MINUTES AND MEMORANDA OF A MEETING
OF
THE BOARD OF DIRECTORS OF THE
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

Held: April 27, 2023

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority ("IHCDA" or "Authority") was held on Thursday, April 27, 2023 at 10:00 a.m. EST at 30 S. Meridian Street, Suite 900, Indianapolis, IN 46204.

The following individuals were present at the meeting: Anne Valentine (designee for the Lieutenant Governor); Abhi Reddy (Indiana Treasurer of State designee); Mark Pascarella (Indiana Public Finance Director designee); J. Jacob Sipe (IHCDA Executive Director); Board Member Thomas K. McGowan; Board Member G. Michael Schopmeyer; members of the staff of the Lieutenant Governor; members of the staff of the Authority and the public. Board Member Andy Place Sr. attended virtually. Board Member J. June Midkiff was not present.

Anne Valentine, designee for Lieutenant Governor Suzanne Crouch, served as Chair of the meeting and upon noting the presence of a quorum, called the meeting to order. Lauren Tillery served as Secretary.

I. Approval of Minutes

A. Meeting Minutes

A motion was made by Michael Schopmeyer to approve the March 23, 2023, Meeting Minutes, which was seconded by Mark Pascarella. The motion passed unanimously by roll call.

> **RESOLVED**, the Minutes of the Board meeting held on March 23, 2023, are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate Department

A. Development Fund Update

Chairperson Valentine recognized Peter Nelson who presented the Development Fund Update.

Background
On November 18, 2021, the Board authorized IHCDA's Deputy Executive Director and Chief Real Estate Development Officer to take all actions necessary to distribute additional allocations of National Housing Trust Fund (HTF) and Development Fund to HTF and HOME developments that have been negatively impacted by cost increases, provided that the Board is informed of all awards made on a monthly basis. On September 22, 2022, the Board approved an extension of the delegated authority. These policies expired on March 31, 2023. All awards made through both policies are listed in Exhibit A.

The following Development Fund award was made after the finalization of the March Board Meeting Agenda. This brings the total number of approvals to 6 projects totaling $2,335,041 in Development Fund funding.

Development Fund

Development Name	Location	Recipient	Type of Construction	DF Amount Awarded	Date Awarded	HOME award year
College Hill Apartments II	Valparaiso	Housing Opportunities, Inc.	New Construction	$120,000	April 12, 2023	2020

No action is needed as this is an update to the board.

B. TCAP Monthly Update

Chairperson Valentine recognized Hayden Wiesinger, who presented the TCAP Monthly Update.

Background
On September 23, 2021, the Board authorized IHCDA's Deputy Executive Director and Chief Real Estate Development Officer to take all actions necessary to distribute additional allocations of Tax Credit Assistance Program (TCAP) funds to Low Income Housing Tax Credit (LIHTC) developments that have been negatively impacted by cost increases, provided that the Board is informed of all awards made monthly.

The following awards were made after the finalization of the March Board Meeting Agenda. This brings the total number of approvals to 38 projects totaling $16,940,411 in TCAP funding, leaving a balance of $3,059,589 in available TCAP funding under the policy.

Development Name	Location	Developer	Type of Construction	TCAP Amount Awarded	Date Awarded	Year of Tax Credits
Stanley Terrace	Plainfield	Woda Cooper/ Parallel Housing	New Construction	$500,000	4/10/23	2022
Forty-Six Flats	Indianapolis	Partnership for Affordable Housing	New Construction	$500,000	3/28/23	2022
The 2525	Warsaw	Real America	New Construction	$500,000	4/13/23	2022

No action is needed as this is an update to the board.

C. Mullen Flats

Chairperson Valentine recognized Hayden Wiesinger, who presented the Mullen Flats Board Memo.

Background
On November 18, 2021, the IHCDA Board of Directors awarded Mullen Flats, L.P. $1,200,000 in annual Rental Housing Tax Credits in the 2022A-C Tax Credit Application round. The developer, Mental Health America of West Central Indiana, was proposing the new construction of 42 units of permanent supportive housing in Terre Haute.

Process
In June of 2022, the developer informed IHCDA that the surge in construction costs had created a funding gap for the project. While the project applied for $500,000 in Housing Trust Fund through the Gap Financing Policy, the development team later indicated that an additional $500,000 was needed to fill the gap. As a result, they submitted a $500,000 request for a Development Fund loan.

As with any request for supplementary funding following a tax credit allocation that is made outside of an approved Gap Financing Policy, IHCDA staff reviewed the request under the terms of the Qualified Allocation Plan (QAP). Under the terms of the QAP, developments that request additional IHCDA resources after a tax credit allocation is made will be subject to sanctions if the funding request is approved by IHCDA's Board of Directors. This will apply to the applicant, owner, developer, and/or other applicable development team members at the discretion of IHCDA.

IHCDA ensured that the Mullen Flats team was aware of the QAP requirements prior to proceeding with the review process. Mental Health America of West Central Indiana and ALK Development, LLC serve as co-developers of the project.

IHCDA has underwritten the development with a $500,000 Development Fund loan at 1.5% interest for 15 years, which is consistent with debt structure for Development Fund loans.

If approved, Mental Health America of West Central Indiana and ALK Development, LLC will be subject to the following requirements and restrictions. Moving forward, these will apply to all entities that request additional gap funding that is not covered by a Gap Financing Policy.

- The entities will be ineligible to request IHCDA capital funding sources for a period of one year, commencing on the date of this memo.
- A fine of 6.5% of the Development Fund request will be assessed, which will be payable at the completion of the one-year suspension as a condition of being removed from the suspension list.
- The loan must close within 60 days of Board approval.
- The entities cannot request any additional IHCDA funds for the project.

Following discussion, a motion was made by Tom McGowan to approve a Development Fund loan to Mullen Flats, L.P. in an amount not to exceed $500,000 for the above-referenced request. The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

> **RESOLVED**, that the Board approve a Development Fund loan to Mullen Flats, L.P. in an amount not to exceed $500,000 for the above-referenced request as recommended by staff.

D. HOME Homebuyer Award- Habitat for Humanity of Fort Wayne

Chairperson Valentine recognized Samantha Spergel, who presented the HOME Homebuyer Award- Habitat for Humanity of Fort Wayne Board Memo.

Background
The HOME Investment Partnerships Program (HOME) provides funding to develop affordable housing for low to moderate income households, including the new construction or rehabilitation of units to support homeownership.

Process
IHCDA opened the HOME Homebuyer Funding Round on April 1, 2019. The application and policy included changes to align with the U.S. Department of Housing and Urban Development's ("HUD") updated guidance on Homebuyer activities, including new requirements regarding underwriting standards, lending practices, and housing counseling. IHCDA held two technical assistance webinars to discuss the new HUD regulations regarding the homebuyer program, to provide an overview of the application forms, policy, and underwriting workbooks, and to answer any additional questions for entities interested in applying.

IHCDA's HOME Homebuyer Funding is available to non-profits and local units of government with applications being accepted on a rolling basis. Applicants may request up to $500,000 per application.

On February 14, 2023, IHCDA received an application for the new construction of two units in Huntington, Indiana from Habitat for Humanity of Greater Fort Wayne, Inc. One unit will have three-bedrooms; one unit will have four-bedrooms. IHCDA staff checked the application for completeness, determined whether all threshold requirements were met, and scored the application based on requirements outlined in the HOME 2021 Homebuyer Policy. The application met threshold requirements and scored above the minimum points required to be considered eligible to receive funding.

Key Performance Indicators

IHCDA will track the following Key Performance Indicators in relation to its HOME Homebuyer Program:

1. The total number of Homebuyer units produced with HOME funds. To date, IHCDA has funded 53 HOME Homebuyer units since April 1, 2019.
2. The number of certified Community Housing and Development Organizations (CHDOs) applying through this program. To date, IHCDA has certified four CHDOs through this program.
3. Development benchmark tracking including release of funds, start and completion of construction, funds drawn, inspections, and the final closing.

Recommendation
Staff recommends the approval of a HOME Homebuyer award to Habitat for Humanity of Greater Fort Wayne, Inc. as listed in Table A:

TABLE A

Award Number	Applicant	Project Name	HOME Homebuyer Amount Recommended	Applicant Score	Location
HM-022-004	Habitat for Humanity of Greater Fort Wayne, Inc	Beard & Columbia Street	$124,509.00	60.5	257 Beard Street, Huntington, IN 46750 320 Columbia Street, Huntington, IN 46750

Following discussion, a motion was made by Andy Place to approve awarding HOME funding in the form of a grant in an amount not to exceed $124,509.00 Habitat for Humanity of Greater Fort Wayne, Inc. The motion was seconded by Mark Pascarella. The motion was passed unanimously by roll call.

> **RESOLVED**, that the Board approve awarding HOME funding in the form of a grant in an amount not to exceed $124,509.00 Habitat for Humanity of Greater Fort Wayne, Inc. as recommended by staff.

E. HOME Homebuyer Award- Housing Partnerships, Inc.

Chairperson Valentine recognized Samantha Spergel, who presented the HOME Homebuyer Award- Housing Partnerships, Inc. Board Memo.

Background
The HOME Investment Partnerships Program (HOME) provides funding to develop affordable housing for low to moderate income households, including the new construction or rehabilitation of units to support homeownership.

Process
IHCDA opened the HOME Homebuyer Funding Round on April 1, 2019. The application and policy included changes to align with the U.S. Department of Housing and Urban Development's ("HUD") updated guidance on Homebuyer activities, including new requirements regarding underwriting standards, lending practices, and housing counseling. IHCDA held two technical assistance webinars to discuss the new HUD regulations regarding the homebuyer program, to provide an overview of the application forms, policy, and underwriting workbooks, and to answer any additional questions for entities interested in applying.

IHCDA's HOME Homebuyer Funding is available to non-profits and local units of government with applications being accepted on a rolling basis. Applicants may request up to $500,000 per application.

On January 10, 2023, IHCDA received an application for the rehabilitation of one unit in Columbus, Indiana from Housing Partnerships, Inc (dba Thrive Alliance). The unit will have three bedrooms. IHCDA staff checked the application for completeness, determined whether all threshold requirements were met, and scored the application based on requirements outlined in the HOME 2021 Homebuyer Policy. The application met threshold requirements and scored above the minimum points required to be considered eligible to receive funding.

Key Performance Indicators
IHCDA will track the following Key Performance Indicators in relation to its HOME Homebuyer Program:

1. The total number of Homebuyer units produced with HOME funds. To date, IHCDA has funded 51 HOME Homebuyer units since April 1, 2019.
2. The number of certified Community Housing and Development Organizations (CHDOs) applying through this program. To date, IHCDA has certified four CHDOs through this program.
3. Development benchmark tracking including release of funds, start and completion of construction, funds drawn, inspections, and the final closing.

Recommendation
Staff recommends the approval of a HOME Homebuyer award to Housing Partnerships, Inc (dba Thrive Alliance) as listed in Table A:

TABLE A

Award Number	Applicant	Project Name	HOME Homebuyer Amount Recommended	Applicant Score	Location
CH-022-001	Housing Partnerships, Inc (dba Thrive Alliance)	Columbus Homeownership	$98,682.00	61	1501 California Street, Columbus, IN 47201

Following discussion, a motion was made by Tom McGowan to awarding HOME funding in the form of a grant in an amount not to exceed $98,682.00 Housing Partnerships, Inc (dba Thrive Alliance). The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

> **RESOLVED**, that the Board approve awarding HOME funding in the form of a grant in an amount not to exceed $98,682.00 Housing Partnerships, Inc (dba Thrive Alliance), as recommended by staff.

III. Community Programs

A. Weatherization Services

Chairperson Valentine recognized Greg Glassley, who presented the Weatherization Services Board Memo.

Background
The U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP) reduces energy costs for low-income households by increasing the energy efficiency of their homes, while ensuring their health and safety. IHCDA uses a formula allocation, that was approved by the Board, to award funds to WAP subgrantees to assist households in their service territories.

Historically, for this six-county territory, the WAP has been administered by Community Family Services (CFS). For program year 2022, the regular WAP allocation for Adams, Blackford, Huntington, Jay, Randolph, and Wells Counties was approximately $289,152.

Decision to Rebid the Territory

IHCDA periodically may decide to re-bid a territory based on factors such as meeting program benchmarks, program performance history, concerning staffing/personnel changes, client feedback, and/or community feedback. In these cases, IHCDA may either allow or not allow the incumbent to bid for the territory, based on the specific circumstances regarding the determination to re-bid the territory. In this case, the incumbent was eligible but did not submit a proposal.

Over the last five years, CFS' production has decreased from a high of 83 completed units in 2018 to 25 in Program Year 2021, to a low of nine for Program Year 2022 (closed on March 31, 2023). Due to a variety of issues within the program, the last two remaining WAP staff members resigned from CFS earlier this year. With the combination of staffing issues and multiple years of sub-par performance, IHCDA made the decision to release an RFP for these six counties on March 6, 2023.

Request for Proposals Process

On March 6, 2023, IHCDA issued a Request for Proposals ("RFP") to seek an entity to become the local service provider for Adams, Blackford, Huntington, Jay, Randolph, and Wells Counties, effective April 1, 2023. The RFP was posted on IHCDA's Public Notices website.

Proposals were due on April 10, 2023, and IHCDA received two responses. In their proposals, Interlocal Community Action Program (ICAP) requested to serve Blackford, Jay, and Randolph counties, while Brightpoint requested to serve Adams, Huntington, and Wells counties. While there was no competition for counties, both proposals sufficiently answered the questions as posed in the RFP and both were deemed to be quality proposals. ICAP and Brightpoint are current WAP providers with a long track record of experience and success.

To review proposals, IHCDA developed a Review Team that consisted of four individuals within the Community Programs department. This team reviewed each proposal individually, but scoring was based on consensus during a meeting that occurred on April 13 in which the merits of each proposal was discussed.

Note: this RFP allowed for applicants to identify all or some of the counties in the region that they would be able to serve. IHCDA's allocation table identifies funding at the regional level but is based on county-level calculations. Should it be necessary based on the recommendation below, IHCDA staff will update the allocation table based on county breakouts without changing the methodology behind the allocation table to determine funding for the region's counties separately.

Recommendation

Based on the scoring of all responses to the RFP, IHCDA staff recommends the following organizations, ICAP and Brightpoint, be awarded the additional counties for the Weatherization Assistance Program. Table A shows the organization that was selected for each county.

Table A	
County Name	**Organization Selected**
Adams	Brightpoint
Blackford	ICAP
Huntington	Brightpoint
Jay	ICAP
Randolph	ICAP
Wells	Brightpoint

Following discussion, a motion was made by Andy Place to designation of Interlocal Community Action Program. for Blackford, Jay, and Randolph Counties, and Brightpoint for Adams, Huntington, and Wells Counties as the

Weatherization Assistance Program local service providers. The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

> **RESOLVED,** that the Board approve designation of Interlocal Community Action Program. for Blackford, Jay, and Randolph Counties, and Brightpoint for Adams, Huntington, and Wells Counties as the Weatherization Assistance Program local service providers, as recommended by staff.

IV. Community Services

A. Emergency Solutions Grants for COVID-19 Relief (ESG-CV) Final Allocation

Chairperson Valentine recognized Rachael Sample, who presented the Emergency Solutions Grants for COVID-19 Relief (ESG-CV) Final Allocation Board Memo.

Background

On April 2, 2020, IHCDA received communication from the U.S. Department of Housing and Urban Development (HUD) that it would receive special ESG-CV Program funds allocated to the Indiana Balance of State jurisdiction, as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136. These special ESG-CV funds are to be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. Over the last three years, IHCDA successfully granted funding to sub-recipient non-profit organizations across the state.

In summer 2022, HUD notified all ESG-CV recipients that additional funding may be granted due to the recapture of unspent ESG-CV funds from some states and entitlement cities. In September 2022, HUD recognized the effectiveness of IHCDA's administration and awarded the agency an additional $457,933.44 in funding that was not spent by entitlement cities in the state. Table A demonstrates the history of the ESG-CV funding.

