u>Payment Terms</u> | <u>Maturity</u> | <u>Principal Balance</u> | <u>Interest Receivable</u> |
|---|-----------------------------|---|------------------------|---------------------------------|-----------------------------------|
| Due from Liberty Meadow Estates Phase II, LP; issued August 2011; original principal amount of \$1,041,858; collateralized by the applicable property and assignment of rents | 2% | Annual payments from available net cash flows as defined in the Partnership Agreement | August 2051 | \$ 1,041,858 | \$ 303,694 |
| Due from Liberty Meadow Estates Phase II, LP; issued August 2011; original principal amount of \$610,264; collateralized by the applicable property and assignment of rents | 2% | Annual payments from available net cash flows as defined in the Partnership Agreement | August 2051 | 610,264 | 177,888 |
| Due from Liberty Meadow Estates Phase II, LP; issued August 2011; original principal amount of \$136,000; collateralized by the applicable property and assignment of rents | 2% | Annual payments from available net cash flows as defined in the Partnership Agreement | August 2051 | 136,000 | 39,041 |
| Due from Liberty Meadow Estates Phase II, LP; issued August 2011; original principal amount of \$430,000; collateralized by the applicable property and assignment of rents | 2% | Annual payments from available net cash flows as defined in the Partnership Agreement | August 2051 | 430,000 | 125,342 |
| Due from Water's Edge, LP; issued September 2016; original principal amount of \$1,524,121; collateralized by the applicable property and assignment of rents | 8% | Annual payments from available net cash flows as defined in the Partnership Agreement | October 2038 | 1,211,140 | 997,938 |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L - NOTES AND INTEREST RECEIVABLE - CONTINUED

| <u>Debtor and Description</u> | <u>Interest Rate</u> | <u>Payment Terms</u> | <u>Maturity</u> | <u>Principal Balance</u> | <u>Interest Receivable</u> |
|--|----------------------|---|-----------------|--------------------------|----------------------------|
| Due from Liberty Meadow Estates Phase III, LP; issued November 2019; original principal amount of \$362,000; collateralized by the applicable property and assignment of rents | 7% | Annual payments from available net cash flows as defined in the Partnership Agreement | November 2049 | 362,000 | 133,956 |
| Due from Briggs-Rosalind Phase I, LP: issued August 2007; original principal amount of \$350,000; collateralized by the applicable property and assignment of rents | 0% | Balance of loan due upon maturity on October 1, 2037 | October 2037 | 350,000 | - |
| Due from Briggs-Rosalind Phase I, LP: issued August 2007; original principal amount of \$203,645; collateralized by the applicable property and assignment of rents | 5% | Balance of loan due upon maturity on October 1, 2037 | October 2037 | 203,645 | 168,003 |
| Due from Briggs-Rosalind Phase I, LP: issued August 2007; original principal amount of \$620,000; collateralized by the applicable property and assignment of rents | 0% | Balance of loan due upon maturity on October 1, 2037 | October 2037 | 620,000 | - |
| Due from Stevenson Crossing, LP; issued November 2022; original principal amount of \$5,375,000; \$1,875,000 was funded as of 6/30/2023; collateralized by the applicable property and assignment of rents | 3.5% | Annual payments from available net cash flows as defined in the Partnership Agreement | October 2062 | 5,375,000 | 213,901 |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L - NOTES AND INTEREST RECEIVABLE - CONTINUED

| <u>Debtor and Description</u> | <u>Interest Rate</u> | <u>Payment Terms</u> | <u>Maturity</u> | <u>Principal Balance</u> | <u>Interest Receivable</u> |
|--|--------------------------|---|-----------------|------------------------------|--------------------------------|
| Due from Stevenson Crossing, LP; issued November 2022; original principal amount of \$1,320,000; collateralized by the applicable property and assignment of rents | 3.5% | Annual payments from available net cash flows as defined in the Partnership Agreement | October 2062 | 1,320,000 | 78,217 |
| Due from Stevenson Crossing, LP; issued November 2022; original principal amount of \$5,110,000; collateralized by the applicable property and assignment of rents | 3.5% | Annual payments from available net cash flows as defined in the Partnership Agreement | October 2062 | 5,110,000 | 303,840 |
| Due from Stevenson Crossing, LP; issued November 2022; original principal amount of \$1,523,661; collateralized by the applicable property and assignment of rents | 3.5% | Annual payments from available net cash flows as defined in the Partnership Agreement | October 2062 | 1,523,661 | 81,892 |
| Notes and Interest Receivable | | | | <u><u>\$ 18,293,568</u></u> | <u><u>\$ 2,623,712</u></u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE M - NOTES AND INTEREST RECEIVABLE - CONTINUED

Affordable Housing Program Pass-through Notes Receivable

In order to provide additional financing assistance to the partnerships referenced above, the Authority provided various partnerships with Affordable Housing Program (AHP) funded loans. The loans to the partnerships were funded with AHP subsidies provided to the Authority from the Federal Home Loan Bank (FHLB) of Chicago. The subsidies are subject to recapture in the event that the partnerships fail to manage and operate the properties in accordance with the AHP Subsidy Agreements. Potential repayment of the subsidies is secured with mortgages against each of the properties. Because the Authority's assets are not at risk concerning the potential recapture of the subsidies, Authority management has elected not to report the contingencies or related notes receivable in its Statement of Net Position. The notes receivable are summarized as follows:

| | |
|--|----------------------------|
| AHP Loan due from Water's Edge, LP, dated September 16, 2016 | \$ 750,000 |
| AHP Loan due from Liberty Meadow Estates Phase III, LP, dated March 5, 2021 | 630,000 |
| AHP Loan due from Stevenson Crossing, LP, dated November 2, 2022 | 900,000 |
| Total AHP-Subsidized Notes Receivable | <u>\$ 2,280,000</u> |

NOTE N - INVESTMENT IN PARTNERSHIPS

The Authority, through WCHDC and Liberty Meadow Estates, LLC (blended component units), is a partner in Liberty Meadow Estates Phase II, LP, an Illinois limited partnership. WCHDC, through Liberty Meadow Estates, LLC, has made a capital contribution of \$268,335 to the partnership. No contributions were made, nor distributions received, during fiscal year 2024.

The Authority, through WCHDC and Briggs-Rosalind Development, LLC (blended component units), is a partner in Briggs-Rosalind Phase One, LP, an Illinois limited partnership. WCHDC, through Briggs-Rosalind Development, LLC, has made capital contributions totaling \$1,458,987 to the partnership. No contributions were made, nor distributions received, during fiscal year 2024.

The Authority, through WCHDC and Liberty Meadow Estates Phase III, LLC (blended component units), is a partner in Liberty Meadow Estates Phase III, LP, an Illinois limited partnership. WCHDC, through Liberty Meadow Estates Phase III, LLC, has made a capital contribution of \$800,100 to the partnership. No contributions were made, nor distributions received, during fiscal year 2024.

The Authority, through WCHDC and Stevenson Crossing, LLC (blended component units), is a partner in Stevenson Crossing, LP, an Illinois limited partnership. In November of 2022, WCHDC, through Stevenson Crossing, LLC, was issued partnership capital of \$790,100 as additional consideration in exchange for transferring the former Public Housing dwelling property to the partnership through the RAD conversion.

