



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

Held: April 25, 2024

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority (“IHCDA” or “Authority”) was held on Thursday, April 25, 2024, at 10:00 a.m. ET at 30 S. Meridian Street, Suite 825, Indianapolis, Indiana 46204.

The following individuals were present at the meeting: Anne Valentine (Lieutenant Governor designee); Michael Neal (Indiana Treasurer of State designee); Mark Pascarella (Public Finance Director designee); J. Jacob Sipe (IHCDA Executive Director); Board Member G. Michael Schopmeyer; Board Member Tom McGowan; members of the staff of the Lieutenant Governor; members of the staff of the Authority and the public. Board Members Andy Place Sr. and Chad Greiwe were not present.

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

**I. Approval of Minutes**

**A. Meeting Minutes**

A motion was made by Mark Pascarella to approve the March 28, 2024, Meeting Minutes, which was seconded by Tom McGowan. The motion passed unanimously by roll call.

**RESOLVED**, the Minutes of the Board meeting held on March 28, 2024, are hereby approved to be placed in the Minute Book of the Authority.

**II. Real Estate Department**

**A. HOME Community Housing Development Organizations’ (CHDO) Predevelopment Loans- Radiant Communities Development Corp. and Northwest Indiana Community Action Corporation**

Chairperson Valentine recognized Peter Nelson who presented the HOME Community Housing Development Organizations’ (CHDO) Predevelopment Loans- Radiant Communities Development Corp. and Northwest Indiana Community Action Corporation board memo.

**Background**

The HOME Investment Partnerships Program (“HOME”) can be used to develop affordable housing for low-income households. HOME provides funding for new construction and rehabilitation of homebuyer and rental projects and can also be used for predevelopment activities of Community Housing Development Organizations (“CHDOs”). CHDOs are IHCDA-certified not-for-profit housing

organizations that meet HOME regulations related to CHDOs. The HOME regulations define two types of Predevelopment loans available to CHDOs – Site Control Loans, which are to be used when the site has not been acquired to assist CHDOs in the early stages of development and Seed Money Loans, which may be accessed once the site has been acquired to cover pre-construction costs. The maximum any eligible CHDO may request for either loan, per project, is \$30,000.00.

**Process**

The IHCDA Real Estate Department accepts applications to the CHDO Predevelopment Loan Fund on a rolling basis until funds set aside for CHDO activities have been expended. Staff reviews each application to ensure the proposed costs are eligible under the HOME regulations and the organization meets the federal definition of a CHDO.

The interest rate on the loan is 0% with a repayment term of 24 months. The loan may be repaid from a construction loan or other project income. As per HOME guidelines, IHCDA may forgive the loan, in whole or in part, if there are impediments to project development which IHCDA determines are reasonably beyond the control of the CHDO.

**Development Summaries**

**Radiant Communities Development Corporation**

Radiant Communities Development Corporation (“Radiant”) is requesting a \$30,000.00 CHDO Predevelopment Site Control Loan to assist with architectural/engineering fees and engagement of development team costs for a rental new construction development in Avon, IN.

This development, for which Radiant plans on applying for funds in future HOME application rounds, would provide seven new units of affordable housing for residents of Hendricks County, IN.

**NWI-CA – Michigan City**

Northwest Indiana Community Action Corporation (“NWI-CA”) is requesting a \$20,000.00 CHDO Predevelopment Site Control Loan to assist with architectural/engineering fees and site control/title clearance for a rental rehabilitation development in Michigan City, IN.

This development, for which NWI-CA plans on applying for funds in future HOME application rounds, would provide nine new units of affordable housing for residents of LaPorte County, IN.

**NWI-CA – LaPorte**

Northwest Indiana Community Action Corporation (“NWI-CA”) is requesting a \$15,000.00 CHDO Predevelopment Site Control Loan to assist with architectural/engineering fees and site control/title clearance for a rental rehabilitation development in the city of LaPorte, IN.

This development, for which NWI-CA plans on applying for funds in future HOME application rounds, would provide five units of affordable housing for residents of LaPorte County, IN.

TABLE A						
Project Name	Award Number	HOME Requested	HOME Recommended	Location	Applicant	Activity
The Lofts on Avon Ave	PD-024-001	\$30,000.00	\$30,000.00	72 S Avon Ave. Avon, IN	Radiant Communities Development Corporation	Site Control

TBD Michigan City Rental Rehab	PD-024-002	\$20,000.00	\$20,000.00	115 E. Harrison St. & 1010 Cedar St. Michigan City, IN	Northwest Indiana Community Action Corporation.	Site Control
TBD LaPorte Rental Rehab	PD-024-003	\$15,000.00	\$15,000.00	703 E. Lincolnway LaPorte, IN	Northwest Indiana Community Action Corporation	Site Control
<b>TOTAL:</b>			<b>\$65,000</b>			

### Key Performance Indicators

IHCDA will track the following Key Performance Indicators regarding CHDO Pre-Development Loans:

1. Track the utilization of this resource by our CHDO partners as it relates to our increased outreach and efforts to increase the number of IHCDA certified CHDOs.
2. Track the percentage of HOME projects utilizing Predevelopment Loans that are successful in their HOME applications.

Following discussion, a motion was made by G. Michael Schopmeyer to approve awarding HOME Predevelopment Loan funding in the form of loans in an aggregate amount not to exceed \$65,000.00 to the applicants as set forth in Table A. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve awarding HOME Predevelopment Loan funding in the form of loans in an aggregate amount not to exceed \$65,000.00 to the applicants as set forth in Table A, as recommended by staff.

### B. Additional CHDO Operating Funding- Housing Opportunities, Inc.

Chairperson Valentine recognized Peter Nelson who presented the Additional CHDO Operating Funding-Housing Opportunities, Inc. board memo.

#### Background

The HOME Investment Partnerships Program (HOME) provides funding for the construction and/or rehabilitation of affordable housing for low and moderate-income residents. HOME funding can also be used for capacity building activities for Community Housing Development Organizations (CHDOs). CHDOs are IHCDA-certified not-for-profit housing organizations that meet certain HOME regulations and are eligible to receive HOME funds to use as an operating supplement when carrying out a HOME-funded development.

CHDOs may apply for CHDO Operating Supplement funds to be awarded in conjunction with an approved HOME activity. CHDO Operating Supplement funds can be used for the reasonable and necessary costs of the operation of the CHDO, including salaries, benefits, training, travel, and equipment. A CHDO may only receive CHDO Operating Supplement funds in an amount not to exceed \$50,000 per project and \$75,000 total within one program year.

CHDOs are eligible to apply for a second award of CHDO Operating Supplement for a project that received an Operating Supplement award at the time of its initial funding. CHDOs funded within the past 12-24

months for a HOME project can apply for additional operating support of up to \$25,000 if they have begun construction within the first 12 months of the executed agreement with IHCDA, have drawn a minimum of 25% of the HOME award, and have drawn down 100% of the original CHDO Operating Support award.

**Process**

The IHCDA Real Estate Department accepts requests for additional CHDO Operating Supplement funds on a rolling basis until funds set aside for CHDO activities have been expended. Staff reviews each request to ensure the proposed costs are eligible under the HOME regulations and the organization meets the requirements to request additional funds.

**Summary of Requests Received**

During the 2021 HOME Rental Round, IHCDA selected Housing Opportunities, Inc. as one of the organizations who received a HOME Rental Round award. Housing Opportunities, Inc. is certified as a CHDO and received Operating Supplement funds alongside an award of HOME funds.

Housing Opportunities Inc. was awarded \$50,000 in CHDO Operating Supplement Funds. Construction on the project in Valparaiso has begun, a minimum of 25% of HOME has been drawn, and 100% of the initial CHDO Operating Funds have been expended. Housing Opportunities, Inc. is now requesting additional operating support.

After ensuring the requests for additional CHDO operating fund meet all program requirements, IHCDA staff recommends the award of additional CHDO Operating Supplement funding as listed in Table A.

**Table A**

<b>Award No.</b>	<b>Applicant</b>	<b>Project Name</b>	<b>Additional Funding Amount</b>
CO-021-008	Housing Opportunities, Inc.	Housing Opportunities CHDO Union St. Apartments	\$25,000.00
		<b>TOTAL:</b>	<b>\$25,000.00</b>

Following discussion, a motion was made by Michael Neal to approve awarding additional HOME CHDO Operating Supplement funding in the form of a grant in an amount not to exceed \$25,000.00 to Housing Opportunities, Inc. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve awarding additional HOME CHDO Operating Supplement funding in the form of a grant in an amount not to exceed \$25,000.00 to Housing Opportunities, Inc, as recommended by staff.

**C. HOME Innovation Round- Lacasa of Goshen, Inc. Phase III**

Chairperson Valentine recognized Samantha Spergel who presented the HOME Innovation Round-Lacasa of Goshen, Inc. Phase III board memo.

**Background**

IHCDA released a Request for Proposals (“RFP”) on October 28, 2019, to select up to three eligible non-profits who proposed an innovative affordable housing project to target an unmet need (“HOME Innovation Round”). The three selected teams were required to undergo four months of training and ongoing individualized technical assistance provided by IHCDA.

Each team has successfully completed the training, and the selected respondents are now each eligible to apply for set-aside funding to support construction activities for the development of units for homeownership or rental units in an amount not to exceed \$2,000,000 per project through the HOME Investment Partnerships Program (“HOME”). The respondents may submit phased applications.

Each selected respondent must submit an IHCD A HOME application and pro-forma and meet all underwriting and threshold requirements.

Lacasa of Goshen, Inc. (“Lacasa”) was selected as one of the three teams through the HOME Innovation Round. Previously, Lacasa was awarded \$1,400,000 in HOME funds for the construction of eight homeownership units in Goshen, and Elkhart Indiana for the first two phases of its Innovation Round project. All units from the previous phases have been completed and successfully sold to eligible homebuyers.

**Process**

The IHCD A Real Estate Department accepts applications for the HOME Innovation Round on a rolling basis until funds set aside for each team have been awarded. Staff review each application to ensure the proposed costs are eligible under the HOME regulations and all threshold requirements are met.

IHCD A also allows organizations to apply for a Community Housing Development Organization (CHDO) certification and CHDO Operating Funds in conjunction with a request for funding through the Innovation Round. If certified as a CHDO, the organization is eligible to request up to \$50,000 of CHDO Operating funds.

Lacasa applied for the CHDO Certification and HOME Homebuyer funding on February 14, 2024. IHCD A staff reviewed the application for completeness and determined all threshold requirements were met. The CHDO application was reviewed by IHCD A Real Estate staff to ensure all federal requirements were met. Upon completion of this review, Lacasa was certified as CHDO and is eligible for CHDO Operating funding.

**Project Summary**

Lacasa is requesting \$454,293 for the construction of two units for homeownership. One unit will be located in Elkhart, Indiana and one unit will be located in Goshen, Indiana. The development includes the new construction of two single story three-bedroom homes. The units will be modular built.

All units will be sold to households with incomes at or below 80% of the area median income. Families interested in purchasing the units will be engaged through Lacasa’s Financial Empowerment Team. For this program, Lacasa has created a specific HOME Innovation Counselor position. The Counselor will provide the potential buyers with pre-purchase housing counseling and assistance in budgeting, mortgage financing and home maintenance. Further, the Counselor will work with each family to create an individualized Action Plan. The Development Summary Sheet is attached hereto as **Exhibit A**.

Award Numbers	Applicant	Project Name	HOME Homebuyer Amount Recommended	CHDO Operating Recommendation	Location
CH-023-001 CO-023-001	Lacasa of Goshen, Inc.	Lacasa HOME Innovation	\$454,293	\$50,000	317 S. 10 <sup>th</sup> Street, Goshen 1505 Krau Street, Elkhart

		Program – Phase III			
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**Key Performance Indicators**

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

1. The total number of Homebuyer units produced with HOME funds. To date, IHCDA has funded 55 HOME Homebuyer units since April 1, 2019.
2. The number of certified Community Housing and Development Organizations (CHDOs) applying for homeownership funding. To date, IHCDA has certified four CHDOs.
3. Development benchmark tracking, including release of funds, start and completion of construction, funds drawn, inspections, and the final closing.

Following discussion, a motion was made by Mark Pascarella to approve a HOME Homebuyer award in amount not to exceed \$454,293 to Lacasa of Goshen, Inc. The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve a HOME Homebuyer award in amount not to exceed \$454,293 to Lacasa of Goshen, Inc., as recommended by staff.

Following discussion, a motion was made by G. Michael Schopmeyer to approve HOME CHDO Operating Supplement funding in the form of a grant in an amount not to exceed \$50,000 to Lacasa of Goshen, Inc. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve HOME CHDO Operating Supplement funding in the form of a grant in an amount not to exceed \$50,000 to Lacasa of Goshen, Inc., as recommended by staff.

**D. 2024 Rental Housing Tax Credit General Set-Aside**

Chairperson Valentine recognized Hugh Pebworth who presented the 2024 Rental Housing Tax Credit General Set-Aside board memo.

**Background**

Pursuant to the 2023-2024 Qualified Allocation Plan (QAP), 10% of available low-income housing tax credits (LIHTC) will be set aside for developments that further IHCDA’s mission, goals, initiatives, and priorities irrespective of the ranking by the evaluation factors. IHCDA will exercise its sole discretion in the allocation of the IHCDA General Set-Aside.

On July 12, 2023, IHCDA announced that it would dedicate its 2024 General Set-Aside to create new rental units in counties that have 25 or less LIHTC units. Proposed developments in the following counties were eligible to apply:

- Fountain (0 units)
- Pulaski (24 units)
- Spencer (0 units)
- Starke (24 units)

Funding decisions would be based on the existing threshold requirements and evaluation factors in the

2023-2024 QAP, with one addition:

- Counties with 0 existing LIHTC units (Fountain & Spencer) will receive an additional 5 points.

**Process**

1. On February 5, 2024, IHCDCA received four (4) LIHTC applications requesting 2024 credits under the 2023-2024 QAP.
2. All four (4) self-scoring applications underwent the due diligence process, which included financial analysis, technical review, market study review, and determination of final score.
3. If during the due diligence process a concern or technical deficiency was discovered, a letter was sent to the applicant requesting clarification or technical correction. Each applicant was given an opportunity to comment on any scoring discrepancy.
4. Upon completion of the due diligence process, it was determined that all four (4) applicants met the 2023-2024 QAP criteria.
5. The applications were ranked based on their final scores. The top two scoring applications were both located in Dale (Spencer County).
6. Due to concerns of the Dale market not being able to support two new developments simultaneously, IHCDCA conducted an analysis of the market and determined that 96 new units at the proposed rent levels are outside of acceptable standards for the capture rate and the penetration rate.
7. As a result, IHCDCA is recommending the highest scoring application in Dale and the third highest scoring application, located in Winamac (Pulaski County).

**Recommendation**

Staff recommends the approval of two reservations for LIHTC and Development Fund, as outlined in the table below:

<b>BIN #</b>	<b>Owner Entity Name</b>	<b>Development Name</b>	<b>LIHTC 9% Credit Recommendation</b>	<b>Development Fund Recommendation</b>
IN-24-01800	Allison Rose Gardens, LP	Allison Rose Gardens	\$963,000	\$750,000
IN-24-01900	Willow Creek Villas, LP	Willow Creek Villas	\$965,000	\$750,000
<b>TOTAL:</b>			<b>\$1,928,000</b>	<b>\$1,500,000</b>

Attached hereto as **Exhibits B and C** are the Development Summary Sheets which provide detailed information regarding each development. Attached hereto as **Exhibits D and E** are the Development Summary Sheets for those project that were denied.

Following discussion, a motion was made by G. Michael Schopmeyer to approve an award of 9% LIHTC in an aggregate amount not to exceed \$1,928,000 to Allison Rose Gardens, LP and Willow Creek Villas, LP, and an aggregate amount of Development Fund not to exceed \$1,500,000 to Allison Rose Gardens, LP and Willow Creek Villas, LP as more particularly identified in the Development Summary Sheets. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve an award of 9% LIHTC in an aggregate amount not to exceed \$1,928,000 to Allison Rose Gardens, LP and Willow Creek Villas, LP, and an aggregate amount of Development Fund

not to exceed \$1,500,000 to Allison Rose Gardens, LP and Willow Creek Villas, LP as more particularly identified in the Development Summary Sheets, as recommended by staff.

**E. 2023 Rental Housing Tax Credit General Set-Aside- Financial Guarantees**

Chairperson Valentine recognized Alan Rakowski who presented the 2023 Rental Housing Tax Credit General Set-Aside- Financial Guarantees board memo.

**Background**

Pursuant to the 2023 – 2024 Qualified Allocation Plan (QAP), 10% of available low-income housing tax credits (LIHTC) will be set aside for developments that further IHCDAs mission, goals, initiatives, and priorities irrespective of the ranking by the evaluation factors. IHCDAs will exercise its sole discretion in the allocation of the IHCDAs General Set-Aside.

On September 12, 2022, IHCDAs released a Request for Proposals (RFQ) announcing that it was seeking to select two emerging, first-time low-income housing tax credit (LIHTC) developers that are Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Veteran-Owned Small Business (VOSB), or Service-Disabled Veteran-Owned Small Business (SDVOSB) [collectively “XBE”] entities to participate in the 2023 Rental Housing Tax Credit General Set-aside, which involves partnering with an experienced LIHTC consultant to create a housing development that addresses a community challenge.

At the November 2023 Board Meeting, the Board approved the two selected teams for an award of LIHTC and Development Fund.

<b>BIN #</b>	<b>Developer</b>	<b>Development Name</b>	<b>LIHTC 9% Credit Award</b>	<b>Development Fund Award</b>
IN-23-01900	2 Thirty-Eight Properties LLC	Marvetta & Anthony Grimes Family Center	\$1,140,000	\$750,000
IN-23-02000	Chateaux 14 Development LLC	The Monreaux	\$1,140,000	\$750,000

At the time of the RFQ, IHCDAs committed to providing a financial guarantee of up to \$2,500,000 for each developer to enhance their financial strength and contain costs in attracting capital financing. The developer will have up to three options to maximize the financial enhancement of the IHCDAs guarantee, determined on a case-by-case basis based on developer financial capacity and need.

- Predevelopment loan guarantee
- Two-year construction guarantee; and/or
- Five-year guarantee on the tax credit equity, to expire five years from placed-in-service date.

At the November Board Meeting, IHCDAs indicated that it would work with each selected developer and their lender and equity investor to determine the terms of the guarantee on a project-by-project basis. IHCDAs is now bringing these funding recommendations to the Board.

**Process**

After discussions with each developer, they are proposing the use of the financial guarantee to secure debt and equity guarantees required by the project funders. IHCDAs will deposit \$2,500,000 for each developer



in a restricted account. If the guarantees are called upon, the developers will reimburse IHCD for all withdrawals.

Following discussion, a motion was made by Tom McGowan to approve an aggregate amount of \$5,000,000 of TCAP Program Income to pledge to 2 Thirty-Eight Properties LLC and Chateaux 14 Development LLC as financial guarantees for the development of Marvetta & Anthony Grimes Family Center and The Monreaux. The motion was seconded by Mark Pascarella. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve an aggregate amount of \$5,000,000 of TCAP Program Income to pledge to 2 Thirty-Eight Properties LLC and Chateaux 14 Development LLC as financial guarantees for the development of Marvetta & Anthony Grimes Family Center and The Monreaux, as recommended by staff.