Table A

ESG-CV Award Date	Award Amount	Total Funding
April 2020	$13,566,621	$13,566,621
June 2020	$18,411,073	$31,977,694
September 2023	$457,933.94	$32,435,627.94
Funding Spent on 4/1/2023		**85%**

Process

In July 2022, IHCDA Community Services began accepting funding requests in anticipation of available funding through reallocation as awards closed in summer and fall 2022, and if HUD awarded additional dollars to IHCDA. The process was as follows:

1) All current sub-recipients were notified that they could request additional funding.
2) A budget template with narrative sections was provided in the announcement.
3) Requests were accepted for 30 days.
4) Requests were reviewed for eligible expenses for ESG-CV funds.
5) Requests were only approved if a sub-recipient had a previous award of the same type.
6) Sub-recipient compliance and history of timely and accurate claims was reviewed.
7) Sub-recipients were selected if they submitted an additional request were found to be in good standing with the criteria listed above.

IHCDA received requests from sub-recipients across the state and selected projects for funding. We are using the IHCDA Board-approved process to address reallocation of unspent funds but need approval for the allocation of the new funding awarded by HUD in September 2022.

Based the criteria listed above, staff are proposing that this final allocation be prioritized for emergency shelter projects. A substantial amendment of the Consolidated Plan was filed in January 2023 to dedicate these dollars to emergency shelter and capacity for IHCDA to complete required reporting and oversight of the grants. IHCDA funding amounts are based on a review of administrative claims and projected expenses. Community Services staff will continue to evaluate IHCDA's funding utilization and will reallocate funding to sub-recipients if it is available. Sub-recipients and award amounts proposed are listed in Table B.

TABLE B

Award Recommendations			
Organization	**Region**	**Award Amt**	**Funding Usage**
Beyond Homelessness	Region 7	$20,000	Emergency Shelter- shelter operations and emergency services
Citizens Concerned for the Homeless	Region 1	$28,925	Emergency Shelter- shelter operations and emergency services
Beacon Inc	Region 10	$41,101.44	Emergency Shelter- shelter operations and emergency services
Center for the Homeless	Region 2a	$92,690	Emergency Shelter- shelter operations and emergency services
Homeless Coalition of Southern Indiana	Region 13	$40,767.40	Emergency Shelter- shelter operations and emergency services
Heart House Inc	Region 14	$39,000	Emergency Shelter- shelter operations and emergency services
Haven House Inc	Region 1a	$39,750.10	Emergency Shelter- shelter operations and emergency services
Interfaith Hospitality Network of Greater Ft Wayne, Inc (Just Neighbors)	Region 3	$20,000	Emergency Shelter- shelter operations and emergency services
Ozanam Family Shelter Corp	Region 12	$25,000	Emergency Shelter- shelter operations and emergency services
YWCA of Northeast Indiana Inc	Region 3	$63,700	Emergency Shelter- shelter operations and emergency services
Amount for Board Approval		**$410,933.94**	
Funds retained by IHCDA		**$27,000**	Homeless Management Information System (HMIS)- data collection and reporting
Funds retained by IHCDA		**$20,000**	Administration- oversight, financial processing, and compliance monitoring
TOTAL		**$457,933.94**	

Recommendation
Staff recommends awarding an allocation of the ESG-CV funds not to exceed the amount of $410,933.94 for Emergency Shelter to the organizations and in the amounts listed in **Table B**.

Following discussion, a motion was made by Andy Place to approve awarding an allocation of the Emergency Solutions Grant CARES Act (ESG-CV) not to exceed $410,933.94 to the organizations listed in **Table B**. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

> **RESOLVED,** that the Board approve awarding an allocation of the Emergency Solutions Grant CARES Act (ESG-CV) not to exceed $410,933.94 to the organizations listed in **Table B**, as recommended by staff.

B. Domestic Violence Coordinated Entry Sub-Recipient Funding 2022- 2023

Chairperson Valentine recognized Jenna Childress, who presented the Domestic Violence Coordinated Entry Sub-Recipient Funding 2022-2023 Board Memo.

Background
The Continuum of Care ("CoC") funding for Coordinated Entry projects is awarded through a competitive funding process by the U.S. Department of Housing and Urban Development ("HUD"). IHCDA serves as a Recipient for some of this funding and in turn manages sub-recipients who provide direct services in their communities. Sub-recipient funding is available to the Balance of State ("BoS") which is comprised of 91 counties of the 92 counties in Indiana, excluding Marion County. One of these grants is for Domestic Violence Coordinated Entry (DV CE), and this request is to add three new sub-recipients to the grant IHCDA administers. This is the first year subrecipient awards will be

available under this award, and utilization of this award has historically been low due to a traditional disconnect between DV service providers and homeless service providers which this funding opportunity seeks to address.

Process
In order to empower partner agencies offering creative solutions to reduce barriers to navigating the coordinated entry system and obtaining housing for DV Survivors, it was determined that sub-recipient projects be funded up to $30,000 each for the FY2021 year (2022-2023). On March 8, 2023 a Request for Proposal (RFP) was released on the IHCDA website and announcements were made in the BoS CoC newsletter and sent out through the IHCDA RFP/RFQ updates list in GovDelivery. An information session was hosted on March 14. The RFP was due March 31. Responses from BoS Regions 1a, 2, and 2a (see **Exhibit A**) were received. The applicants from these regions were Northwest Indiana Community Action Agency (NICA), Kosciusko County Shelter for Abuse, and YWCA of North Central Indiana, respectively. NICA is the CE Lead for Region 1a. Kosciusko County Shelter for Abuse contracts with IHCDA for other CoC funding and YWCA of North Central Indiana contracts directly with HUD for other CoC funding. In evaluating the RFP responses, all applicants were deemed eligible. The total amount of requested funds equals $90,000. A summary of the funding requests are available in **Exhibit B.** The total funding requested is less than what is available for sub-awards. The RFP will be re-released with a rolling deadline and the remaining funds will be allocated to projects meeting established threshold criteria.

Key Performance Indicators
The RFP included an evaluation of performance indicators related to CE and DV services, including: adherence to Housing First principles, development of infrastructure to ensure longevity of projects, DV and CE collaboration, and reduction of barriers for DV survivors. The outcomes of these projects will be reported to IHCDA at the end of the award year and used to promote this funding opportunity to encourage new regions to apply in future years.

Recommendation
Staff recommends the Board approve the funding requests listed in **Exhibit B** for the DV CE Award beginning May 1, 2023.

Staff recommends the Board authorize the Executive Director to approve allocation of unallocated funds to projects meeting established threshold criteria.

Following discussion, a motion was made by G. Michael Schopmeyer to approve CoC funding requests for the DV CE Award for the grant term beginning May 1, 2023 for the organizations listed in **Exhibit B**. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

> **RESOLVED,** that the Board approve CoC funding requests for the DV CE Award for the grant term beginning May 1, 2023 for the organizations listed in **Exhibit B**, as recommended by staff.

Following discussion, a motion was made by Andy Place to approve authorize the Executive Director to approve allocation of unallocated funds to projects meeting established threshold criteria. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

> **RESOLVED,** that the Board authorize the Executive Director to approve allocation of unallocated funds to projects meeting established threshold criteria, as recommended by staff.

V. Finance

A. Reserve on Park Bond Recommendation

Chairperson Valentine recognized Richard Harcourt, who presented the Reserve on Park Bond Recommendation.

Background
The purpose of this memo and the attached resolution is to request the approval for the issuance of the Series 2023 Multifamily Housing Revenue Bonds (The Reserve on Park Project) in one or more series or sub-series, in a combined aggregate principal amount not to exceed Twenty Four Million Dollars ($24,000,000) (the "Bonds").

Process
The Bonds will be issued on behalf of LBG BCG Parkview, LP (the "Borrower"). The Indiana Housing and Community Development Authority (the "Authority") will serve as a conduit issuer for the Bonds; thereby, loaning the proceeds to the Borrower to finance the construction of its multifamily housing complex. **The Bonds are backed solely by the revenues derived from the development and will not constitute a debt, liability, or obligation of the Authority or the State of Indiana.**

The Borrower is proposing the new construction of 187 units of multifamily housing in Fort Wayne. With the Authority serving as the issuer of the Bonds, an additional approval by the Board, in addition to the approval of the allocation of tax credits and bond volume is necessary.

Recommendation
Staff recommends the Board to approve issuance of the Series 2023 Multifamily Housing Revenue Bonds (The Reserve on Park Project) pursuant to the Resolution attached hereto as **Exhibit C**.

Following discussion, a motion was made by Mark Pascarella to approve the Series 2023 Multifamily Housing Revenue Bonds (The Reserve on Park Project), pursuant to the Resolution attached hereto as **Exhibit C**. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

> **RESOLVED,** that the Board approve the Series 2023 Multifamily Housing Revenue Bonds (The Reserve on Park Project), pursuant to the Resolution attached hereto as **Exhibit C**, as recommended by staff.

B. Forty-Six Flats Bond Recommendation

Chairperson Valentine recognized Richard Harcourt, who presented the Forty-Six Flats Bond Recommendation.

Background
The purpose of this memo and the attached resolution is to request the approval for the issuance of the Series 2023 Multifamily Housing Revenue Bonds (Forty-Six Flats Project) in one or more series or sub-series, in a combined aggregate principal amount not to exceed Twenty-Six Million Eight Hundred Thousand Dollars ($26,800,000) (the "Bonds").

Process
The Bonds will be issued on behalf of Forty-Six Flats, LP (the "Borrower"). The Indiana Housing and Community Development Authority (the "Authority") will serve as a conduit issuer for the Bonds; thereby, loaning the proceeds to the Borrower to finance the construction of its multifamily housing complex. **The Bonds are backed solely by the revenues derived from the development and will not constitute a debt, liability, or obligation of the Authority or the State of Indiana.**

The Borrower is proposing the new construction of 173 units of multifamily housing in Indianapolis. With the Authority serving as the issuer of the Bonds, an additional approval by the Board, in addition to the approval of the allocation of tax credits and bond volume is necessary.

Recommendation
Staff recommends the Board to approve issuance of the Series 2023 Multifamily Housing Revenue Bonds (Forty-Six Flats Project) pursuant to the Resolution attached hereto as **Exhibit D**.

Following discussion, a motion was made by Mark Pascarella to approve the Series 2023 Multifamily Housing Revenue Bonds (Forty-Six Flats Project), pursuant to the Resolution attached hereto as **Exhibit D**. The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

> **RESOLVED,** that the Board approve the Series 2023 Multifamily Housing Revenue Bonds (Forty-Six Flats Project), pursuant to the Resolution attached hereto as **Exhibit D**, as recommended by staff.

C. 2022 Audit

Chairperson Valentine recognized Richard Harcourt, who introduced the Forvis presenters that would provide the 2022 IHCDA Audit Results.

Background

Following discussion, a motion was made by Mark Pascarella to approve the Series 2023 Multifamily Housing Revenue Bonds (Partners Preservation Projects), pursuant to the Resolution attached hereto as **Exhibit E**. The motion was seconded by Andy Place. The motion was passed unanimously by roll call.

> **RESOLVED,** that the Board approve the Series 2023 Multifamily Housing Revenue Bonds (Partners Preservation Projects), pursuant to the Resolution attached hereto as **Exhibit E**, as recommended by staff.

VI. Executive Update

A. Sullivan County Disaster Response Update

Chairperson Valentine recognized Matthew Rayburn, who presented an update on IHCDA's disaster response efforts in and around Sullivan County.

B. Executive Director Update

Chairperson Valentine recognized J. Jacob Sipe, who presented the Executive Update and discussed the following topics:

1. **Homeownership Team**
   Jacob mentioned that the homeownership team is outpacing last years numbers when it comes to the number of homes that are being served through IHCDA's downpayment assistance. The team held a homeownership quorum on Tuesday, in Fishers for realtors and mortgage loan officers to explain what IHCDA does and to answer any questions when it comes to our products and services. IHCDA hosted over 130 attendees and are looking forward to doing more events like these between now and the end of the year.

2. **Indiana Lawmakers TV Show**
   Last week, Jacob was asked to be on the Indiana Lawmakers TV Show to talk about housing. He was joined by Representative Doug Miller from Elkhart, Senator Eddie Melton from Gary and Rick Wajda from Indiana Builders Association to discuss some of the challenges in housing and the mission of IHCDA. The panel focused on how we can create new housing and support existing housing in communities throughout Indiana. The episode can be watched on the Indiana Lawmakers website.

3. **Travel Board Meetings**
   Each board member was given a schedule showing the on-the-road Board meeting schedule for the rest of 2023. The first on the road meeting will be in East Chicago at Harbor Square on June 22, 2023. The meeting is scheduled at 10a.m. Central Time. In August, the board meeting will be held in Sheridan at the old Sheridan High School, which is now being used as a community event center, in the gymnasium. In October, the board meeting will be held in Corydon at Senior Lofts, in an old school that is now being used for senior housing, in the old gymnasium which is now a meeting center. Jacob stated it is very important and rewarding for the IHCDA board meetings to be held in different locations throughout the community to showcase the work that IHCDA has done and will continue to do to improve communities throughout the state.

There being no further business, the meeting was adjourned by Chairperson Valentine at 11:07 a.m.

Respectfully submitted,

Ryan Clem (Jun 30, 2023 11:52 EDT)

Lieutenant Governor, Suzanne Crouch, or her designee

ATTEST:

Jacob Sipe HCD (Jun 30, 2023 12:04 EDT)

J. Jacob Sipe
Executive Director for IHCDA

Exhibit A

Balance of State Region Map

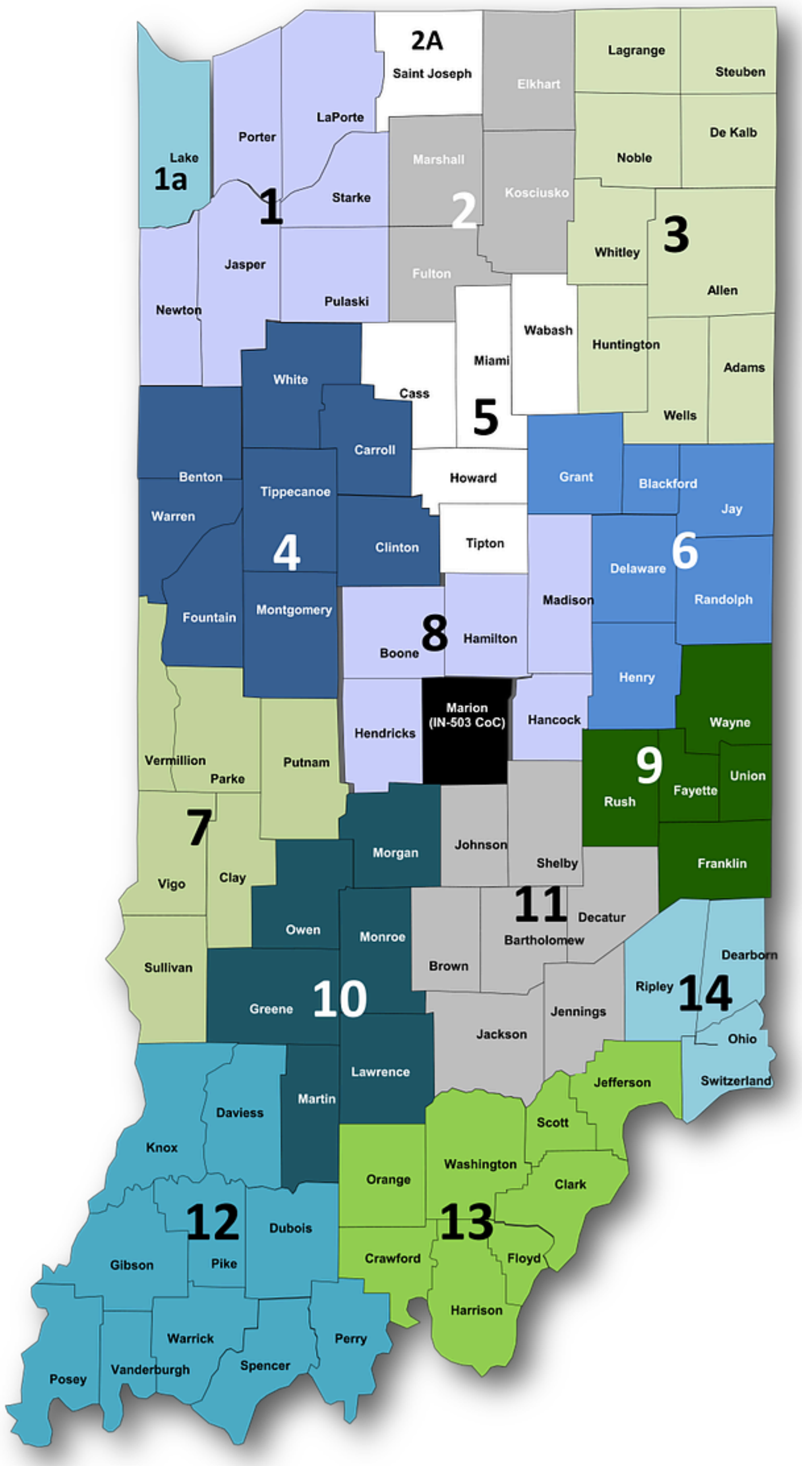

Exhibit B

DV CE Funding Request Detail

Applicant	Service Area	Requested Funding	Recommended Funding
Northwest Indiana Community Action	Lake County	$18,182.00	$18,182.00
Kosciusko County Shelter for Abuse	Marshall, Fulton, Elkhart, and Kosciusko Counties	$30,000.00	$30,000.00
YWCA of North Central Indiana	Saint Joseph County	$30,000.00	$30,000.00
TOTAL	**Regions 1a, 2, 2a**	**$78,182.00**	**$78,182.00**
TOTAL UNALLOCATED			**$71,818.00**

