

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

**REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED MARCH 31, 2022

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

TABLE OF CONTENTS

Independent Auditor's Report	1
Management's Discussion and Analysis	3
FINANCIAL STATEMENTS	
Statement of Fund Net Position as of March 31, 2022	10
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds - Twelve Months Ended March 31, 2022	11
Statement of Cash Flows - Twelve Months Ended March 31, 2022	12
Notes to Financial Statements	14
SUPPLEMENTAL DATA	
Schedule of Expenditure of Federal Awards	27
PHA's Statement and Certification of Actual Modernization Cost - Phase IL01P045501-17	29
Phase IL01P045501-18	30
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	31
Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance	33
Status of Prior Audit Findings	35
Schedule of Findings and Questioned Costs - Summary	36
Current Findings, Recommendations and Replies	37
Financial Data Schedule - REAC Electronic Submission	38



Independent Auditor's Report

Board of Directors
Housing Authority of Pulaski County
Mounds, Illinois

I have audited the accompanying financial statements of the business type activities of the Housing Authority of Pulaski County, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of Pulaski County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority of Pulaski County's preparation and fair presentation of the financial statements 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 of Pulaski County's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Housing Authority of Pulaski County, as of March 31, 2022 and the changes in its net position and its cash flows for the year end in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures on the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Pulaski County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Further, the financial data schedules shown on pages 38 to 42, the Certifications of Actual Modernization Costs on page 29 and 30, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the above described supplemental information 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 December 8, 2022 on my consideration of the Housing Authority of Pulaski County'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 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 of Pulaski County's internal control over reporting and compliance.



Certified Public Accountant

Decatur, Illinois
December 8, 2022

***Pulaski County Housing Authority
Management's Discussion and Analysis
For the Year Ended March 31, 2022***

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, 2022. The Pulaski County Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended March 31, 2022, 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 132 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

***Pulaski County Housing Authority
Management's Discussion and Analysis
For the Year Ended March 31, 2022***

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:

- 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, 2022, 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, 2022.

Financial Highlights

The Pulaski County Housing Authority's net position decreased from \$1,954,693 to \$1,820,398, a decrease of \$134,295 or 6%. Total assets decreased by \$155,417 or 6%.

Total revenue decreased from \$1,446,480 to \$1,183,901, a decrease of \$261,374 or 18%.

Total expenses decreased by \$13,808, from \$1,332,004 to \$1,318,196 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, 2022, and March 31, 2021.

***Pulaski County Housing Authority
Management's Discussion and Analysis
For the Year Ended March 31, 2022***

**Summary Statement of Net Position
Years Ended March 31, 2022, and 2021**

	<u>3/31/2022</u>	<u>3/31/2021</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	719,292	700,418	18,874	3%
Capital Assets	<u>1,811,184</u>	<u>1,985,475</u>	<u>(174,291)</u>	<u>-9%</u>
Total Assets	<u>2,530,476</u>	<u>2,685,893</u>	<u>(155,417)</u>	<u>-6%</u>
Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL	<u>2,530,476</u>	<u>2,685,893</u>	<u>(155,417)</u>	<u>-6%</u>
Current Liabilities	146,857	141,344	5,513	4%
Noncurrent Liabilities	<u>563,221</u>	<u>589,856</u>	<u>(26,635)</u>	<u>-5%</u>
Total Liabilities	<u>710,078</u>	<u>731,200</u>	<u>(21,122)</u>	<u>-3%</u>
Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Unrestricted	498,368	468,019	30,349	7%
Restricted	55,418	59,415	(3,997)	-7%
Net Investments in Capital Assets	<u>1,266,612</u>	<u>1,427,259</u>	<u>(160,647)</u>	<u>-11%</u>
Total Net Position	<u>1,820,398</u>	<u>1,954,693</u>	<u>(134,295)</u>	<u>-7%</u>
TOTAL	<u>2,530,476</u>	<u>2,685,893</u>	<u>(155,417)</u>	<u>-6%</u>

Current Assets

Current assets increased by \$18,874 or 3%. Cash and investments increased by \$15,306 during the current year, primarily due to an excess of operating revenue over operating expenses.

Noncurrent Assets

The Authority's noncurrent assets decreased by \$174,291. See the capital asset section for more details.

Current Liabilities

Current liabilities increased by \$5,513. This was due primarily to an increase in vendor accounts payable.

Noncurrent Liabilities

Noncurrent Liabilities decreased by \$26,635 due to repayment of mortgage debt.

Net Position

The net position of the Authority decreased by \$134,295 from the previous fiscal year.

The Authority's unrestricted component of net position changed from \$492,227 to \$538,941, an increase of \$46,714, or 9% for the current year. The principal reason for the increase is due to operating revenue exceeding the operating expenses. 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	\$ 476,348
Rural Development Housing Program	\$ 23,220
Management Program	\$ (1,200)
Total Unrestricted Net Position	<u>\$ 498,368</u>

Restricted net position decreased by \$3,997 due to a decrease 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, 2022***

**Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended March 31, 2022, and 2021**

	<u>3/31/2022</u>	<u>3/31/2021</u>	<u>Change \$</u>	<u>Change %</u>
Program Revenues:				
Tenant revenue	\$ 473,352	\$ 465,908	\$ 7,444	2%
Government Operating Grants	587,447	553,572	33,875	6%
Capital Grants	3,387	286,009	(282,622)	-99%
Other Revenue	117,466	136,613	(19,147)	-14%
Investment Income	2,249	4,378	(2,129)	-49%
Total Revenue	<u>1,183,901</u>	<u>1,446,480</u>	<u>(262,579)</u>	<u>-18%</u>
Expenses:				
Administration	310,770	308,954	1,816	1%
Tenant Services	3,596	984	2,612	265%
Utilities	271,177	297,455	(26,278)	-9%
Ordinary Maintenance	398,090	368,388	29,702	8%
Protective Services	420	1,129	(709)	-63%
General/Insurance Expense	115,396	117,536	(2,140)	-2%
Nonroutine Maintenance	-	4,661	(4,661)	-100%
Depreciation	211,509	223,250	(11,741)	-5%
Interest Expense	7,238	9,647	(2,409)	-25%
Total Expenses	<u>1,318,196</u>	<u>1,332,004</u>	<u>(13,808)</u>	<u>-1%</u>
Excess (deficiency) Before Special Items	<u>(134,295)</u>	<u>114,476</u>	<u>(248,771)</u>	
Change in net position	(134,295)	114,476	(248,771)	
Beginning net position	<u>1,954,693</u>	<u>1,840,217</u>	<u>114,476</u>	
Ending net position	<u>\$ 1,820,398</u>	<u>\$ 1,954,693</u>	<u>\$ (134,295)</u>	

Results of Operations

Revenues of the Authority are generated principally by Federal and State funding grant income. The Authority's revenue decreased by \$262,579 compared to the previous fiscal year. Significant variances are detailed as follows:

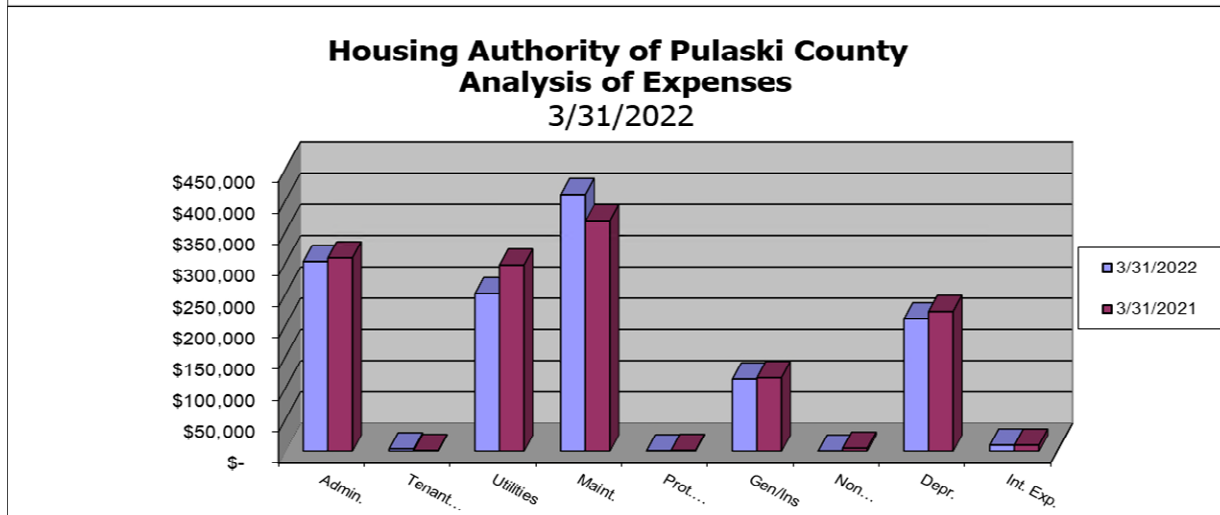
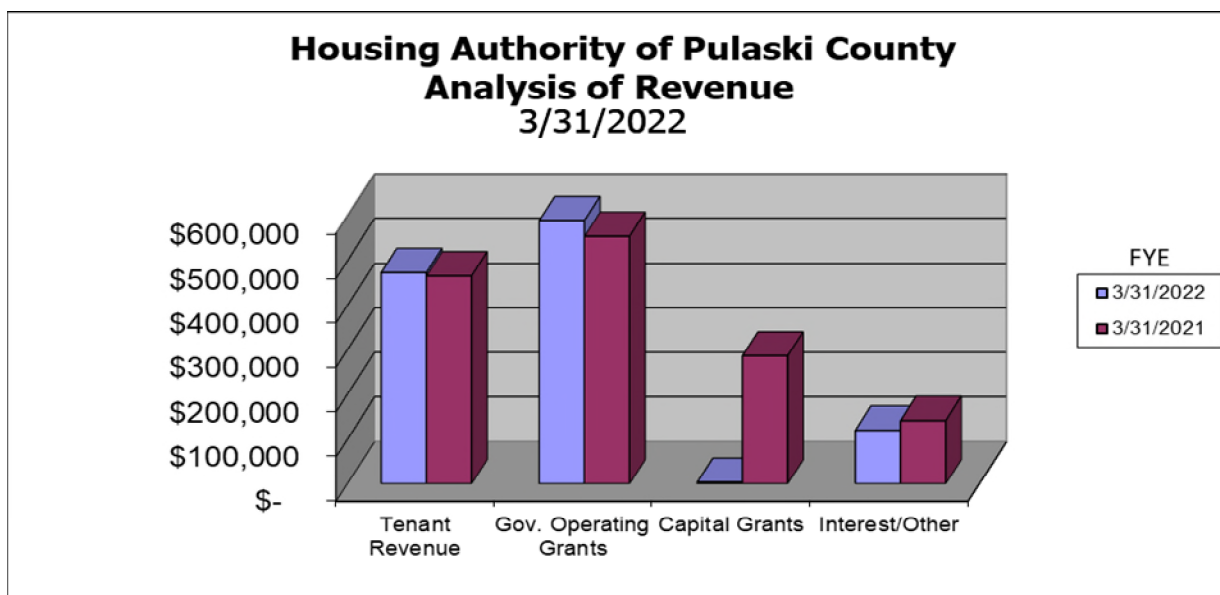
- Government operating grants increased by \$33,875 in the current year. Low Rent operating grants increased by \$58,800. Cares Act funding decreased by \$23,397.
- Capital Grants decreased \$282,622 in the current year due to decreased capital activity in the Capital Fund Program.

