

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

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**REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA**

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**TWELVE MONTHS ENDED MARCH 31, 2023**

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

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## Independent Auditor's Report

Board of Directors  
Housing Authority of Pulaski County  
Mounds, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

I have audited the accompanying financial statements of the business type activities of the Housing Authority of Pulaski County (Housing Authority), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority, as of March 31, 2023, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

I conducted my 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*. My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Housing Authority and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

#### ***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.

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

My objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatements 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*, I:

- Exercise professional judgment and maintain professional skepticism through 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 Housing 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 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. I have applied certain limited procedures on 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.


### ***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The financial data schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Further, the financial data schedules shown on pages 39 to 43, the Certification of Actual Modernization Costs on page 31, and other supplemental information as listed in the table of contents are presented for purposes of additional analysis as required by *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, and are 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 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 my opinion, financial data schedules and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated November 30, 2023 on my consideration of the Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my 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 Housing 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 Housing Authority's internal control over reporting and compliance.



Pamela J. Simpson, CPA

Decatur, Illinois  
November 30, 2023

***Pulaski County Housing Authority  
Management's Discussion and Analysis  
For the Year Ended March 31, 2023***

**Introduction**

This Management's Discussion and Analysis (MD&A) of the Pulaski County Housing Authority (Authority) provides an introduction and overview to the financial statements of the Pulaski County Housing Authority for the fiscal year ended March 31, 2023. The Pulaski County Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended March 31, 2023, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Pulaski County Housing Authority. The information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has four individual programs. They include the Low Rent Public Housing Program and the Capital Fund Program, the Rural Development Housing Program, and the Management Program.

The Low Rent Program consists of 134 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.

The Capital Fund Program is also a formula-based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

The Rural Development Housing Program is 20 dwelling units constructed from loans provided by the Department of Agriculture benefiting rural residents classified as elderly or disabled. The apartment complex is subsidized by the Department of Agriculture through Rural Rental Assistance payments provided. Tenants typically pay rent, which is 30 percent of their adjusted gross income. The remaining portion of rent is provided by Rural Development in the form of rental assistance.

The Management Program operates as a business activity program of the Authority. Revenue is generated through management fees paid by other Housing Authorities.

**Overview of the Financial Statements**

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows or resources, liabilities, and deferred inflows of resources with the differences between them being reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Position is comprised of three individual components:

***Pulaski County Housing Authority  
Management's Discussion and Analysis  
For the Year Ended March 31, 2023***

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- Unrestricted component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended March 31, 2023, to determine the net change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended March 31, 2023.

**Financial Highlights**

The Authority's net position increased from \$1,820,398 to \$2,033,445, an increase of \$213,047 or 12%. Total assets increased by \$318,694 or 13%.

Total revenue increased from \$1,183,901 to \$1,784,938, an increase of \$601,037 or 51%.

Total expenses increased by \$186,195, from \$1,318,196 to \$1,504,391 for the current year.

**Housing Authority Activities & Highlights**

The Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the summary of net position for the year ended March 31, 2023, and March 31, 2022.

**Summary Statement of Net Position  
Years Ended March 31, 2023, and 2022**

<u>Category</u>	<u>3/31/2023</u>	<u>3/31/2022</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 793,012	\$ 719,292	\$ 73,720	10%
Fixed Assets (Net of Depreciation)	\$ 2,056,158	\$ 1,811,184	\$ 244,974	14%
Total Assets	\$ 2,849,170	\$ 2,530,476	\$ 318,694	13%
Current Liabilities	\$ 263,093	\$ 146,857	\$ 116,236	79%
Non Current Liabilities	\$ 552,632	\$ 563,221	\$ (10,589)	-2%
Total Liabilities	\$ 815,725	\$ 710,078	\$ 105,647	15%
Unrestricted	\$ 450,517	\$ 498,368	\$ (47,851)	-10%
Restricted	\$ 56,304	\$ 55,418	\$ 886	2%
Net Investment in Capital Assets	\$ 1,526,624	\$ 1,266,612	\$ 260,012	21%
Total Net Position	\$ 2,033,445	\$ 1,820,398	\$ 213,047	12%

***Pulaski County Housing Authority  
Management's Discussion and Analysis  
For the Year Ended March 31, 2023***

**Current Assets**

Current assets increased by \$73,720 or 10%. Accounts receivable - Capital fund and Operating subsidy increased by \$98,311 while cash and investments decreased by \$20,389 during the current year.

**Noncurrent Assets**

The Authority's noncurrent assets increased by \$244,974. See the capital asset section for more details.

**Current Liabilities**

Current liabilities increased by \$116,236. This was due primarily to other current liabilities increasing by \$75,012 and accrued liabilities - other increasing by \$22,981 in the current year.

**Net Position**

The net position of the Authority increased by \$213,047 from the previous fiscal year.

The Authority's unrestricted component of net position changed from \$498,368 to \$450,517, a decrease of \$47,851, or 10% for the current year. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

Low Rent Housing Program	\$ 331,193
Rural Development Housing Program	\$ 16,854
Management Program	<u>\$ 102,470</u>
Total Unrestricted Net Position	<u>\$ 450,517</u>

Restricted net position increased by \$886 due to an increase in value in both the tax & insurance fund and the maintenance reserve fund.



***Pulaski County Housing Authority  
Management's Discussion and Analysis  
For the Year Ended March 31, 2023***

**Summary Statement of Revenues & Expenses and Changes in Net Position  
Years Ended March 31, 2023, and 2022**

<b>Category</b>	<b>3/31/2023</b>	<b>3/31/2022</b>	<b>Change \$</b>	<b>Change %</b>
<b>Program Revenues:</b>				
Tenant Revenue	\$ 453,910	\$ 473,352	\$ (19,442)	-4%
Government Operating Grants	\$ 704,706	\$ 587,447	\$ 117,259	20%
Capital Grants	\$ 372,066	\$ 3,387	\$ 368,679	10885%
Other Revenue	\$ 250,965	\$ 117,466	\$ 133,499	114%
Interest Income	\$ 3,291	\$ 2,249	\$ 1,042	46%
<b>Total Revenue</b>	<b>\$ 1,784,938</b>	<b>\$ 1,183,901</b>	<b>\$ 601,037</b>	<b>51%</b>
<b>Expenses:</b>				
Administration	\$ 324,032	\$ 310,770	\$ 13,262	4%
Tenant Services	\$ 2,565	\$ 3,596	\$ (1,031)	-29%
Utilities	\$ 308,659	\$ 271,177	\$ 37,482	14%
Ordinary Maintenance	\$ 520,969	\$ 398,090	\$ 122,879	31%
Protective Services	\$ 2,784	\$ 420	\$ 2,364	563%
General/Insurance Expense	\$ 122,024	\$ 115,396	\$ 6,628	6%
Nonroutine Maintenance	\$ 16,958	\$ -	\$ 16,958	100%
Depreciation	\$ 204,153	\$ 211,509	\$ (7,356)	-3%
Interest Expense	\$ 2,247	\$ 7,238	\$ (4,991)	-69%
<b>Total Expenses</b>	<b>\$ 1,504,391</b>	<b>\$ 1,318,196</b>	<b>\$ 186,195</b>	<b>14%</b>
<b>Excess (Deficiency) Before Special Item</b>	<b>\$ 280,547</b>	<b>\$ (134,295)</b>	<b>\$ 414,842</b>	<b>-309%</b>
<b>Special Item/Casualty Losses</b>	<b>\$ (67,500)</b>	<b>\$ -</b>	<b>\$ (67,500)</b>	<b>100%</b>
<b>Change in Net Position</b>	<b>\$ 213,047</b>	<b>\$ (134,295)</b>	<b>\$ 347,342</b>	<b>-259%</b>
<b>Net Position, Beginning of Year</b>	<b>\$ 1,820,398</b>	<b>\$ 1,954,693</b>	<b>\$ (134,295)</b>	<b>-7%</b>
<b>Net Position, End of Year</b>	<b>\$ 2,033,445</b>	<b>\$ 1,820,398</b>	<b>\$ 213,047</b>	<b>12%</b>