#### **F. HOME Investment Partnerships American Rescue Plan Program Supportive Services for Existing Housing Developments**

Chairperson Valentine recognized Zach Gross who presented the HOME Investment Partnerships American Rescue Plan Program Supportive Services for Existing Housing Developments board memo.

##### **Background**

The American Rescue Plan (ARP) provided \$5 billion to assist individuals or households who are homeless, at risk of homelessness, and other vulnerable populations by providing housing, tenant-based rental assistance, supportive services, and non-congregate shelter with the goal of reducing homelessness and increasing housing stability across the country. These grant funds will be administered through HUD's HOME Investment Partnerships American Rescue Plan Program (HOME-ARP).

IHCDA received \$54,528,535 in HOME-ARP funding. In April 2022, HUD approved IHCDA's HOME-ARP allocation plan setting aside \$13,200,000 for supportive services. Per the allocation plan, supportive services will be used to support HOME-ARP qualifying households in IHCDA assisted housing developments, a HOME Tenant Based Rental Assistance project, or on an Emergency Housing Voucher.

##### **Process**

On December 11, 2023, IHCDA issued a Request for Proposals for "HOME Investment Partnerships Program- American Rescue Plan (HOME-ARP) Supportive Services for Existing Housing Developments." Responses were due January 22, 2024. Respondents were able to request up to \$500,000 to provide supportive services at existing rental housing properties for a period of five years. Preference was given to supportive housing developments. \$5,900,000 of HOME-ARP funds were initially made available through the RFP. IHCDA received 29 responses requesting an aggregate award of \$11,811,236.

An IHCDA selection committee individually reviewed all responses and then met as a group to discuss the merits of each. The selection committee's review and funding recommendation was based upon the following factors:

- Satisfaction of threshold criteria, including compliance with the RFQ submission requirements and financial capacity;
- Supportive services plans;
- Readiness to proceed/Capacity;
- Unmet need; and

- Project performance.

In addition to the above criteria, supportive housing developments received preference in the selection process.

**Key Performance Indicators**

IHCDA will track the following Key Performance Indicators in relation to the HOME-ARP Supportive Services program:

1. The total number units supported by HOME-ARP Supportive Services funds.
2. The number of households enrolled in supportive services.
3. The amount of funds disbursed.

**Recommendation**

Staff recommends the approval of an aggregate award of \$6,028,404 of HOME-ARP funds to the 20 developments in Table A.

<b>Table A</b>			
<b>Applications Recommended for HOME-ARP Funding*</b>			
<b>Award Number</b>	<b>Project Name</b>	<b>Award Requested</b>	<b>Maximum Award Recommended</b>
HA-024-22	Chambers Park Apartments	\$498,772	\$498,772
HA-024-23	Commonwealth Apartments	\$275,000	\$275,000
HA-024-24	Parker Place	\$225,000	\$225,000
HA-024-25	Prominence Commons	\$500,000	\$305,555
HA-024-26	Aurora View	\$200,000	\$111,110
HA-024-27	Oliver Apartments	\$491,690	\$491,690
HA-024-28	Perm 5	\$500,000	\$500,000
HA-024-29	Crawford I	\$500,000	\$500,000
HA-024-30	Hope Avenue Homes	\$491,690	\$491,690
HA-024-31	Crawford II	\$500,000	\$500,000
HA-024-32	Lucas Place II	\$500,000	\$256,667
HA-024-33	Garvin Lofts	\$500,000	\$256,667
HA-024-34	Lincoln Apartments	\$498,772	\$498,772
HA-024-35	Benham Avenue Apartments	\$223,774	\$223,774
HA-024-36	Lincoln West Apartments	\$223,774	\$223,774
HA-024-37	West Plains Apartments	\$223,774	\$223,774
HA-024-38	South Shore Commons	\$500,000	\$65,635
HA-024-39	Southern Knoll	\$249,254	\$249,254
HA-024-40	Rivers Edge	\$500,000	\$65,635
HA-024-41	Walnut Commons	\$500,000	\$65,635
Total		\$8,101,500	\$6,028,404

\*Applications are listed in order of final score.

**Waitlists**

IHCDA anticipates additional HOME-ARP Supportive Services funding becoming available at a later date. Therefore, staff recommends the establishment and approval of the waitlists set forth in Table B and Table C, as well as approval of delegated authority to IHCDA’s Deputy Executive Director & Chief Real Estate Development Officer to allocate funds as set forth in the tables if additional HOME-ARP Supportive Services funding is received.

Applications in Table B received lower scores than the applications for which awards are recommended. If approval is granted and additional HOME-ARP Supportive Services funding becomes available, funding will be awarded in the order set forth in Table B.

<b>Table B</b>	
<b>Waitlist for Applications with Lower Scores*</b>	
<b>Project Name</b>	<b>Award Requested</b>
NWI Veterans Village	\$500,000
Liberty Village	\$498,890
YOUnity Village	\$498,890
Courtyard Apartments	\$500,000

\*Applications are listed in order of final score.

Applications in Table C did not meet threshold requirements and were not scored. If approval is granted and additional HOME-ARP Supportive Services funds are available after the award of applications in Table B, IHCDA will request information to complete missing threshold items and to allow final scoring of these applications. The applications will then be awarded in order of the final scores.

<b>Table C</b>	
<b>Waitlist for Applications that Failed Threshold Review*</b>	
<b>Project Name</b>	<b>Award Requested</b>
Blue Triangle and Mozingo Place	\$499,982
Fieldhouse Apartments	\$500,000
HopeSpring	\$260,000
Overlook at the Fairgrounds	\$350,000
Penn Place	\$500,000

\*Applications have not yet been scored and are presented here in alphabetical order.

Mr. Gross additionally provided the locations of each of the properties as follows:

Chambers Park Apartments	Marion, Indiana
Commonwealth Apartments	Indianapolis, Indiana
Parker Place	Indianapolis, Indiana
Prominence Commons	Valparaiso, Indiana
Aurora View	Valparaiso, Indiana
Oliver Apartments	South Bend, Indiana
Perm 5	Valparaiso, Indiana (scattered sites)

Crawford I	Bloomington, Indiana
Hope Avenue Homes	South Bend, Indiana
Crawford II	Bloomington, Indiana
Lucas Place II	Evansville, Indiana
Garvin Lofts	Evansville, Indiana
Lincoln Apartments	Indianapolis, Indiana
Benham Avenue Apartments	Elkhart, Indiana
Lincoln West Apartments	Elkhart, Indiana
West Plains Apartments	Elkhart, Indiana
South Shore Commons	Gary, Indiana
Southern Knoll	Bloomington, Indiana
Rivers Edge	Fort Wayne, Indiana
Walnut Commons	Muncie, Indiana
NWI Veterans Village	Gary, Indiana
Liberty Village	Terre Haute, Indiana
YOUnity Village	Terre Haute, Indiana
Courtyard Apartments	Fort Wayne, Indiana
Blue Triangle and Mozingo Place	Indianapolis, Indiana
Fieldhouse Apartments	Anderson, Indiana
HopeSpring	Martinsville, Indiana
Overlook at the Fairgrounds	Indianapolis, Indiana
Penn Place	Indianapolis, Indiana

Board Member Tom McGowan asked whether the funding would pay for supportive services already required to be provided at the developments or services that would be in addition to the supportive services already being provided. He also asked how long the funding would last. Mr. Nelson stated that the awards are for three to five years and that the funding will pay for supportive services that are not already being provided at the developments.

Following discussion, a motion was made by G. Michael Schopmeyer to approve the following: (1) An aggregate award of HOME American Rescue Plan Supportive Services funding in the amount of \$6,028,404 to the twenty developments set forth in Table A; (2) the waitlist set forth in Table B and delegated authority to IHCDA's Deputy Executive Director & Chief Real Estate Development Officer, if additional HOME American Rescue Plan Supportive Services funding becomes available, to approve the allocation of HOME American Rescue Plan Supportive Services funding as set forth in Table B, provided that the Board is informed of all awards made; and (3) the waitlist set forth in Table C and delegated authority to IHCDA's Deputy Executive Director & Chief Real Estate Development Officer, if additional HOME American Rescue Plan Supportive Services funding remains after the award of applications in Table B, to approve the allocation of HOME American Rescue Plan Supportive Services funding in as set forth in Table C, in order of final score, provided that each application awarded meets threshold requirements and that the Board is informed of all awards and denials made. The motion was seconded by Mark Pascarella. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approves the following: (1) an aggregate award of HOME American Rescue Plan Supportive Services funding in the amount of \$6,028,404 to the twenty developments set forth in Table

A; (2) to approve the waitlist set forth in Table B and delegated authority to IHCD's Deputy Executive Director & Chief Real Estate Development Officer, if additional HOME American Rescue Plan Supportive Services funding becomes available, to approve the allocation of HOME American Rescue Plan Supportive Services funding as set forth in Table B, provided that the Board is informed of all awards made; and (3) to approve the waitlist set forth in Table C and delegated authority to IHCD's Deputy Executive Director & Chief Real Estate Development Officer, if additional HOME American Rescue Plan Supportive Services funding remains after the award of applications in Table B, to approve the allocation of HOME American Rescue Plan Supportive Services funding in as set forth in Table C, in order of final score, provided that each application awarded meets threshold requirements and that the Board is informed of all awards and denials made, as recommended by staff.

### **III. Finance**

#### **A. Eight37 Bond Recommendation**

Chairperson Valentine recognized Rich Harcourt who presented the Eight37 Bond Recommendation board memo.

##### **Background**

The purpose of this memo and the attached resolution is to request the approval for the issuance of the Series 2024 Multifamily Tax-Exempt Mortgage-Backed Bonds (Eight37 Lofts Project) in the principal amount not to exceed \$17,005,000.00 (the "Bonds").

##### **Process**

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

The Borrower is proposing the new construction of 138 units of affordable housing in Shelbyville, Indiana. With the Authority serving as the issuer of the Bonds, an additional approval by the Board, in addition to the approval of the allocation of tax credits and bond volume, is necessary.

##### **Recommendation**

Staff recommends the Board to approve issuance of the Series 2024 Multifamily Tax-Exempt Mortgage-Backed Bonds (Eight37 Lofts Project) pursuant to the Resolution attached hereto as **Exhibit F**.

Following discussion, a motion was made by Michael Neal to approve the Series 2024 Multifamily Tax-Exempt Mortgage-Backed Bonds (Eight37 Lofts Project), pursuant to the Resolution attached hereto as **Exhibit F**. The motion was seconded by Mark Pascarella. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve the Series 2024 Multifamily Tax-Exempt Mortgage-Backed Bonds (Eight37 Lofts Project), pursuant to the Resolution attached hereto as **Exhibit F**, as recommended by staff.

#### **B. Kilgore Place Bond Recommendation**

Chairperson Valentine recognized Rich Harcourt who presented the Kilgore Place Bond Recommendation board memo.

### **Background**

The purpose of this memo and the attached resolution is to request the approval for the issuance of the Series 2024 Multifamily Housing Revenue Notes (Kilgore Place Project) in the principal amount not to exceed \$14,210,000.00 (the “Notes”).

### **Process**

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

The Borrower is proposing the new construction of 120 units of affordable housing in Muncie, Indiana. With the Authority serving as the issuer of the Notes, an additional approval by the Board, in addition to the approval of the allocation of tax credits and bond volume, is necessary.

### **Recommendation**

Staff recommends the Board to approve issuance of the Series 2024 Multifamily Housing Revenue Notes (Kilgore Place Project) pursuant to the Resolution attached hereto as **Exhibit G**.

Following discussion, a motion was made by G. Michael Schopmeyer to approve the Series 2024 Multifamily Housing Revenue Notes (Kilgore Place Project), pursuant to the Resolution attached hereto as **Exhibit G**. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve the Series 2024 Multifamily Housing Revenue Notes (Kilgore Place Project), pursuant to the Resolution attached hereto as **Exhibit G**, as recommended by staff.

## **C. Cambridge Estates II Bond Recommendation**

Chairperson Valentine recognized Rich Harcourt who presented the Cambridge Estates II Bond Recommendation board memo.

### **Background**

The purpose of this memo and the attached resolution is to request the approval for the issuance of the Series 2024 Multifamily Housing Revenue Bonds (Cambridge Estates II Project) in the principal amount not to exceed \$13,745,000 (the “Bonds”).

### **Process**

The Bonds will be issued on behalf of EREG CE2 LLC (the “Borrower”). The Indiana Housing and Community Development Authority (the “Authority”) will serve as a conduit issuer for the Bonds; thereby, loaning the proceeds to the Borrower to finance the new construction of its multifamily housing complex. **The Bonds are backed solely by the revenues derived from the development and will not constitute a debt, liability, or obligation of the Authority or the State of Indiana.**

The Borrower is proposing the rehabilitation of 120 units of affordable housing in Lafayette, Indiana. With the Authority serving as the issuer of the Bonds, an additional approval by the Board, in addition to the approval of the allocation of tax credits and bond volume, is necessary.

### **Recommendation**

Staff recommends the Board to approve issuance of the Series 2024 Multifamily Housing Revenue Bonds (Cambridge Estates II Project) pursuant to the Resolution attached hereto as **Exhibit H**.

Following discussion, a motion was made by Mark Pascarella to approve the Series 2024 Multifamily Housing Revenue Bonds (Cambridge Estates II Project), pursuant to the Resolution attached hereto as **Exhibit H**. The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve the Series 2024 Multifamily Housing Revenue Bonds (Cambridge Estates II Project), pursuant to the Resolution attached hereto as **Exhibit H**, as recommended by staff.

#### **D. Sunspring Project Bond Recommendation**

Chairperson Valentine recognized Rich Harcourt who presented the Sunspring Project Bond Recommendation board memo.

##### **Background**

The purpose of this memo and the attached resolution is to request the approval for the issuance of the Series 2024 Multifamily Housing Revenue Notes (Sunspring Project) in the principal amount not to exceed \$27,000,000.00 (the “Notes”).

##### **Process**

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

The Borrower is proposing the new construction of 208 units of affordable housing in Indianapolis, Indiana. With the Authority serving as the issuer of the Notes, an additional approval by the Board, in addition to the approval of the allocation of tax credits and bond volume, is necessary.

##### **Recommendation**

Staff recommends the Board to approve issuance of the Series 2024 Multifamily Housing Revenue Notes (Sunspring Project) pursuant to the Resolution attached hereto as **Exhibit I**.

Following discussion, a motion was made by Michael Neal to approve the Series 2024 Multifamily Housing Revenue Notes (Sunspring Project), pursuant to the Resolution attached hereto as **Exhibit I**. The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve the Series 2024 Multifamily Housing Revenue Notes (Sunspring Project), pursuant to the Resolution attached hereto as **Exhibit I**, as recommended by staff.

#### **E. 2023 IHCDA External Audit**

Chairperson Valentine recognized Rich Harcourt who presented the 2023 IHCDA External Audit board memo.

##### **Background**

This Board established an Audit Committee, which is currently comprised of the following members: Anne Valentine, Mark Pascarella, and Tom McGowan. The role of this Committee is to ensure the fiscal, operational, and program integrity of IHCDA and to make reports and recommendations to the Board.

## **Process**

On April 18, 2024, the IHCDA Audit Committee met with representatives of IHCDA's auditing firm, FORVIS, LLP, and IHCDA staff to discuss the results of the December 31, 2023 Financial Statement Audit. The following items were discussed:

- The financial statements and independent auditors' report, attached hereto as **Exhibit J**;
- The schedule of expenditures of federal awards (the single audit report) and independent auditors' report, attached hereto as **Exhibit K**; and
- The management comment letter, attached hereto as **Exhibit L**.

Copies of these documents follow this memorandum.

## **Recommendation**

The Audit Committee and staff recommend the approval of the following: (1) the December 31, 2023 IHCDA Financial Statements and Independent Auditor's Report, attached hereto as **Exhibit J**; and (2) the December 31, 2023 IHCDA Schedule of Expenditures of Federal Awards and Independent Auditors' Report, attached hereto as **Exhibit K**.

Mr. Garard introduced staff from FORVIS, who provided an overview of the 2023 IHCDA External Audit process and results.

Following discussion, a motion was made by Mark Pascarella to approve the December 31, 2023 IHCDA Financial Statements and Independent Auditors' Report, attached hereto as **Exhibit J**. The motion was seconded by Tom McGowan. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve the December 31, 2023 IHCDA Financial Statements and Independent Auditors' Report, attached hereto as **Exhibit J**, as recommended by the Audit Committee and staff.

Following discussion, a motion was made by Mark Pascarella to approve the December 31, 2023 IHCDA Schedule of Expenditures of Federal Awards and Independent Auditors' Report, attached hereto as **Exhibit K**. The motion was seconded by G. Michael Schopmeyer. The motion was passed unanimously by roll call.

**RESOLVED**, that the Board approve the December 31, 2023 IHCDA Schedule of Expenditures of Federal Awards and Independent Auditors' Report, attached hereto as **Exhibit K**, as recommended by the Audit Committee and staff.

## **IV. Community Programs**

### **A. Low-Income Home Energy Assistance Program Update**

Chairperson Valentine recognized Greg Glassley who presented a PowerPoint presentation on the Low-Income Home Energy Assistance Program Update. The PowerPoint presentation is attached as **Exhibit L**.

Since this was just an update, there was no vote and no roll call taken.

## **V. Executive Update**



### A. Executive Director's Update

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

1. **Youth Transitioning Out of Foster Care Initiative** Mr. Sipe mentioned that in the summer of 2023, IHCDA received an allocation from the state, to pilot a program to assist youth that are transitioning out of the foster care system. Earlier this year, we went out with a request for proposals in a partnership with Child Protective Services to identify teams that would develop housing for youth transitioning out of foster care. Mr. Sipe announced there were four teams that were selected to submit a full application for funding. The four teams are Lacasa of Goshen, Inc. and Bashor Children's Home, which will be working together on developing a property in Goshen. Firefly Children and Family Alliance will be working together to develop a property in Indianapolis New Hope Services, Inc. in partnership with LifeSpring Health Systems submitting a proposal from Jeffersonville, and Building and Impacting Communities, Inc. and Epiphany & Company will be submitting an application for a development in Merrillville. Mr. Sipe is proud of the opportunity for IHCDA to partner with these non-profit developers and to create housing and provide services for youth transitioning out of foster care and expects that the Board will be able to vote on these applications towards the end of 2024 or first quarter of 2025. IHCDA will provide technical assistance as the developments come together.
2. **Solar for All Update** Last summer, the Environmental Protection Agency released an RFP for the Solar for All Program. IHCDA had worked closely with partners to respond to this; however, IHCDA was informed that their application was not approved. Mr. Sipe did mention that IHCDA had reached out to the EPA to request a debriefing on the application to have a better understanding of where the agency can make some adjustments for any future applications for this program.
3. **Next Board Meeting** Mr. Sipe mentioned that the next IHCDA board meeting would be held in Indiana's first capital, Corydon. The board meeting will be held on May 23<sup>rd</sup> at the Corydon Senior Lofts, a tax credit development placed in service two years ago. It is a former school and a property that has had a significant and positive impact on the city of Corydon. The board meeting will be held at 10:00 a.m. Eastern Time.