Investment balances, reported under the equity method, as of June 30, 2024, were as follows:

| | |
|---|----------------------------|
| Liberty Meadow Estates Phase II, LP | \$ 269,292 |
| Briggs-Rosalind Phase I, LP | 1,458,349 |
| Liberty Meadow Estates Phase III, LP | 799,988 |
| Stevenson Crossing, LP | 790,100 |
| Total Investment in Partnerships | <u>\$ 3,317,729</u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE O - 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 reported as a liability allocated between current and non-current.

NOTE P – CAPITAL DEBT

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 bears interest at 3.75% per annum. Payments are made semi-annually and are paid from the Capital Fund Program grants. The loan is secured by a pledge of future Capital Fund Program grant allocations. As of June 30, 2024, the outstanding principal balance of the note was \$921,776 and accrued interest was \$16,954. Interest expense incurred on the note during fiscal year 2024 was \$45,699.

Projected future debt service payments are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal Balance Due</u> |
|--------------------|-------------------|------------------|----------------------------------|
| 2025 | \$ 450,713 | \$ 30,341 | \$ 471,063 |
| 2026 | 471,063 | 8,832 | - |
| Total Payments | <u>\$ 921,776</u> | <u>\$ 39,173</u> | <u>\$ -</u> |

The Authority uses operational and accounting software under a subscription-based information technology agreement provided by Yardi Systems, Inc. The right-of-use agreement expires in August of 2027. The interest rate applied to the agreement is 8.25%, and interest expense incurred during 2024 was \$48,476. The outstanding principal balance of the right-of-use subscription liability as of June 30, 2024, was \$484,396. Future payment obligations under the agreement are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Principal Balance Due</u> |
|------|-------------------|------------------|----------------------------------|
| 2025 | \$ 143,065 | \$ 39,963 | \$ 341,331 |
| 2026 | 160,908 | 28,160 | 180,423 |
| 2027 | 180,423 | 14,885 | - |
| | <u>\$ 484,396</u> | <u>\$ 83,008</u> | <u>\$ -</u> |

See Note K for additional information about the right-of-use software subscription.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE Q - SUMMARY OF NON-CURRENT LIABILITIES

A summary of the Authority's non-current liabilities as of June 30, 2024, is as follows:

| | July 1, 2023 | | | June 30, 2024 | |
|--------------------------------|---------------------|-------------------|-------------------|---------------------|----------------------------|
| | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> | <u>Due Within One Year</u> |
| Accrued Compensated Absences | \$ 258,568 | \$ 111,878 | \$ 41,599 | \$ 328,847 | \$ 76,481 |
| FSS Escrows | 461,407 | - | 124,226 | 337,181 | - |
| Note Payable | 1,356,283 | - | 434,507 | 921,776 | 450,713 |
| Subscription Agreement Payable | - | 587,586 | 103,190 | 484,396 | 143,065 |
| Less: Current Portion | (479,040) | | | (670,259) | |
| Total Non-current Liabilities | <u>\$ 1,597,218</u> | <u>\$ 699,464</u> | <u>\$ 703,522</u> | <u>\$ 1,401,941</u> | <u>\$ 670,259</u> |

NOTE R - 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 S - DEFERRED INFLOWS OF RESOURCES (LEASES)

Ground Lease

In December of 2012, the Authority entered into a Ground Lease Agreement with SpectraSite Communications, LLC (the tenant), under which the Authority leased land to the tenant for a term of 40 years, through December of 2052. Annual rent of \$15,000 per year was collected upon lease execution in a lump sum prepayment amount of \$600,000. During fiscal year 2024, the Authority recognized rent revenue applicable to the lease of \$15,000 and has deferred recognition of \$427,500 of the rent as of June 30, 2024, which is reported as a deferred inflow of resources in the Statement of Net Position. Rent revenue recognitions are anticipated to be recognized at \$15,000 each year through fiscal year 2052, and at \$7,500 in fiscal year 2053.

Building Lease

Other deferred inflows of resources as of June 30, 2024, included \$108,242 of deferred rent recognitions from the Felman Early Childhood Center building lease to the Catholic Charities of the Diocese of Joliet.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE T - BLENDED COMPONENT UNIT, CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Position

| | WCHDC June 30, 2024 |
|--|-----------------------------|
| Assets | |
| Current and restricted assets | \$ 1,110,251 |
| Capital assets | 2,282,097 |
| Other non-current assets | 12,976,640 |
| Total assets | <u>\$ 16,368,988</u> |
| Liabilities, deferred inflows of resources and net position | |
| Current liabilities | \$ 74,421 |
| Non-current liabilities | 10,784 |
| Deferred inflows of resources | 249,375 |
| Total liabilities and deferred inflows of resources | <u>334,580</u> |
| Net investment in capital assets | 2,282,097 |
| Restricted net position | 44,358 |
| Unrestricted net position | 13,707,953 |
| Total net position | <u>16,034,408</u> |
| Total liabilities, deferred inflows of resources and net position | <u><u>\$ 16,368,988</u></u> |

Condensed Statement of Revenues, Expenses and Changes in Net Position

| | WCHDC June 30, 2024 |
|-------------------------------|-----------------------------|
| Revenues | |
| Operating revenues | \$ 722,282 |
| Non-operating revenues | 434,511 |
| Total revenues | <u>1,156,793</u> |
| Expenses | |
| Administrative and general | 677,766 |
| Maintenance and Utilities | 294,242 |
| Depreciation and amortization | 89,246 |
| Non-operating expense | 349,317 |
| Total expenses | <u>1,410,571</u> |
| Increase in net position | <u>(253,778)</u> |
| Beginning net position | 16,288,186 |
| Ending net position | <u><u>\$ 16,034,408</u></u> |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE T - BLENDED COMPONENT UNIT, CONDENSED FINANCIAL STATEMENTS - CONTINUED

Condensed Statement of Cash Flows

| | WCHDC June 30, 2024 |
|--|----------------------------|
| Cash flows provided (used) by operating activities | \$ (249,827) |
| Cash flows provided (used) by capital and related financing activities | (1,596,836) |
| Cash flows provided (used) by investing activities | <u>(338,198)</u> |
| Net increase in cash and restricted cash | (2,184,861) |
| Beginning cash and restricted cash | <u>3,246,853</u> |
| Ending cash and restricted cash | <u><u>\$ 1,061,992</u></u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | |
| Operating income | \$ (338,972) |
| Depreciation and Amortization | 89,246 |
| Change in other operating activities | <u>(101)</u> |
| Net cash provided (used) by operating activities | <u><u>\$ (249,827)</u></u> |

NOTE U - SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 24, 2025, the date the financial statements were available to be issued. See Note K for a description of a property sale which occurred subsequent to fiscal year-end, in July of 2024. No other subsequent events of significance have occurred that would require disclosure in the notes to the financial statements.