### **Results of Operations**

Revenues of the Authority are generated principally by Federal and State funding grant income. The Authority's revenue increased by \$601,037 compared to the previous fiscal year. Significant variances are detailed as follows:

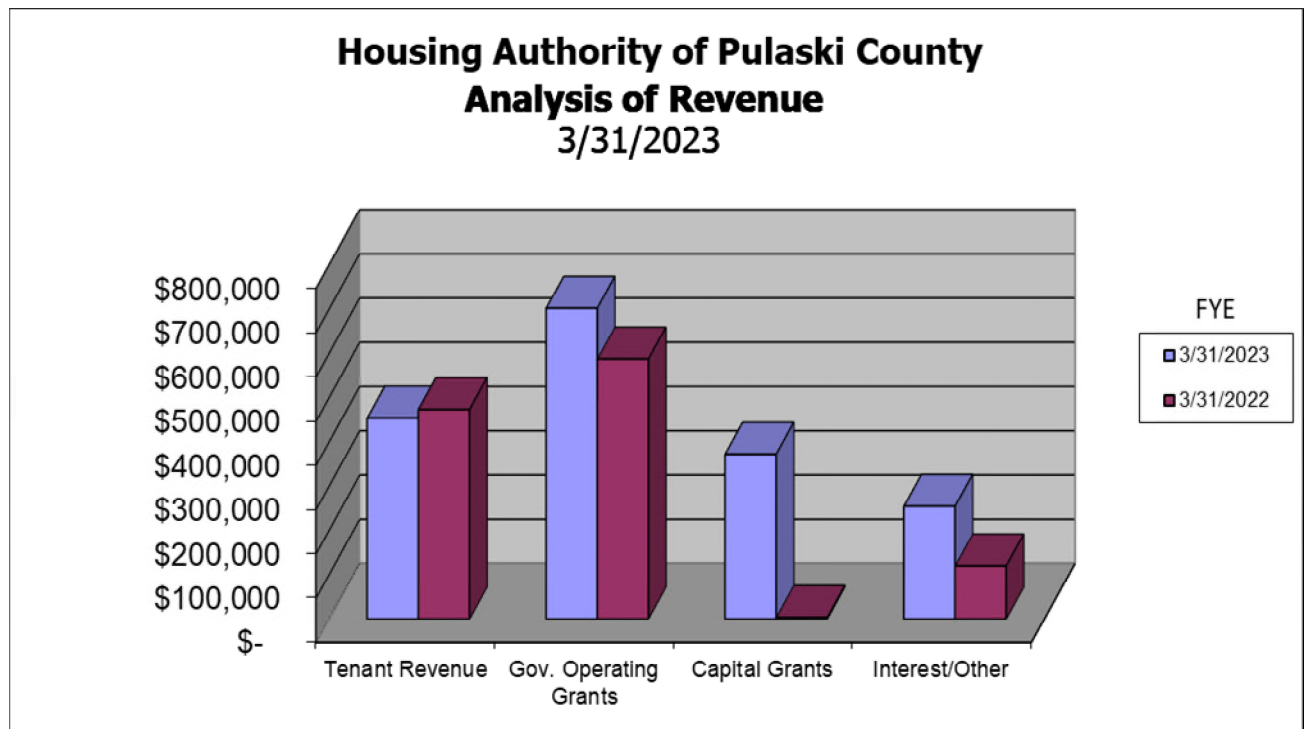
- Government operating grants increased by \$117,259 in the current year. Low Rent operating grants increased by \$116,656 while Rural Development increased by \$603.
- Capital Grants increased \$368,679 in the current year due to an increase in capital activity in the Capital Fund Program.
- Other revenue increased by \$133,499 in the current year.

***Pulaski County Housing Authority  
Management's Discussion and Analysis  
For the Year Ended March 31, 2023***

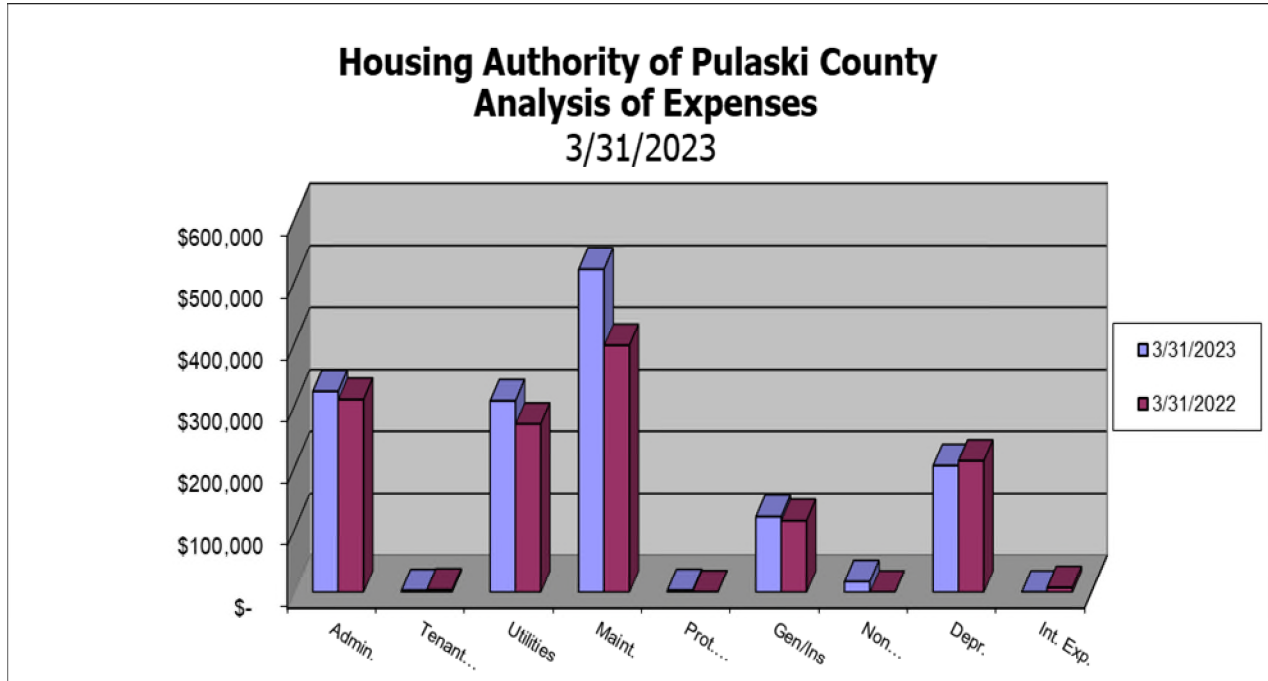
Total expenses increased by \$186,195 from the previous fiscal year. Significant differences between the years include the following:

- Utilities expense increased by \$37,482. This is primarily due to an increase in water in the amount of \$6,614 and electric in the amount of \$27,232.
- Ordinary maintenance increased by \$122,879 in the current year. This is primarily due to an increase in maintenance contracts in the amount of \$125,607. By contrast, maintenance labor and benefits decreased by \$7,266.