There being no further business, the meeting is adjourned at 11:16 a.m.

Respectfully submitted,

---

Lieutenant Governor, Suzanne Crouch, or her designee

ATTEST:

{00047469-1}

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J. Jacob Sipe  
Executive Director for IHCDA

**EXHIBIT A**  
**APPLICANT SUMMARY SHEET**  
**2024 HOME AWARD RECOMMENDATION**

<b>Lacasa of Goshen, Inc.</b> 1505 Krau Street, Elkhart, IN 46516 317 S. 10 <sup>th</sup> Street, Goshen, IN 46528	<b>CH-023-001</b>
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HOME Homebuyer Amount Requested:	\$454,293.00
<b>HOME Homebuyer Amount Awarded:</b>	<b>\$454,293.00</b>
Total Project Costs:	\$617,703.00
Project Type:	Family
City/Town:	Elkhart and Goshen
County:	Elkhart
Activity:	Homebuyer New Construction
Anticipated # of HOME Units:	2
Anticipated # of Total Units:	2



**EXHIBIT B**  
**RENTAL HOUSING TAX CREDIT PROGRAM**  
**DEVELOPMENT SUMMARY**  
**2024A-G Round**

PROJECT NAME: Allison Rose Gardens

SITE LOCATION: 300 Block of Vine Street  
Dale, IN 47523  
Spencer County

PROJECT TYPE: New Construction

PROJECT DESIGNATION: Multifamily

APPLICANT: Keller Development, Inc.

OWNER: Allison Rose Gardens, LP

**# OF UNITS AT EACH SET ASIDE**

80% of AMI:	24
70% of AMI	9
60% of AMI	0
50% of AMI:	9
40% of AMI:	0
30% of AMI	15
20% of AMI:	0
Market Rate:	0

**UNIT MIX**

Efficiency:	0
One bedroom:	0
Two bedrooms:	48
Three bedrooms:	0
Four bedrooms:	0
Total units:	48

TOTAL PROJECTED COSTS: \$10,283,443.00

CREDIT REQUESTED: \$963,000.00

CREDIT RECOMMENDED: \$963,000.00

HOME REQUESTED: \$0.00

HOME RECOMMENDED: \$0.00

DEVELOPMENT FUND REQUESTED: \$750,000.00

DEVELOPMENT FUND RECOMMENDED: \$750,000.00

HOUSING TRUST FUND REQUESTED: \$0.00

HOUSING TRUST FUND RECOMMENDED: \$0.00

APPLICANT NUMBER: 2024A-G001

BIN NUMBER: IN-24-01800

FINAL SCORE: 115.5

SET-ASIDE: General



Indiana Housing & Community Development Authority

**EXHIBIT C**  
**RENTAL HOUSING TAX CREDIT PROGRAM**  
**DEVELOPMENT SUMMARY**  
**2024A-G Round**

PROJECT NAME: Willow Creek Villas

SITE LOCATION: TBD Galbreath Dr  
Winamac, IN 46996  
Pulaski County

PROJECT TYPE: New Construction

PROJECT DESIGNATION: Family

APPLICANT: Sullivan Development LLC

OWNER: Willow Creek Villas, LP

# OF UNITS AT EACH SET ASIDE

80% of AMI: 0

70% of AMI 0

60% of AMI 17

50% of AMI: 6

40% of AMI: 0

30% of AMI 11

20% of AMI: 0

Market Rate: 0

UNIT MIX

Efficiency: 0

One bedroom: 0

Two bedrooms: 34

Three bedrooms: 0

Four bedrooms: 0

Total units: 34

TOTAL PROJECTED COSTS: \$9,371,875.00

CREDIT REQUESTED: \$965,000.00

CREDIT RECOMMENDED: \$965,000.00

HOME REQUESTED: \$0.00

HOME RECOMMENDED: \$0.00

DEVELOPMENT FUND REQUESTED: \$750,000.00

DEVELOPMENT FUND RECOMMENDED: \$750,000.00

HOUSING TRUST FUND REQUESTED: \$0.00

HOUSING TRUST FUND RECOMMENDED: \$0.00

APPLICANT NUMBER: 2024A-G-004

BIN NUMBER: IN-24-01900

FINAL SCORE: 108.00

SET-ASIDE: General



Indiana Housing & Community Development Authority

**EXHIBIT D**  
**RENTAL HOUSING TAX CREDIT PROGRAM**  
**DEVELOPMENT SUMMARY**  
**2024A-G Round**

PROJECT NAME: Brantwood Crossing  
SITE LOCATION: 3470 W SR 10  
North Judson, IN 46366  
Starke County  
PROJECT TYPE: New Construction  
PROJECT DESIGNATION: Multifamily  
APPLICANT: Walters Family Development, LLC

# OF UNITS AT EACH SET ASIDE

80% of AMI: 0  
70% of AMI 0  
60% of AMI 12  
50% of AMI: 9  
40% of AMI: 0  
30% of AMI 9  
20% of AMI: 0  
Market Rate: 0

UNIT MIX

Efficiency: 0  
One bedroom: 0  
Two bedrooms: 0  
Three bedrooms: 24  
Four bedrooms: 6  
Total units: 30

TOTAL PROJECTED COSTS: \$12,006,100.00

CREDIT REQUESTED: \$1,200,000.00  
CREDIT RECOMMENDED: \$0.00  
HOME REQUESTED: \$0.00  
HOME RECOMMENDED: \$0.00  
DEVELOPMENT FUND REQUESTED: \$750,000.00  
DEVELOPMENT FUND RECOMMENDED: \$0.00  
HOUSING TRUST FUND REQUESTED: \$0.00  
HOUSING TRUST FUND RECOMMENDED: \$0.00

APPLICANT NUMBER: 2024A-G-002  
FINAL SCORE: 81.5

REASON FOR DENIAL: Score



Indiana Housing & Community Development Authority

**EXHIBIT E**  
**RENTAL HOUSING TAX CREDIT PROGRAM**  
**DEVELOPMENT SUMMARY**  
**2024A-G Round**

PROJECT NAME: Turnham Terrace

SITE LOCATION: 505 S. Washington St.  
Dale, IN 47523  
Spencer County

PROJECT TYPE: New Construction

PROJECT DESIGNATION: Multifamily

APPLICANT: Gorman & Company, LLC

Owner: Turnham Terrace, LLC

# OF UNITS AT EACH SET ASIDE

80% of AMI:	24
70% of AMI	0
60% of AMI	0
50% of AMI:	9
40% of AMI:	0
30% of AMI	15
20% of AMI:	0
Market Rate:	0

UNIT MIX

Efficiency:	0
One bedroom:	32
Two bedrooms:	16
Three bedrooms:	0
Four bedrooms:	0
Total units:	48

TOTAL PROJECTED COSTS:	\$12,343,951.00
CREDIT REQUESTED:	\$996,000.00
CREDIT RECOMMENDED:	\$0.00
HOME REQUESTED:	\$0.00
HOME RECOMMENDED:	\$0.00
DEVELOPMENT FUND REQUESTED:	\$750,000.00
DEVELOPMENT FUND RECOMMENDED:	\$0.00
HOUSING TRUST FUND REQUESTED:	\$0.00
HOUSING TRUST FUND RECOMMENDED:	\$0.00

APPLICANT NUMBER:	2024A-G-00300
FINAL SCORE:	115
SET-ASIDE:	General
REASON FOR DENIAL:	Market Concerns

**Exhibit F**

**RESOLUTION OF THE  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
CONCERNING THE ISSUANCE OF  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
MULTIFAMILY TAX-EXEMPT MORTGAGE-BACKED BONDS, SERIES 2024  
(EIGHT37 LOFTS PROJECT)**

WHEREAS, the Indiana Housing and Community Development Authority (the “Authority”) is a public body corporate and politic of the State of Indiana (the “State”), created and existing under the authority of Title 5, Article 20, Chapter 1, of the Indiana Code, as amended (the “Act”). The Indiana General Assembly in 1978 found and declared to be a matter of legislative determination and made further findings that (i) there has existed in the State a need for safe and sanitary residential housing within the financial means of low and moderate income persons and families, a need which if unmet, is a threat to the health, safety, morals, and welfare of State residents and which will require an excessive expenditure of public funds for the social problems thus created; (ii) private enterprise and investment is more adequately able to produce the needed construction of decent, safe, and sanitary residential housing at prices or rentals which persons and families of low and moderate income can afford, or to achieve the urgently needed rehabilitation of much of the present low and moderate income housing; (iii) the provision of decent, safe, and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at costs they could afford is a valid public purpose for which public moneys may be spent; and (iv) the provision of money for mortgage loans through the issuance of mortgage-backed bonds, notes, or other securities will assist in meeting the needs identified in the Act; and

WHEREAS, in a case challenging the constitutionality of the Act, the State Supreme Court has determined that the Act comports with the constitution of both the State and the United States of America and that the financing of housing for persons and families of low and moderate income pursuant to the Act is a valid and constitutional public purpose; and

WHEREAS, pursuant to the Act, the Authority has all the powers necessary or convenient to make or participate in the making of construction loans to sponsors of multiple family residential housing; and

WHEREAS, TWG Shelbyville, LP, an Indiana limited partnership (the “Applicant”) submitted application materials and other information to the Authority and has requested that the Authority make a loan or loans (the “Loan”) to the Applicant or an affiliate of the Applicant (the “Borrower”) through the issuance of revenue bonds or notes to assist in the financing of the acquisition, construction, improving, and equipping of a residential rental development containing 138 units and including functionally related and subordinate facilities, known as Eight37 Lofts located or to be located at 837 Webster Street, Shelbyville, Indiana (the “Project”); and

WHEREAS, the Act specifically empowers the Authority to issue revenue bonds and refunding bonds and make loans of the proceeds thereof in order to carry out and effectuate its purposes, the payment of principal of and interest on such revenue bonds or refunding bonds to be



paid solely from the revenues derived from operations and loan repayments of a development and in no manner from the general funds of the Authority; and

WHEREAS, the Authority staff has reviewed the application materials and other information submitted by the Borrower and has made a recommendation to the Executive Director and a determination that the Project is eligible for financing with the Loan; and

WHEREAS, the Authority staff has completed its review of the Project and the Executive Director, based upon the Authority staff analysis, has recommended that the Authority make the Loan to the Borrower with respect to the Project; and

WHEREAS, the Authority has reviewed the Authority staff analysis and recommendation of the Executive Director and has determined that the Project meets the requirements of the Act and the rules and regulations of the Authority; and

WHEREAS, the Authority has determined to issue its Bonds (as hereinafter defined) to assist in financing the Project, which revenue bonds will not constitute a debt, liability or obligation of the State of Indiana or the Authority or a pledge of the faith and credit of the State of Indiana or the Authority, but shall be payable solely from the revenues of the Project and loan repayments made to the Authority by the Borrower;

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY THAT:

1. The legislative findings of the Indiana General Assembly itemized in Section 1 of the Act hereby are ratified and confirmed and it is specifically found that:

(a) there continues to exist in the State a need for safe and sanitary residential housing within the financial means of low and moderate income persons and families, a need which if unmet is a threat to the health, safety, morals and welfare of Indiana residents and which will require an excessive expenditure of public funds for social programs thus created;

(b) private enterprise and investment continue to be able to more adequately produce the needed construction of adequate, safe and sanitary residential housing at prices which persons and families of low and moderate income can afford or to achieve the urgently needed rehabilitation of the present low and moderate income housing, and that private enterprise and investment be encouraged to sponsor, build and rehabilitate residential housing for such persons and families;

(c) the provision of decent, safe and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at a cost they could afford continues to be a valid purpose for which public moneys may be spent; and

(d) there exists a need in the State to stimulate the residential housing industry.

2. The Authority hereby makes the following additional findings and determinations in connection with the Loan to be made by the Authority with proceeds of the Bonds to assist in the financing of the Project:

(a) The Loan to the Borrower pursuant to a Financing Agreement (as defined herein) accomplishes the purposes of the Authority by permitting the Borrower to provide decent, safe and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at a cost they could afford;

(b) Based upon representations made and information presented by the Borrower:

(i) There exists a need for continued safe and sanitary housing within the financial means of persons and families of low and moderate income and within the general housing market area to be served by the proposed Project;

(ii) The financing of the Project will assist private enterprise and investment in providing decent, safe, and sanitary residential housing at rentals which persons of low and moderate income can afford;

(iii) The Borrower will supply well-planned, well-designed residential housing for persons of low and moderate income;

(iv) The Borrower is financially responsible; and

(v) The proposed Project will be of public use and will provide a public benefit.

3. The issuance and sale by the Authority of the Bonds in one or more series and at separate times, if necessary, and the use of the funds therefrom to make the Loan to the Borrower to finance and refinance a portion of the costs of the Project in accordance with the Act are hereby determined to be consistent in all respects with the purposes for which the Authority was created and exists.

4. The Authority hereby authorizes the making of the Loan to the Borrower with proceeds of the Bonds with respect to the Project. The Financing Agreement shall include conditions requiring the Borrower to comply with all provisions of the Act and the rules and regulations of the Authority and any other requirements deemed necessary or appropriate by the Executive Director and the Authority staff. The interest rate with respect to the Bonds, the estimated total development cost of the Project and the initial principal amount of the Bonds, together with terms and conditions applicable to any equity contribution by the Borrower or its limited partners, assurances of successful completion and operational stability of the Project, procedures for the determination of the total development costs and the final principal amount of the Bonds, the terms and amortization requirements of the Bonds, related matters and terms and conditions shall be as set forth in the Financing Agreement and the Indenture (as defined herein).

5. To further the purposes of the Authority under the Act, the Authority hereby authorizes and ratifies the issuance of its Multifamily Tax-Exempt Mortgage-Backed Bonds, Series 2024 (Eight37 Lofts Project) (the "Bonds"), in one or more series or sub-series, in a combined aggregate principal amount not to exceed Seventeen Million Five Thousand Dollars (\$17,005,000), issued as fixed rate bonds or variable rate bonds bearing interest at an initial rate not to exceed nine percent (9.0%) and maturing no later than forty (40) years from the date of issue. The Authority hereby authorizes and ratifies:

(i) the issuance of the Bonds pursuant to the terms of a Trust Indenture, substantially in the form of the Trust Indenture presented to the Authority at this meeting (the “Indenture”) between the Authority and a trustee to be selected by the Borrower and approved by the Authority, as trustee (the “Trustee”);

(ii) the marketing of the Bonds pursuant to a Preliminary Official Statement (the “Preliminary Official Statement”), substantially in the form of the Preliminary Official Statement presented at this meeting, and the offering and sale of the Bonds pursuant to a final Official Statement (the “Official Statement”);

(iii) the loan of the proceeds of the Bonds by the Authority to the Borrower pursuant to the terms of a Financing Agreement, substantially in the form of the Financing Agreement presented to the Authority at this meeting, between the Authority and the Borrower (the “Financing Agreement”);

(iv) the sale and delivery of the Bonds pursuant to the terms of the Bond Purchase Agreement among the Issuer, PNC Bank, National Association and the Borrower (the “Bond Purchase Agreement”), the Bond Purchase Agreement substantially in the form of the Bond Purchase Agreement presented to the Authority at this meeting;

(v) the regulation of the Project pursuant to a Regulatory Agreement substantially in the form presented to the Authority at this meeting, among the Authority, the Trustee and the Borrower (the “Regulatory Agreement”); and

(vi) the use of the proceeds received from the sale and purchase of the Bonds, which may include original issue premium, in accordance with the terms of the Indenture and Financing Agreement and in accordance with the Act and the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”).

6. The Authority hereby approves the substantially final forms of the Indenture, the Financing Agreement, the Preliminary Official Statement, the Bond Purchase Agreement, and the Regulatory Agreement (all such foregoing documents referred to collectively as the “Bond Documents”). The forms of the Bond Documents presented hereby are substantially final forms and the Authority hereby authorizes the Chair, the Executive Director and the Chief Financial Officer (the “Authorized Officers”), or any one of them individually, with the advice of counsel to the Authority, to execute by manual or facsimile signature and deliver the Bond Documents to which they are a party with such changes in form or substance as may be necessary or appropriate to accomplish the purposes of this Resolution as shall be approved by the Authorized Officers, such approvals to be conclusively evidenced by the execution thereof or certification as applicable, and to take such further actions necessary or appropriate to approve the sale and issuance of the Bonds, such approvals to be conclusively evidenced by their execution of the Bonds.

7. The Authority hereby delegates to the Authorized Officers the authority to execute by manual or facsimile signature and deliver the Bond Documents provided that any of the Authorized Officers acting alone is authorized and has full power to execute by manual or facsimile signature and deliver the Bond Documents, as appropriate, and hereby authorizes the

Authorized Officers to take such further actions necessary and appropriate to approve the sale and issuance of the Bonds.

8. The Authority authorizes each of the Authorized Officers to execute by manual or facsimile signature such other documents and to take any and all other actions on behalf of the Authority as may be necessary or appropriate to carry out and implement the purposes of this Resolution, including the execution by manual or facsimile signature and delivery of any certificates or other agreements in connection therewith. Any Authorized Officer is hereby authorized to execute and deliver the Bonds by manual or facsimile signature pursuant to the Bond Documents and to direct the authentication of the Bonds, and to contract for a book-entry-only registration system for all or any portion of the Bonds.

9. The Authority hereby agrees to cooperate with the Borrower in establishing documentation sufficient to provide for post-issuance compliance with respect to the Bonds under the Code and the regulations promulgated thereunder. Any one of the Authorized Officers is hereby specifically authorized and empowered to execute and deliver such certificates and enter into such agreements concerning such post-issuance compliance.