Pulaski County Housing Authority Management's Discussion and Analysis For the Year Ended March 31, 2022

Total expenses decreased by \$13,808 from the previous fiscal year. Significant differences between the years include the following:

- Utilities expense decreased by \$26,278. This is primarily due to a decrease in electric in the amount of \$13,890, gas in the amount of \$12,626 and sewer in the amount of \$865 in the current year.
- Ordinary maintenance increased by \$29,702 in the current year. This is primarily due to an increase in materials in the amount of \$26,224. In addition, maintenance contracts increased in the amount of \$29,330.

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, 2022***

Capital Assets

As of March 31, 2022, the Authority's net investment in capital assets was \$1,262,612. This investment includes land, buildings, and equipment, net of accumulated depreciation and corresponding debt related to the Rural Development Program.

Category	3/31/2022	3/31/2021	Change \$	Change %
Land	\$ 451,274	\$ 451,274	\$ -	0%
Buildings	\$ 10,684,643	\$ 10,650,811	\$ 33,832	0%
Equipment	\$ 236,427	\$ 296,865	\$ (60,438)	-20%
Accumulated Depreciation	\$ (9,561,160)	\$ (9,413,475)	\$ (147,685)	2%
Total Net Fixed Assets	\$ 1,811,184	\$ 1,985,475	\$ (174,291)	-9%

Additional information regarding capital assets can be found in "Notes to Financial Statements". Additions to buildings consist of plumbing improvements and office lighting replacements funded by the 2019 CFP grant and Low Rent funding.

Debt Administration

At March 31, 2022, the Housing Authority had \$544,527 in loans outstanding versus \$558,216 last year. Of the \$544,527 payable, \$15,037 was current and \$529,535 was classified as long term. During the fiscal year, the Housing Authority did not incur any additional debt. The agency also recorded \$33,686 as non-current compensated absences in the current year.

Subsequent Event

Due to the 2022 Congressional Appropriations, the Authority's operating subsidy for the 2022 calendar year is estimated at 104.29%.

For future CFP contracts, we are planning to upgrade gutters and downspouts at each site and upgrade the Main Office Community Room bathrooms to the current ADA compliance status. This will be a major project for the authority. However, we have two CFP grants to cover the costs of this job. Labor and materials have doubled since this job was placed in the 5-year plan, but we should not have a problem or concern to make this happen. We started the fiscal year really heavy with administrative costs. We had (7) full-time employees with benefits. This put a huge strain on our FYE 2022 budget. However, receiving additional funding from management fees incurred from managing the Alexander County Housing Authority helped with covering those cost.

We currently have (2) units that are offline due to major damage from previous tenancies. We are finding that as the tenants are moving out, they are damaging the units and costing the housing authority more money for unit turns. Things got out of control during the Covid-19 outbreak when we were unable to inspect the units. However, things are better and this should not be an ongoing issue. There are no lawsuits or grievances pending with the housing authority.

*Pulaski County Housing Authority
Management's Discussion and Analysis
For the Year Ended March 31, 2022*

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, 2022**

ASSETS

Cash - operating	\$ 127,951
Cash - restricted	75,244
Receivable (net)	11,472
Accrued interest receivable	185
Investments - operating	478,232
Inventory (net)	13,220
Prepaid expenses	<u>12,988</u>
Total Current Assets	<u>\$ 719,292</u>

Capital assets:

Land	\$ 451,274
Other capital assets, net of depreciation	<u>1,359,910</u>

Total Capital Assets \$ 1,811,184

Total Net Assets \$ 2,530,476

DEFERRED OUTFLOWS OF RESOURCES \$ 0

TOTAL \$ 2,530,476

LIABILITIES

Current liabilities:

Accounts payable	\$ 52,266
Other liabilities	71,713
Notes payable	15,037
Unearned revenue	<u>7,841</u>

Total Current Liabilities \$ 146,857

Noncurrent liabilities:

Notes payable	\$ 529,535
Compensated absences	<u>33,686</u>

Total Noncurrent Liabilities \$ 563,221

Total Liabilities \$ 710,078

DEFERRED INFLOWS OF RESOURCES \$ 0

NET POSITION

Net investment in capital assets	\$ 1,266,612
Restricted	55,418
Unrestricted	<u>498,368</u>

Total Net Position \$ 1,820,398

TOTAL \$ 2,530,476

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, 2022**

Operating Income

Tenant rental revenue	\$ 465,253
Tenant revenue - other	<u>8,099</u>
Total Rental Income	\$ 473,352
HUD grants - operating	550,505
Other government grants	36,942
Other revenue	<u>117,466</u>
Total Operating Income	\$ <u>1,178,265</u>