The following presentations have been provided to demonstrate the revenues and expenses by summarized account category:



***Pulaski County Housing Authority  
Management's Discussion and Analysis  
For the Year Ended March 31, 2023***



### **Capital Assets**

As of March 31, 2023, the Authority's net investment in capital assets was \$1,526,624. This investment includes land, buildings, and equipment, net of accumulated depreciation and corresponding debt related to the Rural Development Program.

<b>Category</b>	<b>3/31/2023</b>	<b>3/31/2022</b>	<b>Change \$</b>	<b>Change %</b>
Land	\$ 451,274	\$ 451,274	\$ -	0%
Buildings	\$ 10,711,889	\$ 10,684,643	\$ 27,246	0%
Equipment	\$ 288,067	\$ 236,427	\$ 51,640	22%
Construction in Progress	\$ 370,240	\$ -	\$ 370,240	100%
Accumulated Depreciation	\$ (9,765,312)	\$ (9,561,160)	\$ (204,152)	2%
<b>Total Net Fixed Assets</b>	<b>\$ 2,056,158</b>	<b>\$ 1,811,184</b>	<b>\$ 244,974</b>	<b>14%</b>

Additional information regarding capital assets can be found in "Notes to Financial Statements". Additions to buildings consist of boiler improvements, landscaping, and entry signs funded by the 2020 CFP grant and the management program.

Additions to equipment consists of new computers and fiber optic upgrades funded by 2020 CFP grant and the management program.

Construction in Progress consists of unit remodels funded by the 2019, 2020, and 2021 CFP grant.

***Pulaski County Housing Authority  
Management's Discussion and Analysis  
For the Year Ended March 31, 2023***

**Debt Administration**

At March 31, 2023, the Housing Authority had \$529,534 in loans outstanding versus \$544,572 last year. Of the \$529,534 payable, \$16,576 was current and \$512,958 was classified as long term. During the fiscal year, the Housing Authority did not incur any additional debt. The agency also recorded \$28,953 as non-current compensated absences in the current year.

**Subsequent Event**

As of the time of this analysis, HUD has finalized the funding levels for the 2023 calendar year. The operating subsidy for the Low Rent Housing Program was prorated at 95%.

The Housing Authority has no lawsuits or grievances against it. We plan to continue to modernize our housing stock by upgrading appliances and making the units more energy efficient. We will do this using our Capital Fund Grants. Our units are old and in need of lots of repair. This will be done as funding allows. In 2022, we were hit hard with plumbing issues. Unexpected repairs were made through the budget. Plumbing repairs will continue to be a concern and will be added in the Annual Capital Fund each year. We were recently awarded the 2023 Emergency Safety and Security Grant. This grant will allow us to upgrade our security camera system throughout the authority and to purchase 10-year battery life carbon monoxide/smoke detectors throughout each our units. The Housing Authority has lost two full-time positions. However, with the two employees leaving, this has allowed the authority to recover financially in our Operating Budget.

**Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Pulaski County Housing Authority  
Joann Pink, Executive Director  
PO Box 246  
Mounds, IL 62964

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS  
AS OF MARCH 31, 2023**

**ASSETS**

Cash - operating	\$ 206,257
Cash - restricted	78,949
Receivable (net)	101,336
Accrued interest receivable	311
Investments - operating	375,832
Inventory (net)	15,238
Prepaid expenses	<u>15,089</u>
Total Current Assets	<u>\$ 793,012</u>

Capital assets:

Land and construction in progress	\$ 821,514
Other capital assets, net of depreciation	<u>1,234,884</u>

Total Capital Assets \$ 2,056,158

Total Net Assets \$ 2,849,170

**DEFERRED OUTFLOWS OF RESOURCES** \$ 0

**TOTAL** \$ 2,849,170

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 97,649
Other liabilities	138,322
Notes payable	16,576
Unearned revenue	<u>10,546</u>

Total Current Liabilities \$ 263,093

Noncurrent liabilities:

Notes payable	\$ 512,958
Compensated absences	<u>39,674</u>

Total Noncurrent Liabilities \$ 552,632

Total Liabilities \$ 815,725

**DEFERRED INFLOWS OF RESOURCES** \$ 0

**NET POSITION**

Net investment in capital assets	\$ 1,526,624
Restricted	56,304
Unrestricted	<u>450,317</u>

Total Net Position \$ 2,033,445

**TOTAL** \$ 2,849,170

The notes to financial statements are an integral part of this statement.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
TWELVE MONTHS ENDED MARCH 31, 2023**

Operating Income

Tenant rental revenue	\$ 445,935
Tenant revenue - other	<u>7,975</u>
Total Rental Income	\$ 453,910
HUD grants - operating	667,161
Other government grants	37,545
Other revenue	<u>250,965</u>
Total Operating Income	\$ <u>1,409,581</u>

Operating Expenses

Administration	\$ 324,032
Tenant services	2,565
Utilities	308,659
Ordinary maintenance and operation	520,969
Protective services	2,784
General expense	122,024
Extraordinary maintenance	16,958
Depreciation	<u>204,153</u>
Total Operating Expenses	\$ <u>1,502,144</u>
Net Operating Income (Loss)	\$ <u>-92,563</u>

Nonoperating Income (Expense)

Interest income	\$ 3,291
Interest expense	-2,247
Casualty loss	<u>-67,500</u>
Total Nonoperating Income (Expense)	\$ <u>-66,456</u>

Capital Contributions

Changes in net position	\$ 213,047
Net position, beginning of year	<u>1,820,668</u>
Net position, end of year	\$ <u><u>2,033,715</u></u>

The notes to financial statements are an integral part of this statement.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED MARCH 31, 2023**

Operating Activities

Operating grants	\$ 681,040
Tenant rental revenue	457,439
Other revenue	251,331
Payments to employees	-345,111
Payments to suppliers and contractors	<u>-906,407</u>

Net Cash Provided (Used) by Operating Activities \$ 138,292

Investing Activities

Investments (purchased) redeemed	\$ 102,400
Investment income	<u>3,165</u>

Net Cash Provided (Used) by Investing Activities \$ 105,565

Capital and Related Financing Activities

Capital fund grants	\$ 372,066
(Additions) deletions to fixed assets	-449,127
Casualty loss	-67,500
Interest expense	-2,247
Retirement of debt	<u>-15,038</u>