HOUSING AUTHORITY OF JOLIET
STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
FOR THE YEAR ENDED JUNE 30, 2024

| | <u>IL01P02450121</u> |
|--------------------------|-----------------------------|
| Funds Approved | \$ 3,254,309 |
| Funds Expended | <u>3,254,309</u> |
| Excess of Funds Approved | <u>\$ -</u> |
| Funds Advanced | \$ 3,254,309 |
| Funds Expended | <u>3,254,309</u> |
| Excess of Funds Advanced | <u>\$ -</u> |

1. The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AUTHORITY OF JOLIET
STATEMENT AND CERTIFICATION OF PROGRAM COSTS - FAMILY SELF SUFFICIENCY
GRANT
FOR THE YEAR ENDED JUNE 30, 2024**

| | <u>FSS22IL4763</u> |
|--------------------------|---------------------------|
| Funds Approved | \$ 112,616 |
| Funds Expended | 112,616 |
| Excess of Funds Approved | <u>\$ -</u> |
| Funds Advanced | \$ 112,616 |
| Funds Expended | 112,616 |
| Excess of Funds Advanced | <u>\$ -</u> |

1. The costs as shown on the SF-425 Federal Financial Report submitted to HUD for approval are in agreement with the Housing Authority's records.

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

| <u>Grantor Program or Cluster Title</u> | <u>Federal Assistance Listing No.</u> | <u>Pass-through Entity Identifying No.</u> | <u>Federal Expenditures</u> |
|---|---------------------------------------|--|-----------------------------|
| HOME Investment Partnerships Program - Passed through Will County, Illinois | 14.239 | 366006672 | <u>\$ 274,935</u> |
| Moving to Work Program , including: | 14.881 | N/A | |
| Public Housing Program 14.OPS | | | \$ 2,142,616 |
| Section 8 Housing Choice Voucher Program 14.HCV | | | 32,860,976 |
| Capital Fund Program 14.CFP | | | <u>5,622,797</u> |
| | | | 40,626,389 |
| Housing Choice Voucher Cluster: | | | |
| Emergency Housing Voucher Program | 14.EHV | N/A | 1,163,674 |
| Mainstream Voucher Program | 14.879 | N/A | <u>3,652,234</u> |
| | | | 4,815,908 |
| PIH Family Self Sufficiency Program | 14.896 | N/A | <u>115,431</u> |
| TOTAL HUD EXPENDITURES | | | <u>45,832,663</u> |
| TOTAL FEDERAL EXPENDITURES | | | <u>\$ 45,832,663</u> |

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the fiscal year ended June 30, 2024. 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 – AWARDS PASSED-THROUGH TO SUBRECIPIENTS

No federal award funds were passed-through to subrecipient grantees during the fiscal year ended June 30, 2024.

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

NOTE 4 – NON-MONETARY FEDERAL AWARDS ASSISTANCE

The Authority did not receive or expend non-monetary federal awards assistance during the fiscal year ended June 30, 2024.

NOTE 5 – INDIRECT COST RATE

The Authority has elected not to use the 10% *De Minimis Indirect Cost Rate* allowed under the Uniform Guidance.

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2024

| | Project Total | 6.2 Component Unit - Blended | 14.896 PIH Family Self-Sufficiency Program | 14.DVP Disaster Voucher Program | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | 14.881 Moving to Work Demonstration Program |
|---|---------------------|------------------------------|--|---------------------------------|----------------------------|----------------------------------|---|
| 111 Cash - Unrestricted | \$ 5,177,779 | \$ 1,013,534 | \$ - | \$ - | \$ 432,318 | \$ 164,716 | \$ 626,809 |
| 112 Cash - Restricted - Modernization and Development | - | - | - | - | - | - | - |
| 113 Cash - Other Restricted | - | 44,358 | - | 4,802 | - | 122,915 | 450,802 |
| 114 Cash - Tenant Security Deposits | 55,774 | 4,100 | - | - | - | - | - |
| 115 Cash - Restricted for Payment of Current Liabilities | - | - | - | - | - | - | - |
| 100 Total Cash | \$ 5,233,553 | \$ 1,061,992 | \$ - | \$ 4,802 | \$ 432,318 | \$ 287,631 | \$ 1,077,611 |
| 121 Accounts Receivable - PHA Projects | - | - | - | - | - | - | - |
| 122 Accounts Receivable - HUD Other Projects | - | - | - | - | - | - | - |
| 124 Accounts Receivable - Other Government | - | - | - | - | - | - | 3,940,132 |
| 125 Accounts Receivable - Miscellaneous | 48,224 | 438,549 | - | - | - | - | 361,139 |
| 126 Accounts Receivable - Tenants | 47,820 | 4,181 | - | - | - | - | - |
| 126.1 Allowance for Doubtful Accounts -Tenants | (2,182) | - | - | - | - | - | - |
| 126.2 Allowance for Doubtful Accounts - Other | - | (424,508) | - | - | - | - | (4,226,616) |
| 127 Notes, Loans, & Mortgages Receivable - Current | - | - | - | - | - | - | - |
| 128 Fraud Recovery | - | - | - | - | - | - | 232,791 |
| 128.1 Allowance for Doubtful Accounts - Fraud | - | - | - | - | - | - | (232,791) |
| 129 Accrued Interest Receivable | - | - | - | - | - | - | - |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$ 93,862 | \$ 18,222 | \$ - | \$ - | \$ - | \$ - | \$ 74,655 |
| 131 Investments - Unrestricted | - | - | - | - | - | - | - |
| 132 Investments - Restricted | - | - | - | - | - | - | - |
| 135 Investments - Restricted for Payment of Current Liability | - | - | - | - | - | - | - |
| 142 Prepaid Expenses and Other Assets | 82,293 | 30,037 | - | - | - | - | 9,461 |
| 143 Inventories | 65,472 | - | - | - | - | - | - |
| 143.1 Allowance for Obsolete Inventories | (4,584) | - | - | - | - | - | - |
| 144 Inter Program Due From | - | - | - | - | - | - | - |
| 145 Assets Held for Sale | - | - | - | - | - | - | - |
| 150 Total Current Assets | \$ 5,470,596 | \$ 1,110,251 | \$ - | \$ 4,802 | \$ 432,318 | \$ 287,631 | \$ 1,161,727 |
| 161 Land | 8,494,983 | 231,972 | - | - | - | - | - |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2024

| | Project Total | 6.2 Component Unit - Blended | 14.896 PIH Family Self-Sufficiency Program | 14.DVP Disaster Voucher Program | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | 14.881 Moving to Work Demonstration Program |
|---|----------------------|------------------------------|--|---------------------------------|----------------------------|----------------------------------|---|
| 162 Buildings | 29,602,927 | 2,513,928 | - | - | - | - | - |
| 163 Furniture, Equipment & Machinery - Dwellings | 42,950 | 15,063 | - | - | - | - | 46,151 |
| 164 Furniture, Equipment & Machinery - Administration | 392,215 | 37,009 | - | - | - | - | 95,628 |
| 165 Leasehold Improvements | - | - | - | - | - | - | - |
| 166 Accumulated Depreciation | (29,227,627) | (515,875) | - | - | - | - | (117,913) |
| 167 Construction in Progress | - | - | - | - | - | - | - |
| 168 Infrastructure | 2,360,321 | - | - | - | - | - | - |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$ 11,665,769 | \$ 2,282,097 | \$ - | \$ - | \$ - | \$ - | \$ 23,866 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | 7,027,122 | 8,003,140 | - | - | - | - | - |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | - | - | - | - | - | - | - |
| 173 Grants Receivable - Non Current | - | - | - | - | - | - | - |
| 174 Other Assets | 824,588 | 4,973,500 | - | - | - | - | - |
| 176 Investments in Joint Ventures | - | - | - | - | - | - | - |
| 180 Total Non-Current Assets | \$ 19,517,479 | \$ 15,258,737 | \$ - | \$ - | \$ - | \$ - | \$ 23,866 |
| 200 Deferred Outflow of Resources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 290 Total Assets and Deferred Outflow of Resources | \$ 24,988,075 | \$ 16,368,988 | \$ - | \$ 4,802 | \$ 432,318 | \$ 287,631 | \$ 1,185,593 |
| 311 Bank Overdraft | - | - | - | - | - | - | - |
| 312 Accounts Payable <= 90 Days | 1,212 | 14 | - | - | - | - | 103,611 |
| 313 Accounts Payable >90 Days Past Due | - | - | - | - | - | - | - |
| 321 Accrued Wage/Payroll Taxes Payable | 24,468 | 16,906 | - | - | - | - | 30,166 |
| 322 Accrued Compensated Absences - Current Portion | 16,192 | 10,722 | - | - | - | - | 9,547 |
| 324 Accrued Contingency Liability | - | - | - | - | - | - | - |
| 325 Accrued Interest Payable | 16,756 | - | - | - | - | - | - |
| 331 Accounts Payable - HUD PHA Programs | - | - | - | - | - | - | - |
| 332 Account Payable - PHA Projects | - | - | - | - | - | - | - |
| 333 Accounts Payable - Other Government | 91,520 | - | - | - | - | - | - |
| 341 Tenant Security Deposits | 55,774 | 4,100 | - | - | - | - | - |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2024