\* \* \* \* \*

**Exhibit G**

**RESOLUTION OF THE  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
CONCERNING THE ISSUANCE OF  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
MULTIFAMILY HOUSING REVENUE NOTES  
(KILGORE PLACE APARTMENTS PROJECT)**

WHEREAS, the Indiana Housing and Community Development Authority (the “Authority”) is a public body corporate and politic of the State of Indiana (the “State”), created and existing under the authority of Title 5, Article 20, Chapter 1, of the Indiana Code, as amended (the “Act”). The Indiana General Assembly in 1978 found and declared to be a matter of legislative determination and made further findings that (i) there has existed in the State a need for safe and sanitary residential housing within the financial means of low and moderate income persons and families, a need which if unmet, is a threat to the health, safety, morals, and welfare of State residents and which will require an excessive expenditure of public funds for the social problems thus created; (ii) private enterprise and investment is more adequately able to produce the needed construction of decent, safe, and sanitary residential housing at prices or rentals which persons and families of low and moderate income can afford, or to achieve the urgently needed rehabilitation of much of the present low and moderate income housing; (iii) the provision of decent, safe, and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at costs they could afford is a valid public purpose for which public moneys may be spent; and (iv) the provision of money for mortgage loans through the issuance of mortgage-backed bonds, notes, or other securities will assist in meeting the needs identified in the Act; and

WHEREAS, in a case challenging the constitutionality of the Act, the State Supreme Court has determined that the Act comports with the constitution of both the State and the United States of America and that the financing of housing for persons and families of low and moderate income pursuant to the Act is a valid and constitutional public purpose; and

WHEREAS, pursuant to the Act, the Authority has all the powers necessary or convenient to make or participate in the making of construction loans to sponsors of multiple family residential housing; and

WHEREAS, TWG Kilgore, LP, an Indiana limited partnership (the “Borrower”) submitted application materials and other information to the Authority and has requested that the Authority make a loan to the Borrower (the “Loan”) through the issuance of a revenue note or notes to assist in the financing of the acquisition, construction, improving, and equipping of privately owned real and personal property to be comprised of a multifamily housing complex, located or to be located near 2380 West Kilgore Avenue, Muncie, Indiana, containing a total of 120 affordable living units (the “Project”); and

WHEREAS, the Act specifically empowers the Authority to issue revenue notes and refunding notes and make loans of the proceeds thereof in order to carry out and effectuate its purposes, the payment of principal of and interest on such revenue notes or refunding notes to be

paid solely from the revenues derived from operations and loan repayments of a development and in no manner from the general funds of the Authority; and

WHEREAS, the Authority staff has reviewed the application materials and other information submitted by the Borrower and has made a recommendation to the Executive Director and a determination that the Project is eligible for financing with a Loan; and

WHEREAS, the Authority staff has completed its review of the Project and the Executive Director, based upon the Authority staff analysis, has recommended that the Authority make the Loan to the Borrower with respect to the Project; and

WHEREAS, the Authority has reviewed the Authority staff analysis and recommendation of the Executive Director and has determined that the Project meets the requirements of the Act and the rules and regulations of the Authority; and

WHEREAS, the Authority has determined to issue its Multifamily Housing Revenue Notes, Series 2024 (Kilgore Place Apartments Project) (the "Notes") to assist in financing the Project, which Notes will not constitute a debt, liability or obligation of the State of Indiana or the Authority or a pledge of the faith and credit of the State of Indiana or the Authority, but shall be payable solely from the revenues of the Project and loan repayments made to the Authority by the Borrower;

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY THAT:

1. The legislative findings of the Indiana General Assembly itemized in Section 1 of the Act hereby are ratified and confirmed and it is specifically found that:

(a) there continues to exist in the State a need for safe and sanitary residential housing within the financial means of low and moderate income persons and families, a need which if unmet is a threat to the health, safety, morals and welfare of Indiana residents and which will require an excessive expenditure of public funds for social programs thus created;

(b) private enterprise and investment continue to be able to more adequately produce the needed construction of adequate, safe and sanitary residential housing at prices which persons and families of low and moderate income can afford or to achieve the urgently needed rehabilitation of the present low and moderate income housing, and that private enterprise and investment be encouraged to sponsor, build and rehabilitate residential housing for such persons and families;

(c) the provision of decent, safe and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at a cost they could afford continues to be a valid purpose for which public moneys may be spent; and

(d) there exists a need in the State to stimulate the residential housing industry.

2. The Authority hereby makes the following additional findings and determinations in connection with the Loan to be made by the Authority with proceeds of the Notes to assist in the financing of the Project:

(a) The Loan to the Borrower pursuant to a Borrower Loan Agreement (as defined herein) accomplishes the purposes of the Authority by permitting the Borrower to provide decent, safe and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at a cost they could afford;

(b) Based upon representations made and information presented by the Borrower:

(i) There exists a need for continued safe and sanitary housing within the financial means of persons and families of low and moderate income and within the general housing market area to be served by the proposed Project;

(ii) The financing of the Project will assist private enterprise and investment in providing decent, safe, and sanitary residential housing at rentals which persons of low and moderate income can afford;

(iii) The Borrower will supply well-planned, well-designed residential housing for persons of low and moderate income;

(iv) The Borrower is financially responsible; and

(v) The proposed Project will be of public use and will provide a public benefit.

3. The issuance and sale by the Authority of the Notes in one or more series or sub-series and the use of the funds therefrom to make the Loan to the Borrower to finance a portion of the costs of the Project in accordance with the Act are hereby determined to be consistent in all respects with the purposes for which the Authority was created and exists.

4. The Authority hereby authorizes the making of the Loan to the Borrower with proceeds of the Notes with respect to the Project. The Borrower Loan Agreement shall include conditions requiring the Borrower to comply with all provisions of the Act and the rules and regulations of the Authority and any other requirements deemed necessary or appropriate by the Executive Director and the Authority staff. The interest rate with respect to the Loan, the estimated total development cost of the Project and the initial principal amount of the Loan, together with terms and conditions applicable to any equity contribution by the Borrower or its limited partners, assurances of successful completion and operational stability of the Project, procedures for the determination of the total development costs and the final principal amount of the Loan, the term and amortization requirements of the Loan, related matters and terms and conditions shall be as set forth in the Funding Loan Agreement (as defined herein) and the Borrower Loan Agreement.

5. To further the purposes of the Authority under the Act, the Authority hereby authorizes and ratifies the issuance of its Notes in one or more taxable or tax-exempt series or sub-series, in an aggregate principal amount not to exceed Fourteen Million Two Hundred Ten Thousand Dollars (\$14,210,000), issued as fixed rate Notes or variable rate Notes initially bearing

interest at a rate not to exceed eight percent (8%) and maturing no later than forty (40) years from the date of issue. The Authority hereby authorizes and ratifies:

(i) the issuance of the Notes pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) between the Authority and a lender or lenders selected by the Borrower and acceptable to the Authority, as funding lender and administrative agent (the “Funding Lender”), and the Funding Loan Agreement substantially in the form of the Funding Loan Agreement presented to the Authority at this meeting;

(ii) the loan of the proceeds of the Notes by the Authority to the Borrower pursuant to the terms of the Borrower Loan Agreement between the Authority and the Borrower (the “Borrower Loan Agreement”), and the Borrower Loan Agreement substantially in the form of the Borrower Loan Agreement presented to the Authority at this meeting;

(iii) the sale and delivery of the Notes pursuant to the terms of the Funding Loan Agreement and the Borrower Loan Agreement;

(iv) the regulation of the Project pursuant to a Regulatory Agreement, among the Authority, the Borrower and the Funding Lender (the “Regulatory Agreement”), and the Regulatory Agreement substantially in the form of the Regulatory Agreement presented to the Authority at this meeting; and

(v) the use of the proceeds received from the sale of the Notes in accordance with the terms of the Funding Loan Agreement and Borrower Loan Agreement and in accordance with the Act and the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”).

6. The Authority hereby approves the substantially final forms of the Funding Loan Agreement, the Borrower Loan Agreement and the Regulatory Agreement (all such foregoing documents referred to collectively as the “Bond Documents”). The forms of the Bond Documents presented hereby are substantially final forms and the Authority hereby authorizes the Chair, the Executive Director and the Chief Financial Officer (the “Authorized Officers”), or any one of them individually, with the advice of counsel to the Authority, to execute by manual or facsimile signature and deliver the Bond Documents to which they are a party with such changes in form or substance as may be necessary or appropriate to accomplish the purposes of this Resolution as shall be approved by the Authorized Officers, such approvals to be conclusively evidenced by the execution thereof or certification as applicable, and to take such further actions necessary or appropriate to approve the sale and issuance of the Notes, such approvals to be conclusively evidenced by their execution of the Notes.

7. The Authority hereby delegates to the Authorized Officers the authority to execute and deliver the Bond Documents provided that any of the Authorized Officers acting alone is authorized and has full power to execute by manual or facsimile signature and deliver the Bond Documents, as appropriate, and hereby authorizes the Authorized Officers to take such further actions necessary and appropriate to approve the sale and issuance of the Notes.



8. The Authority authorizes each of the Authorized Officers to execute by manual or facsimile signature such other documents and to take any and all other actions on behalf of the Authority as may be necessary or appropriate to carry out and implement the purposes of this Resolution, including the execution by manual or facsimile signature and delivery of any certificates or other agreements in connection therewith. Any Authorized Officer is hereby authorized to execute and deliver the Bond Documents and the Notes by manual or facsimile signature pursuant to the Funding Loan Agreement and Borrower Loan Agreement and to authenticate the Notes, and to contract for a book-entry-only registration system for all or any portion of the Notes.

9. The Authority hereby agrees to cooperate with the Borrower in establishing documentation sufficient to provide for post-issuance compliance with respect to the Notes under the Code and the regulations promulgated thereunder. Any one of the Authorized Officers is hereby specifically authorized and empowered to execute and deliver such certificates and enter into such agreements concerning such post-issuance compliance.

\* \* \* \* \*

## Exhibit H

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$13,745,000 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2024 (CAMBRIDGE ESTATES II PROJECT) IN ONE OR MORE SERIES, BY THE INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY, THE PROCEEDS OF WHICH SHALL BE LOANED TO EREG CE2, LLC, AN INDIANA LIMITED LIABILITY COMPANY, TO FINANCE THE ACQUISITION, CONSTRUCTION, REHABILITATION, REDEVELOPMENT AND EQUIPPING OF AN AFFORDABLE MULTIFAMILY RESIDENTIAL RENTAL HOUSING FACILITY; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH BONDS; AUTHORIZING A BOND FINANCING AGREEMENT APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND TO FURTHER SECURE SUCH BONDS; AUTHORIZING A TAX AGREEMENT, A LAND USE RESTRICTION AGREEMENT AND AUTHORIZING OTHER DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS

WHEREAS, the Indiana Housing and Community Development Authority (the “Issuer”) is a public body corporate and politic of the State of Indiana (the “State”), by virtue of Title 5, Article 20, Chapter 1, of the Indiana Code, as amended (the “Act”), and is authorized and empowered by the Act (a) to meet the stated public purpose of the State of improving the economic and general welfare of the people of the State and promoting the development and rehabilitation of safe and sanitary residential housing within the financial means of low and moderate income persons and families and to stimulate the residential housing industry; (b) to issue its revenue bonds and notes to accomplish the stated purpose of the Issuer, including, but not limited to, making mortgage loans to finance the construction and equipping or acquisition and rehabilitation of housing, or to refinance existing housing, which revenue bonds and notes shall be payable solely from the revenues and security interests pledged therefor; (c) to enact this Resolution (the “Resolution”); and (d) to execute and deliver the documents, agreements and instruments identified below to be executed by it, upon the terms and conditions provided therein; and

WHEREAS, the Issuer has determined and does hereby confirm that the acquisition, construction, rehabilitation, redevelopment and equipping of an approximately 120-unit multifamily housing facility for individuals and families of low and moderate income known as Cambridge Estates II located at 2511 Malden Road, in the City of Lafayette, Indiana in Tippecanoe County (the “Project”), and to be owned by EREG CE2, LLC, an Indiana limited liability company (the “Borrower”), will be in all respects for the benefit of the people of the State, for the improvement of their health, safety, convenience, and economic welfare and for the enhancement of the opportunities for safe and sanitary housing and is a public purpose and that the Issuer, by assisting with the financing of the Project through the issuance of its Multifamily Housing Revenue Bonds, Series 2024 (Cambridge Estates II Project) (the “Bonds”), in one or more series, in a total aggregate principal amount of not to exceed \$13,745,000, will be acting in the manner consistent with and in furtherance of the provisions of the Act; and

WHEREAS, the Issuer is, by virtue of the laws of the State, including the Act, authorized and empowered among other things, to secure the Bonds by a pledge and assignment of revenues and other documents, as provided for herein and to adopt this Resolution and execute the Issuer Documents, as hereinafter identified, and all other documents to be executed by it, upon the terms and conditions provided herein; and

WHEREAS, the Bonds will not constitute a debt, liability or obligation of the State or the Issuer or a pledge of the faith and credit of the State or the Issuer; and

WHEREAS, proposed forms of the following documents have been presented to the Issuer for approval in connection with the issuance, sale, and delivery of the Bonds:

1. A Bond Financing Agreement (the “Bond Financing Agreement”), by and among the Issuer, Cedar Rapids Bank and Trust Company (the “Bondholder”) and the Borrower;
2. A Tax Agreement (the “Tax Agreement”), by and among the Issuer, the Borrower and, if necessary, the Bondholder;
3. A Land Use Restriction Agreement (the “LURA”), by and among the Issuer, the Bondholder and the Borrower;

WHEREAS, in accordance with the applicable provisions of the Act, the Issuer proposes to enter into the Bond Financing Agreement, the Tax Agreement and the LURA (collectively, the “Issuer Documents”) in accordance with their respective terms; and

NOW THEREFORE, BE IT RESOLVED by the members of the Indiana Housing and Community Development Authority (the “Board of Directors”) that:

SECTION 1. Definitions. All defined terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Bond Financing Agreement.

Any reference herein to the Issuer, or to any officers or members thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms “hereof,” “hereby,” “hereto,” “hereunder,” and similar terms, mean this Resolution.

SECTION 2. Determination of Issuer. Pursuant to the Act, the Issuer hereby finds and determines that the Project to be financed with the proceeds of the Bonds consists of the acquisition, construction, rehabilitation, redevelopment and equipping of housing and is consistent with and in furtherance of the provisions of the Act.

SECTION 3. Authorization of Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided herein and pursuant to the authority of the Act, the Bonds for the purpose of assisting the Borrower with the construction and permanent financing of the acquisition, construction, rehabilitation, redevelopment and equipping of the Project, including a debt service reserve fund, if applicable, and costs incidental thereto and of the financing thereof, all in accordance with the provisions of the Issuer Documents. The maximum amount of all Bonds to be outstanding at any one time is not to exceed \$13,745,000.

SECTION 4. Terms and Execution of the Bonds. The Bonds shall be designated, shall be issued in the forms and denominations and shall be numbered, dated and payable as provided in the Bond Financing Agreement. The Bonds shall mature as provided in the Bond Financing Agreement, and have such terms, bear such interest, and be subject to mandatory and optional redemption as provided in the Bond Financing Agreement; provided, however, that the Bonds shall mature not later than forty-five (45) years from the date of issuance and shall bear interest at a rate of interest not to exceed twelve percent (12%) per annum. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chair or Vice Chair of the Board of Directors and attested by manual or facsimile signature of the Executive Director of the Issuer and the seal of the Issuer may be impressed or printed on the Bonds. In case any member or officer whose signature or a facsimile thereof shall appear on the Bonds shall cease to be such member or officer before the issuance or delivery of the Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if they had remained in office until after that time.

The form of the Bonds submitted to this meeting, subject to appropriate insertions and revisions in order to comply with the provisions of the Bond Financing Agreement, is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate members or officers thereof in the manner contemplated hereby and by the Bond Financing Agreement, shall represent the approved form of Bonds of the Issuer.

SECTION 5. Sale of the Bonds. In accordance with a request of the Borrower that the sale of the Bonds be made upon a negotiated basis, and subject to the parameters set forth in Section 4 hereof, the Bonds are hereby awarded to the Bondholder at the purchase price and the terms and conditions to be described in the Bond Financing Agreement; provided that the purchase price shall not be less than 95% nor more than 105% of the aggregate principal amount of the Bonds. The Executive Director, the Deputy Executive Director, the Chief Financial Officer, the General Counsel, the Chief Community Programs Officer and the Chief Operating Officer of the Issuer are authorized and directed to make on behalf of the Issuer the necessary arrangements to establish the dates, location, procedures and conditions for the delivery of the Bonds to or at the order of the Bondholder and to take all steps necessary to effect due execution and delivery to or at the order of the Bondholder (or temporary bonds delivered in lieu of definitive Bonds) until their preparation and delivery can be effectuated under the terms of this Resolution and the Bond Financing Agreement.

SECTION 6. Arbitrage Provisions and Post-Issuance Provisions. The Issuer will, by entering into, the Tax Agreement, cause the Borrower to restrict the use of the proceeds of the

Bonds (except with respect to any series of Bonds that is issued as taxable for purposes of federal income taxation) in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations existing as of the Closing Date, so that they will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”). Each of the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the General Counsel, the Chief Community Programs Officer and the Chief Operating Officer of the Issuer is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer, to deliver certificates for inclusion in the transcripts of proceedings for the Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 148 and regulations thereunder. The Issuer hereby agrees to cooperate with the Borrower in establishing documentation sufficient to provide for post-issuance compliance with respect to the Bonds under the Code and the regulations thereunder. Any one of the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the General Counsel, the Chief Community Programs Officer and the Chief Operating Officer of the Issuer is hereby specifically authorized and empowered to execute and deliver such certificates and enter into such agreements concerning such post-issuance compliance.

SECTION 7. Authorization of Issuer Documents and All Other Documents to be Executed by the Issuer. In order to better secure the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable, the Chair of the Board, the Vice Chair of the Board, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the General Counsel, the Chief Community Programs Officer, the Chief Operating Officer and/or any other officer of the Issuer (collectively, the “Authorized Officers”) is authorized and directed to execute, acknowledge and deliver in the name and on behalf of the Issuer, the Issuer Documents in substantially the forms submitted to the Issuer on the date hereof, which are hereby approved, with such changes therein not inconsistent with this Resolution and not substantially adverse to the Issuer as may be permitted by the Act and approved by the Authorized Officer executing the same on behalf of the Issuer. The approval of such changes by said Authorized Officer, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of such Issuer Documents by such officer.

The Authorized Officer is authorized to take any and all actions and to execute such financing statements, assignments, certificates and other instruments that may be necessary or appropriate in the opinion of Frost Brown Todd LLP, as Bond Counsel, in order to effect the issuance of the Bonds and the intent of this Resolution. The Secretary of the Board of Directors, or other appropriate officer of the Issuer, shall certify a true transcript of all proceedings had with respect to the issuance of the Bonds, along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Bonds.

SECTION 8. Covenants of Issuer. In addition to other covenants of the Issuer in this Resolution, the Issuer further covenants and agrees that it will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Bonds and the Issuer Documents, and in all proceedings of the Issuer pertaining to the Bonds. The Issuer warrants and covenants that it is, and upon delivery of the Bonds, will be, duly

authorized by the laws of the State, including particularly and without limitation the Act, to issue the Bonds and to execute the related Issuer Documents and all other documents to be executed by it, which documents provide for the security for payment of the principal of, premium, if any, and interest on the Bonds; that all actions on its part for the issuance of the Bonds and execution and delivery of the Issuer Documents and all other documents to be executed by it in connection with the issuance of the Bonds, have been or will be duly and effectively taken; and that the Bonds will be valid and enforceable special, limited obligations of the Issuer according to the terms thereof. Each provision of the Resolution, the Issuer Documents and each Bond, and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, is binding upon the Issuer and the officers of the Issuer shall take such actions as may be necessary to perform all or any part of the duty required by such provision; and each duty of the Issuer undertaken pursuant to such proceedings for the Bonds is established as a duty of the Issuer and of each such officer and employee having authority to perform such duty.

SECTION 9. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Resolution, or in any Bond, or in the Issuer Documents, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any holder of any Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the owner or any holder of any Bond, or otherwise, of any sum that may remain due and unpaid upon any Bond, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Issuer Documents and the issuance of the Bonds.

SECTION 10. No Debt or Tax Pledge. The Bonds are limited obligations of the Issuer, payable solely from the revenues and other funds and money pledged and assigned under the Bond Financing Agreement. Neither the Issuer, the State, nor any political subdivision thereof, nor any public agency shall in any event be liable for the payment of the principal of, premium (if any) or interest on the Bonds, or for the performance of any pledge, obligation or agreement of any kind whatsoever except as set forth in the Bond Financing Agreement, and none of the Bonds or any of the Issuer's agreements or obligation shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever. The Issuer has no taxing power.