Net Cash Provided (Used) by  
Capital and Related Financing Activities \$ -161,846

Net Change in Cash \$ 82,011

Cash Balance at March 31, 2022 203,195

Cash Balance at March 31, 2023 285,206

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED MARCH 31, 2023**

Reconciliation of Operating Income (Loss) to Net Cash  
Provided (Used) by Operating Activities

Net operating income (loss)	\$ -92,563
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	204,153
(Increase) decrease in accounts receivable	-89,864
(Increase) decrease in prepaid expenses	-2,101
(Increase) decrease in inventories	-2,018
Increase (decrease) in accounts payable	45,383
Increase (decrease) in other liabilities	72,597
Increase (decrease) in unearned revenues	<u>2,705</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 138,292</u>



**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

The Housing Authority of Pulaski County was established by Pulaski County pursuant to the laws of the State of Illinois, to transact business and to have powers as defined therein. The Housing Authority was established to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other applicable Federal Agencies.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) had direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into a contract with the Authority for the purpose of assisting in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the program for the purpose of maintaining its low-rent character.

In evaluating the Authority as a reporting entity, management has addressed its relationship with the Housing Authority of Pulaski County and concluded that the County does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the County, is responsible for the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the County government. Debt incurred by the Authority is not an obligation of the County; the County does not review or approve the Authority's budget, is not entitled to any surplus funds generated by the Authority's operations and is not responsible for any deficits incurred by the Authority.

The Authority is governed by a Board of Commissioners appointed by the office of the County Board, and has governance responsibilities over all activities related to all housing activities within the County, the Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the County, i.e. they can only be removed for cause. The Authority's Board elects its own chairperson.

Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Housing Authority of Pulaski County is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

(b) Method of Accounting -

The financial statements of the Housing Authority have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities. The Housing Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(c) Financial Statement Presentation

In financial statement preparation, the Housing Authority of Pulaski County distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, maintenance, insurance, depreciation, utilities, housing assistance payments and other general expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

(d) Funds -

Each of the programs of the Housing Authority are organized on a basis of fund accounting, using a separate set of self balancing accounts as prescribed by HUD. The programs of the Housing Authority are:

- \* Public and Indian Housing
- \* Public Housing Capital Funds
- \* Rural Rental Housing Loans
- \* Rural Rental Assistance Payments
- \* Business Activities

*Proprietary Fund Types:*

Proprietary funds use the economic resources measurement focus and utilize the accrual basis of accounting. All assets and liabilities associated with a proprietary fund's activities are included on the fund statement. Proprietary fund equity is segregated into Net Investment in Capital Assets, Restricted and Unrestricted.

(e) Cash and Cash Equivalents -

For purposes of the statement of cash flows, the policy of the Housing Authority is to consider all highly liquid investments to be cash equivalents. The term "highly liquid" refers to investments with a maturity of one (1) month or less when purchased to be cash equivalents.

(f) Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of net position in the REAC Financial Data Schedule and have been eliminated in the basic financial statements.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(g) The tenants accounts receivable discloses the gross amount due from the tenants at March 31, 2023, and does not take into consideration prepaid amounts. The Housing Authority provides for an allowance for doubtful accounts, based on the estimated collections of current accounts receivables. The Housing Authority periodically writes off uncollectible accounts receivable to the allowance account based on a review of the current status of existing receivables and the determination that the receivable will not be collected.

(h) Inventories and Materials -

Inventories and materials are stated at cost which approximates market determined on a first-in, first-out basis.

(i) Investments -

Investments are stated at cost which approximates market.

(j) Capital Assets -

For the purpose of determining, distinguishing and recording materials and non-expendable equipment and personal property purchased or acquired in connection with development, management, and maintenance of public housing developments owned or operated, the Housing Authority follows the following capitalization policy:

If the initial cost of a piece of equipment and/or other personal property is one thousand dollars (\$1,000) or more and the anticipated life or useful life of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.

Land, buildings and equipment contains the following:

- 1) The total development construction costs incurred for each project at the end of the initial operating period,
- 2) nonexpendable equipment, and
- 3) property betterments and additions
- 4) land acquisitions.

These are recorded at cost. Depreciation of property and equipment is provided using the straight line method for financial reporting purposes at rates based on the following estimates:

Buildings	10-40	years
Equipment	3-20	years

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(k) Net Position -

GASB Statement 63 requires the classification of net position into three components as defined below:

- 1) Net investment in capital assets - capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt and deferred inflows of resources related to the acquisition, construction or improvement of those assets.
- 2) Restricted - restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- 3) Unrestricted - amounts not required to be reported in the other components of net position.

(l) Income Tax -

The Authority, organized under Illinois state law as a municipal corporation subsidized by the Federal government, is exempt from Federal and State income taxes.

(m) Annual Contributions/Subsidies and Other Grants

Annual contributions and subsidies received from the Department of HUD are recorded as grant revenues.

Other grants (such as CFP grants) are recognized when program expenditures are incurred. Such revenue is subject to review by the Department of Housing and Urban Development and may result in disallowance in subsequent periods.

- (n) The Housing Authority adopts a budget annually. The budget is submitted to the Board of Commissioners for approval. The original budget was adopted by the Board of Commissioners on March 20, 2022. The Rural Development budget is approved by the U.S. Department of Agriculture - Rural Development. The final budget amendment was adopted on March 20, 2023.
- (o) The preparation of financial statements in conformity with generally accepted accounting principles require the Housing Authority to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (p) Leasing activities (as lessor) - the Authority is the lessor of dwelling units mainly to low income and/or elderly and disabled residents. The rents under the lease are determined generally by the resident's income as adjusted by eligible deductions regulated by HUD, although the resident may elect for a flat rent option. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

- (q) Rental income is recognized as rents become due.
- (r) At any time during the year and at year end, there are capital fund projects in process. These projects include modernizing rental units. The projects are funded by HUD and funds are requested periodically as costs are incurred.

Note 2 - Cash and Investments

Statutes authorize the Housing Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities.

All cash and investments are entirely insured or collateralized. The Department of Housing and Urban Development requires financial institutions to secure the PHA's deposits by pledging government securities as collateral. The Housing Authority may waive the collateral requirements that are fully insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) or other equivalent insurance coverage.

*Custodial Credit Risk*

- a. Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned or that the Authority will not be able to recover collateral securities in the possession of an outside party.
- b. Investments - Custodial credit risk is the risk that in the event of the failure of the depository, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

*Credit Risk Investments, Concentration of Credit Risk and Interest Rate Risks - Investments*

*Credit Risk* is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Housing Authority has no investment policy that limits its investment choices other than the limitation of state law and/or the Department of Housing and Urban Development regulations.

*Concentrations of Credit Risk* is the risk of loss attributed to the amount of the investment in a single issuer. The Authority does not have a formal investment policy covering the concentration of credit risk.