| | Project Total | 6.2 Component Unit - Blended | 14.896 PIH Family Self-Sufficiency Program | 14.DVP Disaster Voucher Program | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | 14.881 Moving to Work Demonstration Program |
|--|----------------------|------------------------------|--|---------------------------------|----------------------------|----------------------------------|---|
| 342 Unearned Revenue | 62,543 | 21,430 | - | - | - | 29,018 | - |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | 445,764 | - | - | - | - | - | - |
| 344 Current Portion of Long-term Debt - Operating Borrowings | - | - | - | - | - | - | - |
| 345 Other Current Liabilities | 64,467 | 7,635 | - | - | - | - | 197,584 |
| 346 Accrued Liabilities - Other | 45,491 | 13,614 | - | - | - | - | 77,054 |
| 347 Inter Program - Due To | - | - | - | - | - | - | - |
| 348 Loan Liability - Current | - | - | - | - | - | - | - |
| 310 Total Current Liabilities | \$ 824,187 | \$ 74,421 | \$ - | \$ - | \$ - | \$ 29,018 | \$ 417,962 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | 465,445 | - | - | - | - | - | - |
| 352 Long-term Debt, Net of Current - Operating Borrowings | - | - | - | - | - | - | - |
| 353 Non-current Liabilities - Other | - | - | - | - | - | - | 337,181 |
| 354 Accrued Compensated Absences - Non Current | 81,641 | 10,784 | - | - | - | - | 22,984 |
| 355 Loan Liability - Non Current | - | - | - | - | - | - | - |
| 356 FASB 5 Liabilities | - | - | - | - | - | - | - |
| 357 Accrued Pension and OPEB Liabilities | - | - | - | - | - | - | - |
| 350 Total Non-Current Liabilities | \$ 547,086 | \$ 10,784 | \$ - | \$ - | \$ - | \$ - | \$ 360,165 |
| 300 Total Liabilities | \$ 1,371,273 | \$ 85,205 | \$ - | \$ - | \$ - | \$ 29,018 | \$ 778,127 |
| 400 Deferred Inflow of Resources | \$ 286,367 | \$ 249,375 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 508.4 Net Investment in Capital Assets | 10,754,560 | 2,282,097 | - | - | - | - | 23,866 |
| 511.4 Restricted Net Position | - | 44,358 | - | 4,802 | - | 93,897 | 113,621 |
| 512.4 Unrestricted Net Position | 12,575,875 | 13,707,953 | - | - | 432,318 | 164,716 | 269,979 |
| 513 Total Equity - Net Assets / Position | \$ 23,330,435 | \$ 16,034,408 | \$ - | \$ 4,802 | \$ 432,318 | \$ 258,613 | \$ 407,466 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$ 24,988,075 | \$ 16,368,988 | \$ - | \$ 4,802 | \$ 432,318 | \$ 287,631 | \$ 1,185,593 |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2024

| | Project Total | 6.2 Component Unit - Blended | 14.896 PIH Family Self-Sufficiency Program | 14.DVP Disaster Voucher Program | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | 14.881 Moving to Work Demonstration Program |
|---|---------------------|---------------------------------|--|------------------------------------|-------------------------------|--|--|
| 70300 Net Tenant Rental Revenue | \$ 1,451,894 | \$ 88,176 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70400 Tenant Revenue - Other | 15,348 | 432 | - | - | - | - | - |
| 70500 Total Tenant Revenue | \$ 1,467,242 | \$ 88,608 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70600 HUD PHA Operating Grants | - | - | 115,431 | - | 3,652,234 | 1,163,674 | - |
| 70610 Capital Grants | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - |
| 70730 Book Keeping Fee | - | - | - | - | - | - | - |
| 70740 Front Line Service Fee | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - |
| 70700 Total Fee Revenue | \$ - | \$ - | \$ 115,431 | \$ - | \$ 3,652,234 | \$ 1,163,674 | \$ - |
| 70800 Other Government Grants | - | - | - | - | - | - | - |
| 71100 Investment Income - Unrestricted | - | 212 | - | - | - | - | 1,440 |
| 71200 Mortgage Interest Income | 211,798 | 434,299 | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | 3,732 |
| 71500 Other Revenue | 74,333 | 633,674 | - | - | - | - | 12,235,226 |
| 71600 Gain or Loss on Sale of Capital Assets | - | - | - | - | - | - | - |
| 72000 Investment Income - Restricted | 1,464 | - | - | - | - | - | - |
| 70000 Total Revenue | \$ 1,754,837 | \$ 1,156,793 | \$ 115,431 | \$ - | \$ 3,652,234 | \$ 1,163,674 | \$ 12,240,398 |
| 91100 Administrative Salaries | 343,697 | 282,942 | - | - | 50,029 | 13,149 | 443,797 |
| 91200 Auditing Fees | 10,137 | 34,986 | - | - | - | - | 10,137 |
| 91300 Management Fee | 660,490 | - | - | - | 55,734 | 16,406 | 502,889 |
| 91310 Book-keeping Fee | 39,016 | - | - | - | 18,023 | 5,610 | 198,968 |
| 91400 Advertising and Marketing | 925 | 983 | - | - | - | - | 7,292 |
| 91500 Employee Benefit contributions - Administrative | 166,699 | 98,874 | - | - | 20,512 | 5,425 | 216,857 |
| 91600 Office Expenses | 108,659 | 19,429 | - | - | - | - | 187,644 |
| 91700 Legal Expense | 25,089 | 31,122 | - | - | - | - | 129,637 |
| 91800 Travel | - | 8,291 | - | - | - | - | 14,815 |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2024