SECTION 11. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 12. Open Door Law. The Issuer hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Issuer, and that all deliberations of the Issuer and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

SECTION 13. Effective Date. This Resolution shall take effect and be in force immediately upon its passage by the Issuer.

Adopted: April 25, 2024.

**Exhibit I**

**RESOLUTION OF THE  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
CONCERNING THE ISSUANCE OF  
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY  
MULTIFAMILY HOUSING REVENUE NOTES  
(SUNSPRING APARTMENTS PROJECT)**

WHEREAS, the Indiana Housing and Community Development Authority (the “Authority”) is a public body corporate and politic of the State of Indiana (the “State”), created and existing under the authority of Title 5, Article 20, Chapter 1, of the Indiana Code, as amended (the “Act”). The Indiana General Assembly in 1978 found and declared to be a matter of legislative determination and made further findings that (i) there has existed in the State a need for safe and sanitary residential housing within the financial means of low and moderate income persons and families, a need which if unmet, is a threat to the health, safety, morals, and welfare of State residents and which will require an excessive expenditure of public funds for the social problems thus created; (ii) private enterprise and investment is more adequately able to produce the needed construction of decent, safe, and sanitary residential housing at prices or rentals which persons and families of low and moderate income can afford, or to achieve the urgently needed rehabilitation of much of the present low and moderate income housing; (iii) the provision of decent, safe, and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at costs they could afford is a valid public purpose for which public moneys may be spent; and (iv) the provision of money for mortgage loans through the issuance of mortgage-backed bonds, notes, or other securities will assist in meeting the needs identified in the Act; and

WHEREAS, in a case challenging the constitutionality of the Act, the State Supreme Court has determined that the Act comports with the constitution of both the State and the United States of America and that the financing of housing for persons and families of low and moderate income pursuant to the Act is a valid and constitutional public purpose; and

WHEREAS, pursuant to the Act, the Authority has all the powers necessary or convenient to make or participate in the making of construction loans to sponsors of multiple family residential housing; and

WHEREAS, Sunspring Apartments, LP, an Indiana limited partnership (the “Borrower”) submitted application materials and other information to the Authority and has requested that the Authority make a loan to the Borrower (the “Loan”) through the issuance of a revenue note or notes to assist in the financing of the acquisition, construction, improving, and equipping of privately owned real and personal property to be comprised of a multifamily housing complex, located or to be located near 11517 E. 38<sup>th</sup> St., Indianapolis, Indiana, containing a total of 208 affordable living units (the “Project”); and

WHEREAS, the Act specifically empowers the Authority to issue revenue notes and refunding notes and make loans of the proceeds thereof in order to carry out and effectuate its purposes, the payment of principal of and interest on such revenue notes or refunding notes to be



paid solely from the revenues derived from operations and loan repayments of a development and in no manner from the general funds of the Authority; and

WHEREAS, the Authority staff has reviewed the application materials and other information submitted by the Borrower and has made a recommendation to the Executive Director and a determination that the Project is eligible for financing with a Loan; and

WHEREAS, the Authority staff has completed its review of the Project and the Executive Director, based upon the Authority staff analysis, has recommended that the Authority make the Loan to the Borrower with respect to the Project; and

WHEREAS, the Authority has reviewed the Authority staff analysis and recommendation of the Executive Director and has determined that the Project meets the requirements of the Act and the rules and regulations of the Authority; and

WHEREAS, the Authority has determined to issue its Multifamily Housing Revenue Notes, Series 2024 (Sunspring Apartments Project) (the “Notes”) to assist in financing the Project, which Notes will not constitute a debt, liability or obligation of the State of Indiana or the Authority or a pledge of the faith and credit of the State of Indiana or the Authority, but shall be payable solely from the revenues of the Project and loan repayments made to the Authority by the Borrower;

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY THAT:

1. The legislative findings of the Indiana General Assembly itemized in Section 1 of the Act hereby are ratified and confirmed and it is specifically found that:

(a) there continues to exist in the State a need for safe and sanitary residential housing within the financial means of low and moderate income persons and families, a need which if unmet is a threat to the health, safety, morals and welfare of Indiana residents and which will require an excessive expenditure of public funds for social programs thus created;

(b) private enterprise and investment continue to be able to more adequately produce the needed construction of adequate, safe and sanitary residential housing at prices which persons and families of low and moderate income can afford or to achieve the urgently needed rehabilitation of the present low and moderate income housing, and that private enterprise and investment be encouraged to sponsor, build and rehabilitate residential housing for such persons and families;

(c) the provision of decent, safe and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at a cost they could afford continues to be a valid purpose for which public moneys may be spent; and

(d) there exists a need in the State to stimulate the residential housing industry.

2. The Authority hereby makes the following additional findings and determinations in connection with the Loan to be made by the Authority with proceeds of the Notes to assist in the financing of the Project:

(a) The Loan to the Borrower pursuant to a Borrower Loan Agreement (as defined herein) accomplishes the purposes of the Authority by permitting the Borrower to provide decent, safe and sanitary housing for persons and families of low and moderate income who would otherwise be unable to obtain adequate housing at a cost they could afford;

(b) Based upon representations made and information presented by the Borrower:

(i) There exists a need for continued safe and sanitary housing within the financial means of persons and families of low and moderate income and within the general housing market area to be served by the proposed Project;

(ii) The financing of the Project will assist private enterprise and investment in providing decent, safe, and sanitary residential housing at rentals which persons of low and moderate income can afford;

(iii) The Borrower will supply well-planned, well-designed residential housing for persons of low and moderate income;

(iv) The Borrower is financially responsible; and

(v) The proposed Project will be of public use and will provide a public benefit.

3. The issuance and sale by the Authority of the Notes in one or more series or sub-series and the use of the funds therefrom to make the Loan to the Borrower to finance a portion of the costs of the Project in accordance with the Act are hereby determined to be consistent in all respects with the purposes for which the Authority was created and exists.

4. The Authority hereby authorizes the making of the Loan to the Borrower with proceeds of the Notes with respect to the Project. The Borrower Loan Agreement shall include conditions requiring the Borrower to comply with all provisions of the Act and the rules and regulations of the Authority and any other requirements deemed necessary or appropriate by the Executive Director and the Authority staff. The interest rate with respect to the Loan, the estimated total development cost of the Project and the initial principal amount of the Loan, together with terms and conditions applicable to any equity contribution by the Borrower or its limited partners, assurances of successful completion and operational stability of the Project, procedures for the determination of the total development costs and the final principal amount of the Loan, the term and amortization requirements of the Loan, related matters and terms and conditions shall be as set forth in the Funding Loan Agreement (as defined herein) and the Borrower Loan Agreement.

5. To further the purposes of the Authority under the Act, the Authority hereby authorizes and ratifies the issuance of its Notes in one or more taxable or tax-exempt series or sub-series, in an aggregate principal amount not to exceed Twenty-Seven Million Dollars (\$27,000,000), issued as fixed rate Notes or variable rate Notes initially bearing interest at a rate

not to exceed nine percent (9%) and maturing no later than forty (40) years from the date of issue. The Authority hereby authorizes and ratifies:

(i) the issuance of the Notes pursuant to a Funding Loan Agreement (the “Funding Loan Agreement”) between the Authority and a lender or lenders selected by the Borrower and acceptable to the Authority, as funding lender and administrative agent (the “Funding Lender”), and the Funding Loan Agreement substantially in the form of the Funding Loan Agreement presented to the Authority at this meeting;

(ii) the loan of the proceeds of the Notes by the Authority to the Borrower pursuant to the terms of the Borrower Loan Agreement between the Authority and the Borrower (the “Borrower Loan Agreement”), and the Borrower Loan Agreement substantially in the form of the Borrower Loan Agreement presented to the Authority at this meeting;

(iii) the sale and delivery of the Notes pursuant to the terms of the Funding Loan Agreement and the Borrower Loan Agreement;

(iv) the regulation of the Project pursuant to a Regulatory Agreement, among the Authority, the Borrower and the Funding Lender (the “Regulatory Agreement”), and the Regulatory Agreement substantially in the form of the Regulatory Agreement presented to the Authority at this meeting; and

(v) the use of the proceeds received from the sale of the Notes in accordance with the terms of the Funding Loan Agreement and Borrower Loan Agreement and in accordance with the Act and the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”).

6. The Authority hereby approves the substantially final forms of the Funding Loan Agreement, the Borrower Loan Agreement and the Regulatory Agreement (all such foregoing documents referred to collectively as the “Bond Documents”). The forms of the Bond Documents presented hereby are substantially final forms and the Authority hereby authorizes the Chair, the Executive Director and the Chief Financial Officer (the “Authorized Officers”), or any one of them individually, with the advice of counsel to the Authority, to execute by manual or facsimile signature and deliver the Bond Documents to which they are a party with such changes in form or substance as may be necessary or appropriate to accomplish the purposes of this Resolution as shall be approved by the Authorized Officers, such approvals to be conclusively evidenced by the execution thereof or certification as applicable, and to take such further actions necessary or appropriate to approve the sale and issuance of the Notes, such approvals to be conclusively evidenced by their execution of the Notes.

7. The Authority hereby delegates to the Authorized Officers the authority to execute and deliver the Bond Documents provided that any of the Authorized Officers acting alone is authorized and has full power to execute by manual or facsimile signature and deliver the Bond Documents, as appropriate, and hereby authorizes the Authorized Officers to take such further actions necessary and appropriate to approve the sale and issuance of the Notes.

8. The Authority authorizes each of the Authorized Officers to execute by manual or facsimile signature such other documents and to take any and all other actions on behalf of the Authority as may be necessary or appropriate to carry out and implement the purposes of this Resolution, including the execution by manual or facsimile signature and delivery of any certificates or other agreements in connection therewith. Any Authorized Officer is hereby authorized to execute and deliver the Bond Documents and the Notes by manual or facsimile signature pursuant to the Funding Loan Agreement and Borrower Loan Agreement and to authenticate the Notes, and to contract for a book-entry-only registration system for all or any portion of the Notes.

9. The Authority hereby agrees to cooperate with the Borrower in establishing documentation sufficient to provide for post-issuance compliance with respect to the Notes under the Code and the regulations promulgated thereunder. Any one of the Authorized Officers is hereby specifically authorized and empowered to execute and deliver such certificates and enter into such agreements concerning such post-issuance compliance.

\* \* \* \* \*

Exhibit J



A COMPONENT UNIT OF THE STATE OF INDIANA

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

December 31, 2023

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Contents**  
**December 31, 2023**

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**Contents**

**Independent Auditor's Report**..... 1

**Management's Discussion and Analysis (Unaudited)**..... 4

**Financial Statements**

    Statement of Net Position..... 12

    Statement of Revenues, Expenses and Changes in Net Position..... 14

    Statements of Cash Flows ..... 15

    Notes to Financial Statements ..... 17

**Required Supplementary Information**

    Schedule of the Authority's Proportionate Share of the Net Pension Liability ..... 44

    Consolidating Schedule – Statements of Income Information ..... 45

**Supplementary Information**

    Combining Schedule of Net Position..... 46

    Combining Schedule of Revenues, Expenses and Changes in Net Position..... 47

    Combining Schedule of Cash Flows ..... 48



201 N. Illinois Street, Suite 700 / Indianapolis, IN 46244

P 317.383.4000 / F 317.383.4200

[forvis.com](http://forvis.com)

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the Indiana Housing and Community Development Authority (Authority), a component unit of the State of Indiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

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

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

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

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



### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information, including the combining schedule of net position, combining schedule of revenues, expenses, and changes in net positions and combining schedule of cash flows, as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2024, on our consideration of Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Authority's internal control over financial reporting and compliance.

**FORVIS, LLP**

**Indianapolis, Indiana  
April 18, 2024**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**Indiana Housing and Community Development Authority  
(A Component Unit of the State of Indiana)  
Management's Discussion and Analysis (Unaudited)  
December 31, 2023**

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Management's discussion and analysis of the Indiana Housing and Community Development Authority's (Authority) financial performance provides an overview of the financial activities for the year ended December 31, 2023. This information is being presented to provide additional information regarding the activities of the Authority. The management's discussion and analysis should be read in conjunction with the independent auditor's report, financial statements, and accompanying notes. Notes to the financial statements provide additional information that is essential to a full understanding of the information contained within the financial statements.

***Introduction - The Indiana Housing and Community Development Authority***

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

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

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

***Overview of the Financial Statements***

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

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

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

**Indiana Housing and Community Development Authority  
(A Component Unit of the State of Indiana)  
Management's Discussion and Analysis (Unaudited)  
December 31, 2023**

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

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

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2023**

**Financial Highlights**

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

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and cash equivalents				
Unrestricted	\$ 100,902,278	\$ 110,170,721	\$ (9,268,443)	-8%
Restricted	425,011,816	358,140,311	66,871,505	19%
Accrued interest receivable				
Investments	1,794,337	645,806	1,148,531	178%
Investments held against bonds	4,821,942	2,828,879	1,993,063	70%
Accounts and loan receivable, net	20,318,717	14,981,118	5,337,599	36%
Other assets	179,698	-	179,698	0%
Total current assets	<u>553,028,788</u>	<u>486,766,835</u>	<u>66,261,953</u>	<u>14%</u>
<b>Noncurrent Assets</b>				
Investments				
Unrestricted	189,053,470	127,632,324	61,421,146	48%
Restricted	-	47,338,088	(47,338,088)	-100%
Investments held against bonds	1,178,650,657	801,592,742	377,057,915	47%
Accounts and loans receivable, net	182,461,716	144,339,037	38,122,679	26%
Derivative instrument - interest rate swap agreements	2,975,199	2,570,002	405,197	16%
Capital assets, at cost, less accumulated depreciation	1,423,153	1,123,863	299,290	27%
Lease and subscription assets, less accumulated amortization	6,768,209	7,313,564	(545,355)	-7%
Total noncurrent assets	<u>1,561,332,404</u>	<u>1,131,909,620</u>	<u>429,422,784</u>	<u>38%</u>
Total assets	<u>2,114,361,192</u>	<u>1,618,676,455</u>	<u>495,684,737</u>	<u>31%</u>
<b>Deferred Outflows of Resources</b>				
Pension-related	3,539,610	2,544,543	995,067	39%
Deferred refunding costs	814,340	907,994	(93,654)	-10%
Total deferred outflows of resources	<u>4,353,950</u>	<u>3,452,537</u>	<u>901,413</u>	<u>26%</u>
Total assets and deferred outflows of resources	<u>\$ 2,118,715,142</u>	<u>\$ 1,622,128,992</u>	<u>\$ 496,586,150</u>	<u>31%</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Current Liabilities</b>				
Bonds payable	\$ 22,660,000	\$ 15,270,000	\$ 7,390,000	48%
Accrued interest payable	24,895,693	12,635,297	12,260,396	97%
Unearned revenue	197,213,694	229,047,349	(31,833,655)	-14%
Government advances	635,105	461,410	173,695	38%
Lease and subscription liability	882,195	719,750	162,445	23%
Accounts payable and other liabilities	17,942,436	18,548,254	(605,818)	-3%
Total current liabilities	<u>264,229,123</u>	<u>276,682,060</u>	<u>(12,452,937)</u>	<u>-5%</u>
<b>Noncurrent Liabilities</b>				
Bonds payable	1,303,876,050	835,222,428	468,653,622	56%
Original issue premium	34,603,018	33,781,813	821,205	2%
Bonds payable, net	<u>1,338,479,068</u>	<u>869,004,241</u>	<u>469,474,827</u>	<u>54%</u>
Notes payable	1,394,772	1,470,597	(75,825)	-5%
Pension liability	6,059,160	4,425,456	1,633,704	37%
Government advances	30,969,151	31,448,149	(478,998)	-2%
Lease and subscription liability	6,747,853	7,279,427	(531,574)	-7%
Other non-current liabilities	121,319	-	121,319	0%
Total noncurrent liabilities	<u>1,383,771,323</u>	<u>913,627,870</u>	<u>470,143,453</u>	<u>51%</u>
Total liabilities	<u>1,648,000,446</u>	<u>1,190,309,930</u>	<u>457,690,516</u>	<u>38%</u>
<b>Deferred Inflows of Resources</b>				
Pension-related	2,125	210,882	(208,757)	-99%
Accumulated increase in fair value of derivative	2,975,199	2,570,002	405,197	16%
Total deferred inflows of resources	<u>2,977,324</u>	<u>2,780,884</u>	<u>196,440</u>	<u>-83%</u>
<b>Net Position</b>				
Net investment in capital assets	561,314	438,250	123,064	28%
Restricted	157,764,715	201,319,512	(43,554,797)	-22%
Unrestricted	309,411,343	227,280,416	82,130,927	36%
Total net position	<u>467,737,372</u>	<u>429,038,178</u>	<u>38,699,194</u>	<u>9%</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,118,715,142</u>	<u>\$ 1,622,128,992</u>	<u>\$ 496,586,150</u>	<u>31%</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management’s Discussion and Analysis (Unaudited)**  
**December 31, 2023**

---

Total assets and deferred outflows of resources increased by \$496.6 million, or 31%, when compared to 2022. Total current assets increased \$66.3 million while the noncurrent assets increased by \$429.4 million. Total deferred outflow of resources increased by \$0.9 million.

The overall increase in total assets was driven by an increase in Investments held against bonds of \$377.1 million. This incorporates an increase in Single Family Fund of \$380.3 million and a decrease in MBS Pass-thru Fund of \$3.2 million. These investments represent new mortgages purchased from the proceeds of new bonds issued less repayments and redemptions. An additional increase in total assets is attributed to accounts and loans receivable in the amount of \$43.5 million. This increase is due in large part to down payment assistance loans made to first time home buyers through the Single Family Fund.

Total liabilities increased by \$457.7 million, or 38%, when compared to 2022. Total deferred inflows of resources increased by \$0.2 million and total net position increased by \$38.7 million.

The increase in bonds payable of \$476.9 million is being driven by the \$516.0 million in new bonds issued in 2023 for the Single Family Fund, as mentioned above and detailed below, less paydowns. This is partially offset by a decrease of \$31.8 million in Unearned revenue. In 2022, the Homeowner Assistance Fund (HAF) comprised a significant portion of the total Unearned revenue balance. During 2023, HAF recognized most of those dollars in the form of benefits paid to help Hoosiers stay in their homes.