*Investment Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The Housing Authority has no formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

- Category 1 - Deposits which are insured or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority’s name.
- Category 2 - Deposits which are collateralized with securities held by the pledging financial institution’s trust department or agent in the Housing Authority’s name.
- Category 3 - Deposits which are not collateralized or insured.

Based on the three levels of risk, all of the Housing Authority’s funds are classified as Category 1.

<u>Program</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Public and Indian Housing	\$ 435,177	\$ 454,897
Rural Rental Housing	83,852	83,852
Business Activities	<u>142,009</u>	<u>142,034</u>
Total	<u>\$ 661,038</u>	<u>\$ 680,783</u>

Note 3 - Compensated Absences

Regular full-time employees accrue paid vacation daily based on anniversary years of continuous service on the following basis:

- Between the first (1st) day of employment and the fifth (5th) anniversary - 10 days.
- Between the fifth (5th) anniversary and the tenth (10th) anniversary - 15 days
- Between tenth (10th) anniversary and the fifteenth (15th) anniversary - 20 days
- Each year after the fifteenth (15th) anniversary - 24 days.

Vacation is paid at the employee’s regular rate of pay at the time the vacation is taken in accordance with the Authority’s regular payroll policy.

Regular full-time and part-time employees shall accrue sick leave with pay at the rate of one day per month after six months employment. A maximum of 12 days a year with an accumulation of not more than 120 days will be allowed. For unused sick leave, payment shall be made at the rate of 50% of employee’s salary at the time of separation.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 4 - Defined Contribution Plan

The Housing Authority contributes to a government 401a plan and a 457 (b) Non-ERISA plan administered by Empower Retirement LLC on behalf of its employees whom work at least 30 hours per week for three months out of each calendar year. Employees are eligible to participate in the plans after six months of service. Participation begins the first day of the month after which an employee meets the participation requirements.

The Housing Authority contributes 8% of each employee's basic compensation. The plan provides immediate 50% vesting of benefits with 10% increments per year through the fifth year of service. The contract is funded by a Flexible Investment Annuity Group Contract. Plan amendments can only be adopted by the Board of Commissioners. In fiscal year 2023 the Housing Authority contributed \$26,127. Total annual related payroll expense was \$345,111.

Note 5 - Post-Employment Benefits

The Housing Authority does not provide post employment retirement benefits. As a result there are no disclosures included in these statements as required by GASB 45.

Note 6 - Restricted Assets

Cash, cash equivalents and investments have been restricted as follows:

	<u>Cash</u>
Tenant security deposits	\$ 22,645
Reserve funds - per mortgage covenant	<u>56,304</u>
Total	<u><u>\$ 78,949</u></u>

Note 7 - Accounts Receivable

Accounts receivable consists of the following accounts:

Accounts receivable - HUD	\$ 98,311
Accounts receivable - tenants	4,027
Allowance for doubtful accounts - tenants	<u>-1,002</u>
Total	<u><u>\$ 101,336</u></u>

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 8 - Investments

At March 31, 2023 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	0.20 - 5.10%	\$ <u>375,832</u>	\$ <u>375,832</u>

Note 9 - Prepaid Expenses

This classification includes the following accounts:

Prepaid insurance	\$ <u>15,089</u>
-------------------	------------------

Note 10 - Capital Assets

Balance as of March 31, 2023	\$ 2,056,158
Balance as of March 31, 2022	<u>1,811,185</u>
Net Increase (Decrease)	\$ <u>244,973</u>

Reconciliation

Capital Fund construction in progress	\$ 370,240
Betterments and additions	27,246
Replacement of furniture and equipment	51,640
Depreciation expense	<u>-204,153*</u>
Net Increase (Decrease)	\$ <u>244,973</u>

Analysis

	04/01/2022				03/31/2023	
	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance</u>	
Nondepreciable:						
Land	\$ 451,274	\$ 0	\$ 0	\$ 0	\$ 451,274	
Construction in progress	<u>0</u>	<u>370,240</u>	<u>0</u>	<u>0</u>	<u>370,240</u>	
Total Nondepreciable	451,274	370,240	0	0	821,514	
Depreciable:						
Buildings and Improvements	10,684,643	27,246	0	0	10,711,889	
Equipment and Furniture	<u>236,427</u>	<u>51,640</u>	<u>0</u>	<u>0</u>	<u>288,067</u>	
Total Depreciable	<u>10,921,070</u>	<u>78,886</u>	<u>0</u>	<u>0</u>	<u>10,999,956</u>	
Total Capital Assets	11,372,344	449,126	0	0	11,821,470	
Less Accumulated Depreciation	<u>-9,561,159</u>	<u>0</u>	<u>204,153</u>	<u>*</u>	<u>0</u>	<u>-9,765,312</u>
Capital Assets, Net	<u>\$ 1,811,185</u>	<u>\$ 449,126</u>	<u>\$ 204,153</u>	<u>\$</u>	<u>\$ 2,056,158</u>	

\*Current year depreciation expense recognized.



**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 11 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 75,004
Tenants security deposits	<u>22,645</u>
Total	<u>\$ 97,649</u>

Note 12 - Notes Payable

Rural Development

The Rural Rental Housing Projects have been financed with loans from the U.S. Department of Agriculture, Farmers Home Administration. The details about the loan transactions are detailed below:

	<u>Rural Development</u>		
	<u>Grand Chain</u>	<u>Pulaski</u>	<u>Olmsted</u>
	<u>04-2</u>	<u>05-4</u>	<u>06-6</u>
Date of loans	05/20/88	05/20/88	5/1/87, 6/16/88
Rate	9.00%	9.00%	11.88%, 9.00%
Loan balance at origin	\$ 142,868	\$ 213,416	\$ 331,068
Monthly Payment plus subsidy	\$ 1,084.81	\$ 1,620.49	\$ 4,875.47

Five year debt requirements are estimated at:

<u>Years</u>	<u>Principal</u>
2024	\$ 16,576
2025	18,275
2026	20,151
2027	22,224
2028	24,514
2029-2033	166,302
2034-2038	254,546
2039-2042	6,946

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 13 - Loan Covenants

Rural Development loan covenants require that a percentage of the loan payments be accumulated in a separate reserve account until a threshold amount is attained. Funds may be removed from reserves for major repairs and improvements with Rural Development approvals. If reserves drop below threshold amounts, the operating fund must again start funding the reserves. The requirements and thresholds are shown below:

	<u>Annual Contribution Requirement</u>	<u>Threshold Amount</u>
Cedar Villa I	\$ 1,930.00	\$ 19,300.00
Cedar Villa II	1,379.00	13,784.00
Pulaski	2,131.00	21,300.00
Grand Chain	1,427.00	14,263.00

Note 14 - Other Liabilities

Other liabilities consists of the following:

Current Portion

Accrued wages and taxes	\$ 6,100
Compensated absences	17,977
Interest payable	151
Payment in lieu of taxes	14,365
Utilities payable	24,717
CFP contract payable	<u>75,012</u>
Total Current Portion	<u>\$ 138,322</u>

Noncurrent Portion

Compensated absence	<u>\$ 39,674</u>
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Note 15 - Summary of Long Term Liabilities

A summary of long term liabilities as of March 31, 2023:

	04/01/2022 Balance	Increase	Decrease	03/31/2023 Balance
Notes payable	\$ 529,535	\$ 0	\$ 16,577	\$ 512,958
Compensated absences	<u>33,686</u>	<u>29,912</u>	<u>23,924</u>	<u>39,674</u>
Total	<u>\$ 563,221</u>	<u>\$ 29,912</u>	<u>\$ 40,501</u>	<u>\$ 552,632</u>

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 16 - Unearned Revenues

This classification consists of the following accounts:

Tenants prepaid rent	\$ <u>10,546</u>
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Note 17 - Capital Contributions

The following capital contributions were received by the Housing Authority during the fiscal year end:

Capital Fund Program - HUD	\$ <u>372,066</u>
----------------------------	-------------------

Note 18 - Allocation of Costs

The PHA allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program. Management considers this to be an equitable method of allocation.