Indiana Housing & Community Development Authority

A COMPONENT UNIT OF THE STATE OF INDIANA

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2022

Indiana Housing and Community Development Authority
A Component Unit of the State of Indiana
December 31, 2022

Contents

FORVIS

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Independent Auditors' Report

Board of Directors
Indiana Housing and Community Development Authority
Indianapolis, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Indiana Housing and Community Development Authority (Authority), a component unit of State of Indiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022, and the changes in financial position and its cash flows 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information, including the combining schedule of net position, combining schedule of revenues, expenses, and changes in net positions and combining schedule of cash flows, as listed in the table of contents is 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 GAAS. In our opinion, the supplementary information is 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 April 21, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

FORVIS, LLP

Indianapolis, Indiana
April 21, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Management's Discussion and Analysis (Unaudited)
December 31, 2022

Management's discussion and analysis of the Indiana Housing and Community Development Authority's (Authority) financial performance provides an overview of the financial activities for the year ended December 31, 2022. This information is being presented to provide additional information regarding the activities of the Authority. The management's discussion and analysis should be read in conjunction with the independent auditor's report, financial statements, and accompanying notes. Notes to the financial statements provide additional information that is essential to a full understanding of the information contained within the financial statements.

Introduction - The Indiana Housing and Community Development Authority

The Authority was created in 1978 as a public body corporate and politic of the State of Indiana (the State). The Authority is almost entirely self-supporting and does not rely upon the general taxing authority of the State. The Authority has been given certain powers, including the power to enter into contracts and agreements, acquire, hold, and convey property, and issue notes and bonds, for the purpose of financing residential housing for persons and families of low and moderate income. The Authority's funding comes from a variety of sources, including sales of its own securities to private investors, grants from the Federal government, program fees, investment interest earnings and interest earned on loan portfolios.

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

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

Overview of the Financial Statements

The basic financial statements include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These statements provide current and long-term information about the Authority and its activities.

The Statement of Net Position answers the question, "How was our financial health at the end of the year?" This statement provides information about the financial position of the Authority at a specific date. The organization of the statement separates assets and liabilities into current and noncurrent balances. The statement shows the totals of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position using the accrual basis of accounting, which is like the accounting method used by most private-sector companies. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position accounts for all the current year's revenues and expenses. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through mortgages and loans, externally funded programs, and other revenue sources. This statement also helps answer the question "Is the Authority, as a whole, better, or worse as a result of the year's activities?"

The primary purpose of the Statement of Cash Flows is to provide information about the Authority's cash receipts and cash payments during the accounting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing and investing activities. It provides answers to such questions as "Where did the cash come from?"; "What was the cash used for?"; and "What was the change in cash balance during the reporting period?"

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

The financial statements present the activities of the Authority's General Fund, Program Fund, Single Family Fund, and the Mortgage-Backed Security Pass-thru Fund. See Note 1 for a complete description of each of these funds.

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Management's Discussion and Analysis (Unaudited)
December 31, 2022

Financial Highlights

The following is a comparative analysis between years for the Statements of Net Position:

	2022	2021	Change	% Change
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents				
Unrestricted	$ 110,170,721	$ 176,786,430	$ (66,615,709)	-38%
Restricted	358,140,310	385,810,319	(27,670,009)	-7%
Accrued interest receivable				
Investments	645,806	273,165	372,641	136%
Investments held against bonds	2,828,878	1,475,401	1,353,477	92%
Accounts and loan receivable, net	14,981,121	131,685,876	(116,704,755)	-89%
Other assets	-	8,974,528	(8,974,528)	-100%
Total current assets	486,766,836	705,005,719	(218,238,883)	-31%
Noncurrent Assets				
Investments				
Unrestricted	127,632,323	86,343,493	41,288,830	48%
Restricted	47,338,088	22,322,766	25,015,322	112%
Investments held against bonds	801,592,742	562,305,252	239,287,490	43%
Accounts and loans receivable, net	144,339,037	114,952,162	29,386,875	26%
Derivative instrument - interest rate swap agreements	2,570,002	-	2,570,002	100%
Capital assets, at cost, less accumulated depreciation	1,123,863	634,435	489,428	77%
Lease assets, less accumulated amortization	7,313,564	4,760,630	2,552,934	54%
Total noncurrent assets	1,131,909,619	791,318,738	340,590,881	43%
Total assets	1,618,676,455	1,496,324,457	122,351,998	8%
Deferred Outflows of Resources				
Pension-related	2,544,543	1,352,590	1,191,953	88%
Accumulated decrease in fair value of derivative	-	1,550,318	(1,550,318)	-100%
Deferred refunding costs	907,994	1,104,179	(196,185)	-18%
Total deferred outflows of resources	3,452,537	4,007,087	(554,550)	-14%
Total assets and deferred outflows of resources	$ 1,622,128,992	$ 1,500,331,544	$ 121,797,448	8%
Liabilities, Deferred Inflows of Resources and Net Position				
Current Liabilities				
Bonds payable	$ 15,270,000	$ 18,165,000	$ (2,895,000)	-16%
Accrued interest payable	12,635,297	6,816,286	5,819,011	85%
Unearned revenue	229,047,349	187,806,345	41,241,004	22%
Government advances	461,410	621,952	(160,542)	-26%
Lease liability	719,750	454,093	265,657	59%
Accounts payable and other liabilities	18,548,254	155,442,366	(136,894,112)	-88%
Total current liabilities	276,682,060	369,306,042	(92,623,982)	-25%
Noncurrent Liabilities				
Bonds payable	835,222,428	572,707,020	262,515,408	46%
Original issue premium	33,781,813	29,369,663	4,412,150	15%
Bonds payable, net	869,004,241	602,076,683	266,927,558	44%
Notes payable	1,470,597	1,545,526	(74,929)	-5%
Derivative instrument - interest rate swap agreements	-	1,550,318	(1,550,318)	-100%
Pension liability	4,425,456	1,435,852	2,989,604	208%
Government advances	31,448,149	33,401,584	(1,953,435)	-6%
Lease liability	7,279,427	4,707,435	2,571,992	55%
Total noncurrent liabilities	913,627,870	644,717,398	268,910,472	42%
Total liabilities	1,190,309,930	1,014,023,440	176,286,490	17%
Deferred Inflows of Resources				
Pension-related	210,882	2,222,819	(2,011,937)	-91%
Accumulated increase in fair value of derivative	2,570,002	-	2,570,002	0%
Total deferred inflows of resources	2,780,884	2,222,819	558,065	-91%
Net Position				
Net investment in capital assets	438,250	233,537	204,713	88%
Restricted	201,319,512	225,884,028	(24,564,516)	-11%
Unrestricted	227,280,416	257,967,720	(30,687,304)	-12%
Total net position	429,038,178	484,085,285	(55,047,107)	-11%
Total liabilities, deferred inflows of resources and net position	$ 1,622,128,992	$ 1,500,331,544	$ 121,797,448	8%

Total assets and deferred outflows of resources increased by $121.8 million, or 8%, when compared to 2021. Total current assets decreased $218.2 million while the noncurrent assets increased by $340.6 million. Total deferred outflow of resources decreased by $0.6 million.

The overall increase in total assets was driven by an increase in Investments held against bonds of $239.3 million. This incorporates an increase in Single Family Fund of $250.3 million and a decrease in MBS Pass-thru Fund of $11.0 million. These investments represent new mortgages purchased from the proceeds of new bonds issued less repayments and redemptions. This increase is partially offset by a decrease in accounts and loans receivable of $87.3 million. The decrease is related to the receipt of cash for Program Fund receivables held at December 31, 2021 for the Indiana Emergency Rental Assistance (IERA) fund, Housing Assistance Fund (HAF), and for the reallocation of the funding of IERA 1.0 due from Treasury.

Total liabilities increased by $176.3 million, or 17%, when compared to 2021. Total deferred inflows of resources increased by $0.6 million and total net position decreased by $55.0 million.

The increase in bonds payable of $264.0 million is being driven by the $376.0 million in new bonds issued in 2022 for the Single Family Fund, as mentioned above and detailed below, less paydowns. This is partially offset by a decrease of $136.9 million in accounts payable and other liabilities primarily for Program Fund. Accounts payable was high at December 31, 2021 for programs such as IERA and HAF as we were awaiting the funds to pay out benefits.

Total net position at December 31, 2022 and 2021 was as follows (in millions of dollars):

	2022	2021
Assets and deferred outflows of resources	$ 1,622.1	$ 1,500.3
Liabilities and deferred inflows of resources	1,193.1	1,016.2
Net position	$ 429.0	$ 484.1

Operating Analysis

The following is a comparative analysis between years of the Statements of Revenues, Expenses and Changes in Net Position:

	2022	2021	Change	% Change
Revenues				
Interest income				
Investments	$ 6,675,377	$ 3,504,641	$ 3,170,736	90%
Investments held against bonds	27,680,757	18,910,660	8,770,097	46%
Loans	1,464,184	1,507,569	(43,385)	-3%
Fee income	5,460,377	6,546,726	(1,086,349)	-17%
Program income	731,760,151	520,118,679	211,641,472	41%
Sale of Next Home investments	2,978,283	11,242,525	(8,264,242)	-74%
Net decrease in fair value of investments	(78,013,279)	(7,052,546)	(70,960,733)	1006%
Other income	2,083,963	1,290,683	793,280	61%
Total revenues	700,089,813	556,068,937	144,020,876	26%
Expenses				
Investment expense (down payment assistance)	634,579	6,355,416	(5,720,837)	-90%
Loss on sale of investments	1,768,018	1,576,803	191,215	12%
Interest expense	22,347,255	15,628,770	6,718,485	43%
Issuance costs	3,503,855	2,288,984	1,214,871	53%
Program expenses	677,638,469	486,933,609	190,704,860	39%
General and administrative expenses	49,244,744	33,536,291	15,708,453	47%
Total expenses	755,136,920	546,319,873	208,817,047	38%
Change in Net Position	(55,047,107)	9,749,064	(64,796,171)	-665%
Net Position, Beginning of Year	484,085,285	474,336,221	9,749,064	2%
Net Position, End of Year	$ 429,038,178	$ 484,085,285	$ (55,047,107)	-11%

For 2022, the change in net position decreased by $64.8 million, or 665%, when compared to 2021. Total revenue increased by $144.0 million, or 26%. Total expenses increased by $208.8 million, or 38%.

The increase in total revenues is largely being driven by the continued growth in program income. The Indiana Emergency Rental Assistance (IERA) fund continues to drive the growth in program income. For 2022, program income for IERA was $186.9 million. An increase of $87.0 million over 2021. The Low-Income Energy Assistance Program (LIHEAP) had 2022 program income of $165.3 million which was an increase of $102.0 million from 2021. Interest income on investments has increased by $11.9 million from 2021. This is primarily due to an increase in Single Family Fund investments coupled with rising interest rates. These increases are partially offset by the decrease in fair value of investments of $71.0 million when compared to 2021. It should be noted that while GASB 31 requires mark to market adjustments on both mortgage-backed securities and investments, the Authority is a long term holder of those assets and does not generally trade those securities. Gain on sale of Next Home investments has decreased by $8.3 million from 2021. This is due to a decline in the To Be Announced (TBA) security market which was precipitated by the US Treasury's reduction in purchasing of TBA housing securities.

The increase in total expenses is being driven primarily by program activity. Program expense has increased by $190.7 million over 2021. As mentioned above, there is a significant increase in activity for IERA and LIHEAP. The associated program expenses from these programs have also increased dramatically. This also includes an increase of $15.7 million in the general and administrative expenses associated with running the programs. There is also an increase of $6.7 million in interest expense due primarily to the continued issuance of new bonds for the Single Family Fund as discussed in further details below. These increases are partially offset by a decrease $5.7 million in General Fund investment expense (down payment assistance) which is tied to the TBA security market decline mentioned above.

Total operating income/change in net position for 2022 and 2021 was as follows (in millions of dollars):

	2022	2021
Operating revenues, gains and losses	$ 700.1	$ 556.1
Operating expenses	755.1	546.3
Operating income/change in net position	$ (55.0)	$ 9.8

Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB No. 31) requires the Authority's investments to be reported at fair value. The change in the fair value of investments is an unrealized gain or loss and has no direct effect on actual cash flows of the Authority. The related adjustment should be tempered with the understanding that the underlying assets primarily are not readily marketable due to their relationship with the bond indentures. The change in net position is shown both with and without the GASB No. 31 adjustment below. In the current year, there was a net decrease of $78.0 million in the net fair value of investments held at year end. Without the GASB No. 31 adjustment, the change in net position for 2022 was $23.0 million, resulting in a net increase in the change in net position of $6.2 million between years.

	2022	2021	Change	% Change
Change in net position	$ (55,047,107)	$ 9,749,064	$ (64,796,171)	-665%
Net decrease in fair value of investments	(78,013,279)	(7,052,546)	(70,960,733)	1006%
Change in net position excluding GASB No. 31 adjustment	$ 22,966,172	$ 16,801,610	$ 6,164,562	37%

Financial Condition

The Authority operates within financial policies and guidelines set by the members of its Board of Directors. These guidelines require the Authority to maintain adequate liquid asset levels, good mortgage portfolio performance and a sufficient level of unrestricted assets. Net position on December 31, 2022, consisted of $201.3 million restricted by funding sources, $227.3 million unrestricted and available to meet the obligations of the Authority's operations, and $0.4 million net investment in capital assets. The Authority believes these balances to be sufficient to meet the objectives of the Board of Directors.

Capital and Lease Assets

As of December 31, 2022 and 2021, the Authority had $8.4 million and $5.4 million, respectively, invested in capital and lease assets, primarily the building, computer software and hardware. Depreciation and amortization expense was $1.2 million in 2022 and $0.9 million in 2021, respectively.

Debt Administration

Total current and noncurrent bonds payable, not including any original issue premium or discount, as of December 31, 2022, was $850.5 million, which increased $259.6 million compared to $590.9 million as of December 31, 2021. This increase was due to the $116.4 million of maturities and redemptions of bonds previously issued by the Authority, offset against the $376.0 million in mortgage revenue bond issuances in 2022. The Authority has maintained its long-term bond ratings of Aaa from Moody's Investors Services and AAA from Fitch Ratings. The MBS Pass-thru Indenture is only rated by Fitch. More detailed information about the Authority's debt is presented in Note 6 to the financial statements.