Operating Expenses

Administration	\$ 310,770
Tenant services	3,596
Utilities	271,177
Ordinary maintenance and operation	398,090
Protective services	420
General expense	115,396
Depreciation	<u>211,509</u>
Total Operating Expenses	\$ <u>1,310,958</u>
Net Operating Income (Loss)	\$ <u>-132,693</u>

Nonoperating Income (Expense)

Interest income	\$ 2,249
Interest expense	<u>-7,238</u>
Total Nonoperating Income (Expense)	\$ <u>-4,989</u>

Capital Contributions

Changes in net position	\$ -134,295
Net position, beginning of year	<u>1,954,963</u>
Net position, end of year	\$ <u>1,820,668</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, 2022**

Operating Activities

Operating grants	\$ 587,447
Tenant rental revenue	474,077
Other revenue	117,466
Payments to employees	-368,723
Payments to suppliers and contractors	<u>-742,580</u>

Net Cash Provided (Used) by Operating Activities \$ 67,767

Investing Activities

Investments (purchased) redeemed	\$ -710
Investment income	<u>2,252</u>

Net Cash Provided (Used) by Investing Activities \$ 1,542

Capital and Related Financing Activities

Capital fund grants	\$ 3,387
(Additions) deletions to fixed assets	-37,218
Interest expense	-7,238
Retirement of debt	<u>-13,644</u>

Net Cash Provided (Used) by
Capital and Related Financing Activities \$ -54,713

Net Change in Cash \$ 14,596

Cash Balance at March 31, 2021 188,599

Cash Balance at March 31, 2022 \$ 203,195

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

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
TWELVE MONTHS ENDED MARCH 31, 2022**

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

Net operating income (loss)	\$ -132,693
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	211,509
(Increase) decrease in accounts receivable	-3,838
(Increase) decrease in prepaid expenses	-803
(Increase) decrease in inventories	1,070
Increase (decrease) in accounts payable	24,154
Increase (decrease) in other liabilities	-29,048
Increase (decrease) in unearned revenues	<u>-2,584</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 67,767</u>

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

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

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2022**

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, 2022
(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
- * Public Housing CARES Act Funding

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, 2022
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(g) The tenants accounts receivable discloses the gross amount due from the tenants at March 31, 2022, 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, 2022
(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 25, 2021. The Rural Development budget is approved by the U.S. Department of Agriculture - Rural Development. The final budget amendment was adopted on March 30, 2022.
- (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, 2022
(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, 2022
(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	\$ 534,768	\$ 533,555
Rural Rental Housing	93,909	92,527
Business Activities	<u>52,750</u>	<u>52,750</u>
Total	<u>\$ 681,427</u>	<u>\$ 678,832</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, 2022
(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 2022 the Housing Authority contributed \$24,811. Total annual related payroll expense was \$368,723.

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	\$ 19,826
Reserve funds - per mortgage covenant	<u>55,418</u>
Total	<u><u>\$ 75,244</u></u>

Note 7 - Accounts Receivable

Accounts receivable consists of the following accounts:

Accounts receivable - other government	\$ 4,186
Accounts receivable - miscellaneous	3,152
Accounts receivable - tenants	7,556
Allowance for doubtful accounts - tenants	<u>-3,422</u>
Total	<u><u>\$ 11,472</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2022
(CONTINUED)**

Note 8 - Investments

At March 31, 2022 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	0.20 - 0.50%	\$ <u>478,232</u>	\$ <u>478,232</u>

Note 9 - Prepaid Expenses

This classification includes the following accounts:

Prepaid insurance	\$ <u>12,988</u>
-------------------	------------------

Note 10 - Capital Assets

Balance as of March 31, 2022	\$ 1,811,184
Balance as of March 31, 2021	<u>1,985,475</u>
Net Increase (Decrease)	<u>\$ -174,291</u>

Reconciliation

Betterments and additions	\$ 33,832
Replacement of furniture and equipment	3,386
Depreciation expense	<u>-211,509*</u>
Net Increase (Decrease)	<u>\$ -174,291</u>

Analysis

	04/01/2021				03/31/2022	
	<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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Total Nondepreciable	451,274	0	0	0	451,274	
Depreciable:						
Buildings and Improvements	10,650,811	33,832	0	0	10,684,643	
Equipment and Furniture	<u>296,865</u>	<u>3,386</u>	<u>63,824</u>	<u>0</u>	<u>236,427</u>	
Total Depreciable	<u>10,947,676</u>	<u>37,218</u>	<u>63,824</u>	<u>0</u>	<u>10,921,070</u>	
Total Capital Assets	11,398,950	37,218	0	0	11,372,344	
Less Accumulated Depreciation	<u>-9,413,475</u>	<u>63,824</u>	<u>211,509</u>	* <u>0</u>	<u>-9,561,160</u>	
Capital Assets, Net	<u>\$1,985,475</u>	<u>\$ 101,042</u>	<u>\$ 275,333</u>	<u>\$</u>	<u>\$1,811,184</u>	

*Current year depreciation expense recognized.