Note 19 - Contingencies

Federal Grants

In the normal course of operations, the Housing Authority receives grant funds from the Department of Housing and Urban Development and the Farmers' Home Administration. The programs are subject to audit by these agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Note 20 - Contracts/Commitments

As of March 31, 2023, the Housing Authority had entered into the following pending capital fund projects in progress:

	<u>Funds Approved</u>	<u>Funds Expended To Date</u>
CFP 501-19	\$ 260,499	\$ 260,499
CFP 501-20	275,195	271,827
CFP 501-21	282,248	190,969
CFP 501-22	<u>349,106</u>	<u>28,602</u>
Total	<u>\$ 1,172,048</u>	<u>\$ 751,897</u>

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 21 - Risk Management

The Housing Authority participates in a public risk pool (AHRMA) for general liability coverage to cover exposure and the risk of losses related to torts, thefts, damages, destruction of assets, errors and omissions, injuries, natural disasters and defalcation.

Settled claims have not exceeded insurance coverage or the risk pool coverage in the current or past three years and there has been no significant reduction in insurance coverage during the fiscal year.

Note 22 - Economic Dependency

The Housing Authority received a significant portion of its revenue (58%) from the U.S. Department of Housing and Urban Development and (2%) from the U.S. Department of Agriculture. These funding amounts are subject to federal government appropriations and potential funding reductions.

Note 23 - Restricted Net Position

Restricted net position is restricted for the following:

Rural Development - Reserve	<u>\$ 56,304</u>
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When both restricted and unrestricted reserves are available for use, the Housing Authority's policy is to use restricted resources to fund restricted costs and then unrestricted resources as they are needed.

## **SUPPLEMENTAL DATA**

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2023**

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Program Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>	<u>Expenditures to Sub-Recipients</u>
<u>U.S. Department of HUD</u>						
Direct Programs:						
Public and Indian Housing	14.850	FYE 03/31/23	\$ 510,824	\$ 510,824	\$ 510,824	\$ 0
Public Housing Capital Fund	14.872	FYE 03/31/23	\$ 1,172,048	\$ 528,403	\$ 528,403	\$ 0
Total Housing Assistance			\$ 1,682,872	\$ 1,039,227	\$ 1,039,227	\$ 0
<u>U.S. Department of Agriculture</u>						
Rural Rental Housing Loans *	10.415	FYE 03/31/23	\$ 2,613	\$ 2,613	\$ 532,147	\$ 0
Rural Rental Assistance Payments *	10.427	FYE 03/31/23	\$ 34,932	\$ 34,932	\$ 34,932	\$ 0
Total U.S. Dept. Of Agriculture			\$ 37,545	\$ 37,545	\$ 567,079	\$ 0
Total Assistance			\$ 1,720,417	\$ 1,076,772	\$ 1,606,306	\$ 0

\*Denotes major program

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS (SEFA)  
TWELVE MONTHS ENDED MARCH 31, 2023**

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of Pulaski County (Authority) and is presented on the accrual basis of accounting.

The schedule summarizes the federal funds expended by the Authority under the programs of the federal government during the year ended March 31, 2023. The schedule of expenditures of federal awards displays the Authority's expenditures charged to federal programs for the year ended March 31, 2023, the cost principals in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has not implemented the 10 % de minimis indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS (SEFA)  
TWELVE MONTHS ENDED MARCH 31, 2023  
(CONTINUED)**

Note 2 – Sources of Funding

The schedule includes all grants and contracts entered into directly between the Authority and agencies and departments of the federal government, as well as federal funds passed-through to the Authority by primary recipients. The Authority provided no part of its direct grant federal dollars to sub-recipients.

The Authority did not receive any non-cash assistance from federal funds and had no federal insurance as of March 31, 2023.

Note 3 - Reconciliation of Federal Expenditures:

Total Federal Expenditures per Schedule of Federal Awards	\$ 1,606,306
Reconciling item: Department of Agriculture, Rural Housing (Note 12)	<u>-529,534</u>
 Total Federal Assistance per Financial Statements	 <u><u>\$ 1,076,772</u></u>
 HUD grants	 \$ 1,039,227
Rural Development	<u>37,545</u>
	 <u><u>\$ 1,076,772</u></u>

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
PHASE IL01P045501-19**

1. The Actual Modernization Costs of Phase **IL01P045501-19** are as follows:

Funds approved	\$ 259,200
Funds expended	<u>259,200</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced Grants	\$ 259,200
Funds expended	<u>259,200</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated November 30, 2023, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.





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

Board of Commissioners  
Housing Authority of Pulaski County  
Mounds, Illinois

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Housing Authority of Pulaski County (Housing Authority), as of and for the year ended March 31, 2023, and the related notes to the financial statements and have issued my report thereon dated November 30, 2023.

***Report on Internal Control over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority's internal control.

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

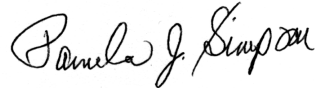
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control, that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing 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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pamela J. Simpson, CPA

Decatur, Illinois  
November 30, 2023



**Independent Auditor's 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**

Board of Commissioners  
Housing Authority of Pulaski County  
Mounds, Illinois

**Report on Compliance for Each Major Program**

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

I have audited the Housing Authority of Pulaski County's (Housing Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended March 31, 2023. The Housing 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 my opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified above for the year ended March 31, 2023.

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

I conducted my 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section in my report.

I am required to be independent of the Housing Authority and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance with each major federal program. My audit does not provide a legal determination of the Housing 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 laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Housing Authority's federal programs.

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

My 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 Housing Authority's compliance based on my 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 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 Housing 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, I

- exercise professional judgment and maintain professional skepticism through 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 including examining, on a test basis, evidence regarding the Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstance.
- obtain an understanding of the Housing 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 Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

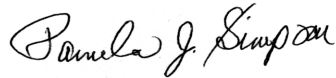
## **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control 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 requirements 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 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 the attention by those charged with governance.

My 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 my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

My 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 my testing of internal control over compliance and the results of my testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Pamela J. Simpson, CPA

Decatur, Illinois  
November 30, 2023

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended March 31, 2022 contained no findings.