Total net position at December 31, 2023 and 2022 was as follows (in millions of dollars):

	<u>2023</u>	<u>2022</u>
Assets and deferred outflows of resources	\$ 2,118.7	\$ 1,622.1
Liabilities and deferred inflows of resources	<u>1,651.0</u>	<u>1,193.1</u>
Net position	<u>\$ 467.7</u>	<u>\$ 429.0</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2023**

**Operating Analysis**

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

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
<b>Revenues</b>				
Interest income				
Investments	\$ 17,612,401	\$ 6,675,377	\$ 10,937,024	164%
Investments held against bonds	48,211,717	27,680,757	20,530,960	74%
Loans	1,468,428	1,464,184	4,244	0%
Fee income	7,602,631	5,460,377	2,142,254	39%
Program income	709,588,286	731,760,151	(22,171,865)	-3%
Sale of Next Home investments	1,240,812	2,978,283	(1,737,471)	-58%
Net increase (decrease) in fair value of investments	11,989,882	(78,013,279)	90,003,161	-115%
Other income	2,112,507	2,083,963	28,544	1%
Total revenues	<u>799,826,664</u>	<u>700,089,813</u>	<u>99,736,851</u>	<u>14%</u>
<b>Expenses</b>				
Investment expense (down payment assistance)	412,192	634,579	(222,387)	-35%
Loss on sale of investments	960,349	1,768,018	(807,669)	-46%
Interest expense	42,345,533	22,347,255	19,998,278	89%
Issuance costs	4,898,416	3,503,855	1,394,561	40%
Program expenses	658,580,346	677,638,469	(19,058,123)	-3%
Arbitrage expense	121,319	-	121,319	100%
General and administrative expenses	53,809,315	49,244,744	4,564,571	9%
Total expenses	<u>761,127,470</u>	<u>755,136,920</u>	<u>5,990,550</u>	<u>1%</u>
<b>Change in Net Position</b>	38,699,194	(55,047,107)	93,746,301	-170%
<b>Net Position, Beginning of Year</b>	<u>429,038,178</u>	<u>484,085,285</u>	<u>(55,047,107)</u>	<u>-11%</u>
<b>Net Position, End of Year</b>	<u>\$ 467,737,372</u>	<u>\$ 429,038,178</u>	<u>\$ 38,699,194</u>	<u>9%</u>

For 2023, the change in net position increased by \$93.7 million, or 170%, when compared to 2022. Total revenue increased by \$99.7 million, or 14%. Total expenses increased by \$6.0 million, or 1%.

The increase in total revenues is largely being driven by the increase in fair value of investments of \$90.0 million when compared to 2022. It should be noted that while GASB 31 requires mark to market adjustments on both mortgage-backed securities and investments, the Authority is a long-term holder of those assets and does not generally trade those securities. Interest income has increased by \$31.5 million from 2022. This is primarily due to continued increases in Single Family Fund activity coupled with higher interest rates on investments and deposit balances. These increases are partially offset by a decrease of \$22.2 million in program income. The Low-Income Energy Assistance Program (LIHEAP) and Indiana Emergency Rental Assistance (IERA) programs have declined in program revenue when compared to 2022. These declines are partially offset by growth in the HAF program mentioned above.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management’s Discussion and Analysis (Unaudited)**  
**December 31, 2023**

The increase in total expenses is being driven primarily by interest expense. The increase of \$20.0 million is primarily due to the continued issuance of new bonds for the Single Family Fund as discussed in further details below. There is also an increase in General and Administrative expenses of \$4.6 million. These increases are partially offset by a decrease in Program expenses of \$19.1 million over 2022. As mentioned above, there is a net decrease in activity for LIHEAP and IERA. The associated program expenses from these programs have also decreased.

Total operating income/change in net position for 2023 and 2022 was as follows (in millions of dollars):

	<u>2023</u>	<u>2022</u>
Operating revenues, gains and losses	\$ 799.8	\$ 700.1
Operating expenses	<u>761.1</u>	<u>755.1</u>
Operating income/change in net position	<u>\$ 38.7</u>	<u>\$ (55.0)</u>

Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB No. 31) requires the Authority’s investments to be reported at fair value. The change in the fair value of investments is an unrealized gain or loss and has no direct effect on actual cash flows of the Authority. The related adjustment should be tempered with the understanding that the underlying assets primarily are not readily marketable due to their relationship with the bond indentures. The change in net position is shown both with and without the GASB No. 31 adjustment below. In the current year, there was a net increase of \$12.0 million in the net fair value of investments held at year end. Without the GASB No. 31 adjustment, the change in net position for 2023 was \$26.7 million, resulting in a net increase in the change in net position of \$3.7 million between years.

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
Change in net position	\$ 38,699,194	\$ (55,047,107)	\$ 93,746,301	-170%
Net increase (decrease) in fair value of investments	<u>11,989,882</u>	<u>(78,013,279)</u>	<u>90,003,161</u>	<u>-115%</u>
Change in net position excluding GASB No. 31 adjustment	<u>\$ 26,709,312</u>	<u>\$ 22,966,172</u>	<u>\$ 3,743,140</u>	<u>16%</u>

**Financial Condition**

IHCDA’s Board of Directors, working with IHCDA’s Budget Committee, annually approves the Authority’s general fund budget which encompasses review, oversight, and approval of the Authority’s net position, liquidity, mortgage portfolio performance, and unrestricted asset levels. Net position on December 31, 2023, consisted of \$157.8 million restricted by funding sources, \$309.4 million unrestricted and available to meet the obligations of the Authority’s operations, and \$0.6 million net investment in capital assets. The Authority believes these balances to be sufficient to meet the objectives of the Board of Directors



**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Management’s Discussion and Analysis (Unaudited)**  
**December 31, 2023**

**Capital, Lease and Subscription Assets**

As of December 31, 2023 and 2022, the Authority had \$8.2 million and \$8.4 million, respectively, invested in capital, lease and subscription assets, primarily the building, computer software and hardware, and computer software subscriptions. Depreciation and amortization expense was \$1.4 in 2023 and \$1.2 million in 2022, respectively.

**Debt Administration**

Total current and noncurrent bonds payable, not including any original issue premium or discount, as of December 31, 2023, was \$1.3 billion, which increased \$476.0 million compared to \$850.5 million as of December 31, 2022. This increase was due to the \$516.0 million in mortgage revenue bond issuances in 2023, offset against the \$40.0 million of maturities and redemptions of bonds previously issued by the Authority. The Authority has maintained its long-term bond rating of Aaa from Moody’s Investors Services. On August 1, 2023, Fitch Ratings downgraded the United States of America’s Long-Term Foreign-Currency Issuer Default Rating (IDR) to AA+ from AAA. The Rating Watch Negative was removed and a Stable Outlook assigned. Fitch sighted “erosion of governance”, “rising general government deficits”, “medium term fiscal challenges unaddressed”, and other concerns in support of the USA downgrade. Further, Fitch went on to define the categories of debt that would be affected by the downgrade to include municipal housing bonds that are primarily secured by mortgage-backed securities issued by Ginnie Mae, Fannie Mae, and Freddie Mac. Since all IHCD’s mortgage revenue bonds are secured by Ginnie, Fannie, or Freddie guaranties, both the Single Family and MBS Pass Through resolutions were subsequently downgraded to AA+ with a Stable Outlook. The MBS Pass-thru Indenture is only rated by Fitch. More detailed information about the Authority’s debt is presented in Note 6 to the financial statements.

The following new bonds were issued during 2023 (dollars in thousands):

<b>Bond Series</b>	<b>Tax-Exempt Amount</b>	<b>Taxable Amount</b>	<b>Total</b>	<b>Moody's Rating</b>	<b>Fitch Rating</b>
2023 Series A	\$ 72,645	\$ 25,000	\$ 97,645	Aaa	AAA
2023 Series B	49,825	98,930	148,755	Aaa	AAA
2023 Series C	45,000	90,000	135,000	Aaa	AAA
2023 Series D	70,000	64,610	134,610	Aaa	AA+
Total	<u>\$ 237,470</u>	<u>\$ 278,540</u>	<u>\$ 516,010</u>		

**Economic Factors and Other Financial Information**

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

**Indiana Housing and Community Development Authority  
(A Component Unit of the State of Indiana)  
Management's Discussion and Analysis (Unaudited)  
December 31, 2023**

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

***Contacting the Authority's Financial Management***

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

## **BASIC FINANCIAL STATEMENTS**

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Net Position**  
**December 31, 2023**

**2023**

**Assets and Deferred Outflows of Resources**

**Current Assets**

Cash and cash equivalents	
Unrestricted	\$ 100,902,278
Restricted	425,011,816
Accrued interest receivable	
Investments	1,794,337
Investments held against bonds	4,821,942
Accounts and loans receivable, net	20,318,717
Other assets	179,698
Total current assets	<u>553,028,788</u>

**Noncurrent Assets**

Investments	
Unrestricted	189,053,470
Investments held against bonds	1,178,650,657
Accounts and loans receivable, net	182,461,716
Derivative instruments - interest rate swap agreements	2,975,199
Capital assets, at cost, less accumulated depreciation	1,423,153
Lease and subscription assets, less accumulated amortization	6,768,209
Total noncurrent assets	<u>1,561,332,404</u>
Total assets	<u>2,114,361,192</u>

**Deferred Outflows of Resources**

Pension-related	3,539,610
Deferred refunding costs	814,340
Total deferred outflows of resources	<u>4,353,950</u>

Total assets and deferred outflows of resources \$ 2,118,715,142

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Net Position (Continued)**  
**December 31, 2023**

	<u>2023</u>
<b>Liabilities, Deferred Inflows of Resources</b>	
<b>and Net Position</b>	
<b>Current Liabilities</b>	
Bonds payable	\$ 22,660,000
Accrued interest payable	24,895,693
Unearned revenue	197,213,694
Government advances	635,105
Lease and subscription liability	882,195
Accounts payable and other liabilities	17,942,436
Total current liabilities	<u>264,229,123</u>
<b>Noncurrent Liabilities</b>	
Bonds payable	1,303,876,050
Original issue premium	34,603,018
Bonds payable, net	<u>1,338,479,068</u>
Notes payable	1,394,772
Pension liability	6,059,160
Government advances	30,969,151
Lease and subscription liability	6,747,853
Other non-current liabilities	121,319
Total noncurrent liabilities	<u>1,383,771,323</u>
Total liabilities	<u>1,648,000,446</u>
<b>Deferred Inflows of Resources</b>	
Pension-related	2,125
Accumulated increase in fair value of derivatives	2,975,199
Total deferred outflows of resources	<u>2,977,324</u>
<b>Net Position</b>	
Net investment in capital assets	<u>561,314</u>
Restricted	
General fund	1,000,000
Program fund	138,134,867
Single Family fund	18,591,578
MBS Pass-thru fund	38,270
Total restricted net position	<u>157,764,715</u>
Unrestricted	<u>309,411,343</u>
Total net position	<u>467,737,372</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,118,715,142</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended December 31, 2023**

	<b>2023</b>
<b>Revenues</b>	
Interest income	
Investments	\$ 17,612,401
Investments held against bonds	48,211,717
Loans	1,468,428
Fee income	7,602,631
Program income	709,588,286
Sale of Next Home investments	1,240,812
Net increase in fair value of investments	11,989,882
Other income	2,112,507
Total revenues	<u>799,826,664</u>
<b>Expenses</b>	
Investment expense (down payment assistance)	412,192
Loss on sale of investments	960,349
Interest expense	42,345,533
Issuance costs	4,898,416
Program expenses	658,580,346
Arbitrage expense	121,319
General and administrative expenses	53,809,315
Total expenses	<u>761,127,470</u>
<b>Change in Net Position</b>	38,699,194
<b>Net Position, Beginning of Year</b>	<u>429,038,178</u>
<b>Net Position, End of Year</b>	<u>\$ 467,737,372</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**

	<u><b>2023</b></u>
<b>Cash Flows From Operating Activities</b>	
Receipts for services	\$ 10,725,511
Receipts for program revenue	670,064,857
Principal received on loans receivable	(15,750,224)
Interest received on investments	16,463,870
Interest received on investments held against bonds	43,061,549
Interest received on loans	1,468,428
Payments for program expenses	(697,404,757)
Interest paid on bonds and bank loans	(29,991,483)
Debt issuance costs incurred	(4,898,416)
Payments for suppliers and employees	(14,128,801)
Net cash provided by (used in) operating activities	<u>(20,389,466)</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Proceeds from bond issues	519,988,309
Repayments and redemption of bonds and bank loans	(40,042,203)
Net cash provided by (used in) noncapital financing activities	<u>479,946,106</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Purchases of capital assets	(653,937)
Payments on lease	(913,360)
Net cash provided by (used in) capital and related financing activities	<u>(1,567,297)</u>
<b>Cash Flows From Investing Activities</b>	
Proceeds from sale and maturities of investments	62,429,972
Principal received on investments held against bonds	67,297,307
Purchases of investments held against bonds	(433,936,242)
Purchase of investments	(75,881,730)
Purchase of DPA loans	(20,295,587)
Net cash provided by (used in) investing activities	<u>(400,386,280)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	57,603,063
<b>Cash and Cash Equivalents, January 1</b>	<u>468,311,031</u>
<b>Cash and Cash Equivalents, December 31</b>	<u>\$ 525,914,094</u>
<b>Cash and Cash Equivalents</b>	
Cash	\$ 272,934,288
Money market investments	<u>252,979,806</u>
Total cash and cash equivalents	<u>\$ 525,914,094</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Statement of Cash Flows (Continued)**  
**Year Ended December 31, 2023**

	<u>2023</u>
<b>Noncash Transactions From Capital and Related Financing Activities</b>	
Issuance of capital lease obligation	\$ 83,837
<b>Reconciliation of Change in Net Position to Net Cash</b>	
<b>    Provided by Operating Activities:</b>	
Change in net position	\$ 38,699,194
Adjustment to reconcile change in net position to net cash	
provided by operating activities:	
Net increase in fair value of investments	(11,989,882)
Loss on sale of investments	939,601
Depreciation and amortization	1,444,233
Amortization of bond premium/discount	(3,157,104)
Changes in operating assets and liabilities:	
Accounts and loan receivable	(23,164,688)
Accrued interest receivable	(3,141,595)
Other assets	(179,698)
Deferred pension costs	(995,067)
Deferred refunding costs	93,654
Unearned revenue	(31,833,655)
Accounts payable and other liabilities	(484,499)
Accrued interest payable	12,260,396
Net pension liability	1,633,704
Deferred pension revenue	(208,757)
Government advances	(305,303)
Total adjustments	<u>(59,088,660)</u>
Net cash provided by (used in) operating activities	<u>\$ (20,389,466)</u>



## **Note 1. Authorizing Legislation and Funds**

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

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

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

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

### ***General Fund***

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

### ***Program Fund***

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

### ***Single Family and Mortgage-Backed Securities Pass-Thru Funds***

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

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

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

## **Note 2. Summary of Significant Accounting Policies**

### ***Basis of Presentation***

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

### ***Measurement Focus and Basis of Accounting***

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

### ***Use of Estimates***

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

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

IHCDA provides down payment assistance (DPA) for most of its Single Family Fund homeownership programs. DPA is provided in the form of a noninterest-bearing, non-amortizing second mortgage recorded against the home at the time of closing and forgivable after nine years. IHCDA estimates an allowance for loan losses on DPA loans based on current economic conditions and historical collection information.

### ***Cash and Cash Equivalents***

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

### ***Investment Securities***

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

Following is a summary of the effects of valuing investment securities at fair value on total assets and deferred outflows of resources, net position and operating income as of and for the year ended December 31, 2023:

	<b>Total Assets and Deferred Outflows of Resources</b>	
	<b>Fair Value</b>	<b>Cost</b>
General Fund	\$ 208,265,172	\$ 210,649,069
Program Fund	382,609,426	382,609,426
Single Family Fund	1,500,638,383	1,536,932,002
MBS Pass-thru Fund	27,202,161	27,366,998
	<u>2,118,715,142</u>	<u>2,157,557,495</u>
Total assets and deferred outflows of resources	<u>\$ 2,118,715,142</u>	<u>\$ 2,157,557,495</u>

	<b>Net Position</b>	
	<b>Fair Value</b>	<b>Cost</b>
General Fund	\$ 190,900,945	\$ 193,284,842
Program Fund	138,282,757	138,282,757
Single Family Fund	138,515,400	174,809,019
MBS Pass-thru Fund	38,270	203,107
	<u>467,737,372</u>	<u>506,579,725</u>
Total net position	<u>\$ 467,737,372</u>	<u>\$ 506,579,725</u>

	<b>Operating Income</b>	
	<b>Fair Value</b>	<b>Cost</b>
General Fund	\$ 13,798,302	\$ 12,227,400
Program Fund	13,605,290	13,605,290
Single Family Fund	11,153,162	758,959
MBS Pass-thru Fund	142,440	117,663
	<u>38,699,194</u>	<u>26,709,312</u>
Total operating income	<u>\$ 38,699,194</u>	<u>\$ 26,709,312</u>

**Accounts and Loans Receivable**

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

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***Interfund Accounts and Transfers***

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

***Capital Assets***

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

***Lease Assets***

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

***Subscription Assets***

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

During 2023, the Authority implemented GASB Statement No. 96, *SBITAs*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. As of January 1, 2023, adoption of this standard resulted in recognition of subscription assets and liabilities of \$460,394.

***Deferred Outflows of Resources***

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

***Deferred Inflows of Resources***

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

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***Compensated Absences***

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

***Risk Management***

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

***Unearned Revenue***

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

***Cost-Sharing Defined-Benefit Pension Plan***

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

***Interest Rate Swap Agreements***

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

***Deferred Refunding Costs***

In 2012, the Authority issued 2012 series bonds under the MBS Pass-thru Fund, the proceeds from which were used to redeem bonds with an outstanding swap agreement. As part of the swap termination upon the bond redemption, the Authority was required to pay swap termination fees of \$9,114,000 to the counterparty. The Authority capitalized amounts paid in connection with the swap termination fees and is amortizing the balance ratably in proportion to 2012 series redeemed during the year. Accumulated amortization of refunding costs was \$8,299,660 at December 31, 2023, and amortization expense, which is reported as part of interest expense, was \$93,654 for the year then ended.

**Indiana Housing and Community Development Authority  
(A Component Unit of the State of Indiana)  
Notes to Financial Statements  
December 31, 2023**

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***Original Issue Premiums and Discounts***

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

***Net Position***

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

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

***Use of Restricted and Unrestricted Resources***

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

***Overdraws of Section 8 Housing Assistance***

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

***Operating Revenues***

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

***Program Income***

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

***Fee Income***

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

***Bond Issuance Costs***

Bond issuance costs are expensed as incurred.

***Allocation of Expenses Between Funds***

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Income Taxes**

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

**Note 3. Deposits and Investments**

	General Fund	Program Fund	Single Family Fund	MBS Pass-Thru Fund	2023 Total
<b>Current</b>					
Cash and cash equivalents					
Unrestricted	\$ 65,528,588	\$ -	\$ 35,373,690	\$ -	\$ 100,902,278
Restricted	1,000,000	263,087,137	160,864,037	60,642	425,011,816
Total current cash and cash equivalents	<u>66,528,588</u>	<u>263,087,137</u>	<u>196,237,727</u>	<u>60,642</u>	<u>525,914,094</u>
<b>Noncurrent Assets</b>					
Investments					
Unrestricted	103,254,135	-	85,799,335	-	189,053,470
Investments held against bonds	-	-	1,152,398,881	26,251,776	1,178,650,657
Total noncurrent investments	<u>103,254,135</u>	<u>-</u>	<u>1,238,198,216</u>	<u>26,251,776</u>	<u>1,367,704,127</u>
Total cash, cash equivalents, and investments	<u>\$ 169,782,723</u>	<u>\$ 263,087,137</u>	<u>\$ 1,434,435,943</u>	<u>\$ 26,312,418</u>	<u>\$ 1,893,618,221</u>

Cash, cash equivalents and investments held by the Authority as of December 31, 2023 were as follows:

	Fair Value	Cost
<b>Deposits</b>		
Cash	\$ 272,934,288	\$ 272,934,287
Money market mutual funds	252,979,806	252,963,747
<b>Investments</b>		
US Treasuries	33,617,326	33,489,337
Federal agency obligations	155,436,144	159,984,481
Federal agency obligations held against bonds	<u>1,178,650,657</u>	<u>1,213,088,722</u>
Total cash, cash equivalents and investments	<u>\$ 1,893,618,221</u>	<u>\$ 1,932,460,574</u>

**Investment Policy**

**General**

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

**Indentures**

The Bond Indentures permit investments in the direct obligations of, or obligations guaranteed by, the United States or any of its component states, obligations issued by certain agencies of the Federal government, and investments collateralized by those types of investments. At December 31, 2023, all investments held by the Authority were in compliance with the requirements of the Indentures.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

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

**Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rate. The Authority's investment policy does not restrict investment maturities. As of December 31, 2023, the Authority had the following investments and maturities (in thousands):

	Fair Value	Less Than 1	Investment Maturities (in Years)		
			1 - 5	6 - 10	More Than 10
Money market mutual funds	\$ 252,980	\$ 252,980	\$ -	\$ -	\$ -
US Treasuries	33,617	7,058	26,559	-	-
Federal agency obligations	155,436	34,688	99,536	16,425	4,787
Federal agency obligations held against bonds	1,178,651	-	710	1,099	1,176,842
	<u>\$ 1,620,684</u>	<u>\$ 294,726</u>	<u>\$ 126,805</u>	<u>\$ 17,524</u>	<u>\$ 1,181,629</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that the Authority will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty of the counterparty's trust department or agent but not in the Authority's name. As of December 31, 2023, the Authority had not entered into any agreements subject to this paragraph.