| | Project Total | 6.2 Component Unit - Blended | 14.896 PIH Family Self-Sufficiency Program | 14.DVP Disaster Voucher Program | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | 14.881 Moving to Work Demonstration Program |
|---|---------------------|---------------------------------|--|------------------------------------|-------------------------------|--|--|
| 91810 Allocated Overhead | - | - | - | - | - | - | - |
| 91900 Other | 23,115 | 69,796 | - | - | - | - | 370,697 |
| 91000 Total Operating - Administrative | \$ 1,377,827 | \$ 546,423 | \$ - | \$ - | \$ 144,298 | \$ 40,590 | \$ 2,082,733 |
| 92000 Asset Management Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 92100 Tenant Services - Salaries | - | - | 115,431 | - | - | - | 40,395 |
| 92200 Relocation Costs | 501,946 | - | - | - | - | - | - |
| 92300 Employee Benefit Contributions - Tenant Services | - | - | - | - | - | - | 59,308 |
| 92400 Tenant Services - Other | 3,769 | - | - | - | - | - | - |
| 92500 Total Tenant Services | \$ 505,715 | \$ - | \$ 115,431 | \$ - | \$ - | \$ - | \$ 99,703 |
| 93100 Water | 251,995 | 6,650 | - | - | - | - | - |
| 93200 Electricity | 196,360 | 9,380 | - | - | - | - | 6,462 |
| 93300 Gas | 142,791 | 12,893 | - | - | - | - | 2,153 |
| 93400 Fuel | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - |
| 93600 Sewer | - | - | - | - | - | - | - |
| 93700 Employee Benefit Contributions - Utilities | - | - | - | - | - | - | - |
| 93800 Other Utilities Expense | 190 | - | - | - | - | - | - |
| 93000 Total Utilities | \$ 591,336 | \$ 28,923 | \$ - | \$ - | \$ - | \$ - | \$ 8,615 |
| 94100 Ordinary Maintenance and Operations - Labor | 285,607 | 128,406 | - | - | - | - | - |
| 94200 Ordinary Maintenance and Operations - Materials and Other | 94,698 | 7,974 | - | - | - | - | 7,441 |
| 94300 Ordinary Maintenance and Operations Contracts | 810,230 | 60,907 | - | - | - | - | 42,672 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | 85,476 | 68,032 | - | - | - | - | - |
| 94000 Total Maintenance | \$ 1,276,011 | \$ 265,319 | \$ - | \$ - | \$ - | \$ - | \$ 50,113 |
| 95100 Protective Services - Labor | 21,661 | - | - | - | - | - | - |
| 95200 Protective Services - Other Contract Costs | - | - | - | - | - | - | - |
| 95300 Protective Services - Other | - | - | - | - | - | - | - |
| 95500 Employee Benefit Contributions - Protective Services | 2,368 | - | - | - | - | - | - |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2024

| | Project Total | 6.2 Component Unit - Blended | 14.896 PIH Family Self-Sufficiency Program | 14.DVP Disaster Voucher Program | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | 14.881 Moving to Work Demonstration Program |
|--|-----------------------|------------------------------|--|---------------------------------|----------------------------|----------------------------------|---|
| 95000 Total Protective Services | \$ 24,029 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 96110 Property Insurance | 85,428 | 31,560 | - | - | - | - | - |
| 96120 Liability Insurance | 56,936 | 18,560 | - | - | - | - | - |
| 96130 Workmen's Compensation | 54,111 | 8,700 | - | - | - | - | 64,082 |
| 96140 All Other Insurance | - | - | - | - | - | - | - |
| 96100 Total insurance Premiums | \$ 196,475 | \$ 58,820 | \$ - | \$ - | \$ - | \$ - | \$ 64,082 |
| 96200 Other General Expenses | 256,223 | 396,228 | - | - | - | - | 30,843 |
| 96210 Compensated Absences | 23,073 | 14,705 | - | - | - | - | - |
| 96300 Payments in Lieu of Taxes | 91,520 | - | - | - | - | - | - |
| 96400 Bad debt - Tenant Rents | 724 | - | - | - | - | - | - |
| 96500 Bad debt - Mortgages | - | - | - | - | - | - | - |
| 96600 Bad debt - Other | - | - | - | - | - | - | 246,352 |
| 96000 Total Other General Expenses | \$ 371,540 | \$ 410,933 | \$ - | \$ - | \$ - | \$ - | \$ 277,195 |
| 96710 Interest of Mortgage (or Bonds) Payable | 45,699 | - | - | - | - | - | - |
| 96720 Interest on Notes Payable (Short and Long Term) | 10,883 | 10,907 | - | - | - | - | 15,779 |
| 96730 Amortization of Bond Issue Costs | - | - | - | - | - | - | - |
| 96700 Total Interest Expense and Amortization Cost | \$ 56,582 | \$ 10,907 | \$ - | \$ - | \$ - | \$ - | \$ 15,779 |
| 96900 Total Operating Expenses | \$ 4,399,515 | \$ 1,321,325 | \$ 115,431 | \$ - | \$ 144,298 | \$ 40,590 | \$ 2,598,220 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$ (2,644,678) | \$ (164,532) | \$ - | \$ - | \$ 3,507,936 | \$ 1,123,084 | \$ 9,642,178 |
| 97100 Extraordinary Maintenance | - | - | - | - | - | - | - |
| 97200 Casualty Losses - Non-capitalized | - | - | - | - | - | - | - |
| 97300 Housing Assistance Payments | - | - | - | - | 3,262,803 | 1,002,230 | 29,867,160 |
| 97350 HAP Portability-In | - | - | - | - | - | - | 15,017,699 |
| 97400 Depreciation Expense | 701,665 | 89,246 | - | - | - | - | 64,229 |
| 97500 Fraud Losses | - | - | - | - | - | - | - |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2024

| | Project Total | 6.2 Component Unit - Blended | 14.896 PIH Family Self-Sufficiency Program | 14.DVP Disaster Voucher Program | 14.879 Mainstream Vouchers | 14.EHV Emergency Housing Voucher | 14.881 Moving to Work Demonstration Program |
|---|----------------------|------------------------------|--|---------------------------------|----------------------------|----------------------------------|---|
| 90000 Total Expenses | \$ 5,101,180 | \$ 1,410,571 | \$ 115,431 | \$ - | \$ 3,407,101 | \$ 1,042,820 | \$ 47,547,308 |
| 10010 Operating Transfer In | 701,390 | - | - | - | - | - | 40,626,389 |
| 10020 Operating transfer Out | (701,390) | - | - | - | - | - | - |
| 10070 Extraordinary Items, Net Gain/Loss | - | - | - | - | - | - | - |
| 10080 Special Items (Net Gain/Loss) | - | - | - | - | - | - | - |
| 10093 Transfers between Program and Project - In | 7,765,413 | - | - | - | - | - | - |
| 10094 Transfers between Project and Program - Out | - | - | - | - | - | - | (7,765,413) |
| 10100 Total Other financing Sources (Uses) | \$ 7,765,413 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 32,860,976 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$ 4,419,070 | \$ (253,778) | \$ - | \$ - | \$ 245,133 | \$ 120,854 | \$ (2,445,934) |
| 11020 Required Annual Debt Principal Payments | \$ 434,507 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11030 Beginning Equity | \$ 18,911,365 | \$ 16,288,186 | \$ - | \$ 4,802 | \$ 187,185 | \$ 137,759 | \$ 2,853,400 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | - | - | - | - | - | - | - |
| 11170 Administrative Fee Equity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 293,845 |
| 11180 Housing Assistance Payments Equity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 113,621 |
| 11190 Unit Months Available | 6,396 | 60 | - | - | 2,484 | 742 | 29,822 |
| 11210 Number of Unit Months Leased | 5,356 | 60 | - | - | 2,396 | 742 | 26,559 |
| 11610 Land Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11620 Building Purchases | 25,720 | - | - | - | - | - | - |
| 11640 Furniture & Equipment - Administrative Purchases | - | - | - | - | - | - | - |
| 11650 Leasehold Improvements Purchases | 3,659,303 | - | - | - | - | - | - |
| 11660 Infrastructure Purchases | 17,554 | - | - | - | - | - | - |
| 13510 CFFP Debt Service Payments | 481,294 | - | - | - | - | - | - |
| 13901 Replacement Housing Factor Funds | - | - | - | - | - | - | - |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2024