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

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2022
(CONTINUED)**

Note 11 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 32,440
Tenants security deposits	<u>19,826</u>
Total	<u>\$ 52,266</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>
2023	\$ 15,037
2024	16,576
2025	18,275
2026	20,151
2027	22,224
2028-2032	150,664
2033-2037	247,170
2038-2042	54,455

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

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2022
(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	\$ 23,138
Compensated absences	21,627
Interest payable	3,130
Payment in lieu of taxes	22,082
Utilities payable	<u>1,736</u>
 Total Current Portion	 <u>\$ 71,713</u>

Noncurrent Portion

Compensated absence	<u>\$ 33,686</u>
---------------------	------------------

Note 15 - Summary of Long Term Liabilities

A summary of long term liabilities as of March 31, 2022:

	04/01/2021 Balance	Increase	Decrease	03/31/2022 Balance
Notes payable	\$ 548,419	\$ 0	\$ 18,804	\$ 529,535
Compensated absences	<u>41,437</u>	<u>31,695</u>	<u>39,446</u>	<u>33,686</u>
 Total	 <u>\$ 589,856</u>	 <u>\$ 31,695</u>	 <u>\$ 58,330</u>	 <u>\$ 563,221</u>

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

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2022
(CONTINUED)**

Note 16 - Unearned Revenues

This classification consists of the following accounts:

Tenants prepaid rent	\$ <u>7,841</u>
----------------------	-----------------

Note 17 - Capital Contributions

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

Capital Fund Program - HUD	\$ <u>3,387</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, 2022, the Housing Authority had entered into the following pending capital fund projects in progress:

	Funds <u>Approved</u>	Funds Expended <u>To Date</u>
CFP 501-17	\$ 173,767	\$ 173,767
CFP 501-18	249,217	249,217
CFP 501-19	260,499	225,152
CFP 501-20	<u>275,195</u>	<u>578</u>
Total	<u>\$ 958,678</u>	<u>\$ 648,714</u>

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

**NOTES TO FINANCIAL STATEMENTS
TWELVE MONTHS ENDED MARCH 31, 2022
(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 (47%) from the U.S. Department of Housing and Urban Development and (3%) 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>\$ 55,418</u>
-----------------------------	------------------

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, 2022**

<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:						
		FYE				
Public and Indian Housing*	14.850	03/31/22	\$ 490,508	\$ 490,508	\$ 490,508	\$ 0
		FYE				
Covid-19 14.PHC PH CARES Act Funding	14.850	03/31/22	\$ 64,507	\$ 20,555	\$ 20,555	\$ 0
		FYE				
Public Housing Capital Fund	14.872	03/31/22	\$ 958,678	\$ 42,829	\$ 42,829	\$ 0
Total Housing Assistance			\$ 1,513,693	\$ 553,892	\$ 553,892	\$ 0
<u>U.S. Department of Agriculture</u>						
		FYE				
Rural Rental Housing Loans	10.415	03/31/22	\$ 0	\$ 0	\$ 544,572	\$ 0
		FYE				
Rural Rental Assistance Payments	10.427	03/31/22	\$ 36,942	\$ 36,942	\$ 36,942	\$ 0
Total U.S. Dept. Of Agriculture			\$ 36,942	\$ 36,942	\$ 581,514	\$ 0
Total Assistance			\$ 1,550,635	\$ 590,834	\$ 1,135,406	\$ 0

*Denotes major program

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS (SEFA)
TWELVE MONTHS ENDED MARCH 31, 2022**

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, 2022. The schedule of expenditures of federal awards displays the Authority's expenditures charged to federal programs for the year ended March 31, 2022, 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, 2022
(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, 2022.

Note 3 - Reconciliation of Federal Expenditures:

Total Federal Expenditures per Schedule of Federal Awards	\$ 1,135,406
Reconciling item: Department of Agriculture, Rural Housing (Note 12)	<u>-544,572</u>
Total Federal Assistance per Financial Statements	<u>\$ 590,834</u>
HUD grants	\$ 553,892
Rural Development	<u>36,942</u>
	<u>\$ 590,834</u>

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

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IL01P045501-17**

1. The Actual Modernization Costs of Phase **IL01P045501-17** are as follows:

Funds approved	\$ 173,767
Funds expended	<u>173,767</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced Grants	\$ 173,767
Funds expended	<u>173,767</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 29, 2022, 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.

MOUNDS, ILLINOIS

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST
PHASE IL01P045501-18**

1. The Actual Modernization Costs of Phase **IL01P045501-18** are as follows:

Funds approved	\$	249,217
Funds expended		<u>249,217</u>
Excess of Funds Approved	\$	<u>0</u>
Funds advanced		
Grants	\$	249,217
Funds expended		<u>249,217</u>
Excess of Funds Advanced	\$	<u>0</u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated November 29, 2022, 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of Pulaski County, which comprise the statement of net position as of March 31, 2022, and the related statements of changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Housing Authority of Pulaski County's basic financial statements and have issued my report thereon dated December 8, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Housing Authority of Pulaski County'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Pulaski County's internal control. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of Pulaski County's internal control over financial reporting.

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 of Pulaski County'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. Given these limitations, during my audit I did not identify any deficiencies in internal control over financial reporting 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 of Pulaski County's financial statements are free from 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 of Pulaski County'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 of Pulaski County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant

Decatur, Illinois
December 8, 2022



Independent Auditor's Report on Compliance Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Commissioners
Housing Authority of Pulaski County
Mounds, Illinois

Report on Compliance for Each Major Federal Program

I have audited the Housing Authority of Pulaski County's 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 of Pulaski County's major federal programs for the year ended March 31, 2022. The Housing Authority of Pulaski County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Housing Authority of Pulaski County's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and *the Uniform Guidance* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of Pulaski County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major program. However, my audit does not provide a legal determination of the Housing Authority of Pulaski County's compliance.