The following new bonds were issued during 2022 (dollars in thousands):

Bond Series	Tax-Exempt Amount	Taxable Amount	Total	Moody's Rating	Fitch Rating
2022 Series A	$ 85,570	$ -	$ 85,570	Aaa	AAA
2022 Series B	116,855	-	116,855	Aaa	AAA
2022 Series CD	153,605	20,000	173,605	Aaa	AAA
Total	$ 356,030	$ 20,000	$ 376,030		

Economic Factors and Other Financial Information

The primary business activity of the Authority is funding the purchase of single-family home mortgages and administering various federal programs. The Authority's mortgage financing activities are sensitive to the level of interest rates, the spread between the rate available on Authority loans, rates available in the conventional mortgage markets, the availability of affordable housing and the availability of private activity bond volume cap. The availability of long-term tax-exempt financing on favorable terms is a key element in providing the funding necessary for the Authority to continue its mortgage financing activities.

The Authority's single-family programs and investment income are the main sources of revenues. Market interest rates influence both the Single-Family program and investment income revenues. If interest rates continue at current levels, the Authority expects single family and investment income to be stable. If interest rates rise, the Authority expects single family and investment income to increase as new loans are originated, and new investments are purchased at the higher rates. If interest rates fall, the Authority expects single family and investment income to decrease as new loans are originated and new investments are purchased at the lower rates. The Authority also expects a drop in market rates to cause an increase in prepayments on higher rate mortgages. The Authority uses these prepayments to call the corresponding series bonds, which lowers the rate of return on those bond series.

Contacting the Authority's Financial Management

This financial report is designed to provide the citizens of Indiana, our constituents, and investors with a general overview of the Authority's finances and resources. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at Indiana Housing and Community Development Authority, 30 South Meridian Street Suite 900, Indianapolis, IN 46204 or visit our website at www.in.gov/ihcda/.

BASIC FINANCIAL STATEMENTS

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Statement of Net Position
December 31, 2022

	2022
Assets and Deferred Outflows of Resources	
Current Assets	
Cash and cash equivalents	
Unrestricted	$ 110,170,721
Restricted	358,140,310
Accrued interest receivable	
Investments	645,806
Investments held against bonds	2,828,878
Accounts and loans receivable, net	14,981,121
Total current assets	486,766,836
Noncurrent Assets	
Investments	
Unrestricted	127,632,323
Restricted	47,338,088
Investments held against bonds	801,592,742
Accounts and loans receivable, net	144,339,037
Derivative instruments - interest rate swap agreements	2,570,002
Capital assets, at cost, less accumulated depreciation	1,123,863
Lease assets, less accumulated amortization	7,313,564
Total noncurrent assets	1,131,909,619
Total assets	1,618,676,455
Deferred Outflows of Resources	
Pension-related	2,544,543
Deferred refunding costs	907,994
Total deferred outflows of resources	3,452,537
Total assets and deferred outflows of resources	$ 1,622,128,992

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Statement of Net Position (Continued)
December 31, 2022

	2022
Liabilities, Deferred Inflows of Resources and Net Position	
Current Liabilities	
Bonds payable	$ 15,270,000
Accrued interest payable	12,635,297
Unearned revenue	229,047,349
Government advances	461,410
Lease liability	719,750
Accounts payable and other liabilities	18,548,254
Total current liabilities	276,682,060
Noncurrent Liabilities	
Bonds payable	835,222,428
Original issue premium	33,781,813
Bonds payable, net	869,004,241
Notes payable	1,470,597
Pension liability	4,425,456
Government advances	31,448,149
Lease liability	7,279,427
Total noncurrent liabilities	913,627,870
Total liabilities	1,190,309,930
Deferred Inflows of Resources	
Pension-related	210,882
Accumulated increase in fair value of derivatives	2,570,002
Total deferred outflows of resources	2,780,884
Net Position	
Net investment in capital assets	438,250
Restricted	
General fund	1,000,000
Program fund	145,220,703
Single Family fund	55,072,187
MBS Pass-thru fund	26,622
Total restricted net position	201,319,512
Unrestricted	227,280,416
Total net position	429,038,178
Total liabilities, deferred inflows of resources and net position	$ 1,622,128,992

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2022

	2022
Revenues	
Interest income	
Investments	$ 6,675,377
Investments held against bonds	27,680,757
Loans	1,464,184
Fee income	5,460,377
Program income	731,760,151
Sale of Next Home investments	2,978,283
Net decrease in fair value of investments	(78,013,279)
Other income	2,083,963
Total revenues	700,089,813
Expenses	
Investment expense (down payment assistance)	634,579
Loss on sale of investments	1,768,018
Interest expense	22,347,255
Issuance costs	3,503,855
Program expenses	677,638,469
General and administrative expenses	49,244,744
Total expenses	755,136,920
Change in Net Position	(55,047,107)
Net Position, Beginning of Year	484,085,285
Net Position, End of Year	$ 429,038,178

Indiana Housing and Community Development Authority

(A Component Unit of the State of Indiana)
Statement of Cash Flows
Year Ended December 31, 2022

	2022
Cash Flows From Operating Activities	
Receipts for services	$ 10,406,907
Receipts for program revenue	889,696,731
Principal received on loans receivable	5,884
Interest received on investments	6,302,736
Interest received on investments held against bonds	21,773,376
Interest received on loans	1,464,184
Payments for program expenses	(862,681,894)
Interest paid on bonds and bank loans	(16,332,059)
Debt issuance costs incurred	(3,503,855)
Payments for suppliers and employees	(763,695)
Net cash provided by (used in) operating activities	46,368,315
Cash Flows From Noncapital Financing Activities	
Proceeds from bond issues	384,996,055
Repayments and redemption of bonds and bank loans	(116,484,522)
Net cash provided by (used in) noncapital financing activities	268,511,533
Cash Flows From Capital and Related Financing Activities	
Purchases of capital assets	(916,090)
Payments on lease	(469,224)
Net cash provided by (used in) capital and related financing activities	(1,385,314)
Cash Flows From Investing Activities	
Proceeds from sale and maturities of investments	49,819,637
Principal received on investments held against bonds	71,108,167
Purchases of investments held against bonds	(385,147,694)
Purchase of investments	(121,147,717)
Purchase of DPA loans	(22,412,645)
Net cash provided by (used in) investing activities	(407,780,252)
Net Decrease in Cash and Cash Equivalents	(94,285,718)
Cash and Cash Equivalents, January 1	562,596,749
Cash and Cash Equivalents, December 31	$ 468,311,031
Cash and Cash Equivalents	
Cash	$ 321,442,101
Money market investments	146,868,930
Total cash and cash equivalents	$ 468,311,031

Indiana Housing and Community Development Authority

(A Component Unit of the State of Indiana)
Statement of Cash Flows (Continued)
Year Ended December 31, 2022

	2022
Noncash Transactions from Capital and Related Financing Activities	
Issuance of capital lease obligation	$ 3,306,873
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:	
Change in net position	$ (55,047,107)
Adjustment to reconcile change in net position to net cash provided by operating activities:	
Net decrease in fair value of investments	78,013,279
Loss on sale of investments	1,762,686
Depreciation and amortization	1,180,601
Amortization of bond premium/discount	(4,553,904)
Changes in operating assets and liabilities:	
Accounts and loan receivable	109,730,525
Accrued interest receivable	(1,726,118)
Other assets	8,974,528
Deferred pension costs	(1,191,953)
Deferred refunding costs	196,185
Unearned revenue	41,241,004
Accounts payable and other liabilities	(136,894,112)
Accrued interest payable	5,819,011
Net pension liability	2,989,604
Deferred pension revenue	(2,011,937)
Government advances	(2,113,977)
Total adjustments	101,415,422
Net cash provided by (used in) operating activities	$ 46,368,315

Note 1: Authorizing Legislation and Funds

The Indiana Housing and Community Development Authority (the Authority) was created in 1978 by an act of the Indiana Legislature (the Act). The Authority has been given numerous powers under the Act, including the power to enter into contracts and agreements, acquire, hold and convey property and issue notes and bonds, for the purpose of financing residential housing for persons and families of low and moderate incomes.

The powers of the Authority are vested by the Act in seven members who constitute the Board of Directors, four of whom are appointed by the Governor of Indiana and three of whom serve by virtue of holding other Indiana state offices. The three ex-officio members are the Lieutenant Governor, the State Treasurer, and the Public Finance Director of the State of Indiana. The Authority is considered a component unit of the State of Indiana and is discretely presented in the State's financial statements.

The Act empowers the Authority to (1) make or participate in the making of construction loans and mortgage loans to sponsors of federally assisted multi-family residential housing; (2) purchase or participate in the purchase from mortgage lenders, mortgage loans made to persons of low and moderate income for residential housing; and (3) make loans to mortgage lenders for the purpose of furnishing funds to be used for making mortgage loans to persons and families of low and moderate incomes. The Act authorizes the Authority to issue its bonds and notes to carry out its purposes, and neither the Act nor the Bond Trust Indentures establish any limitation as to the aggregate amount of obligations which the Authority may have outstanding.

The Authority's financial statements include the operations of funds that the Authority has established to achieve its purposes under powers granted to it by the Act. The financial transactions of the Authority are recorded in the funds which consist of a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses, as appropriate. The Authority's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which financial activity is controlled. The Authority's funds are described below.

General Fund

The General Fund was established by the Authority to account for all fee income and charges that are not required to be recorded in other funds and for operating expenses of the Authority.

Program Fund

The Program Fund accounts for grant and loan activity related to various federal and state programs administered by the Authority.

Single Family and Mortgage-Backed Securities Pass-Thru Funds

The Single Family and Mortgage-Backed Securities (MBS) Pass-thru funds are bond indentures which use bond proceeds to fund the Single Family Mortgage Programs (the Mortgage Programs).

The Mortgage Programs provide for the purchase of mortgage loans made to eligible borrowers for owner occupied housing, which are then securitized into GNMA, FNMA or FHLMC certificates (collectively MBS). Borrowers meeting certain income guidelines may qualify under the Authority's down payment assistance programs.

Commencing in June 1980, the Authority entered into mortgage purchase agreements with certain commercial banks, savings and loan associations and mortgage banking companies admitted to do business in the State of Indiana whereby the lenders agreed to originate mortgage loans on newly constructed and existing dwellings meeting criteria established by the Authority and to sell them to the Authority.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

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

Measurement Focus and Basis of Accounting

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires estimates and assumptions that affect the reported amount of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of net position.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and on deposit and investments with a maturity of three months or less.

Investment Securities

The Authority reports its investments securities, including MBS, at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest income is recorded on the accrual basis. Realized gains and losses on the sale of investments are determined using the specific-identification method. Changes in the fair value of investments are reported in the statement of revenues, expenses and changes in net position.

Following is a summary of the effects of valuing investment securities at fair value on total assets and deferred outflows of resources, net position and operating income as of and for the year ended December 31, 2022:

	Total Assets and Deferred Outflows of Resources	
	Fair Value	**Cost**
General Fund	$ 156,777,940	$ 160,732,739
Program Fund	438,455,304	438,455,304
Single Family Fund	996,383,697	1,043,071,519
MBS Pass-thru Fund	30,512,051	30,701,665
Total assets and deferred outflows of resources	$ 1,622,128,992	$ 1,672,961,227

	Net Position	
	Fair Value	**Cost**
General Fund	$ 133,805,516	$ 137,760,315
Program Fund	167,974,594	167,974,594
Single Family Fund	127,231,446	173,919,268
MBS Pass-thru Fund	26,622	216,236
Total net position	$ 429,038,178	$ 479,870,413

	Operating Income Fair Value	Operating Income Cost
General Fund	$ 3,165,073	$ 6,426,315
Program Fund	14,449,768	14,449,768
Single Family Fund	(68,885,272)	1,946,994
MBS Pass-thru Fund	(3,776,676)	143,095
Total operating income	$ (55,047,107)	$ 22,966,172

Accounts and Loans Receivable

Accounts and loans receivable consist primarily of forgivable and non-forgivable loans made to sub-recipients as part of federal and state programs, forgivable loans provided to individuals for down payment assistance, and reimbursements due from other governments for amounts billed or billable for expenses incurred or services provided. The Authority considers all forgivable loans to be uncollectible and reserves the entire balances in the allowance for uncollectible loans. Any additional allowance for uncollectible accounts or loans is determined by periodic management review based upon historical losses, specific circumstances, and general economic conditions.

Interfund Accounts and Transfers

Funds are transferred from one fund to support expenses of other funds, including operating activities, bond issuances, and bond redemptions in accordance with authority established for the individual fund. To the extent that certain transactions between funds are not paid or received in the current period, net interfund receivable and payable balances are recorded on the statement of net position at the end of the year.

Capital Assets

Capital assets are stated at cost, less accumulated depreciation. The Authority capitalizes fixed asset purchases over $5,000. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from three to ten years.

Lease Assets

At the commencement of the lease term, the Authority, as lessee, recognizes a lease liability and an intangible right-to-use lease asset. The lease asset is amortized in a systematic and rational manner (straight-line method) over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows of Resources

The Authority reports the consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its Statement of Net Position. The deferred outflows of resources in the current year are related to pension and debt refunding costs. The deferred outflows of resources related to pension are for contributions made to the defined-benefit plan between the measurement date of the net pension liabilities from the plan and the end of the year. The debt refunding costs are being amortized over the life of the refunding bonds as a part of interest expense.

Deferred Inflows of Resources

The Authority's Statement of Net Position reports a separate section for deferred inflows of resources, which is an acquisition of net position that is applicable to a future reporting period. Deferred inflows of resources are reported for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense and the accumulated increase in the fair value of hedging derivative instruments. The deferred inflows of resources related to pension is attributable to pension expense over a total of ten years, including the current year. In addition, deferred inflows of resources include the fair value of interest rate swap agreements (see Note 7).

Compensated Absences

In accordance with the vesting method provided under GASB Statement No. 16, *Accounting for Compensated Absences*, accumulated vacation and personal time is accrued when earned by the employee and the accrual is based on assumptions concerning the probability that certain employees will become eligible to receive these benefits in the future.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to workers' compensation and natural disasters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The state of Indiana self-insures workers' compensation benefits for all state employees, including Authority employees.

Unearned Revenue

Unearned revenue is reported in the financial statements. The availability period does not apply; however, amounts may not be considered earned due to eligibility requirements or other reasons. As eligibility requirements are met, the corresponding revenue is recognized.

Cost-Sharing Defined-Benefit Pension Plan

The employees of the Authority participate in the Indiana Public Retirement System (INPRS). The Authority recognizes its proportionate share of the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension and pension expense. Deferred outflows and inflows of resources represent changes in the Authority's allocated proportion from the previous year; differences between the Authority's contributions to the Plan and its proportionate share, actual Plan investment earnings and expected amounts, and expected and actual experience on the Plan included in determining pension expense; and the impact of changes in assumptions on the net pension liability, all of which are being amortized into pension expense over the average expected remaining services life, except for the differences between expected and actual investment earnings, which is amortized over five years. Deferred outflows of resources also includes contributions made to the Plan between the Plan's measurement date for the net pension liability and the end of the Authority's fiscal year.

Interest Rate Swap Agreements

The Authority uses interest rate swap agreements to protect against the potential of rising interest rates. The agreements are reported at fair value on the Statement of Net Position; however, changes in fair value are deferred until the termination or expiration of the instruments. The accumulated increase in the fair value of the interest rate swap agreements is reported as a deferred inflows of resources.

Deferred Refunding Costs

In 2012, the Authority issued 2012 series bonds under the MBS Pass-thru Fund, the proceeds from which were used to redeem bonds with an outstanding swap agreement. As part of the swap termination upon the bond redemption, the Authority was required to pay swap termination fees of $9,114,000 to the counterparty. The Authority capitalized amounts paid in connection with the swap termination fees and is amortizing the balance ratably in proportion to 2012 series redeemed during the year. Accumulated amortization of refunding costs was $8,206,006 at December 31, 2022, and amortization expense, which is reported as part of interest expense, was $196,185 for the year then ended.

Original Issue Premiums and Discounts

Original issue premiums and discounts on bonds are amortized using a method that approximates the effective interest method over the life of the bonds to which they relate.

Net Position

The Authority's resources are classified for accounting and financial reporting purposes into the following net position categories:

- Net investment in capital assets - resources resulting from capital acquisition, net of accumulated depreciation.
- Restricted - net position subject to externally imposed stipulations as to use.
- Unrestricted - net position which are available for use of the Authority.