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY  
FOR THE YEAR ENDED MARCH 31, 2023**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report:

Unmodified

\* Material weakness(es) identified?                           yes      X   no  
\* Significant deficiency (ies) identified?                       yes      X   none reported

Noncompliance material to financial statements noted?           yes      X   no

*Federal Awards*

Internal control over major programs:

\* Material weakness(es) identified?                           yes      X   no  
\* Significant deficiency (ies) identified?                       yes      X   none reported

Type of auditor's report issued on compliance  
for major programs:

Unmodified

Any audit findings disclosed that are required to be  
reported in accordance with 2CFR 200.516(a)?                       yes      X   no

**Identification of major programs:**

Assistance Listing Number

Name of Federal Program or Cluster

10.415  
10.427

Rural Rental Housing Loans  
Rural Rental Assistance Payments

Dollar threshold used to distinguish between  
type A and type B programs:

  \$ 750,000  

Auditee qualified as low-risk auditee?                      X   yes           no

**HOUSING AUTHORITY OF PULASKI COUNTY  
MOUNDS, ILLINOIS**

**CURRENT FINDINGS AND RECOMMENDATIONS**

**Section II - Financial Statement Findings**

There were no financial statement findings discussed with Joann Pink, Executive Director, during the course of the audit or at an exit conference held November 30, 2023.

**Section III - Federal Award Findings**

There were no federal award findings discussed with Joann Pink, Executive Director, during the course of the audit or at an exit conference held November 30, 2023.



**Housing Authority of Pulaski County (IL045)**  
**MOUNDS, IL**

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$39,150	\$142,009	\$25,098		\$206,257	\$0	\$206,257
112 Cash - Restricted - Modernization and Development	\$0				\$0	\$0	\$0
113 Cash - Other Restricted	\$0		\$56,304		\$56,304	\$0	\$56,304
114 Cash - Tenant Security Deposits	\$20,195		\$2,450		\$22,645	\$0	\$22,645
115 Cash - Restricted for Payment of Current Liabilities	\$0				\$0	\$0	\$0
100 Total Cash	\$59,345	\$142,009	\$83,852	\$0	\$285,206	\$0	\$285,206
121 Accounts Receivable - PHA Projects	\$0				\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$98,311				\$98,311	\$0	\$98,311
124 Accounts Receivable - Other Government	\$0				\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0				\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$4,027				\$4,027	\$0	\$4,027
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,002				-\$1,002	\$0	-\$1,002
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0				\$0	\$0	\$0
128 Fraud Recovery	\$0				\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0				\$0	\$0	\$0
129 Accrued Interest Receivable	\$311				\$311	\$0	\$311
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$101,647	\$0	\$0	\$0	\$101,647	\$0	\$101,647
131 Investments - Unrestricted	\$375,832				\$375,832	\$0	\$375,832
132 Investments - Restricted	\$0				\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0				\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$14,636		\$453		\$15,089	\$0	\$15,089
143 Inventories	\$16,931				\$16,931	\$0	\$16,931
143.1 Allowance for Obsolete Inventories	-\$1,693				-\$1,693	\$0	-\$1,693
144 Inter Program Due From	\$198	\$10,000			\$10,198	-\$10,198	\$0
145 Assets Held for Sale	\$0				\$0	\$0	\$0
150 Total Current Assets	\$566,896	\$152,009	\$84,305	\$0	\$803,210	-\$10,198	\$793,012
161 Land	\$414,373		\$36,901		\$451,274	\$0	\$451,274
162 Buildings	\$9,897,642	\$23,892	\$790,355		\$10,711,889	\$0	\$10,711,889
163 Furniture, Equipment & Machinery - Dwellings	\$0				\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$238,204	\$43,504	\$6,359		\$288,067	\$0	\$288,067
165 Leasehold Improvements	\$0				\$0	\$0	\$0
166 Accumulated Depreciation	-\$9,116,235	-\$2,333	-\$646,744		-\$9,765,312	\$0	-\$9,765,312
167 Construction in Progress	\$360,576	\$9,664			\$370,240	\$0	\$370,240
168 Infrastructure	\$0				\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,794,560	\$74,727	\$186,871	\$0	\$2,056,158	\$0	\$2,056,158
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0				\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0				\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0				\$0	\$0	\$0
174 Other Assets	\$0				\$0	\$0	\$0
176 Investments in Joint Ventures	\$0				\$0	\$0	\$0
180 Total Non-Current Assets	\$1,794,560	\$74,727	\$186,871	\$0	\$2,056,158	\$0	\$2,056,158
200 Deferred Outflow of Resources	\$0				\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$2,361,456	\$226,736	\$271,176	\$0	\$2,859,368	-\$10,198	\$2,849,170

Housing Authority of Pulaski County (IL045)

MOUNDS, IL

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
311 Bank Overdraft	\$0				\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$25,023	\$49,539	\$442		\$75,004	\$0	\$75,004
313 Accounts Payable >90 Days Past Due	\$0				\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$5,665		\$435		\$6,100	\$0	\$6,100
322 Accrued Compensated Absences - Current Portion	\$17,456		\$521		\$17,977	\$0	\$17,977
324 Accrued Contingency Liability	\$0				\$0	\$0	\$0
325 Accrued Interest Payable	\$0		\$151		\$151	\$0	\$151
331 Accounts Payable - HUD PHA Programs	\$0				\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0				\$0	\$0	\$0
333 Accounts Payable - Other Government	\$10,642		\$3,723		\$14,365	\$0	\$14,365
341 Tenant Security Deposits	\$20,195		\$2,450		\$22,645	\$0	\$22,645
342 Unearned Revenue	\$9,875		\$671		\$10,546	\$0	\$10,546
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0		\$16,576		\$16,576	\$0	\$16,576
344 Current Portion of Long-term Debt - Operating Borrowings	\$0				\$0	\$0	\$0
345 Other Current Liabilities	\$75,012				\$75,012	\$0	\$75,012
346 Accrued Liabilities - Other	\$23,482		\$1,235		\$24,717	\$0	\$24,717
347 Inter Program - Due To	\$10,000		\$198		\$10,198	-\$10,198	\$0
348 Loan Liability - Current	\$0				\$0	\$0	\$0
310 Total Current Liabilities	\$197,350	\$49,539	\$26,402	\$0	\$273,291	-\$10,198	\$263,093
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0		\$512,958		\$512,958	\$0	\$512,958
352 Long-term Debt, Net of Current - Operating Borrowings	\$0				\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0				\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$38,353		\$1,321		\$39,674	\$0	\$39,674
355 Loan Liability - Non Current	\$0				\$0	\$0	\$0
356 FASB 5 Liabilities	\$0				\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0				\$0	\$0	\$0
350 Total Non-Current Liabilities	\$38,353	\$0	\$514,279	\$0	\$552,632	\$0	\$552,632
300 Total Liabilities	\$235,703	\$49,539	\$540,681	\$0	\$825,923	-\$10,198	\$815,725
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	\$1,794,560	\$74,727	-\$342,663		\$1,526,624		\$1,526,624
511.4 Restricted Net Position			\$56,304		\$56,304		\$56,304
512.4 Unrestricted Net Position	\$331,193	\$102,470	\$16,854	\$0	\$450,517		\$450,517
513 Total Equity - Net Assets / Position	\$2,125,753	\$177,197	-\$269,505	\$0	\$2,033,445	\$0	\$2,033,445
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,361,456	\$226,736	\$271,176	\$0	\$2,859,368	-\$10,198	\$2,849,170