Opinion on Each Major Federal Program

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


Report on Internal Control Over Compliance

Management of the Housing Authority of Pulaski County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Housing Authority of Pulaski County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of Pulaski County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses or significant deficiencies*. 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.

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 *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountant

Decatur, Illinois
December 8, 2022

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

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended March 31, 2021 contained no findings.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY
FOR THE YEAR ENDED MARCH 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report:		Unmodified		
* Material weakness(es) identified?	_____	yes	_____ <u>X</u> _____	no
* Significant deficiency (ies) identified?	_____	yes	_____ <u>X</u> _____	none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <u>X</u> _____	no

Federal Awards

Internal control over major programs:				
* Material weakness(es) identified?	_____	yes	_____ <u>X</u> _____	no
* Significant deficiency (ies) identified?	_____	yes	_____ <u>X</u> _____	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:

CFDA Number(s)

Name of Federal Program or Cluster

14.850

Public and Indian Housing

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 December 8, 2022.

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 December 8, 2022.

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

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$39,060		\$52,750	\$36,141		\$127,951		\$127,951
112 Cash - Restricted - Modernization and Development	\$0					\$0		\$0
113 Cash - Other Restricted	\$0			\$55,418		\$55,418		\$55,418
114 Cash - Tenant Security Deposits	\$17,476			\$2,350		\$19,826		\$19,826
115 Cash - Restricted for Payment of Current Liabilities	\$0					\$0		\$0
100 Total Cash	\$56,536	\$0	\$52,750	\$93,909	\$0	\$203,195	\$0	\$203,195
121 Accounts Receivable - PHA Projects	\$0					\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$0					\$0		\$0
124 Accounts Receivable - Other Government	\$0		\$4,186			\$4,186		\$4,186
125 Accounts Receivable - Miscellaneous	\$3,152					\$3,152		\$3,152
126 Accounts Receivable - Tenants	\$7,556					\$7,556		\$7,556
126.1 Allowance for Doubtful Accounts -Tenants	-\$3,422					-\$3,422		-\$3,422
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0					\$0		\$0
128 Fraud Recovery	\$0					\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0					\$0		\$0
129 Accrued Interest Receivable	\$185					\$185		\$185
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$7,471	\$0	\$4,186	\$0	\$0	\$11,657	\$0	\$11,657
131 Investments - Unrestricted	\$478,232					\$478,232		\$478,232
132 Investments - Restricted	\$0					\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0					\$0		\$0
142 Prepaid Expenses and Other Assets	\$12,468			\$520		\$12,988		\$12,988
143 Inventories	\$14,689					\$14,689		\$14,689
143.1 Allowance for Obsolete Inventories	-\$1,469					-\$1,469		-\$1,469
144 Inter Program Due From	\$62,063					\$62,063	-\$62,063	\$0
145 Assets Held for Sale	\$0					\$0		\$0
150 Total Current Assets	\$629,990	\$0	\$56,936	\$94,429	\$0	\$781,355	-\$62,063	\$719,292
161 Land	\$414,373			\$36,901		\$451,274		\$451,274
162 Buildings	\$9,894,288			\$790,355		\$10,684,643		\$10,684,643
163 Furniture, Equipment & Machinery - Dwellings	\$0					\$0		\$0
164 Furniture, Equipment & Machinery - Administration	\$230,068			\$6,359		\$236,427		\$236,427
165 Leasehold Improvements	\$0					\$0		\$0
166 Accumulated Depreciation	-\$8,938,813			-\$622,347		-\$9,561,160		-\$9,561,160
167 Construction in Progress	\$0					\$0		\$0
168 Infrastructure	\$0					\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,599,916	\$0	\$0	\$211,268	\$0	\$1,811,184	\$0	\$1,811,184
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0					\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0					\$0		\$0
173 Grants Receivable - Non Current	\$0					\$0		\$0
174 Other Assets	\$0					\$0		\$0
176 Investments in Joint Ventures	\$0					\$0		\$0
180 Total Non-Current Assets	\$1,599,916	\$0	\$0	\$211,268	\$0	\$1,811,184	\$0	\$1,811,184
200 Deferred Outflow of Resources	\$0					\$0		\$0
290 Total Assets and Deferred Outflow of Resources	\$2,229,906	\$0	\$56,936	\$305,697	\$0	\$2,592,539	-\$62,063	\$2,530,476

Housing Authority of Pulaski County (IL045)