Use of Restricted and Unrestricted Resources

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

Overdraws of Section 8 Housing Assistance

HUD Notice PIH 2006-03 and subsequent interpretive guidance issued by HUD requires Section 8 voucher funds to be reported as restricted net position in the Financial Data Schedule filings. Therefore, the Authority includes Section 8 overdraws in net position as restricted.

Operating Revenues

The Authority records all revenues derived from mortgages, investment income and federal programs as operating revenues since these revenues are generated from the Authority's daily operations needed to carry out its statutory purpose.

Program Income

Program income is recognized as earned as the eligible expenses are incurred or activities are completed. Funding received in advance of being earned are recognized as unearned revenue. Program expenses are subject to audit and acceptance by the granting agency and, because of such audits, adjustments could be required.

Fee Income

Fees for Mortgage Credit Certificate and Mortgage Revenue Bond Programs are recorded as fee income in the General Fund as certificates are issued. Rental Housing Tax Credit fees are recognized as applications are submitted. The Authority also receives certain administrative fees for a federal grant program that are recorded as earned.

Bond Issuance Costs

Bond issuance costs are expensed as incurred.

Allocation of Expenses Between Funds

The Program, Single Family and MBS Pass-thru Funds provide that funds may be transferred to the General Fund for the purpose of paying reasonable and necessary program expenses.

Income Taxes

As an instrumentality of the state, the income of the Authority is exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law.

Note 3: Deposits and Investments

	General Fund	Program Fund	Single Family Fund	MBS Pass-Thru Fund	2022 Total
Current					
Cash and cash equivalents					
Unrestricted	$ 34,006,187	$ 33,026,663	$ 43,137,871	$ -	$ 110,170,721
Restricted	1,000,000	296,830,073	60,249,595	60,642	358,140,310
Total current cash and cash equivalents	35,006,187	329,856,736	103,387,466	60,642	468,311,031
Noncurrent Assets					
Investments					
Unrestricted	95,352,326	-	32,279,997	-	127,632,323
Restricted	-	-	47,338,088	-	47,338,088
Investments held against bonds	-	-	772,134,294	29,458,448	801,592,742
Total noncurrent investments	95,352,326	-	851,752,379	29,458,448	976,563,153
Total cash, cash equivalents, and investments	$ 130,358,513	$ 329,856,736	$ 955,139,845	$ 29,519,090	$ 1,444,874,184

Cash, cash equivalents and investments held by the Authority as of December 31, 2022 were as follows:

	Fair Value	Cost
Deposits		
Cash	$ 321,442,101	$ 321,442,101
Money market mutual funds	146,868,930	146,868,930
Investments		
US Treasuries	11,607,583	11,676,053
Federal agency obligations	163,362,828	170,605,829
Federal agency obligations held against bonds	801,592,742	845,113,506
Total cash, cash equivalents and investments	$ 1,444,874,184	$ 1,495,706,419

Investment Policy

General

Indiana Code 5-20-1 authorizes the Authority to invest in obligations of the United States or any of its component states, or their agencies or instrumentalities and such other obligors as may be permitted under the terms of any resolution authorizing the issuance of the Authority's obligations.

Indentures

The Bond Indentures permit investments in the direct obligations of, or obligations guaranteed by, the United States or any of its component states, obligations issued by certain agencies of the Federal government, and investments collateralized by those types of investments. At December 31, 2022, all investments held by the Authority were in compliance with the requirements of the Indentures.

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rate. The Authority's investment policy does not restrict investment maturities. As of December 31, 2022, the Authority had the following investments and maturities (in thousands):

		Investment Maturities (in Years)			
	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
Money market mutual funds	$ 146,869	$ 146,869	$ -	$ -	$ -
US Treasuries	11,608	6,688	4,920	-	-
Federal agency obligations	163,363	34,143	90,754	33,058	5,408
Federal agency obligations held against bonds	801,593	-	968	1,310	799,315
	$ 1,123,433	$ 187,700	$ 96,642	$ 34,368	$ 804,723

Custodial Credit Risk

Custodial credit risk is the risk that the Authority will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty of the counterparty's trust department or agent but not in the Authority's name. As of December 31, 2022, the Authority had not entered into any agreements subject to this paragraph.

In 1937, the State created the Public Deposit Insurance Fund (PDIF) to protect the public funds of the state and its political subdivisions deposited in approved financial institutions. The PDIF insures those public funds deposited in approved financial institutions, which exceed the limits of coverage provided by any federal deposit insurance. As of December 31, 2022, all of the Authority's cash was deposited in approved financial institutions.

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's policy for credit risk requires compliance with the provisions of Indiana statutes. The following table provides information on the credit ratings associated with the Authority's investments in debt securities:

	S&P	Fitch	Moody's	Fair Value
Money market mutual funds	AAAm	AAAmmf	Aaa-mf	$ 146,868,930
US Treasuries	AA+	AAA	Aaa	11,607,583
Federal agency obligations	AA+	AAA	Aaa	163,362,828
Federal agency obligations held against bonds	AA+	AAA	Aaa	801,592,742
				$ 1,123,432,083

Concentration of Credit Risk

The Authority places no limit on the amount it may invest in any one issuer. The following table shows investments in issuers that represent five percent or more of total investments.

Investment	Fair Value
Ginnie Mae	60.9%
Fannie Mae	9.1%
Freddie Mac	8.4%

Note 4: Accounts and Loans Receivable

Accounts and loans receivable at December 31, 2022, were as follows:

General Fund:	
Loans provided to sub-recipients of certain programs	$ 30,713
Next Home ownership mortgage down payment assistance loans	13,705,780
Accounts receivable	1,238,584
Mortgage loans	31,924
	15,007,001
Less: allowance for uncollectible loans	(13,746,731)
	1,260,270
Current	(1,228,346)
Noncurrent	$ 31,924

(Continued)

Single Family Fund	
Down payment assistance loans	$ 41,251,103
Less: allowance for uncollectible loans	(2,062,555)
Noncurrent	$ 39,188,548
Program Fund:	
Reimbursements due from other governments	$ 13,371,024
Section 1602 tax credit exchange program loans	59,143,879
Tax credit assistance program loans	5,448,174
Rural rental housing loans	1,373,871
Home investment partnership program loans	18,023,831
Community development block grant loans	13,424,318
Development fund loans	72,828,632
Hardest hit fund loans	150,176,586
	333,790,315
Less: allowance for uncollectible loans	(214,918,975)
	118,871,340
Current	(13,752,775)
Noncurrent	$ 105,118,565

The section 1602 Tax Credit Exchange Program loans, the Hardest Hit Fund loans, and the Next Home Ownership Mortgage Down Payment Assistance (DPA) loans are forgivable, as long as borrowers comply with the provisions of the related agreements. Therefore, these loans are included in the allowance for uncollectible loans. Additionally, the Authority creates allowances for accounts and loans receivable to correspond with their perceived collectability. The General Fund provides the up-front funding for the DPA loans initially, but the cash is reimbursed through the sale of the related securitized loans.

Note 5: Capital and Lease Assets

Capital assets activity for the year ended December 31, 2022 was:

	January 1, 2022	Additions	Disposals	December 31, 2022
Computer software	$ 7,630,965	$ 101,751	$ -	$ 7,732,716
Computer hardware	1,135,048	-	-	1,135,048
Furniture and equipment	10,758	724,431	-	735,189
	8,776,771	826,182	-	9,602,953
Less accumulated depreciation	(8,142,336)	(336,754)	-	(8,479,090)
Capital assets, net	$ 634,435	$ 489,428	$ -	$ 1,123,863

Lease assets activity for the year ended December 31, 2022 was:

	January 1, 2022	Additions	Disposals	December 31, 2022
Building	$ 5,409,827	$ 3,396,781	$ -	$ 8,806,608
Furniture and equipment	585,587	-	-	585,587
	5,995,414	3,396,781	-	9,392,195
Less accumulated amortization	(1,234,784)	(843,847)	-	(2,078,631)
Leased assets, net	$ 4,760,630	$ 2,552,934	$ -	$ 7,313,564

Note 6: Bonds Payable

Bonds payable at December 31, 2022, consist of (dollars in thousands):

Single Family Fund	Original Amount	Balance
2016 Series A-1		
Term bonds (2.85%), due 2031	$ 14,735	$ 990
	14,735	990
2016 Series A-2		
Serial bonds (2.15%), due 2023	23,565	1,565
PAC bonds (3.50%), due 2038	25,990	4,090
	49,555	5,655
2017 Series A-2		
PAC bonds (4.00%), due 2039	14,070	2,395
	14,070	2,395
2017 Series B-1		
Serial bonds (1.90% to 2.75%), due 2023 - 2028	15,210	8,580
	15,210	8,580
2017 Series B-2		
PAC bonds (4.00%), due 2038	15,740	4,240
	15,740	4,240
2017 Series B-3		
Term bonds (variable), due 2047	17,000	17,000
Term bonds (variable), due 2047	6,000	6,000
	23,000	23,000
2017 Series C-1		
Serial bonds (2.35% to 2.85%), due 2024 - 2027	7,355	5,190
	7,355	5,190

Single Family Fund (Continued)	Original Amount	Balance
2017 Series C-2		
Serial bonds (2.40% to 2.50%), due 2023 - 2024	$ 7,465	$ 1,475
PAC bonds (4.00%), due 2037	12,530	2,185
	19,995	3,660
2017 Series C-3		
Term bonds (variable), due 2047	20,705	20,705
	20,705	20,705
2018 Series A		
PAC bonds (4.00%), due 2048	20,590	11,205
	20,590	11,205
2019 Series A		
PAC bonds (4.25%), due 2048	15,990	9,985
	15,990	9,985
2019 Series B		
Serial bonds (1.35% to 2.25%), due 2023 - 2032	16,240	5,650
Term bonds (2.40%), due 2034	3,420	2,720
Term bonds (2.65%), due 2039	9,835	2,125
PAC bonds (3.50%), due 2049	17,845	12,565
	47,340	23,060
2020 Series A:		
Serial bonds (1.125% to 5.00%), due 2023 - 2032	18,545	10,980
PAC bonds (3.75%), due 2049	20,485	15,750
	39,030	26,730
2020 Series B:		
Serial bonds (1.15% to 5.00%), due 2025 - 2032	31,315	31,315
Serial bonds (5.00%), due 2023 - 2025	12,715	7,535
Term bonds (1.95%), due 2035	14,850	14,850
Term bonds (2.05%), due 2039	21,355	715
PAC bonds (3.75%), due 2049	32,980	23,155
	113,215	77,570
2021 Series A:		
Serial bonds (1.35% to 5.00%), due 2023 - 2033	16,300	15,075
Term bonds (1.90%), due 2036	5,160	5,160
Term bonds (2.05%), due 2041	9,825	9,825
Term bonds (2.15%), due 2045	6,745	6,745
PAC bonds (3.00%), due 2051	17,915	16,470
	55,945	53,275
2021 Series B:		
Serial bonds (1.30% to 5.00%), due 2023 - 2033	32,625	30,825
Term bonds (1.90%), due 2036	10,690	10,690
Term bonds (2.13%), due 2041	22,685	22,090
PAC bonds (3.00%), due 2050	33,205	30,820
	99,205	94,425

Single Family Fund (Continued)	Original Amount	Balance
2021 Series C-1:		
Serial bonds (1.95% to 5.00%), due 2027 - 2033	$ 12,940	$ 12,940
Term bonds (2.20%), due 2036	11,460	11,460
Term bonds (2.40%), due 2041	12,745	12,745
Term bonds (2.55%), due 2044	5,135	5,135
PAC bonds (3.00%), due 2052	27,010	26,530
	69,290	68,810
2021 Series C-2:		
Serial bonds (0.50% to 1.15%), due 2023 - 2026	6,710	5,430
	6,710	5,430
2022 Series A:		
Serial bonds (2.00% to 5.00%), due 2023 - 2034	23,095	23,095
Term bonds (2.35%), due 2037	10,305	10,305
Term bonds (2.60%), due 2042	19,950	19,950
Term bonds (2.70%), due 2045	2,360	2,360
PAC bonds (3.00%), due 2052	29,860	29,770
	85,570	85,480
2022 Series B:		
Serial bonds (3.85% to 5.00%), due 2023 - 2034	24,845	24,845
Term bonds (4.15%), due 2037	10,255	10,255
Term bonds (4.30%), due 2042	19,110	19,110
Term bonds (4.38%), due 2047	20,650	20,650
PAC bonds (4.75%), due 2052	41,995	41,995
	116,855	116,855
2022 Series C-1:		
Serial bonds (4.00% to 4.15%), due 2033 - 2034	7,160	7,160
Term bonds (4.35%), due 2037	12,570	12,570
Term bonds (4.60%), due 2042	27,025	27,025
Term bonds (4.75%), due 2047	37,015	37,015
Term bonds (4.85%), due 2051	41,055	41,055
PAC bonds (5.00%), due 2053	25,000	25,000
	149,825	149,825
2022 Series C-2:		
Serial bonds (2.80% to 3.20%), due 2023 - 2025	3,780	3,780
	3,780	3,780
2022 Series D:		
Serial bonds (3.89% to 4.88%), due 2024 - 2032	20,000	20,000
	20,000	20,000
Total Single Family Fund	$ 1,023,710	$ 820,845

MBS Pass-thru Fund	Original Amount	Balance
2012 Series 1		
Term bonds (3.029%), due 2038	$ 73,532	$ 7,523
2013 Series 1		
Taxable term bonds (3.027%), due 2041	62,674	10,100
2013 Series 2		
Taxable term bonds (4.038%), due 2036	51,839	8,139
2014 Series 1		
Taxable term bonds (4.050%), due 2038	28,667	3,885
Total MBS Pass-Thru Fund	$ 216,712	$ 29,647
Total Bonds Payable	$ 1,240,422	$ 850,492

The Single Family and MBS Pass-thru bonds are special obligations of the Authority. The bonds are payable solely from the revenues and assets pledged to the payment thereof pursuant to the Bond Trust Indentures.

The 2017 Series B-3 bond and 2017 Series C-3 bond mature on July 1, 2047, and are variable rate demand obligations (3.50% at December 31, 2022).

The following are the scheduled amounts of principal and interest payments on bond payable obligations in the five years subsequent to December 31, 2022 and thereafter (all amounts in thousands). The Authority typically has significant prepayments of principal amounts and, therefore, does not expect to make all interest payments in their scheduled amounts.

	Single Family Fund		MBS Pass-thru Fund		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 15,270	$ 26,963	$ -	$ 1,019	$ 15,270	$ 27,982
2024	19,300	28,273	-	1,019	19,300	29,292
2025	19,765	27,514	-	1,019	19,765	28,533
2026	19,620	26,714	-	1,019	19,620	27,733
2027	20,015	25,871	-	1,019	20,015	26,890
2028 - 2032	98,665	119,064	-	5,098	98,665	124,162
2033 - 2037	122,995	103,482	8,139	4,659	131,134	108,141
2038 - 2042	145,480	83,524	21,508	1,360	166,988	84,884
2043 - 2047	181,125	56,630	-	-	181,125	56,630
2048 - 2052	163,140	21,509	-	-	163,140	21,509
2053	15,470	642	-	-	15,470	642
	820,845	520,186	29,647	16,212	850,492	536,398
Original issue premium	33,029	-	753	-	33,782	-
	$ 853,874	$ 520,186	$ 30,400	$ 16,212	$ 884,274	$ 536,398

The summary of bonds payable as of December 31, 2022 was as follows:

Interest Rate Ranges	Maturity Range	Payment Range of Principal	Total
0.5 - 5.0%	2023 - 2053	$15,270 - $44,095	$ 850,492

Changes in Obligations

The following are changes in noncurrent liabilities of the Authority for the year ended December 31, 2022 (dollars in thousands):

	January 1, 2022	Additions	Reductions	December 31, 2022	Due Within One Year	Due Thereafter
Bonds payable	$ 590,872,020	$ 376,030,000	$ 116,409,592	$ 850,492,428	$ 15,270,000	$ 835,222,428
Premium	29,369,663	8,966,055	4,553,905	33,781,813	-	33,781,813
Note payable	1,545,526	-	74,929	1,470,597	-	1,470,597
Net pension liability	1,435,852	3,891,831	902,227	4,425,456	-	4,425,456
Lease liability	5,161,528	3,306,873	469,224	7,999,177	719,750	7,279,427
Government advances	34,023,536	205,615	2,319,592	31,909,559	461,410	31,448,149
Total long-term obligations	$ 662,408,125	$ 392,400,374	$ 124,729,469	$ 930,079,030	$ 16,451,160	$ 913,627,870

Due to the nature of the net pension liability, which cannot be classified into the amounts due within one year, is included in due thereafter, and as such the related balance is reflected as a long-term obligation above.