**Housing Authority of Pulaski County (IL045)  
MOUNDS, IL**

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$401,157		\$44,778		\$445,935	\$0	\$445,935
70400 Tenant Revenue - Other	\$7,578		\$397		\$7,975	\$0	\$7,975
70500 Total Tenant Revenue	\$408,735	\$0	\$45,175	\$0	\$453,910	\$0	\$453,910
70600 HUD PHA Operating Grants	\$667,161				\$667,161	\$0	\$667,161
70610 Capital Grants	\$372,066				\$372,066	\$0	\$372,066
70710 Management Fee					\$0	\$0	\$0
70720 Asset Management Fee					\$0	\$0	\$0
70730 Book Keeping Fee					\$0	\$0	\$0
70740 Front Line Service Fee					\$0	\$0	\$0
70750 Other Fees					\$0	\$0	\$0
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants	\$0		\$2,613	\$34,932	\$37,545	\$0	\$37,545
71100 Investment Income - Unrestricted	\$3,086		\$124		\$3,210	\$0	\$3,210
71200 Mortgage Interest Income	\$0				\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0				\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0				\$0	\$0	\$0
71400 Fraud Recovery	\$0				\$0	\$0	\$0
71500 Other Revenue	\$48,600	\$201,040	\$1,325		\$250,965	\$0	\$250,965
71600 Gain or Loss on Sale of Capital Assets	\$0				\$0	\$0	\$0
72000 Investment Income - Restricted	\$0		\$81		\$81	\$0	\$81
70000 Total Revenue	\$1,499,648	\$201,040	\$49,318	\$34,932	\$1,784,938	\$0	\$1,784,938
91100 Administrative Salaries	\$157,578		\$13,149		\$170,727	\$0	\$170,727
91200 Auditing Fees	\$8,332		\$258		\$8,590	\$0	\$8,590
91300 Management Fee	\$0				\$0	\$0	\$0
91310 Book-keeping Fee	\$0				\$0	\$0	\$0
91400 Advertising and Marketing	\$1,745	\$449	\$29		\$2,223	\$0	\$2,223
91500 Employee Benefit contributions - Administrative	\$59,839		\$4,139		\$63,978	\$0	\$63,978
91600 Office Expenses	\$34,944	\$1,014	\$888		\$36,846	\$0	\$36,846
91700 Legal Expense	\$0				\$0	\$0	\$0
91800 Travel	\$4,060		\$204		\$4,264	\$0	\$4,264
91810 Allocated Overhead	\$0				\$0	\$0	\$0
91900 Other	\$35,260	\$758	\$1,386		\$37,404	\$0	\$37,404
91000 Total Operating - Administrative	\$301,758	\$2,221	\$20,053	\$0	\$324,032	\$0	\$324,032
92000 Asset Management Fee	\$0				\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0				\$0	\$0	\$0
92200 Relocation Costs	\$0				\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0				\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$2,565			\$2,565	\$0	\$2,565
92500 Total Tenant Services	\$0	\$2,565	\$0	\$0	\$2,565	\$0	\$2,565



**Housing Authority of Pulaski County (IL045)  
MOUNDS, IL**

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2023

	Project Total	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$16,958				\$16,958	\$0	\$16,958
97200 Casualty Losses - Non-capitalized	\$67,500				\$67,500	\$0	\$67,500
97300 Housing Assistance Payments	\$0				\$0	\$0	\$0
97350 HAP Portability-In	\$0				\$0	\$0	\$0
97400 Depreciation Expense	\$177,423	\$2,333	\$24,397		\$204,153	\$0	\$204,153
97500 Fraud Losses	\$0				\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense	\$0				\$0	\$0	\$0
90000 Total Expenses	\$1,450,159	\$22,643	\$99,089	\$0	\$1,571,891	\$0	\$1,571,891
10010 Operating Transfer In	\$156,337		\$34,932		\$191,269	-\$191,269	\$0
10020 Operating transfer Out	-\$156,337			-\$34,932	-\$191,269	\$191,269	\$0
10030 Operating Transfers from/to Primary Government	\$0				\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0				\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss	\$0				\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0				\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0				\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0				\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0				\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0				\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$34,932	-\$34,932	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$49,489	\$178,397	-\$14,839	\$0	\$213,047	\$0	\$213,047
11020 Required Annual Debt Principal Payments	\$0	\$0	\$6,865	\$0	\$6,865		\$6,865
11030 Beginning Equity	\$2,076,264	-\$1,200	-\$254,666	\$0	\$1,820,398	\$0	\$1,820,398
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0				\$0	\$0	\$0
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity							
11180 Housing Assistance Payments Equity							
11190 Unit Months Available	1566		240		1806	0	1806
11210 Number of Unit Months Leased	1472		226		1698	0	1698
11270 Excess Cash	\$240,649				\$240,649		\$240,649
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$363,930				\$363,930		\$363,930
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$8,136				\$8,136		\$8,136
11650 Leasehold Improvements Purchases	\$0				\$0		\$0
11660 Infrastructure Purchases	\$0				\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0		\$0



Joann Pink, Executive Director and Board of Commissioners  
Housing Authority of Pulaski County  
130 Richland Terrace, PO Box 246  
Mounds, IL 62964

I have audited the financial statements of the business-type activities (and the aggregate discretely presented component units) of the Housing Authority of Pulaski County for the year ended March 31, 2023. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my engagement letter to you dated November 6, 2023. Professional standards also require that I communicate to you the following information related to my audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Housing Authority of Pulaski County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended March 31, 2023. I noted no transactions entered into by Housing Authority of Pulaski County during the year for which there is a lack of authoritative guidance and consensus. All significant transactions have been recognized in the financial statement in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Housing Authority's financial was:

Management's estimate of the depreciation expense is based on estimated useful lives of capital assets. I evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

I encountered no significant difficulties in dealing with management in performing and completing my audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each program's financial statements taken as a whole.

### *Disagreement with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statement or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

### *Management Representations*

I have requested certain representations from management that are included in the management representation letter dated November 30, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Housing Authority of Pulaski County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there was no such consultation with other accountants.

### *Other Audit Findings or Issues*

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Housing Authority of Pulaski County's auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

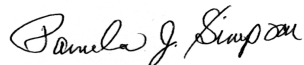
### **Other Matters**

I was engaged to report on the Schedule of Expenditures of Federal Awards, the Capital Fund Cost Certificates and the Financial Data Schedule, which accompany the financial statements but are not RSI. With respect to this supplementary information, I made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriated and complete in relation to my audit of the financial statements. I compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### **Restriction on Use**

This information is intended solely for the information and use of the Board of Commissioners and management of Housing Authority of Pulaski County and is not intended to be, used by anyone other than specified parties.

Very truly yours,



Pamela J. Simpson, CPA