In 1937, the State created the Public Deposit Insurance Fund (PDIF) to protect the public funds of the state and its political subdivisions deposited in approved financial institutions. The PDIF insures those public funds deposited in approved financial institutions, which exceed the limits of coverage provided by any federal deposit insurance. As of December 31, 2023, all of the Authority's cash was deposited in approved financial institutions.

**Credit Risk**

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

	S&P	Fitch	Moody's	Fair Value
Money market mutual funds	AAAm	AAAmf	Aaa-mf	\$ 252,979,806
US Treasuries	AA+	AAA	Aaa	33,617,326
Federal agency obligations	AA+	AAA	Aaa	155,436,144
Federal agency obligations held against bonds	AA+	AAA	Aaa	1,178,650,657
				<u>\$ 1,620,683,933</u>



**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Concentration of Credit Risk**

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

<b>Investment</b>	<b>Fair Value</b>
Ginnie Mae	53.4%
Freddie Mac	12.5%
Fannie Mae	10.3%
Dreyfus Institutional Government Money Market Fund	8.9%

**Note 4. Accounts and Loans Receivable**

Accounts and loans receivable at December 31, 2023, were as follows:

**General Fund:**

Hardest hit fund loans	\$ 131,452,778
Tax credit assistance program loans	16,391,074
Next Home ownership mortgage down payment assistance loans	8,479,917
Accounts receivable	1,436,700
Mortgage loans	30,995
Loans provided to sub-recipients of certain programs	30,713
	<u>157,822,177</u>
Less: allowance for credit losses	<u>(140,601,992)</u>
	17,220,185
Current	<u>(1,438,037)</u>
	15,782,148
Noncurrent	<u>\$ 15,782,148</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

*(Continued)*

**Single Family Fund**

Down payment assistance interest	\$ 245,770
Down payment assistance loans	69,304,200
	<u>69,549,970</u>
Less: allowance for uncollectible loans	(9,820,065)
	<u>59,729,905</u>
Current	(245,770)
	<u>(245,770)</u>
Noncurrent	<u>\$ 59,484,135</u>

**Program Fund:**

Development fund loans	\$ 79,675,388
Section 1602 tax credit exchange program loans	43,428,969
Reimbursements due from other governments	18,109,114
Home investment partnership program loans	17,544,833
Community development block grant loans	13,475,882
Rural rental housing loans	1,312,748
	<u>173,546,934</u>
Less: allowance for credit losses	(47,716,591)
	<u>125,830,343</u>
Current	(18,634,910)
	<u>(18,634,910)</u>
Noncurrent	<u>\$ 107,195,433</u>

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

**Note 5. Capital, Lease and Subscription Assets**

Capital assets activity for the year ended December 31, 2023 was:

	<u>January 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31, 2023</u>
Computer software	\$ 7,732,716	\$ 244,461	\$ -	\$ 7,977,177
Computer hardware	1,135,048	-	-	1,135,048
Furniture and equipment	735,189	213,283	-	948,472
Leasehold Improvements	-	196,000	-	196,000
	<u>9,602,953</u>	<u>653,744</u>	<u>-</u>	<u>10,256,697</u>
Less accumulated depreciation	<u>(8,479,090)</u>	<u>(354,454)</u>	<u>-</u>	<u>(8,833,544)</u>
Capital assets, net	<u>\$ 1,123,863</u>	<u>\$ 299,290</u>	<u>\$ -</u>	<u>\$ 1,423,153</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

Lease assets activity for the year ended December 31, 2023 was:

	<b>January 1, 2023</b>	<b>Additions</b>	<b>Disposals</b>	<b>December 31, 2023</b>
Building	\$ 8,806,608	\$ 193	\$ -	\$ 8,806,801
Furniture and equipment	585,587	-	-	585,587
	9,392,195	193	-	9,392,388
Less accumulated amortization	(2,078,631)	(889,006)	-	(2,967,637)
Leased assets, net	<u>\$ 7,313,564</u>	<u>\$ (888,813)</u>	<u>\$ -</u>	<u>\$ 6,424,751</u>

Subscription assets activity for the year ended December 31, 2023 was:

	<b>January 1, 2023*</b>	<b>Additions</b>	<b>Disposals</b>	<b>December 31, 2023</b>
Subscription asset	\$ 460,394	\$ 83,837	\$ -	\$ 544,231
Less accumulated amortization	-	(200,773)	-	(200,773)
Subscription assets, net	<u>\$ 460,394</u>	<u>\$ (116,936)</u>	<u>\$ -</u>	<u>\$ 343,458</u>

\*The balances have been restated to reflect the adoption of GASB Statement No. 96.

**Note 6. Bonds Payable**

Bonds payable at December 31, 2023, consist of (dollars in thousands):

<b>Single Family Fund</b>	<b>Original Amount</b>	<b>Balance</b>
2016 Series A-1		
Term bonds (2.85%), due 2031	\$ 14,735	\$ 990
	<u>14,735</u>	<u>990</u>
2016 Series A-2		
PAC bonds (3.50%), due 2038	25,990	2,845
	<u>25,990</u>	<u>2,845</u>
2017 Series A-2		
PAC bonds (4.00%), due 2039	14,070	1,355
	<u>14,070</u>	<u>1,355</u>
2017 Series B-1		
Serial bonds (2.00% to 2.75%), due 2024 - 2028	15,210	7,870
	<u>15,210</u>	<u>7,870</u>
2017 Series B-2		
PAC bonds (4.00%), due 2038	15,740	2,965
	<u>15,740</u>	<u>2,965</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

<b>Single Family Fund (Continued)</b>	<b>Original Amount</b>	<b>Balance</b>
2017 Series B-3		
Term bonds (variable), due 2047	\$ 17,000	\$ 17,000
Term bonds (variable), due 2047	6,000	6,000
	<u>23,000</u>	<u>23,000</u>
2017 Series C-1		
Serial bonds (2.35% to 2.85%), due 2024 - 2027	7,355	5,190
	<u>7,355</u>	<u>5,190</u>
2017 Series C-2		
Serial bonds (2.50%), due 2024	7,465	755
PAC bonds (4.00%), due 2037	12,530	925
	<u>19,995</u>	<u>1,680</u>
2017 Series C-3		
Term bonds (variable), due 2047	20,705	20,705
	<u>20,705</u>	<u>20,705</u>
2018 Series A		
PAC bonds (4.00%), due 2048	20,590	9,440
	<u>20,590</u>	<u>9,440</u>
2019 Series A		
PAC bonds (4.25%), due 2048	15,990	8,490
	<u>15,990</u>	<u>8,490</u>
2019 Series B		
Serial bonds (1.40% to 2.25%), due 2024 - 2032	16,240	5,080
Term bonds (2.40%), due 2034	3,420	2,720
Term bonds (2.65%), due 2039	9,835	2,125
PAC bonds (3.50%), due 2049	17,845	10,905
	<u>47,340</u>	<u>20,830</u>
2020 Series A:		
Serial bonds (2.20% to 5.00%), due 2024 - 2032	18,545	10,305
PAC bonds (3.75%), due 2049	20,485	13,750
	<u>39,030</u>	<u>24,055</u>
2020 Series B:		
Serial bonds (1.15% to 5.00%), due 2025 - 2032	31,315	31,315
Serial bonds (5.00%), due 2023 - 2025	12,715	4,280
Term bonds (1.95%), due 2035	14,850	14,850
Term bonds (2.05%), due 2039	21,355	715
PAC bonds (3.75%), due 2049	32,980	19,975
	<u>113,215</u>	<u>71,135</u>
2021 Series A:		
Serial bonds (1.35% to 5.00%), due 2024 - 2033	16,300	13,920
Term bonds (1.90%), due 2036	5,160	5,160
Term bonds (2.05%), due 2041	9,825	9,825
Term bonds (2.15%), due 2045	6,745	6,745
PAC bonds (3.00%), due 2051	17,915	15,110
	<u>55,945</u>	<u>50,760</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

<b>Single Family Fund (Continued)</b>	<b>Original Amount</b>	<b>Balance</b>
2021 Series B:		
Serial bonds (1.30% to 5.00%), due 2024 - 2033	\$ 32,625	\$ 28,490
Term bonds (1.90%), due 2036	10,690	10,690
Term bonds (2.13%), due 2041	22,685	22,090
PAC bonds (3.00%), due 2050	33,205	28,595
	<u>99,205</u>	<u>89,865</u>
2021 Series C-1:		
Serial bonds (1.95% to 5.00%), due 2027 - 2033	12,940	12,940
Term bonds (2.20%), due 2036	11,460	11,460
Term bonds (2.40%), due 2041	12,745	12,745
Term bonds (2.55%), due 2044	5,135	5,135
PAC bonds (3.00%), due 2052	27,010	25,420
	<u>69,290</u>	<u>67,700</u>
2021 Series C-2:		
Serial bonds (0.65% to 1.15%), due 2024 - 2026	6,710	4,700
	<u>6,710</u>	<u>4,700</u>
2022 Series A:		
Serial bonds (2.00% to 5.00%), due 2024 - 2034	23,095	21,540
Term bonds (2.35%), due 2037	10,305	10,305
Term bonds (2.60%), due 2042	19,950	19,950
Term bonds (2.70%), due 2045	2,360	2,360
PAC bonds (3.00%), due 2052	29,860	29,005
	<u>85,570</u>	<u>83,160</u>
2022 Series B:		
Serial bonds (3.85% to 5.00%), due 2024 - 2034	24,845	23,625
Term bonds (4.15%), due 2037	10,255	10,255
Term bonds (4.30%), due 2042	19,110	19,110
Term bonds (4.38%), due 2047	20,650	20,650
PAC bonds (4.75%), due 2052	41,995	41,285
	<u>116,855</u>	<u>114,925</u>
2022 Series C-1:		
Serial bonds (4.00% to 4.15%), due 2033 - 2034	7,160	7,160
Term bonds (4.35%), due 2037	12,570	12,570
Term bonds (4.60%), due 2042	27,025	27,025
Term bonds (4.75%), due 2047	37,015	37,015
Term bonds (4.85%), due 2051	41,055	41,055
PAC bonds (5.00%), due 2053	25,000	24,690
	<u>149,825</u>	<u>149,515</u>
2022 Series C-2:		
Serial bonds (3.00% to 3.20%), due 2024 - 2025	3,780	3,000
	<u>3,780</u>	<u>3,000</u>
2022 Series D:		
Serial bonds (3.89% to 4.88%), due 2024 - 2032	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

<b>Single Family Fund (Continued)</b>	<b>Original Amount</b>	<b>Balance</b>
<b>2023 Series A-1:</b>		
Serial bonds (3.70%-4.00%), due 2033 - 2035	\$ 3,630	\$ 3,630
Term bonds (4.30%), due 2038	5,310	5,310
Term bonds (4.50%), due 2043	11,810	11,810
Term bonds (4.65%), due 2048	16,880	16,880
Term bonds (4.70%), due 2050	10,455	10,455
PAC bonds (5.75%), due 2053	24,560	24,495
	<u>72,645</u>	<u>72,580</u>
<b>2023 Series A-2:</b>		
Serial bonds (4.23%-5.22%), due 2024 - 2033	12,485	12,485
Term bonds (5.24%), due 2038	2,720	2,720
Term bonds (5.41%), due 2043	3,905	3,905
Term bonds (5.46%), due 2049	5,890	5,890
	<u>25,000</u>	<u>25,000</u>
<b>2023 Series B-1:</b>		
Serial bonds (2.90%-3.55%), due 2028 - 2034	2,545	2,545
Term bonds (4.00%), due 2038	4,400	4,400
Term bonds (4.35%), due 2043	7,690	7,690
Term bonds (4.60%), due 2048	11,155	11,155
Term bonds (4.70%), due 2053	19,015	19,015
	<u>44,805</u>	<u>44,805</u>
<b>2023 Series B-2:</b>		
Serial bonds (5.00%), due 2024 - 2027	5,020	5,020
	<u>5,020</u>	<u>5,020</u>
<b>2023 Series B-3:</b>		
Serial bonds (4.67%-5.25%), due 2027 - 2033	11,585	11,585
Term bonds (5.32%), due 2038	11,060	11,060
Term bonds (5.38%), due 2043	15,275	15,275
Term bonds (5.43%), due 2048	26,835	26,835
PAC bonds (5.75%), due 2054	34,175	34,175
	<u>98,930</u>	<u>98,930</u>
<b>2023 Series C-1:</b>		
Serial bonds (4.00%), due 2034 - 2035	7,160	7,160
Term bonds (4.13%), due 2038	3,090	3,090
Term bonds (4.45%), due 2043	11,490	11,490
Term bonds (4.55%), due 2048	9,770	9,770
Term bonds (4.60%), due 2053	13,490	13,490
	<u>45,000</u>	<u>45,000</u>
<b>2023 Series C-2:</b>		
Serial bonds (5.07%-5.40%), due 2024 - 2033	16,660	16,660
Term bonds (5.47%), due 2038	18,465	18,465
Term bonds (5.55%), due 2043	26,380	26,380
Term bonds (5.60%), due 2047	28,495	28,495
	<u>90,000</u>	<u>90,000</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

<b>Single Family Fund (Continued)</b>	<b>Original Amount</b>	<b>Balance</b>
2023 Series D-1:		
Serial bonds (4.15%-4.80%), due 2028 - 2035	\$ 3,880	\$ 3,880
Term bonds (4.80%), due 2038	4,580	4,580
Term bonds (5.00%), due 2043	10,325	10,325
Term bonds (5.13%), due 2048	15,000	15,000
Term bonds (5.20%), due 2053	32,105	32,105
	<u>65,890</u>	<u>65,890</u>
2023 Series D-2:		
Serial bonds (4.30-4.50%), due 2024 - 2027	4,110	4,110
	<u>4,110</u>	<u>4,110</u>
2023 Series D-3:		
Serial bonds (5.55%-6.09%), due 2027 - 2033	9,745	9,745
Term bonds (6.13%), due 2038	8,070	8,070
Term bonds (6.27%), due 2043	5,405	5,405
Term bonds (6.37%), due 2048	14,330	14,330
Term bonds (6.40%), due 2053	12,060	12,060
PAC bonds (6.50%), due 2054	15,000	15,000
	<u>64,610</u>	<u>64,610</u>
 Total Single Family Fund	 <u>\$ 1,516,155</u>	 <u>\$ 1,300,120</u>
<b>MBS Pass-thru Fund</b>	<b>Original Amount</b>	<b>Balance</b>
2012 Series 1		
Term bonds (3.029%), due 2038	\$ 73,532	\$ 6,747
2013 Series 1		
Taxable term bonds (3.027%), due 2041	62,674	9,315
2013 Series 2		
Taxable term bonds (4.038%), due 2036	51,839	6,998
2014 Series 1		
Taxable term bonds (4.050%), due 2038	28,667	3,356
	<u>216,712</u>	<u>26,416</u>
Total MBS Pass-Thru Fund	<u>\$ 216,712</u>	<u>\$ 26,416</u>
Total Bonds Payable	<u>\$ 1,732,867</u>	<u>\$ 1,326,536</u>

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

The 2017 Series B-3 bond and 2017 Series C-3 bond mature on July 1, 2047, and are variable rate demand obligations (4.00% at December 31, 2023).

The following are the scheduled amounts of principal and interest payments on bond payable obligations in the five years subsequent to December 31, 2023 and thereafter (all amounts in thousands). The Authority typically has significant prepayments of principal amounts and, therefore, does not expect to make all interest payments in their scheduled amounts.

	Single Family Fund		MBS Pass-thru Fund		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 22,660	\$ 51,816	\$ -	\$ 905	\$ 22,660	\$ 52,721
2025	24,645	53,611	-	905	24,645	54,516
2026	24,875	52,573	-	905	24,875	53,478
2027	25,650	51,477	-	905	25,650	52,382
2028	24,995	50,382	-	905	24,995	51,287
2029 - 2033	139,775	237,370	-	4,525	139,775	241,895
2034 - 2038	192,835	208,213	17,101	3,666	209,936	211,879
2039 - 2043	239,405	167,752	9,315	822	248,720	168,574
2044 - 2048	309,560	111,035	-	-	309,560	111,035
2049 - 2053	284,185	43,397	-	-	284,185	43,397
2054	11,535	528	-	-	11,535	528
	<u>1,300,120</u>	<u>1,028,154</u>	<u>26,416</u>	<u>13,538</u>	<u>1,326,536</u>	<u>1,041,692</u>
Original issue premium	33,931	-	672	-	34,603	-
	<u>\$ 1,334,051</u>	<u>\$ 1,028,154</u>	<u>\$ 27,088</u>	<u>\$ 13,538</u>	<u>\$ 1,361,139</u>	<u>\$ 1,041,692</u>

The summary of bonds payable as of December 31, 2023 was as follows:

Interest Rate Ranges	Maturity Range	Payment Range of Principal	Total
0.65 - 6.50%	2024 - 2054	\$11,535 - \$71,055	\$ 1,326,536

**Changes in Obligations**

The following are changes in noncurrent liabilities of the Authority for the year ended December 31, 2023 (dollars in thousands):

	January 1, 2023*	Additions	Reductions	December 31, 2023	Due Within One Year	Due Thereafter
Bonds payable	\$ 850,492,428	\$ 516,010,000	\$ 39,966,378	\$ 1,326,536,050	\$ 22,660,000	\$ 1,303,876,050
Premium	33,781,813	3,978,309	3,157,104	34,603,018	-	34,603,018
Note payable	1,470,597	-	75,825	1,394,772	-	1,394,772
Net pension liability	4,425,456	2,842,588	1,208,884	6,059,160	-	6,059,160
Lease and subscription liability	8,459,571	84,030	913,553	7,630,048	882,195	6,747,853
Government advances	31,909,559	6,153	311,456	31,604,256	635,105	30,969,151
Total long-term obligations	<u>\$ 930,539,424</u>	<u>\$ 522,921,080</u>	<u>\$ 45,633,200</u>	<u>\$ 1,407,827,304</u>	<u>\$ 24,177,300</u>	<u>\$ 1,383,650,004</u>

\*The balances have been restated to reflect the adoption of GASB Statement No. 96.