The Single Family are subject to optional redemption provisions at various dates at 100 percent of the principal amount, extraordinary optional redemption at par from unexpended or uncommitted funds, prepayments of mortgage loans and proportionate amounts in certain related accounts or excess revenues. The Authority redeemed $116,409,592 of bonds in 2022 from mortgage loan payments and prepayments. The bond redemptions resulted in write-offs of unamortized premium related to the redeemed bonds.

Conduit Debt Obligations

The Authority is authorized by law to issue conduit revenue bonds for the purpose of financing residential housing for persons and families of low and moderate income. Except as described below, the Authority's revenue bonds are payable solely from revenues of the Authority specifically pledged thereto. The bonds are not, in any respect, a general obligation of the Authority, nor are they payable in any manner from revenues raised by the Authority.

The Authority has issued debt obligations on behalf of developers and certain 501(c) (3) organizations (the Debtors) for the purpose of acquiring and rehabilitating facilities for housing persons of low and moderate income. These bonds and the interest thereof do not constitute a debt or liability of the Authority, but are special obligations between investors and the debtors payable solely from the payments received by the trustee under the loan agreements and meet the definition of conduit debt in GASB Statement No. 91, *Conduit Debt Obligations*. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In addition, the Authority has not made any commitments associated with the bonds. At December 31, 2022, the Authority had outstanding conduit debt of $347,158,137.

Note 7: Interest Rate Swap Agreements - Hedging Derivative Instruments

The Authority entered a swap arrangement with Bank of New York Mellon in 2018. The objective of the swap agreement(s) is to create, with respect to the 2017 Series B-3 Bonds in an amount totaling $17,250,000 and the 2017 Series C-3 Bonds in an amount totaling $15,525,000, an approximately fixed rate net obligation. Payments made to the Counterparty by the Authority under this swap agreement are made semi-annually, based on a notional principal amount and a fixed interest rate of 2.420% for 2017 Series B-3 and 2.495% for 2017 Series C-3. Payments received by the Authority from the Counterparty under the swap agreement bear interest at a variable rate calculated by reference to the 3 Month LIBOR Swap Index.

Objective of the Swap: The Authority entered the pay-fixed, receive-variable interest rate swap agreements as a strategy to maintain acceptable levels of exposure to the risk of future changes in the interest rate related to the existing variable rate debt. The primary intention of the swap agreements is to effectively convert the Authority's variable interest rates on its long-term debt to synthetic fixed rates.

Terms, Fair Value and Credit Risk: The terms, including, the fair value and credit rating of the outstanding swaps as of December 31, 2022, are as follows:

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating S&P/Moody's/Fitch
2017 Series B-3	$ 17,250,000	1/1/2018	2.420%	70% 3 M LIBOR	$ 1,441,664	7/1/2047	AA-/Aa2/AA
2017 Series C-3	15,525,000	7/1/2018	2.495%	70% 3 M LIBOR	1,128,338	7/1/2047	AA-/Aa2/AA
				Total	$ 2,570,002		

The Authority's swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions of the associated bonds.

Fair Value: The fair values of the swap agreements are based upon a third party's discounted cash flow methodology pursuant to the guidance set forth in GASB No. 72, *Fair Value Measurement and Application*. These discounted cash flows consider the net present value of the future scheduled payments from each leg of the swap. For the floating leg of the swap, future coupon rates are estimated based on forward rates derived from the relevant interest rate swap yield curve date (e.g., LIBOR, SIFMA, etc.) as of the valuation date. The present value discounted factors applied to each future scheduled payment is determined by the LIBOR, or Overnight Index Swap, curve data using the zero-coupon method. A credit valuation adjustment is applied, which quantifies the nonperformance risk of both reporting entity as well as the counterparty.

The fair values of the swap agreements are classified as a noncurrent asset on the statement of net position of $2,570,002 as of December 31, 2022. As the swap agreements are effective hedging instruments, the offsetting balance is reflected as a deferred inflow of resources on the Authority's balance sheet at December 31, 2022 of $2,570,002.

Credit Risk: The fair value of each of the swap agreements represents the Authority's credit exposure to the counterparties as of December 31, 2022. Should the counterparties to these transactions fail to perform according to the terms of the swap agreements, the Authority has a maximum possible loss equivalent to the fair value at that date. As of December 31, 2022, the Authority was exposed to credit risk because the swap had a positive fair value. The Authority's exposure to credit risk is in the amount of the derivative instrument's fair value. If the credit ratings fall below the agreed upon threshold, the fair value of the swaps is to be fully collateralized with eligible securities (as defined in the Master Agreement) to be held by a third-party custodian on behalf of the Authority.

Basis Risk: The swap agreements expose the Authority to basis risk should the relationship between LIBOR and the rate set by the Authority's lender change in a manner adverse to the Authority. If an adverse change occurs in the relationship between these rates, the expected cost savings may not be realized.

Termination Risk: The Authority or the Counterparty may terminate the swap agreement if the other party fails to perform under the terms of the contract. If the swap agreement is terminated, the associated floating-rate bonds would no longer carry synthetic interest rates. Also, if at the time of the termination the fair value of the swap agreement is not positive, the Authority would be liable to the Counterparty for a payment equal to the swap agreement's fair value.

Rollover Risk: The Authority is exposed to rollover risk if the swap agreement matures or is terminated prior to the maturity of the associated debt. When the swap agreement terminates, the Authority will not realize the synthetic rate offered by the swap agreement on the underlying debt issue.

Swap Payments and Associated Debt: As of December 31, 2022, debt service requirements of the Authority's hedged outstanding variable rate debt and net swap payments (assuming current interest rates remain the same for their term and bonds are called as the swap amortizes) are as follows:

	Principal	Interest	Net Swap Payments	Total
2023	$ -	$ 1,199,565	$ (288,870)	$ 910,695
2024	-	1,199,565	(288,870)	910,695
2025	-	1,199,565	(288,870)	910,695
2026	-	1,199,565	(288,870)	910,695
2027	-	1,199,565	(288,870)	910,695
2028 - 2032	-	5,997,825	(1,444,351)	4,553,474
2033 - 2037	1,050,000	5,978,610	(1,439,931)	5,588,679
2038 - 2042	14,955,000	4,277,351	(1,036,259)	18,196,092
2043 - 2047	16,770,000	1,580,388	(384,821)	17,965,567
Total	$ 32,775,000	$ 23,831,999	$ (5,749,712)	$ 50,857,287

Note 8: Fair Value Measurements

The Authority has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy as part of the implementation of GASB Statement No. 72. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

Level 2 Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Authority makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Authority for assets and liabilities that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2022.

***Money Market Fund Shares*:** Valued at the published net asset value (NAV), as reported by each fund, of the shares held by the Authority at the reporting date. These funds are deemed to be actively traded.

***US Treasuries*:** Valued using pricing models maximizing the use of observable inputs for similar securities.

***Federal Agency Obligations*:** Valued using pricing models maximizing the use of observable inputs for similar securities.

***Interest Rate Swaps*:** Valued by a third-party using models which include assumptions about the USD-SIFMA interest rate at the reporting date. The Authority uses the fair value provided by the third-party without adjustment. See Note 7.

For those assets and liabilities measured at fair value, management determines the fair value measurement policies. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Authority's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of these assets and liabilities could result in a different fair value measurement at the reporting date.

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Authority's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2022:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Money market mutual funds	$ 146,868,930	$ 146,868,930	$ -	$ -
US Treasuries	11,607,583	11,607,583	-	-
Federal agency obligations	964,955,570	-	964,955,570	-
Total investments measured at fair value	$ 1,123,432,083	$ 158,476,513	$ 964,955,570	$ -
Hedging Derivative Instruments				
Interest rate swaps	$ 2,570,002	$ -	$ -	$ 2,570,002

Note 9: Lease Liability

The Authority leases furniture and office space, the terms of which expire in various years through 2032. The furniture lease accrues interest at 6.19%, and the building leases accrue interest at 5.75%.

Future principal and interest requirements to maturity for the lease liability as of December 31, 2022 are:

	Principal	Interest	Total
2023	$ 719,750	$ 439,710	$ 1,159,460
2024	680,404	400,889	1,081,293
2025	735,463	360,329	1,095,792
2026	793,761	316,520	1,110,281
2027	855,502	269,268	1,124,770
2028 - 2032	4,214,297	530,245	4,744,542
	$ 7,999,177	$ 2,316,961	$ 10,316,138

Note 10: Retirement Plan

Plan Description

The Authority contributed to the Public Employees' Retirement Fund (PERF), which is administered by INPRS as a cost-sharing, multiple-employer defined benefit pension plan. PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. The fund provides supplemental retirement benefits to Public Employees' Defined Benefit Account (PERF DB) members and serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice Plan) members.

New employees hired by the State or a participating political subdivision have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid Plan) or the My Choice Plan, which is covered in the Defined Contributions section below. A new hire that is an existing member of PERF Hybrid Plan and was not given the option for My Choice is given the option to elect My Choice Plan or remain in PERF Hybrid Plan. The PERF Hybrid Plan consists of two components: PERF DB, the employer-funded monthly defined-benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined-contribution component.

Effective January 1, 2018, funds previously known as annuity savings accounts (which were reported within defined-benefit funds) were re-categorized as defined contribution funds based on Internal Revenue Private Letter Rulings PLR-193-2016 and PLR-110249-18. PERF Defined Contribution member balances (previously known as annuity savings accounts) reported within PERF DB were transferred to the appropriate defined-contribution fund as of January 1, 2018.

Retirement Benefits - Defined Benefit Pension

A member who has reached age 65 and has at least ten years of creditable service, or eight years for certain elected officials, is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position, or only four quarters for an elected official. All 20 calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member's annual compensation.

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

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was a COLA adjustment of 1.00% on January 1, 2022 and no additional adjustment on January 1, 2023.

The PERF Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is $180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Retirement Benefits - Defined Contribution Pension

The My Choice Plan is a multiple employer defined contribution pension plan that serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members. New employees hired have a one-time election to join either the PERF Hybrid Plan or My Choice Plan, which both include defined-contribution funds.

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined-contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of compensation, and the employer may choose to make these contributions on behalf of the member. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is for members who are full-time employees of the State of Indiana or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at three percent of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account. The Authority does not currently offer My Choice to any of its employees. Members are 100 percent vested in all member contributions and vest in employer contributions in increments of 20% for each full year of service until 100% is reached at 5 years.

Investments are self-directed, members may make changes daily, and investments are reported at fair value. Market risk is assumed by the member, and the member may choose among the following eight investment options with varying degrees of risk and return potential: Stable Value Fund, Large Cap Equity Index Fund, Small/Mid Cap Equity Fund, International Equity Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Target Date Funds, and Money Market Fund.

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

Significant Actuarial Assumptions

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Asset valuation date:	June 30, 2022
Liability valuation date and method:	June 30, 2021 - Member census data as of June 30, 2021 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date.
Actuarial cost method:	Entry age normal - level percent of payroll
Experience study date:	Period of five years ended June 30, 2019
Investment rate of return:	6.25%
Cost of living adjustment:	Members were granted a 1.00% adjustment on January 1, 2022 and no adjustment on January 1, 2023. Thereafter, varies per year as follows: 2024 through 2033 - 0.40%, 2034 through 2038 - 0.50%, and 2039 and on - 0.60%.
Projected salary increases:	2.65% - 8.65%
Inflation:	2.00%

The long-term return expectation for the defined-benefit retirement plan has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted-average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	20.0%	3.6%
Private equity	15.0%	7.7%
Fixed income - ex inflation linked	20.0%	1.4%
Fixed income - inflation linked	15.0%	-0.3%
Commodities	10.0%	0.9%
Real estate	10.0%	3.7%
Absolute return	5.0%	2.1%
Risk parity	20.0%	3.8%
Cash and cash overlay	-15.0%	-1.7%
	100%	

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

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

1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
$ 7,476,217	$ 4,425,456	$ 1,880,901

Investment Valuation and Benefit Payment Policies

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

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

Funding Policy

The State is obligated by statute to make contributions to the PERF Hybrid Plan or the My Choice Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the Plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During the fiscal year ended June 30, 2022, all participating employers were required to contribute 11.2% of covered payroll for members employed by the State.

In October 2018, the funding policy was restated to incorporate changes up to that point, and additional edits were made to clarify current practice. In addition, 2018 SEA 373 introduced a new funding mechanism for postretirement benefit increases and restated the actuarially determined contribution. As a result, the funding policy was updated to be in compliance with the new statute.

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

At December 31, 2022, the Authority reported a liability of $4,425,456 for its proportionate share of the net pension liability. The Authority's proportionate share of the net pension liability was based on the Authority's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2022 measurement date was 0.0014032.

For the year ended December 31, 2022, the Authority recognized pension expense of $887,020, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of $321,166. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 95,429	$ 16,831
Net difference between projected and actual earnings on pension plan investments	546,148	-
Changes in assumptions	599,967	189,336
Changes in proportion and differences between the Authority's contributions and proportionate share contributions	730,850	4,715
Authority's contributions subsequent to the measurement date	572,149	-
Total	$ 2,544,543	$ 210,882

The Authority reported $572,149 as deferred outflows of resources that will be recognized as a reduction of the net pension liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

2023	$ 478,157
2024	627,359
2025	78,278
2026	577,718
Total future minimum payments	$ 1,761,512

Note 11: Commitments and Contingencies

Litigation

The Authority is subject to various claims which arise primarily in the ordinary course of conducting its business. In management's opinion, the ultimate resolution of such matters will not have a material adverse effect on the Authority's financial position or its results of operations.

Investments

The Authority invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statement of net position.

Excess Investment Earnings

In order to preserve the exemption of federal and state income taxation on interest received by the bond holders, each bond issue is subject to certain Internal Revenue Code (IRC) and U.S. Treasury Regulations for arbitrage. Under these regulations, the Authority is required to pay the Federal government any excess earnings as defined by IRC Section 148(f) on all non-purpose investments if such investments were invested at a rate greater than the yield on the bond issue.

Contingency

The Authority has created an expense reserve in the General Fund of $1.5 million to account for the potential liability to repay the US Department of Housing and Urban Development for a housing development that is currently in default of completion. The Authority is optimistic that this development will ultimately be completed. In the event it is completed the expense will be reversed.

Note 12: Subsequent Events

Debt Issuance

On January 26, 2023, the Authority issued $97,645,000 of Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2023 Series A (2023 Series A Bonds). The 2023 Series A Bonds include serial bonds maturing through 2035, and term bonds, which mature in 2038, 2043, 2048, 2049, 2050 and PAC bonds due 2053. The 2023 Series A Bonds bear interest at rates ranging from 3.70% to 5.75%.

On April 12, 2023, the Authority issued $148,755,000 of Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2023 Series B (2023 Series B Bonds). The 2023 Series B Bonds include serial bonds maturing through 2034, and term bonds, which mature in 2038, 2043, 2048, 2053 and PAC bonds due 2054. The 2023 Series B Bonds bear interest at rates ranging from 2.90% to 5.427%.

REQUIRED SUPPLEMENTARY INFORMATION

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Indiana Public Employee's Retirement Fund (PERF)
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Authority's proportion of the net pension liability	0.14032%	0.10912%	0.10234%	0.10232%	0.09831%	0.09670%	0.10992%	0.09270%	0.09168%	0.06410%
Authority's proportionate share of the net pension liability	$ 4,425,456	$ 1,435,852	$ 3,091,072	$ 3,381,471	$ 3,339,635	$ 4,314,313	$ 4,988,658	$ 3,775,580	$ 2,409,291	$ 2,195,476
Authority's covered payroll	$ 8,075,593	$ 6,016,439	$ 5,524,718	$ 5,330,879	$ 5,016,583	$ 4,797,552	$ 5,268,120	$ 4,440,142	$ 4,476,208	$ 3,997,291
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	54.8%	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%	54.9%
Plan fiduciary net position as a percentage of the total pension liability (a)	82.5%	92.5%	81.4%	80.1%	78.9%	72.7%	71.2%	73.3%	81.1%	74.3%

(a) 2013 - 2017 were adjusted to reflect defined benefit activity only due to split of the defined benefit/contribution plan effective January 1, 2018.

