

**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

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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		<u>-</u>	<u>1,434,321</u>	<u>1,434,321</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Section 8 Housing Assistance Payments Program <i>(Section 8 Project-Based Cluster)</i>	14.195	201,128,911	-	201,128,911
Indiana Office of Rural and Community Affairs <i>(pass-through entity)</i>				
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		<u>11,373,605</u>	<u>1,397,308</u>	<u>12,770,913</u>
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		<u>1,581,006</u>	<u>21,480</u>	<u>1,602,486</u>
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 <i>(Housing Voucher Cluster)</i>	14.871	28,548,685	7,498,991	36,047,676
COVID - 19 - Section 8 Housing Choice Vouchers <i>(Housing Voucher Cluster)</i>	14.871	493,771	149,154	642,925
Section 8 - Housing Choice Vouchers Mainstream <i>(Housing Voucher Cluster)</i>	14.879	274,097	28,151	302,248
Total Housing Choice Voucher		<u>29,316,553</u>	<u>7,676,296</u>	<u>36,992,849</u>
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		<u>286,155,400</u>	<u>26,924,375</u>	<u>313,079,775</u>
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		<u>-</u>	<u>226,866,556</u>	<u>226,866,556</u>
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		<u>6,384,352</u>	<u>460,667</u>	<u>6,845,019</u>
U.S. DEPARTMENT OF EDUCATION:				
COVID-19 - Education Stabilization Fund	84.425	-	423,852	423,852
Total U.S. Department of Education		<u>-</u>	<u>423,852</u>	<u>423,852</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Low Income Home 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		<u>22,399,255</u>	<u>161,081,213</u>	<u>183,480,468</u>
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		<u>14,785,605</u>	<u>952,594</u>	<u>15,738,199</u>
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		<u>37,184,860</u>	<u>162,791,852</u>	<u>199,976,712</u>
Total Expenditures of Federal Awards		<u>\$ 329,724,612</u>	<u>\$ 418,901,623</u>	<u>\$ 748,626,235</u>

(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.

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 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	<u>18,256,929</u>
		<u>\$ 33,283,430</u>

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

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

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

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

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

Indiana Housing and Community Development Authority
(A Component Unit of the State of Indiana)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

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
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No matters are reportable.