| | 14.HCV MTW Demonstration Program for HCV program | 14.OPS MTW Demonstration Program for Low Rent | 14.CFP MTW Demonstration Program for Capital Fund | COCC | 14.239 HOME Investment Partnerships Program | ELIM | Total Enterprise Fund |
|---|---|--|--|---------------------|--|-------------|--------------------------|
| 111 Cash - Unrestricted | \$ - | \$ - | \$ - | \$ 2,529,521 | \$ - | \$ - | \$ 9,944,677 |
| 112 Cash - Restricted - Modernization and Development | - | - | - | - | - | - | - |
| 113 Cash - Other Restricted | - | - | - | 2,986 | - | - | 625,863 |
| 114 Cash - Tenant Security Deposits | - | - | - | - | - | - | 59,874 |
| 115 Cash - Restricted for Payment of Current Liabilities | - | - | - | - | - | - | - |
| 100 Total Cash | \$ - | \$ - | \$ - | \$ 2,532,507 | \$ - | \$ - | \$ 10,630,414 |
| 121 Accounts Receivable - PHA Projects | - | - | - | - | - | - | - |
| 122 Accounts Receivable - HUD Other Projects | - | - | - | - | - | - | - |
| 124 Accounts Receivable - Other Government | - | - | - | - | - | - | 3,940,132 |
| 125 Accounts Receivable - Miscellaneous | - | - | - | 29,042 | - | - | 876,954 |
| 126 Accounts Receivable - Tenants | - | - | - | - | - | - | 52,001 |
| 126.1 Allowance for Doubtful Accounts -Tenants | - | - | - | - | - | - | (2,182) |
| 126.2 Allowance for Doubtful Accounts - Other | - | - | - | - | - | - | (4,651,124) |
| 127 Notes, Loans, & Mortgages Receivable - Current | - | - | - | - | - | - | - |
| 128 Fraud Recovery | - | - | - | - | - | - | 232,791 |
| 128.1 Allowance for Doubtful Accounts - Fraud | - | - | - | - | - | - | (232,791) |
| 129 Accrued Interest Receivable | - | - | - | - | - | - | - |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$ - | \$ - | \$ - | \$ 29,042 | \$ - | \$ - | \$ 215,781 |
| 131 Investments - Unrestricted | - | - | - | - | - | - | - |
| 132 Investments - Restricted | - | - | - | - | - | - | - |
| 135 Investments - Restricted for Payment of Current Liability | - | - | - | - | - | - | - |
| 142 Prepaid Expenses and Other Assets | - | - | - | 29,466 | - | - | 151,257 |
| 143 Inventories | - | - | - | - | - | - | 65,472 |
| 143.1 Allowance for Obsolete Inventories | - | - | - | - | - | - | (4,584) |
| 144 Inter Program Due From | - | - | - | - | - | - | - |
| 145 Assets Held for Sale | - | - | - | - | - | - | - |
| 150 Total Current Assets | \$ - | \$ - | \$ - | \$ 2,591,015 | \$ - | \$ - | \$ 11,058,340 |
| 161 Land | - | - | - | 186,308 | - | - | 8,913,263 |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2024

| | 14.HCV MTW Demonstration Program for HCV program | 14.OPS MTW Demonstration Program for Low Rent | 14.CFP MTW Demonstration Program for Capital Fund | COCC | 14.239 HOME Investment Partnerships Program | ELIM | Total Enterprise Fund |
|---|---|--|--|---------------------|--|-------------|--------------------------|
| 162 Buildings | - | - | - | 779,877 | - | - | 32,896,732 |
| 163 Furniture, Equipment & Machinery - Dwellings | - | - | - | - | - | - | 104,164 |
| 164 Furniture, Equipment & Machinery - Administration | - | - | - | 1,293,493 | - | - | 1,818,345 |
| 165 Leasehold Improvements | - | - | - | - | - | - | - |
| 166 Accumulated Depreciation | - | - | - | (1,726,067) | - | - | (31,587,482) |
| 167 Construction in Progress | - | - | - | - | - | - | - |
| 168 Infrastructure | - | - | - | 614,706 | - | - | 2,975,027 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$ - | \$ - | \$ - | \$ 1,148,317 | \$ - | \$ - | \$ 15,120,049 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | - | - | - | 3,263,306 | - | - | 18,293,568 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | - | - | - | - | - | - | - |
| 173 Grants Receivable - Non Current | - | - | - | - | - | - | - |
| 174 Other Assets | - | - | - | 537,221 | - | - | 6,335,309 |
| 176 Investments in Joint Ventures | - | - | - | - | - | - | - |
| 180 Total Non-Current Assets | \$ - | \$ - | \$ - | \$ 4,948,844 | \$ - | \$ - | \$ 39,748,926 |
| 200 Deferred Outflow of Resources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 290 Total Assets and Deferred Outflow of Resources | \$ - | \$ - | \$ - | \$ 7,539,859 | \$ - | \$ - | \$ 50,807,266 |
| 311 Bank Overdraft | - | - | - | - | - | - | - |
| 312 Accounts Payable <= 90 Days | - | - | - | 5,701 | - | - | 110,538 |
| 313 Accounts Payable >90 Days Past Due | - | - | - | - | - | - | - |
| 321 Accrued Wage/Payroll Taxes Payable | - | - | - | 15,338 | - | - | 86,878 |
| 322 Accrued Compensated Absences - Current Portion | - | - | - | 40,020 | - | - | 76,481 |
| 324 Accrued Contingency Liability | - | - | - | - | - | - | - |
| 325 Accrued Interest Payable | - | - | - | 198 | - | - | 16,954 |
| 331 Accounts Payable - HUD PHA Programs | - | - | - | - | - | - | - |
| 332 Account Payable - PHA Projects | - | - | - | - | - | - | - |
| 333 Accounts Payable - Other Government | - | - | - | - | - | - | 91,520 |
| 341 Tenant Security Deposits | - | - | - | - | - | - | 59,874 |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2024