* The amounts presented for each fiscal year were determined as of June 30.

Notes to Schedule:

Benefit changes: No changes.

Changes of assumption: No changes.

Changes in actuarial methods: No changes.

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Required Supplementary Information
Schedule of the Authority's Contributions
Indiana Public Employee's Retirement Fund (PERF)
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,101,307	$ 697,724	$ 636,878	$ 632,393	$ 588,395	$ 538,661	$ 528,036	$ 475,408	$ 508,439
Contributions in relation to the contractually required contribution	1,101,307	697,724	636,878	632,393	588,395	538,661	528,036	475,408	508,439
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 9,836,244	$ 6,247,065	$ 5,686,451	$ 5,646,363	$ 5,253,524	$ 4,809,471	$ 4,719,016	$ 4,244,707	$ 4,664,251
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	10.9%

* The amounts presented for each fiscal year were determined as of December 31. Ten years of information is required to be disclosed and will be added as the information becomes available.

Notes to Schedule:

Benefit changes: No changes.

Changes of assumption: No changes.

Changes in actuarial methods: No changes.

SUPPLEMENTARY INFORMATION

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Supplementary Information
Combining Schedule of Net Position
December 31, 2022

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2022 Total
Assets and Deferred Outflows of Resources					
Current Assets					
Cash and cash equivalents					
Unrestricted	$ 34,006,187	$ 33,026,663	$ 43,137,871	$ -	$ 110,170,721
Restricted	1,000,000	296,830,073	60,249,595	60,642	358,140,310
Accrued interest receivable					
Investments	284,002	-	361,804	-	645,806
Investments held against bonds	-	-	2,743,911	84,967	2,828,878
Accounts and loans receivable, net	1,228,346	13,752,775	-	-	14,981,121
Total current assets	36,518,535	343,609,511	106,493,181	145,609	486,766,836
Noncurrent Assets					
Investments					
Unrestricted	95,352,326	-	32,279,997	-	127,632,323
Restricted	-	-	47,338,088	-	47,338,088
Investments held against bonds	-	-	772,134,294	29,458,448	801,592,742
Accounts and loans receivable, net	31,924	105,118,565	39,188,548	-	144,339,037
Derivative instrument - interest rate swap agreements	-	-	2,570,002	-	2,570,002
Capital assets, at cost, less accumulated depreciation	1,053,720	70,143	-	-	1,123,863
Leased assets, less accumulated depreciation	7,313,564	-	-	-	7,313,564
Interfund accounts	13,963,328	(10,342,915)	(3,620,413)	-	-
Total noncurrent assets	117,714,862	94,845,793	889,890,516	29,458,448	1,131,909,619
Total assets	154,233,397	438,455,304	996,383,697	29,604,057	1,618,676,455
Deferred Outflows of Resources					
Pension-related	2,544,543	-	-	-	2,544,543
Deferred refunding costs	-	-	-	907,994	907,994
Total deferred outflows of resources	2,544,543	-	-	907,994	3,452,537
Total assets and deferred outflows of resources	$ 156,777,940	$ 438,455,304	$ 996,383,697	$ 30,512,051	$ 1,622,128,992
Liabilities, Deferred Inflows of Resources and Net Positions					
Current Liabilities					
Bonds payable	$ -	$ -	$ 15,270,000	$ -	$ 15,270,000
Accrued interest payable	-	-	12,550,330	84,967	12,635,297
Unearned revenue	98,000	228,949,349	-	-	229,047,349
Government advances	-	461,410	-	-	461,410
Capital lease liability	719,750	-	-	-	719,750
Accounts payable and other liabilities	10,238,909	8,151,205	158,140	-	18,548,254
Total current liabilities	11,056,659	237,561,964	27,978,470	84,967	276,682,060
Noncurrent Liabilities					
Bonds payable	-	-	805,575,000	29,647,428	835,222,428
Original issue premium	-	-	33,028,779	753,034	33,781,813
Bonds payable, net	-	-	838,603,779	30,400,462	869,004,241
Notes payable	-	1,470,597	-	-	1,470,597
Pension liability	4,425,456	-	-	-	4,425,456
Government advances	-	31,448,149	-	-	31,448,149
Capital lease liability	7,279,427	-	-	-	7,279,427
Total noncurrent liabilities	11,704,883	32,918,746	838,603,779	30,400,462	913,627,870
Total liabilities	22,761,542	270,480,710	866,582,249	30,485,429	1,190,309,930
Deferred Inflows of Resources					
Pension-related	210,882	-	-	-	210,882
Accumulated increase in fair value of derivative	-	-	2,570,002	-	2,570,002
Total deferred inflows of resources	210,882	-	2,570,002	-	2,780,884
Net Position					
Net investment in capital assets	368,107	70,143	-	-	438,250
Restricted	1,000,000	145,220,703	55,072,187	26,622	201,319,512
Unrestricted	132,437,409	22,683,748	72,159,259	-	227,280,416
Total net position	133,805,516	167,974,594	127,231,446	26,622	429,038,178
Total liabilities, deferred inflows of resources and net position	$ 156,777,940	$ 438,455,304	$ 996,383,697	$ 30,512,051	$ 1,622,128,992

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Supplementary Information
Combining Schedule of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2022

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2022 Total
Revenues					
Interest income					
Investments	$ 2,309,047	$ 280,524	$ 4,084,728	$ 1,078	$ 6,675,377
Investments held against bonds	-	-	26,220,725	1,460,032	27,680,757
Loans	-	1,464,184	-	-	1,464,184
Fee income	5,460,377	-	-	-	5,460,377
Program income	1,380,141	730,380,010	-	-	731,760,151
Gain on sale of Next Home investments	2,972,951	-	5,332	-	2,978,283
Net decrease in fair value of investments	(3,261,242)	-	(70,832,266)	(3,919,771)	(78,013,279)
Other income	2,083,963	-	-	-	2,083,963
Total revenues	10,945,237	732,124,718	(40,521,481)	(2,458,661)	700,089,813
Expenses					
Investment expense (down payment assistance)	634,579	-	-	-	634,579
Loss on sale of investments	489,686	-	1,278,332	-	1,768,018
Interest expense	70,412	258,932	20,706,596	1,311,315	22,347,255
Issuance costs	-	-	3,503,855	-	3,503,855
Program expenses	1,535,748	674,923,108	1,179,613	-	677,638,469
General and administrative expenses	5,049,739	42,492,910	1,695,395	6,700	49,244,744
Total expenses	7,780,164	717,674,950	28,363,791	1,318,015	755,136,920
Operating Income	3,165,073	14,449,768	(68,885,272)	(3,776,676)	(55,047,107)
Transfers					
Interfund transfers	378,436	(378,436)	148,917	(148,917)	-
Increase (decrease) in Net Position	3,543,509	14,071,332	(68,736,355)	(3,925,593)	(55,047,107)
Net Position, Beginning of Year	130,262,007	153,903,262	195,967,801	3,952,215	484,085,285
Net Position, End of Year	$ 133,805,516	$ 167,974,594	$ 127,231,446	$ 26,622	$ 429,038,178

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Supplementary Information
Combining Schedule of Cash Flows
Year Ended December 31, 2022

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2022 Total
Cash Flows From Operating Activities					
Receipts for services	$ 10,406,907	$ -	$ -	$ -	$ 10,406,907
Receipts for program revenue	1,432,141	888,264,590	-	-	889,696,731
Principal received on loans receivable	5,884	-	-	-	5,884
Interest received on investments	2,125,800	280,524	3,895,334	1,078	6,302,736
Interest received on investments held against bonds	-	-	20,479,829	1,293,547	21,773,376
Interest received on loans	-	1,464,184	-	-	1,464,184
Payments for program expenses	(1,535,748)	(859,966,533)	(1,179,613)	-	(862,681,894)
Interest paid on bonds and bank loans	(70,412)	(258,932)	(14,867,022)	(1,135,693)	(16,332,059)
Debt issuance costs incurred	-	-	(3,503,855)	-	(3,503,855)
Payments for suppliers and employees	1,229,438	-	(1,986,433)	(6,700)	(763,695)
Interfund activity	(4,922,701)	3,715,495	1,207,206	-	-
Net cash provided by (used in) operating activities	8,671,309	33,499,328	4,045,446	152,232	46,368,315
Cash Flows From Noncapital and Related Financing Activities					
Proceeds from bond issues	-	-	384,996,055	-	384,996,055
Repayments and redemption of bonds and bank loans	-	(74,929)	(109,330,001)	(7,079,592)	(116,484,522)
Transfers	378,436	(378,436)	148,917	(148,917)	-
Net cash provided by (used in) noncapital and related financing activities	378,436	(453,365)	275,814,971	(7,228,509)	268,511,533
Cash Flows From Capital and Related Financing Activities					
Purchases of capital assets	(841,090)	(75,000)	-	-	(916,090)
Payments on capital lease	(469,224)	-	-	-	(469,224)
Net cash provided by (used in) capital and related financing activities	(1,310,314)	(75,000)	-	-	(1,385,314)
Cash Flows From Investing Activities					
Proceeds from sale and maturities of investments	8,059,375	-	41,760,262	-	49,819,637
Principal received on investments held against bonds	-	-	64,028,390	7,079,777	71,108,167
Purchases of investments held against bonds	-	-	(385,147,694)	-	(385,147,694)
Purchase of DPA loans	-	-	(22,412,645)	-	(22,412,645)
Purchase of investments	(63,895,211)	-	(57,252,506)	-	(121,147,717)
Net cash provided by (used in) investing activities	(55,835,836)	-	(359,024,193)	7,079,777	(407,780,252)
Net Increase (Decrease) in Cash and Cash Equivalents	(48,096,405)	32,970,963	(79,163,776)	3,500	(94,285,718)
Cash and Cash Equivalents, January 1	83,102,592	296,885,773	182,551,242	57,142	562,596,749
Cash and Cash Equivalents, December 31	$ 35,006,187	$ 329,856,736	$ 103,387,466	$ 60,642	$ 468,311,031
Cash and Cash Equivalents					
Cash	$ 22,478,811	$ 298,933,016	$ 30,274	$ -	$ 321,442,101
Money market investments	12,527,376	30,923,720	103,357,192	60,642	146,868,930
Total cash and cash equivalents	$ 35,006,187	$ 329,856,736	$ 103,387,466	$ 60,642	$ 468,311,031

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Supplementary Information
Combining Schedule of Cash Flows (Continued)
Year Ended December 31, 2022

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2022 Total
Noncash Transactions from Capital and Related Financing Activities					
Issuance of capital lease obligation	$ 3,306,873	$ -	$ -	$ -	$ 3,306,873
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:					
Change in net position	$ 3,165,073	$ 14,449,768	$ (68,885,272)	$ (3,776,676)	$ (55,047,107)
Adjustment to reconcile change in net position to net cash provided by (used in) operating activities:					
Net decrease in fair value of investments	3,261,242	-	70,832,266	3,919,771	78,013,279
Loss on sale of investments	489,686	-	1,273,000	-	1,762,686
Depreciation	1,128,190	52,411	-	-	1,180,601
Amortization of bond premium/discount	-	-	(4,366,856)	(187,048)	(4,553,904)
Changes in operating assets and liabilities:					
Accounts and loan receivable	(104,500)	109,835,025	-	-	109,730,525
Accrued interest receivable	(183,247)	-	(1,563,434)	20,563	(1,726,118)
Other assets	(4,922,701)	12,690,023	1,207,206	-	8,974,528
Deferred pension costs	(1,191,953)	-	-	-	(1,191,953)
Deferred refunding costs	-	-	-	196,185	196,185
Unearned revenue	52,000	41,189,004	-	-	41,241,004
Accounts payable and other liabilities	5,999,852	(142,602,926)	(291,038)	-	(136,894,112)
Accrued interest payable	-	-	5,839,574	(20,563)	5,819,011
Net pension liability	2,989,604	-	-	-	2,989,604
Deferred pension revenue	(2,011,937)	-	-	-	(2,011,937)
Government advances	-	(2,113,977)	-	-	(2,113,977)
Total adjustments	5,506,236	19,049,560	72,930,718	3,928,908	101,415,422
Net cash provided by (used in) operating activities	$ 8,671,309	$ 33,499,328	$ 4,045,446	$ 152,232	$ 46,368,315

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)

Single Audit Report

December 31, 2022

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
December 31, 2022

Contents

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor / Pass - Through Grantor or Cluster Title	Federal Assistance Listing Number	Pass Through to Subrecipients	Expenditures Paid Directly by the Authority	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE:				
Rural Rental Housing Loans	10.415	$ -	$ 1,434,321	$ 1,434,321
Total U.S. Department of Agriculture		-	1,434,321	1,434,321
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Section 8 Housing Assistance Payments Program *(Section 8 Project-Based Cluster)*	14.195	201,128,911	-	201,128,911
Indiana Office of Rural and Community Affairs *(pass-through entity)*				
Community Development Block Grants (a)	14.228	16,926,463	-	16,926,463
Emergency Solutions Grant	14.231	3,018,018	158,545	3,176,563
COVID-19 - Emergency Solutions Grant	14.231	8,355,587	1,238,763	9,594,350
Total Emergency Solutions grant		11,373,605	1,397,308	12,770,913
Home Investment Partnerships Program	14.239	19,215,188	11,408,447	30,623,635
Housing Opportunities for Persons with AIDS	14.241	1,557,850	20,066	1,577,916
COVID-19 - Housing Opportunities for Persons with AIDS	14.241	23,156	1,414	24,570
Total Housing Opportunities for Persons with AIDS		1,581,006	21,480	1,602,486
Continuum of Care Program	14.267	6,253,626	1,371,568	7,625,194
Housing Trust Fund	14.275	-	2,773,781	2,773,781
Section 811 Supportive Housing for Persons with Disabilities	14.326	-	2,686	2,686
Performance Based Contract Administrator Programs	14.327	-	970,785	970,785
Section 8 Housing Choice Vouchers *(Housing Voucher Cluster)*	14.871	28,548,685	7,498,991	36,047,676
COVID - 19 - Section 8 Housing Choice Vouchers *(Housing Voucher Cluster)*	14.871	493,771	149,154	642,925
Section 8 - Housing Choice Vouchers Mainstream *(Housing Voucher Cluster)*	14.879	274,097	28,151	302,248
Total Housing Choice Voucher		29,316,553	7,676,296	36,992,849
Family Unification Program	14.880	196,057	62,323	258,380
Lead Hazard Reduction Demonstration Grant Program	14.905	163,991	1,228,614	1,392,605
Healthy Homes	14.913	-	11,087	11,087
Total U.S. Department of Housing and Urban Development		286,155,400	26,924,375	313,079,775
U.S. DEPARTMENT OF TREASURY				
COVID-19 - Coronavirus Relief Fund	21.019	-	(6,500)	(6,500)
COVID-19 - Indiana Emergency Rental Assistance	21.023	-	188,448,082	188,448,082
COVID-19 - Homeowners Assistance Program	21.026	-	38,424,974	38,424,974
Total U.S. Department of Treasury		-	226,866,556	226,866,556
U.S. DEPARTMENT OF ENERGY:				
Weatherization Assistance for Low-Income Persons	81.042	6,384,352	460,667	6,845,019
Total U.S. Department of Energy		6,384,352	460,667	6,845,019
U.S. DEPARTMENT OF EDUCATION:				
COVID-19 - Education Stabilization Fund	84.425	-	423,852	423,852
Total U.S. Department of Education		-	423,852	423,852
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Low Income Hom Energy Assistance	93.568	6,727,889	82,914,606	89,642,495
COVID - 19 - Low Income Home Energy Assistance Program	93.568	15,671,366	78,166,607	93,837,973
Total Low Income Home Assistance Program		22,399,255	161,081,213	183,480,468
Community Services Block Grant	93.569	9,963,269	516,015	10,479,284
COVID - 19 - Community Services Block Grant	93.569	4,822,336	436,579	5,258,915
Total Community Services Block Grant		14,785,605	952,594	15,738,199
Assets for Independence Demonstration Program	93.602	-	757,122	757,122
Block Grants for Community Mental Health Services	93.958	-	923	923
Total U.S. Department of Health and Human Services		37,184,860	162,791,852	199,976,712
Total Expenditures of Federal Awards		$ 329,724,612	$ 418,901,623	$ 748,626,235

(a) Pass-through Identifying Numbers: A192-IH-PSH12-001, A192-IH-PSC16-001, A192-IH-PSH18-001, A192-10-PSC-DR2-001, and A192-20-MOU-101.