MOUNDS, IL

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
311 Bank Overdraft	\$0					\$0		\$0
312 Accounts Payable <= 90 Days	\$32,389			\$51		\$32,440		\$32,440
313 Accounts Payable >90 Days Past Due	\$0					\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$22,925			\$213		\$23,138		\$23,138
322 Accrued Compensated Absences - Current Portion	\$21,039			\$588		\$21,627		\$21,627
324 Accrued Contingency Liability	\$0					\$0		\$0
325 Accrued Interest Payable	\$0			\$3,130		\$3,130		\$3,130
331 Accounts Payable - HUD PHA Programs	\$0					\$0		\$0
332 Account Payable - PHA Projects	\$0					\$0		\$0
333 Accounts Payable - Other Government	\$18,457			\$3,625		\$22,082		\$22,082
341 Tenant Security Deposits	\$17,476			\$2,350		\$19,826		\$19,826
342 Unearned Revenue	\$7,100			\$741		\$7,841		\$7,841
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0			\$15,037		\$15,037		\$15,037
344 Current Portion of Long-term Debt - Operating Borrowings	\$0					\$0		\$0
345 Other Current Liabilities	\$0					\$0		\$0
346 Accrued Liabilities - Other	\$1,349			\$387		\$1,736		\$1,736
347 Inter Program - Due To	\$0		\$58,136	\$3,927		\$62,063	-\$62,063	\$0
348 Loan Liability - Current	\$0					\$0		\$0
310 Total Current Liabilities	\$120,735	\$0	\$58,136	\$30,049	\$0	\$208,920	-\$62,063	\$146,857
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0			\$529,535		\$529,535		\$529,535
352 Long-term Debt, Net of Current - Operating Borrowings	\$0					\$0		\$0
353 Non-current Liabilities - Other	\$0					\$0		\$0
354 Accrued Compensated Absences - Non Current	\$32,907			\$779		\$33,686		\$33,686
355 Loan Liability - Non Current	\$0					\$0		\$0
356 FASB 5 Liabilities	\$0					\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$0					\$0	\$0	\$0
350 Total Non-Current Liabilities	\$32,907	\$0	\$0	\$530,314	\$0	\$563,221	\$0	\$563,221
300 Total Liabilities	\$153,642	\$0	\$58,136	\$560,363	\$0	\$772,141	-\$62,063	\$710,078
400 Deferred Inflow of Resources								
508.4 Net Investment in Capital Assets	\$1,599,916			-\$333,304		\$1,266,612		\$1,266,612
511.4 Restricted Net Position				\$55,418		\$55,418		\$55,418
512.4 Unrestricted Net Position	\$476,348	\$0	-\$1,200	\$23,220	\$0	\$498,368		\$498,368
513 Total Equity - Net Assets / Position	\$2,076,264	\$0	-\$1,200	-\$254,666	\$0	\$1,820,398	\$0	\$1,820,398
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,229,906	\$0	\$56,936	\$305,697	\$0	\$2,592,539	-\$62,063	\$2,530,476

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$423,081			\$42,172		\$465,253		\$465,253
70400 Tenant Revenue - Other	\$7,971			\$128		\$8,099		\$8,099
70500 Total Tenant Revenue	\$431,052	\$0	\$0	\$42,300	\$0	\$473,352	\$0	\$473,352
70600 HUD PHA Operating Grants	\$529,950	\$20,555				\$550,505		\$550,505
70610 Capital Grants	\$3,387					\$3,387		\$3,387
70710 Management Fee								
70720 Asset Management Fee								
70730 Book Keeping Fee								
70740 Front Line Service Fee								
70750 Other Fees								
70700 Total Fee Revenue						\$0	\$0	\$0
70800 Other Government Grants	\$0				\$36,942	\$36,942		\$36,942
71100 Investment Income - Unrestricted	\$2,075			\$174		\$2,249		\$2,249
71200 Mortgage Interest Income	\$0					\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0					\$0		\$0
71310 Cost of Sale of Assets	\$0					\$0		\$0
71400 Fraud Recovery	\$0					\$0		\$0
71500 Other Revenue	\$2,763		\$113,434	\$1,269		\$117,466		\$117,466
71600 Gain or Loss on Sale of Capital Assets	\$0					\$0		\$0
72000 Investment Income - Restricted	\$0					\$0		\$0
70000 Total Revenue	\$969,227	\$20,555	\$113,434	\$43,743	\$36,942	\$1,183,901	\$0	\$1,183,901
91100 Administrative Salaries	\$115,327		\$51,339	\$10,193		\$176,859		\$176,859
91200 Auditing Fees	\$3,073		\$749	\$118		\$3,940		\$3,940
91300 Management Fee	\$0					\$0		\$0
91310 Book-keeping Fee	\$0					\$0		\$0
91400 Advertising and Marketing	\$1,446			\$85		\$1,531		\$1,531
91500 Employee Benefit contributions - Administrative	\$47,070		\$16,184	\$4,524		\$67,778		\$67,778
91600 Office Expenses	\$29,365	\$414	\$1,732	\$838		\$32,349		\$32,349
91700 Legal Expense	\$9,000					\$9,000		\$9,000
91800 Travel	\$1,512			\$137		\$1,649		\$1,649
91810 Allocated Overhead	\$0					\$0		\$0
91900 Other	\$13,870	\$958	\$1,875	\$961		\$17,664		\$17,664
91000 Total Operating - Administrative	\$220,663	\$1,372	\$71,879	\$16,856	\$0	\$310,770	\$0	\$310,770
92000 Asset Management Fee	\$0					\$0		\$0
92100 Tenant Services - Salaries	\$0					\$0		\$0
92200 Relocation Costs	\$0					\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0					\$0		\$0
92400 Tenant Services - Other	\$100	\$3,496				\$3,596		\$3,596
92500 Total Tenant Services	\$100	\$3,496	\$0	\$0	\$0	\$3,596	\$0	\$3,596