| | 14.HCV MTW Demonstration Program for HCV program | 14.OPS MTW Demonstration Program for Low Rent | 14.CFP MTW Demonstration Program for Capital Fund | COCC | 14.239 HOME Investment Partnerships Program | ELIM | Total Enterprise Fund |
|--|---|--|--|---------------------|--|-------------|--------------------------|
| 342 Unearned Revenue | - | - | - | - | - | - | 112,991 |
| 343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue | - | - | - | 148,014 | - | - | 593,778 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | - | - | - | - | - | - | - |
| 345 Other Current Liabilities | - | - | - | 13,838 | - | - | 283,524 |
| 346 Accrued Liabilities - Other | - | - | - | 6,221 | - | - | 142,380 |
| 347 Inter Program - Due To | - | - | - | - | - | - | - |
| 348 Loan Liability - Current | - | - | - | - | - | - | - |
| 310 Total Current Liabilities | \$ - | \$ - | \$ - | \$ 229,330 | \$ - | \$ - | \$ 1,574,918 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | - | - | - | 346,949 | - | - | 812,394 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | - | - | - | - | - | - | - |
| 353 Non-current Liabilities - Other | - | - | - | - | - | - | 337,181 |
| 354 Accrued Compensated Absences - Non Current | - | - | - | 136,957 | - | - | 252,366 |
| 355 Loan Liability - Non Current | - | - | - | - | - | - | - |
| 356 FASB 5 Liabilities | - | - | - | - | - | - | - |
| 357 Accrued Pension and OPEB Liabilities | - | - | - | - | - | - | - |
| 350 Total Non-Current Liabilities | \$ - | \$ - | \$ - | \$ 483,906 | \$ - | \$ - | \$ 1,401,941 |
| 300 Total Liabilities | \$ - | \$ - | \$ - | \$ 713,236 | \$ - | \$ - | \$ 2,976,859 |
| 400 Deferred Inflow of Resources | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 535,742 |
| 508.4 Net Investment in Capital Assets | - | - | - | 653,354 | - | - | 13,713,877 |
| 511.4 Restricted Net Position | - | - | - | 2,986 | - | - | 259,664 |
| 512.4 Unrestricted Net Position | - | - | - | 6,170,283 | - | - | 33,321,124 |
| 513 Total Equity - Net Assets / Position | \$ - | \$ - | \$ - | \$ 6,826,623 | \$ - | \$ - | \$ 47,294,665 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$ - | \$ - | \$ - | \$ 7,539,859 | \$ - | \$ - | \$ 50,807,266 |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2024

| | 14.HCV MTW Demonstration Program for HCV program | 14.OPS MTW Demonstration Program for Low Rent | 14.CFP MTW Demonstration Program for Capital Fund | COCC | 14.239 HOME Investment Partnerships Program | ELIM | Total Enterprise Fund |
|---|---|--|--|---------------------|--|-----------------------|--------------------------|
| 70300 Net Tenant Rental Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (71,667) | \$ 1,468,403 |
| 70400 Tenant Revenue - Other | - | - | - | - | - | - | 15,780 |
| 70500 Total Tenant Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (71,667) | \$ 1,484,183 |
| 70600 HUD PHA Operating Grants | 32,860,976 | 2,142,616 | 1,485,713 | - | - | - | 41,420,644 |
| 70610 Capital Grants | - | - | 4,137,084 | - | - | - | 4,137,084 |
| 70710 Management Fee | - | - | - | 1,235,519 | - | (1,235,519) | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - |
| 70730 Book Keeping Fee | - | - | - | 261,617 | - | (261,617) | - |
| 70740 Front Line Service Fee | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - |
| 70700 Total Fee Revenue | \$ 32,860,976 | \$ 2,142,616 | \$ 5,622,797 | \$ 1,497,136 | \$ - | \$ (1,497,136) | \$ 45,557,728 |
| 70800 Other Government Grants | - | - | - | - | 274,935 | - | 274,935 |
| 71100 Investment Income - Unrestricted | - | - | - | 65,760 | - | - | 67,412 |
| 71200 Mortgage Interest Income | - | - | - | 61,864 | - | - | 707,961 |
| 71400 Fraud Recovery | - | - | - | - | - | - | 3,732 |
| 71500 Other Revenue | - | - | - | 132,709 | - | - | 13,075,942 |
| 71600 Gain or Loss on Sale of Capital Assets | - | - | - | - | - | - | - |
| 72000 Investment Income - Restricted | - | - | - | - | - | - | 1,464 |
| 70000 Total Revenue | \$ 32,860,976 | \$ 2,142,616 | \$ 5,622,797 | \$ 1,757,469 | \$ 274,935 | \$ (1,568,803) | \$ 61,173,357 |
| 91100 Administrative Salaries | - | - | - | 678,120 | - | - | 1,811,734 |
| 91200 Auditing Fees | - | - | - | 10,136 | - | - | 65,396 |
| 91300 Management Fee | - | - | - | - | - | (1,235,519) | - |
| 91310 Book-keeping Fee | - | - | - | - | - | (261,617) | - |
| 91400 Advertising and Marketing | - | - | - | 1,199 | - | - | 10,399 |
| 91500 Employee Benefit contributions - Administrative | - | - | - | 196,868 | - | - | 705,235 |
| 91600 Office Expenses | - | - | - | 145,181 | - | - | 460,913 |
| 91700 Legal Expense | - | - | - | 7,108 | - | - | 192,956 |
| 91800 Travel | - | - | - | 45,639 | - | - | 68,745 |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2024

| | 14.HCV MTW Demonstration Program for HCV program | 14.OPS MTW Demonstration Program for Low Rent | 14.CFP MTW Demonstration Program for Capital Fund | COCC | 14.239 HOME Investment Partnerships Program | ELIM | Total Enterprise Fund |
|---|---|--|--|---------------------|--|-----------------------|--------------------------|
| 91810 Allocated Overhead | - | - | - | - | - | - | - |
| 91900 Other | - | - | - | 39,504 | - | - | 503,112 |
| 91000 Total Operating - Administrative | \$ - | \$ - | \$ - | \$ 1,123,755 | \$ - | \$ (1,497,136) | \$ 3,818,490 |
| 92000 Asset Management Fee | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 92100 Tenant Services - Salaries | - | - | - | - | - | - | 155,826 |
| 92200 Relocation Costs | - | - | - | - | - | - | 501,946 |
| 92300 Employee Benefit Contributions - Tenant Services | - | - | - | - | - | - | 59,308 |
| 92400 Tenant Services - Other | - | - | - | - | 274,935 | - | 278,704 |
| 92500 Total Tenant Services | \$ - | \$ - | \$ - | \$ - | \$ 274,935 | \$ - | \$ 995,784 |
| 93100 Water | - | - | - | 2,888 | - | - | 261,533 |
| 93200 Electricity | - | - | - | 2,979 | - | - | 215,181 |
| 93300 Gas | - | - | - | 979 | - | - | 158,816 |
| 93400 Fuel | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - |
| 93600 Sewer | - | - | - | - | - | - | - |
| 93700 Employee Benefit Contributions - Utilities | - | - | - | - | - | - | - |
| 93800 Other Utilities Expense | - | - | - | - | - | - | 190 |
| 93000 Total Utilities | \$ - | \$ - | \$ - | \$ 6,846 | \$ - | \$ - | \$ 635,720 |
| 94100 Ordinary Maintenance and Operations - Labor | - | - | - | - | - | - | 414,013 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | - | - | - | 12,869 | - | - | 122,982 |
| 94300 Ordinary Maintenance and Operations Contracts | - | - | - | 94,285 | - | - | 1,008,094 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | - | - | - | - | - | - | 153,508 |
| 94000 Total Maintenance | \$ - | \$ - | \$ - | \$ 107,154 | \$ - | \$ - | \$ 1,698,597 |
| 95100 Protective Services - Labor | - | - | - | - | - | - | 21,661 |
| 95200 Protective Services - Other Contract Costs | - | - | - | - | - | - | - |
| 95300 Protective Services - Other | - | - | - | - | - | - | - |
| 95500 Employee Benefit Contributions - Protective Services | - | - | - | - | - | - | 2,368 |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2024