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Indiana Housing and Community Development Authority (the Authority) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

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 or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

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

Note 4: Federal Loan Programs

The federal loan programs listing subsequently are administered directly by the Authority, and balance and transactions relating to these programs are included in the Authority's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2022, consist of:

Federal Assistance Listing Number	Program Name	Outstanding Balance at December 31, 2022
10.415	Rural Rental Housing Loans	$ 1,373,871
14.228	Community Development Block Grants	13,652,630
14.239	Home Investment Partnerships Program	18,256,929
		$ 33,283,430

During 2022, the Authority granted noncash assistance in the form of loans totaling $205,615 for the Home Investment Partnerships Program.

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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*

Independent Auditor's Report

Board of Directors
Indiana Housing and Community Development Authority
Indianapolis, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Indiana Housing and Community Development Authority (Authority), which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

FORVIS, LLP

Indianapolis, Indiana
April 21, 2023

FORVIS

201 N. Illinois Street, Suite 700 / Indianapolis, IN 46204
P 317.383.4000 / **F** 317.383.4200
forvis.com

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

Independent Auditor's Report

Board of Directors
Indiana Housing and Community Development Authority
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Indiana Housing and Community Development Authority (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 each of the Authority's major federal programs for the year ended December 31, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of Indiana Housing and Community Development Authority, a component unit of the State of Indiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements. We have issued our report thereon dated April 21, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

FORVIS, LLP

Indianapolis, Indiana
April 21, 2023

Indiana Housing and Community Development Authority

(A Component Unit of the State of Indiana)

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP was:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Significant deficiency(ies) identified?	☐ Yes	☒ None Reported
Material weakness(es) identified?	☐ Yes	☒ No

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

3. Internal control over major federal awards programs:

Significant deficiency(ies) identified?	☐ Yes	☒ None Reported
Material weakness(es) identified?	☐ Yes	☒ No

4. Type of auditor's report issued on compliance for major federal award programs:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

5. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

6. Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
14.239	HOME Investment Partnerships Program
21.023	COVID-19 Indiana Emergency Rental Assistance
21.026	COVID-19 Homeowners Assistance Program
93.569	Community Services Block Grant

7. Dollar threshold used to distinguish between Type A and Type B programs was $3,000,000.

8. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

Indiana Housing and Community Development Authority

(A Component Unit of the State of Indiana)

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022

Reference Number	Summary of Finding	Status
	No matters are reportable.	

FORVIS

Report to the Board of Directors

Indiana Housing and Community Development Authority

Results of the 2022 Financial Statement Audit, Including Required Communications

Indianapolis, Indiana

December 31, 2022

forvis.com

Contents

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information: • As of and for the year ended December 31, 2022 • Conducted in accordance with our contract dated January 31, 2023
Our Responsibilities	FORVIS is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to *Reasonable Assurance*	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.

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Matter	Discussion
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • The Board of Directors, Audit Committee, and Management • Others within the Authority

Government Audit Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided reports as of December 31, 2022, on the following as required by GAGAS: • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

Uniform Guidance Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	We also provided reports as of December 31, 2022, on the following as required by U.S. Office of Management and Budget (OMB) Uniform Guidance: • Opinion on compliance for each major federal award program • Report on internal control over compliance • Schedule of Federal Awards

Matter	Discussion
Audit Scope & Inherent Limitations to *Reasonable Assurance*	A compliance audit performed in accordance with OMB Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on a major federal award program occurred.
Agreed-Upon Procedures	We performed certain agreed-upon procedures to assist in determining the accuracy of the electronic submission of certain information into the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC) as of and for the year ended December 31, 2022, in accordance with attestation standards established by the AICPA.

Qualitative Aspects of Significant Accounting Policies & Practices

The following matters are detailed in the following pages and included in our assessment:

Significant Accounting Policies

Significant accounting policies are described in Note 2 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Allowance for uncollectible receivables, including loans
- Fair value of derivative instruments
- Net pension liability

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Note 5 – Capital and Lease Assets
- Note 6 – Bonds Payable
- Note 10 – Lease Liability

Our Judgment About the Quality of the Authority's Accounting Principles

During the course of the audit, we made the following observations regarding the Authority's application of accounting principles:

- No matters are reportable

FORVIS

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

- No matters are reportable

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Uncorrected audit misstatements pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are included as an attachment to this communication.

While these uncorrected misstatements were deemed to be immaterial to the current-year financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)

FORVIS

Other Matters

We also observed other matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist.

However, these other matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures.

We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

Environmental, Social and Governance (ESG)

Environmental, social and governance (ESG) performance has been a hot topic for many organizations. ESG performance, reporting and investment practices are coming under closer scrutiny from regulators, investors, and other watchdog groups. Numerous national associations have recommended ESG best practices. We are happy to help the Authority review your corporate governance awareness through education of ESG topics, including regulatory developments, standard ESG metrics used for reporting performance, and ESG-related risks that could impact the Authority's strategy and objectives.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* - 2023 Effective Date

It has become common for governments to enter into subscription-based contracts to use vendor-provided IT. Subscription-based Information technology arrangements (SBITAs) provide governments with access to vendors' IT software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets. The objective of GASB 96 is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

Under GASB 96, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.

GASB Statement No. 100, *Accounting Changes and Error Corrections* – 2024 Effective Date

GASB Statement No. 100 updates accounting and financial reporting requirements for accounting changes and error corrections to address current diversity in practice by amending GASB Statement No. 62. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. GASB 100 clarifies that a change to or within the financial reporting entity results from: the addition or removal of a fund that results from movement of continuing operations within the primary government, including its blended component units; change in fund presentation as major or nonmajor; generally, the addition or removal of a component unit to or from the financial reporting entity; or a change in the presentation (blended or discretely presented) of a component unit. For each type of accounting change and error correction, GASB 100 addresses accounting and reporting requirements, display, including display in the financial statements, note disclosures, and impact on required supplementary information (RSI) and supplementary information (SI).

The requirements of GASB No. 100 are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

FORV/S

GASB Statement No. 101, *Compensated Absences* – 2024 Effective Date

The primary objective of GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

The requirements of GASB 101 are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

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Attachments

Management Representation Letter

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Schedule of Uncorrected Misstatements

The detail of uncorrected misstatements identified as a result of our engagement are included herein.

FORVIS

Representation of:
Indiana Housing & Community Development Authority (IHCDA)
30 South Meridian Street, Suite 900
Indianapolis, Indiana 46204

Provided to:
FORVIS, LLP
Certified Public Accountants
201 N. Illinois Street, Suite 700
Indianapolis, Indiana 46244

The undersigned ("We") are providing this letter in connection with FORVIS' audit of our financial statements as of and for the year ended December 31, 2022.

We are also providing this letter in connection with:

- Your audit of our compliance with requirements applicable to each of our major federal awards programs as of and for the year ended December 31, 2022.

Our representations are current and effective as of the date of FORVIS' report: April 21, 2023.

Our engagement with FORVIS is based on our contract for services dated: January 31, 2023.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of FORVIS' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility for the design, implementation, and maintenance of:

    a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

b. Internal control to prevent and detect fraud.

3. We have provided you with:

   a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.

   b. Additional information that you have requested from us for the purpose of the audit.

   c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

   d. All minutes of the meetings of the governing body held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.

   e. All significant contracts and grants

4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.

6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.

7. We have identified and disclosed to you any violations or possible violations of laws, regulations, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.

9. We have a process to track the status of audit findings and recommendations.

10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.

11. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

Federal Awards Programs (Uniform Guidance)

12. We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations, or in any other form.

13. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

14. We have reconciled the schedule of expenditures of federal awards (SEFA) to the financial statements.

15. Federal awards-related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the entity's financial statements.

16. We have evaluated all recipient organizations that received federal funding and have correctly identified all subrecipients on the schedule of expenditures of federal awards.

17. We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.

18. We are responsible for complying, and have complied, with the requirements of Uniform Guidance.

19. We are responsible to understand and comply with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the entity has complied with all applicable compliance requirements.

20. We are responsible for the design, implementation, and maintenance of internal controls over compliance that provide reasonable assurance we have administered each of our federal awards programs in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.

21. We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.

22. The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.

23. The costs charged to federal awards are in accordance with applicable cost principles.

24. The reports provided to you related to federal awards programs are true copies of reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system, or pass-through entity in the case of a subrecipient.

25. Amounts claimed or used for matching were determined in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) regarding cost principles.

26. We have monitored any subrecipients to determine that they have expended federal awards in accordance with federal statutes, regulations, and the terms and conditions of the subaward and have met the audit and other requirements of the Uniform Guidance.

27. We have taken appropriate corrective action on a timely basis after receipt of any subrecipient's auditor's report that identified findings and questioned costs pertaining to federal awards programs passed through to the subrecipient by us.

28. We have considered the results of any subrecipient's audits received and made any necessary adjustments to our books and records.

29. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.

30. We have identified to you any previous compliance audits, attestation engagements, and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other monitoring.

31. Except as described in the schedule of findings and questioned costs, we are in agreement with the findings contained therein and our views regarding any disagreements with such findings are consistent, as of the date of this letter, with the description thereof in that schedule.

32. We are responsible for taking corrective action on any audit findings and have developed a corrective action plan that meets the requirements of Uniform Guidance.

33. The summary schedule of prior audit findings correctly states the status of all audit findings of the prior audit's schedule of findings and questioned costs and any uncorrected open findings included in the prior audit's summary schedule of prior audit findings as of the date of this letter.

34. The reporting package does not contain any protected personally identifiable information.

35. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.

Misappropriation, Misstatements, & Fraud

36. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:

    a. Misappropriation of assets.

   b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.

37. We have no knowledge of fraud or suspected fraud affecting the entity involving:

   a. Management or employees who have significant roles in internal control over financial reporting, or

   b. Others when the fraud could have a material effect on the financial statements.

38. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.

39. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, regulators, citizens, suppliers, or others.

40. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

41. We have no knowledge of illegal acts that may materially misstate the financial statements.

Ongoing Operations

42. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity, difficulty obtaining financing or bonding, etc. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts and loans receivable, capital, etc., that could negatively impact the entity’s ability to meet debt covenants or maintain sufficient liquidity.

    We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity’s financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments, and other assets; evaluating assumptions regarding defined benefit pension plan obligations, reviewing allowances for uncollectible amounts; evaluating capital needs and liquidity plans; etc.

Related Parties

43. We have disclosed to you the identity of all of the entity’s related parties and all the related-party relationships of which we are aware.

    In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware. The entity has not entered into any new agreements with a related party or modified terms related to an existing related-party transaction during the year under audit, or as of the date of this letter. Further, we do not have any existing or ongoing agreements with related parties that are still in effect as of the date of this letter.

44. We understand that the term <u>related party</u> refers to:

- Affiliates
- Entities for which investments are accounted for by the equity method
- Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- Principal owners and members of their immediate families
- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term <u>affiliate</u> refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings, & Regulations

45. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

46. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.

47. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.

48. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act* nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

49. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

Nonattest Services

50. You have provided nonattest services, including the following, during the period of this engagement:

    - Preparing a draft of the financial statements and related notes and supplementary information.
    - Preparing a draft of the schedule of expenditures of federal awards.
    - Completing the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse

51. With respect to these services:

    a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.

    c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    d. We have evaluated the adequacy of the services performed and any findings that resulted.

    e. Established and maintained internal controls, including monitoring ongoing activities.

    f. We have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

52. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

53. With regard to supplementary information:

    a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.

    b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.

    c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

e. The supplementary information is for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of each of the individual companies.

f. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.

54. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

Transactions, Records, & Adjustments

55. All transactions have been recorded in the accounting records and are reflected in the financial statements.

56. We have everything we need to keep our books and records.

57. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.

58. We believe the effects of the uncorrected financial statement misstatements and omitted disclosures summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Governmental Accounting & Disclosure Matters

59. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

60. With regard to deposit and investment activities:

    a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.

    b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.

    c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

    d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

61. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

62. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.

63. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

64. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

65. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.

66. The entity has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.

67. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.

68. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis and pension information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

69. With regard to pension:

    a. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.

    b. We have provided you with the entity's most current pension plan instrument for the audit period, including all plan amendments.

    c. The participant data provided to you related to pension plans are true copies of the data submitted or electronically transmitted to the plan's actuary.

    d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

General Government Matters

70. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.

71. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended*, and No. 37, *Basic Financial Statements—and Management's Discussion and*

Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

72. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

73. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

74. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.

Accounting & Disclosure

75. All transactions entered into by the entity are final.

76. Except as reflected in the financial statements, there are no:

    a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.

    b. Material transactions omitted or improperly recorded in the financial records.

    c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    d. Events occurring subsequent to the statement of net position date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.

    e. Agreements to purchase assets previously sold.

    f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.

    g. Guarantees, whether written or oral, under which the entity is contingently liable.

    h. Known or anticipated asset retirement obligations.

77. Except as disclosed in the financial statements, the entity has:

    a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.

    b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

78. We agree with the findings of specialists in evaluating the pension plan and interest rate swap valuation and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

Revenue & Accounts Receivable

79. Adequate provisions and allowances have been accrued for any material losses from:

    a. Uncollectible receivables.

    b. Sales commitments, including those unable to be fulfilled.

    c. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

80. We have identified all accounting estimates that could be material to the financial statements, and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.

81. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, or markets, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

82. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:

    a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.

    b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.

    c. The significant assumptions appropriately reflect market participant assumptions.

    d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GASB.

    e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax-Exempt Bonds

83. Tax-exempt bonds issued have retained their tax-exempt status.

84. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

DocuSigned by:
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Indiana Housing and Community Development Authority

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

Business Type Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	486,766,836		486,766,836	
Non-Current Assets & Deferred Outflows	1,135,362,156		1,135,362,156	
Current Liabilities	(276,682,060)		(276,682,060)	
Non-Current Liabilities & Deferred Inflows	(916,408,754)		(916,408,754)	
Current Ratio	1.76		1.76	
Total Assets & Deferred Outflows	1,622,128,992		1,622,128,992	
Total Liabilities & Deferred Inflows	(1,193,090,814)		(1,193,090,814)	
Total Net Position	(429,038,178)		(429,038,178)	
Revenues	(700,089,813)	1,374,695	(698,715,118)	-0.20%
Expenses	755,136,920	(1,374,695)	753,762,225	-0.18%
Change in Net Position	55,047,107		55,047,107	

Client: Indiana Housing and Community Development Authority
Period Ending: December 31, 2022

Governmental Activities (Government-Wide Statements)
SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	Assets & Deferred Outflows: Current DR (CR)	Assets & Deferred Outflows: Noncurrent DR (CR)	Liabilities & Deferred Inflows: Current DR (CR)	Liabilities & Deferred Inflows: Noncurrent DR (CR)	Revenues DR (CR)	Expenses DR (CR)	Net Position DR (CR)	Net Effect on Following Year: Change in Net Position DR (CR)	Net Effect on Following Year: Net Position DR (CR)
PY - Turnaround impact to record activity related to invoice found in the SURL.		F	0	0	0	0	1,374,695	(1,374,695)	0	0	0
	Program expense							(1,374,695)			
	Program revenue						1,374,695				
Total passed adjustments			0	0	0	0	1,374,695	(1,374,695)	0	0	0

Impact on Change in Net Position	**0**
Impact on Net Position	**0**

April Board Minutes (00045398xD2C80).PDF

Final Audit Report 2023-06-30

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