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
93100 Water	\$53,483			\$1,312		\$54,795		\$54,795
93200 Electricity	\$94,884			\$2,927		\$97,811		\$97,811
93300 Gas	\$80,054			\$802		\$80,856		\$80,856
93400 Fuel	\$0					\$0		\$0
93500 Labor	\$0					\$0		\$0
93600 Sewer	\$36,830			\$885		\$37,715		\$37,715
93700 Employee Benefit Contributions - Utilities	\$0					\$0		\$0
93800 Other Utilities Expense	\$0					\$0		\$0
93000 Total Utilities	\$265,251	\$0	\$0	\$5,926	\$0	\$271,177	\$0	\$271,177
94100 Ordinary Maintenance and Operations - Labor	\$130,351		\$24,588	\$272		\$155,211		\$155,211
94200 Ordinary Maintenance and Operations - Materials and Other	\$68,914	\$990				\$69,904		\$69,904
94300 Ordinary Maintenance and Operations Contracts	\$101,865	\$2,200		\$10,223		\$114,288	\$0	\$114,288
94500 Employee Benefit Contributions - Ordinary Maintenance	\$47,868		\$9,190	\$1,629		\$58,687		\$58,687
94000 Total Maintenance	\$348,998	\$3,190	\$33,778	\$12,124	\$0	\$398,090	\$0	\$398,090
95100 Protective Services - Labor	\$0					\$0		\$0
95200 Protective Services - Other Contract Costs	\$0					\$0		\$0
95300 Protective Services - Other	\$391		\$23	\$6		\$420		\$420
95500 Employee Benefit Contributions - Protective Services	\$0					\$0		\$0
95000 Total Protective Services	\$391	\$0	\$23	\$6	\$0	\$420	\$0	\$420
96110 Property Insurance	\$24,004			\$1,263		\$25,267		\$25,267
96120 Liability Insurance	\$4,707			\$248		\$4,955		\$4,955
96130 Workmen's Compensation	\$10,825			\$570		\$11,395		\$11,395
96140 All Other Insurance	\$7,531			\$396		\$7,927		\$7,927
96100 Total insurance Premiums	\$47,067	\$0	\$0	\$2,477	\$0	\$49,544	\$0	\$49,544
96200 Other General Expenses	\$5,274		\$185	\$15		\$5,474		\$5,474
96210 Compensated Absences	\$30,694			\$1,001		\$31,695		\$31,695
96300 Payments in Lieu of Taxes	\$18,457			\$3,625		\$22,082		\$22,082
96400 Bad debt - Tenant Rents	\$6,601					\$6,601		\$6,601
96500 Bad debt - Mortgages	\$0					\$0		\$0
96600 Bad debt - Other	\$0					\$0		\$0
96800 Severance Expense	\$0					\$0		\$0
96000 Total Other General Expenses	\$61,026	\$0	\$185	\$4,641	\$0	\$65,852	\$0	\$65,852
96710 Interest of Mortgage (or Bonds) Payable	\$0			\$7,238		\$7,238		\$7,238
96720 Interest on Notes Payable (Short and Long Term)	\$0					\$0		\$0
96730 Amortization of Bond Issue Costs	\$0					\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$7,238	\$0	\$7,238	\$0	\$7,238
96900 Total Operating Expenses	\$943,496	\$8,058	\$105,865	\$49,268	\$0	\$1,106,687	\$0	\$1,106,687
97000 Excess of Operating Revenue over Operating Expenses	\$25,731	\$12,497	\$7,569	-\$5,525	\$36,942	\$77,214	\$0	\$77,214

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2022

	Project Total	14.PHC Public Housing CARES Act Funding	1 Business Activities	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$0					\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0					\$0		\$0
97300 Housing Assistance Payments	\$0					\$0		\$0
97350 HAP Portability-In	\$0					\$0		\$0
97400 Depreciation Expense	\$187,123			\$24,386		\$211,509		\$211,509
97500 Fraud Losses	\$0					\$0		\$0
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense	\$0					\$0		\$0
90000 Total Expenses	\$1,130,619	\$8,058	\$105,865	\$73,654	\$0	\$1,318,196	\$0	\$1,318,196
10010 Operating Transfer In	\$39,442			\$36,942		\$76,384	-\$76,384	\$0
10020 Operating transfer Out	-\$39,442				-\$36,942	-\$76,384	\$76,384	\$0
10030 Operating Transfers from/to Primary Government	\$0					\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0					\$0		\$0
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								
10070 Extraordinary Items, Net Gain/Loss	\$0					\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0					\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0					\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0					\$0		\$0
10093 Transfers between Program and Project - In	\$0					\$0		\$0
10094 Transfers between Project and Program - Out	\$0					\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$36,942	-\$36,942	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$161,392	\$12,497	\$7,569	\$7,031	\$0	-\$134,295	\$0	-\$134,295
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$15,037	\$0	\$15,037		\$15,037
11030 Beginning Equity	\$2,225,159	\$0	-\$8,769	-\$261,697	\$0	\$1,954,693	\$0	\$1,954,693
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$12,497	-\$12,497				\$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	1584			240		1824	0	1824
11210 Number of Unit Months Leased	1508			231		1739	0	1739
11270 Excess Cash	\$406,430					\$406,430		\$406,430
11610 Land Purchases	\$0					\$0		\$0
11620 Building Purchases	\$29,119					\$29,119		\$29,119
11630 Furniture & Equipment - Dwelling Purchases	\$0					\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0					\$0		\$0
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, 2022. 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 8, 2022. 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, 2022. 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 December 8, 2022.

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