| | 14.HCV MTW Demonstration Program for HCV program | 14.OPS MTW Demonstration Program for Low Rent | 14.CFP MTW Demonstration Program for Capital Fund | COCC | 14.239 HOME Investment Partnerships Program | ELIM | Total Enterprise Fund |
|--|---|--|--|--------------|--|----------------|--------------------------|
| 95000 Total Protective Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,029 |
| 96110 Property Insurance | - | - | - | 28,475 | - | - | 145,463 |
| 96120 Liability Insurance | - | - | - | - | - | - | 75,496 |
| 96130 Workmen's Compensation | - | - | - | 35,573 | - | - | 162,466 |
| 96140 All Other Insurance | - | - | - | - | - | - | - |
| 96100 Total insurance Premiums | \$ - | \$ - | \$ - | \$ 64,048 | \$ - | \$ - | \$ 383,425 |
| 96200 Other General Expenses | - | - | - | 12,788 | - | - | 696,082 |
| 96210 Compensated Absences | - | - | - | 52,560 | - | - | 90,338 |
| 96300 Payments in Lieu of Taxes | - | - | - | - | - | - | 91,520 |
| 96400 Bad debt - Tenant Rents | - | - | - | - | - | - | 724 |
| 96500 Bad debt - Mortgages | - | - | - | - | - | - | - |
| 96600 Bad debt - Other | - | - | - | - | - | - | 246,352 |
| 96000 Total Other General Expenses | \$ - | \$ - | \$ - | \$ 65,348 | \$ - | \$ - | \$ 1,125,016 |
| 96710 Interest of Mortgage (or Bonds) Payable | - | - | - | - | - | - | 45,699 |
| 96720 Interest on Notes Payable (Short and Long Term) | - | - | - | 10,907 | - | - | 48,476 |
| 96730 Amortization of Bond Issue Costs | - | - | - | - | - | - | - |
| 96700 Total Interest Expense and Amortization Cost | \$ - | \$ - | \$ - | \$ 10,907 | \$ - | \$ - | \$ 94,175 |
| 96900 Total Operating Expenses | \$ - | \$ - | \$ - | \$ 1,378,058 | \$ 274,935 | \$ (1,497,136) | \$ 8,775,236 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$ 32,860,976 | \$ 2,142,616 | \$ 5,622,797 | \$ 379,411 | \$ - | \$ (71,667) | \$ 52,398,121 |
| 97100 Extraordinary Maintenance | - | - | - | - | - | - | - |
| 97200 Casualty Losses - Non-capitalized | - | - | - | - | - | - | - |
| 97300 Housing Assistance Payments | - | - | - | - | - | (71,667) | 34,060,526 |
| 97350 HAP Portability-In | - | - | - | - | - | - | 15,017,699 |
| 97400 Depreciation Expense | - | - | - | 91,948 | - | - | 947,088 |
| 97500 Fraud Losses | - | - | - | - | - | - | - |

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2024

| | 14.HCV MTW Demonstration Program for HCV program | 14.OPS MTW Demonstration Program for Low Rent | 14.CFP MTW Demonstration Program for Capital Fund | COCC | 14.239 HOME Investment Partnerships Program | ELIM | Total Enterprise Fund |
|---|---|--|--|---------------------|--|-----------------------|--------------------------|
| 90000 Total Expenses | \$ - | \$ - | \$ - | \$ 1,470,006 | \$ 274,935 | \$ (1,568,803) | \$ 58,800,549 |
| 10010 Operating Transfer In | - | - | - | - | - | (41,327,779) | - |
| 10020 Operating transfer Out | (32,860,976) | (2,142,616) | (5,622,797) | - | - | 41,327,779 | - |
| 10070 Extraordinary Items, Net Gain/Loss | - | - | - | - | - | - | - |
| 10080 Special Items (Net Gain/Loss) | - | - | - | - | - | - | - |
| 10093 Transfers between Program and Project - In | - | - | - | - | - | (7,765,413) | - |
| 10094 Transfers between Project and Program - Out | - | - | - | - | - | 7,765,413 | - |
| 10100 Total Other financing Sources (Uses) | \$ (32,860,976) | \$ (2,142,616) | \$ (5,622,797) | \$ - | \$ - | \$ - | \$ - |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$ - | \$ - | \$ - | \$ 287,463 | \$ - | \$ - | \$ 2,372,808 |
| 11020 Required Annual Debt Principal Payments | \$ - | \$ - | \$ - | \$ 5,724 | \$ - | \$ - | \$ 440,231 |
| 11030 Beginning Equity | \$ - | \$ - | \$ - | \$ 6,539,160 | \$ - | \$ - | \$ 44,921,857 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | - | - | - | - | - | - | - |
| 11170 Administrative Fee Equity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 293,845 |
| 11180 Housing Assistance Payments Equity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 113,621 |
| 11190 Unit Months Available | - | - | - | - | - | - | 39,504 |
| 11210 Number of Unit Months Leased | - | - | - | - | - | - | 35,113 |
| 11610 Land Purchases | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11620 Building Purchases | - | - | - | - | - | - | 25,720 |
| 11640 Furniture & Equipment - Administrative Purchases | - | - | - | - | - | - | - |
| 11650 Leasehold Improvements Purchases | - | - | - | - | - | - | 3,659,303 |
| 11660 Infrastructure Purchases | - | - | - | - | - | - | 17,554 |
| 13510 CFFP Debt Service Payments | - | - | - | - | - | - | 481,294 |
| 13901 Replacement Housing Factor Funds | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

JUNE 30, 2024

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Are material weaknesses identified?

☐ Yes

☒ No

Are significant deficiencies that are not considered
to be material weaknesses identified?

☐ Yes

☒ None
Reported

Is noncompliance that could have a material effect
on the financial statements identified?

☐ Yes

☒ No

FEDERAL AWARDS

Internal control over Major Program:

Are material weaknesses identified?

☐ Yes

☒ No

Are significant deficiencies that are not considered
to be material weaknesses identified?

☐ Yes

☒ None
Reported

Type of report issued on compliance with requirements
applicable to the Major Program:

Unmodified

Are there any audit findings that are required to be
reported in accordance with 2 CFR Section 200.516(a)
of the Uniform Guidance?

☐ Yes

☒ No

Identification of Major Programs:

Assistance Listing No.

Moving to Work Program, including:

14.881

Public Housing Program

Section 8 Housing Choice Voucher Program

Capital Fund Program

Dollar threshold used to distinguish between Type A and Type B Programs: \$1,374,980

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, 2024

Section II: Financial Statement Findings:

Prior Year Findings

None

Current Year Findings

None

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs

Finding 2023-001 – Tenant File Documentation Maintenance (Significant Deficiency, Noncompliance)

Moving to Work Program – Assistance Listing No. 14.881; Grant period – fiscal year ended June 30, 2023

Condition

During audit fieldwork, forty Section 8 Housing Choice Voucher Program participant tenant files were requested for review for compliance with Program eligibility and reexamination requirements. The Authority was unable to provide one of the forty files requested.

Current Year Status

The Authority appears to have resolved the deficiencies which led this Finding. This Finding is not restated.

Current Year Finding and Questioned Costs

None