**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

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

The Single Family are subject to optional redemption provisions at various dates at 100 percent of the principal amount, extraordinary optional redemption at par from unexpended or uncommitted funds, prepayments of mortgage loans and proportionate amounts in certain related accounts or excess revenues. The Authority redeemed \$39,966,378 of bonds in 2023 from mortgage loan payments and prepayments. The bond redemptions resulted in write-offs of unamortized premium related to the redeemed bonds.

**Conduit Debt Obligations**

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

The Authority has issued debt obligations on behalf of developers and certain 501(c) (3) organizations (the Debtors) for the purpose of acquiring and rehabilitating facilities for housing persons of low and moderate income. These bonds and the interest thereof do not constitute a debt or liability of the Authority, but are special obligations between investors and the debtors payable solely from the payments received by the trustee under the loan agreements and meet the definition of conduit debt in GASB Statement No. 91, *Conduit Debt Obligations*. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In addition, the Authority has not made any commitments associated with the bonds. At December 31, 2023, the Authority had outstanding conduit debt of \$584,420,152.

**Note 7. Interest Rate Swap Agreements - Hedging Derivative Instruments**

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

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

**Terms, Fair Value and Credit Risk:** The terms, including, the fair value and credit rating of the outstanding swaps as of December 31, 2023, are as follows:

Bond Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value	Swap Termination Date	Counterparty Credit Rating S&P/Moody's/Fitch
2017 Series B-3	\$ 17,250,000	1/1/2018	2.420%	70% 3 M Fallback Rate (SOFR)	\$ 1,654,770	7/1/2047	AA-/Aa2/AA
2017 Series C-3	15,525,000	7/1/2018	2.495%	70% 3 M Fallback Rate (SOFR)	1,320,429	7/1/2047	AA-/Aa2/AA
				Total	<u>\$ 2,975,199</u>		

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

---

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

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

The fair values of the swap agreements are classified as a noncurrent asset on the statement of net position of \$2,975,199 as of December 31, 2023. As the swap agreements are effective hedging instruments, the offsetting balance is reflected as a deferred inflow of resources on the Authority's balance sheet at December 31, 2023 of \$2,975,199.

**Credit Risk:** The fair value of each of the swap agreements represents the Authority's credit exposure to the counterparties as of December 31, 2023. Should the counterparties to these transactions fail to perform according to the terms of the swap agreements, the Authority has a maximum possible loss equivalent to the fair value at that date. As of December 31, 2023, the Authority was exposed to credit risk because the swap had a positive fair value. The Authority's exposure to credit risk is in the amount of the derivative instrument's fair value. If the credit ratings fall below the agreed upon threshold, the fair value of the swaps is to be fully collateralized with eligible securities (as defined in the Master Agreement) to be held by a third-party custodian on behalf of the Authority.

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

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

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Swap Payments and Associated Debt:** As of December 31, 2023, debt service requirements of the Authority's hedged outstanding variable rate debt and net swap payments (assuming current interest rates remain the same for their term and bonds are called as the swap amortizes) are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Net Swap Payments</u>	<u>Total</u>
2024	\$ -	\$ 1,268,393	\$ (483,863)	\$ 784,530
2025	-	1,268,393	(483,863)	784,530
2026	-	1,268,393	(483,863)	784,530
2027	-	1,268,393	(483,863)	784,530
2028	-	1,268,393	(483,863)	784,530
2029 - 2033	-	6,341,963	(2,419,316)	3,922,647
2034 - 2038	3,220,000	6,218,316	(2,373,408)	7,064,908
2039 - 2043	15,525,000	3,927,373	(1,504,486)	17,947,887
2044 - 2047	14,030,000	1,101,402	(423,288)	14,708,114
Total	<u>\$ 32,775,000</u>	<u>\$ 23,931,019</u>	<u>\$ (9,139,813)</u>	<u>\$ 47,566,206</u>

**Note 8. Fair Value Measurements**

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

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

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.
- Level 2** Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Authority makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

Following is a description of the valuation methodologies used by the Authority for assets and liabilities that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2023.

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

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

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

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

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

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

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Authority's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2023:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Investment by Fair Value Level</b>				
Money market mutual funds	\$ 252,979,806	\$ 252,979,806	\$ -	\$ -
US Treasuries	33,617,326	33,617,326	-	-
Federal agency obligations	1,334,086,801	-	1,334,086,801	-
	<u>\$ 1,620,683,933</u>	<u>\$ 286,597,132</u>	<u>\$ 1,334,086,801</u>	<u>\$ -</u>
<b>Hedging Derivative Instruments</b>				
Interest rate swaps	\$ 2,975,199	\$ -	\$ -	\$ 2,975,199

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

**Note 9. Lease and Subscription Liability**

**Lease Liability:** The Authority leases office space, the terms of which expire in various years through 2032. The building leases accrue interest at 5.75%.

Future principal and interest requirements to maturity for the lease liability as of December 31, 2023 are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 680,594	\$ 400,698	\$ 1,081,292
2025	735,463	360,329	1,095,792
2026	793,761	316,520	1,110,281
2027	855,503	269,268	1,124,771
2028	920,900	218,371	1,139,271
2029 - 2032	3,293,398	311,873	3,605,271
	<u>\$ 7,279,619</u>	<u>\$ 1,877,059</u>	<u>\$ 9,156,678</u>

**Subscription Liability:** The Authority leases software, the terms of which expire in various years through 2026. The software leases accrue interest at 5.65%.

Future principal and interest requirements to maturity for the subscription liability as of December 31, 2023 are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 201,601	\$ 16,214	\$ 217,815
2025	146,288	4,395	150,683
2026	2,540	12	2,552
	<u>\$ 350,429</u>	<u>\$ 20,621</u>	<u>\$ 371,050</u>

**Note 10. Retirement Plan**

**Plan Description**

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

---

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

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

***Retirement Benefits - Defined Benefit Pension***

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

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

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

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was a COLA adjustment of 1.00% on January 1, 2022 and no additional adjustment on January 1, 2023 or January 1, 2024.

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

---

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

***Retirement Benefits - Defined Contribution Pension***

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

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

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

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

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

***Significant Actuarial Assumptions***

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

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

Asset valuation date:	June 30, 2023
Liability valuation date and method:	June 30, 2022 - Member census data as of June 30, 2022 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date.
Actuarial cost method:	Entry age normal - level percent of payroll
Experience study date:	Period of five years ended June 30, 2019
Investment rate of return:	6.25%
Cost of living adjustment:	There was no adjustment granted for 2023 through 2025. Thereafter, the adjustment varies per year as follows: 2026 through 2033 - 0.40%, 2034 through 2038 - 0.50%, and 2039 and on - 0.60%.
Projected salary increases:	2.65% - 8.65%
Inflation:	2.00%

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	20.0%	3.7%
Private equity	15.0%	6.4%
Fixed income - ex inflation linked	20.0%	2.2%
Fixed income - inflation linked	15.0%	0.5%
Commodities	10.0%	1.1%
Real estate	10.0%	3.4%
Absolute return	5.0%	1.6%
Risk parity	20.0%	5.9%
Cash and cash overlay	-15.0%	0.0%
	100%	



**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

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

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

<u>1% Decrease (5.25%)</u>	<u>Current Discount Rate (6.25%)</u>	<u>1% Increase (7.25%)</u>
\$ 9,874,507	\$ 6,059,160	\$ 2,877,913

***Investment Valuation and Benefit Payment Policies***

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

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

***Funding Policy***

The State is obligated by statute to make contributions to the PERF Hybrid Plan or the My Choice Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the Plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During the fiscal year ended June 30, 2023, all participating employers were required to contribute 11.2% of covered payroll for members employed by the State.

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

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

At December 31, 2023, the Authority reported a liability of \$ \$6,059,160 for its proportionate share of the net pension liability. The Authority's proportionate share of the net pension liability was based on the Authority's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2023 measurement date was 0.0017168.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

For the year ended December 31, 2023, the Authority recognized pension expense of \$1,736,609, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$506,582. At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 123,968	\$ -
Net difference between projected and actual earnings on pension plan investments	1,388,776	-
Changes in assumptions	330,978	-
Changes in proportion and differences between the Authority's contributions and proportionate share contributions	1,025,893	2,125
Authority's contributions subsequent to the measurement date	<u>669,995</u>	<u>-</u>
Total	<u><u>\$ 3,539,610</u></u>	<u><u>\$ 2,125</u></u>

The Authority reported \$669,995 as deferred outflows of resources that will be recognized as a reduction of the net pension liability for the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

2024	\$ 1,136,380
2025	488,800
2026	1,052,588
2027	<u>189,722</u>
Total future minimum payments	<u><u>\$ 2,867,490</u></u>

## **Note 11. Commitments and Contingencies**

### ***Litigation***

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

### ***Investments***

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

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Financial Statements**  
**December 31, 2023**

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***Excess Investment Earnings***

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

**Note 12. Subsequent Events**

***Debt Issuance***

On February 21, 2024, the Authority issued \$134,300,000 of Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2024 Series A (2024 Series A Bonds). The 2024 Series A Bonds include serial bonds maturing through 2036, and term bonds, which mature in 2039, 2044, 2049, 2054 and PAC bonds due 2049. The 2024 Series A Bonds bear interest at rates ranging from 3.65% to 6.00%.

In May of 2024, the Authority plans to issue an estimated \$200,000,000 of Indiana Housing and Community Development Authority Single Family Mortgage Revenue Bonds, 2024 Series B (2024 Series B Bonds). The 2024 Series B Bonds are anticipated to include serial bonds, term bonds, and PAC bonds bearing fixed interest rates.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability	0.17168%	0.14032%	0.10912%	0.10234%	0.10232%	0.09831%	0.09670%	0.10992%	0.09270%	0.09168%
Authority's proportionate share of the net pension liability	\$ 6,059,160	\$ 4,425,456	\$ 1,435,852	\$ 3,091,072	\$ 3,381,471	\$ 3,339,635	\$ 4,314,313	\$ 4,988,658	\$ 3,775,580	\$ 2,409,291
Authority's covered payroll	\$ 10,793,631	\$ 8,075,593	\$ 6,016,439	\$ 5,524,718	\$ 5,330,879	\$ 5,016,583	\$ 4,797,552	\$ 5,268,120	\$ 4,440,142	\$ 4,476,208
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	56.1%	54.8%	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of the total pension liability (a)	80.8%	82.5%	92.5%	81.4%	80.1%	78.9%	72.7%	71.2%	73.3%	81.1%

(a) 2014 - 2017 were adjusted to reflect defined benefit activity only due to split of the defined benefit/contribution plan effective January 1, 2018.

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

**Notes to Schedule:**

**Benefit changes:** No changes.

**Changes of assumption:** No changes.

**Changes in actuarial methods:** No changes.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,306,729	\$ 1,101,307	\$ 697,724	\$ 636,878	\$ 632,393	\$ 588,395	\$ 538,661	\$ 528,036	\$ 475,408	\$ 508,439
Contributions in relation to the contractually required contribution	<u>1,306,729</u>	<u>1,101,307</u>	<u>697,724</u>	<u>636,878</u>	<u>632,393</u>	<u>588,395</u>	<u>538,661</u>	<u>528,036</u>	<u>475,408</u>	<u>508,439</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 11,627,969	\$ 9,836,244	\$ 6,247,065	\$ 5,686,451	\$ 5,646,363	\$ 5,253,524	\$ 4,809,471	\$ 4,719,016	\$ 4,244,707	\$ 4,664,251
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	10.9%

\* The amounts presented for each fiscal year were determined as of December 31.

**Notes to Schedule:**

**Benefit changes:** No changes.

**Changes of assumption:** No changes.

**Changes in actuarial methods:** No changes.

## **Supplementary Information**

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Supplementary Information**  
**Combining Schedule of Net Position**  
**December 31, 2023**

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2023 Total
<b>Assets and Deferred Outflows of Resources</b>					
<b>Current Assets</b>					
Cash and cash equivalents					
Unrestricted	\$ 65,528,588	\$ -	\$ 35,373,690	\$ -	\$ 100,902,278
Restricted	1,000,000	263,087,137	160,864,037	60,642	425,011,816
Accrued interest receivable					
Investments	852,257	-	942,080	-	1,794,337
Investments held against bonds	-	-	4,746,539	75,403	4,821,942
Accounts and loans receivable, net	1,438,037	18,634,910	245,770	-	20,318,717
Other assets	141,202	38,496	-	-	179,698
Total current assets	<u>68,960,084</u>	<u>281,760,543</u>	<u>202,172,116</u>	<u>136,045</u>	<u>553,028,788</u>
<b>Noncurrent Assets</b>					
Investments					
Unrestricted	103,254,135	-	85,799,335	-	189,053,470
Investments held against bonds	-	-	1,152,398,881	26,251,776	1,178,650,657
Accounts and loans receivable, net	15,782,148	107,195,433	59,484,135	-	182,461,716
Derivative instrument - interest rate swap agreements	-	-	2,975,199	-	2,975,199
Capital assets, at cost, less accumulated depreciation	1,268,188	154,965	-	-	1,423,153
Lease and subscription assets, less accumulated amortization	6,552,457	215,752	-	-	6,768,209
Interfund accounts	8,908,550	(6,717,267)	(2,191,283)	-	-
Total noncurrent assets	<u>135,765,478</u>	<u>100,848,883</u>	<u>1,298,466,267</u>	<u>26,251,776</u>	<u>1,561,332,404</u>
Total assets	<u>204,725,562</u>	<u>382,609,426</u>	<u>1,500,638,383</u>	<u>26,387,821</u>	<u>2,114,361,192</u>
<b>Deferred Outflows of Resources</b>					
Pension-related	3,539,610	-	-	-	3,539,610
Deferred refunding costs	-	-	-	814,340	814,340
Total deferred outflows of resources	<u>3,539,610</u>	<u>-</u>	<u>-</u>	<u>814,340</u>	<u>4,353,950</u>
Total assets and deferred outflows of resources	<u>\$ 208,265,172</u>	<u>\$ 382,609,426</u>	<u>\$ 1,500,638,383</u>	<u>\$ 27,202,161</u>	<u>\$ 2,118,715,142</u>
<b>Liabilities, Deferred Inflows of Resources and Net Positions</b>					
<b>Current Liabilities</b>					
Bonds payable	\$ -	\$ -	\$ 22,660,000	\$ -	\$ 22,660,000
Accrued interest payable	-	-	24,820,289	75,404	24,895,693
Unearned revenue	-	197,213,694	-	-	197,213,694
Government advances	-	635,105	-	-	635,105
Lease and subscription liability	764,457	117,738	-	-	882,195
Accounts payable and other liabilities	3,895,721	13,891,120	155,595	-	17,942,436
Total current liabilities	<u>4,660,178</u>	<u>211,857,657</u>	<u>47,635,884</u>	<u>75,404</u>	<u>264,229,123</u>
<b>Noncurrent Liabilities</b>					
Bonds payable	-	-	1,277,460,000	26,416,050	1,303,876,050
Original issue premium	-	-	33,930,581	672,437	34,603,018
Bonds payable, net	-	-	1,311,390,581	27,088,487	1,338,479,068
Notes payable	-	1,394,772	-	-	1,394,772
Pension liability	6,059,160	-	-	-	6,059,160
Government advances	-	30,969,151	-	-	30,969,151
Lease and subscription liability	6,642,764	105,089	-	-	6,747,853
Other non-current liabilities	-	-	121,319	-	121,319
Total noncurrent liabilities	<u>12,701,924</u>	<u>32,469,012</u>	<u>1,311,511,900</u>	<u>27,088,487</u>	<u>1,383,771,323</u>
Total liabilities	<u>17,362,102</u>	<u>244,326,669</u>	<u>1,359,147,784</u>	<u>27,163,891</u>	<u>1,648,000,446</u>
<b>Deferred Inflows of Resources</b>					
Pension-related	2,125	-	-	-	2,125
Accumulated increase in fair value of derivative	-	-	2,975,199	-	2,975,199
Total deferred inflows of resources	<u>2,125</u>	<u>-</u>	<u>2,975,199</u>	<u>-</u>	<u>2,977,324</u>
<b>Net Position</b>					
Net investment in capital assets	413,424	147,890	-	-	561,314
Restricted	1,000,000	138,134,867	18,591,578	38,270	157,764,715
Unrestricted	189,487,521	-	119,923,822	-	309,411,343
Total net position	<u>190,900,945</u>	<u>138,282,757</u>	<u>138,515,400</u>	<u>38,270</u>	<u>467,737,372</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 208,265,172</u>	<u>\$ 382,609,426</u>	<u>\$ 1,500,638,383</u>	<u>\$ 27,202,161</u>	<u>\$ 2,118,715,142</u>



**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Supplementary Information**  
**Combining Schedule of Revenues, Expenses and Changes in Net Position**  
**Year Ended December 31, 2023**

	<u>General Fund</u>	<u>Program Fund</u>	<u>Single Family Fund</u>	<u>MBS Pass-thru Fund</u>	<u>2023 Total</u>
<b>Revenues</b>					
Interest income					
Investments	\$ 5,886,601	\$ 1,147,074	\$ 10,575,592	\$ 3,134	\$ 17,612,401
Investments held against bonds	-	-	47,030,518	1,181,199	48,211,717
Loans	-	1,468,428	-	-	1,468,428
Fee income	7,602,631	-	-	-	7,602,631
Program income	3,488,293	706,099,993	-	-	709,588,286
Gain on sale of Next Home investments	1,220,064	-	20,748	-	1,240,812
Net increase in fair value of investments	1,570,902	-	10,394,203	24,777	11,989,882
Other income	2,112,507	-	-	-	2,112,507
Total revenues	<u>21,880,998</u>	<u>708,715,495</u>	<u>68,021,061</u>	<u>1,209,110</u>	<u>799,826,664</u>
<b>Expenses</b>					
Investment expense (down payment assistance)	412,192	-	-	-	412,192
Loss on sale of investments	440,471	-	519,878	-	960,349
Interest expense	95,603	381,155	40,816,305	1,052,470	42,345,533
Issuance costs	-	-	4,898,416	-	4,898,416
Program expenses	827,496	649,995,341	7,757,509	-	658,580,346
Arbitrage expense	-	-	121,319	-	121,319
General and administrative expenses	6,306,934	44,733,709	2,754,472	14,200	53,809,315
Total expenses	<u>8,082,696</u>	<u>695,110,205</u>	<u>56,867,899</u>	<u>1,066,670</u>	<u>761,127,470</u>
<b>Operating Income</b>	13,798,302	13,605,290	11,153,162	142,440	38,699,194
<b>Transfers</b>					
Interfund transfers	43,297,127	(43,297,127)	130,792	(130,792)	-
<b>Increase (Decrease) in Net Position</b>	57,095,429	(29,691,837)	11,283,954	11,648	38,699,194
<b>Net Position, Beginning of Year</b>	133,805,516	167,974,594	127,231,446	26,622	429,038,178
<b>Net Position, End of Year</b>	<u>\$ 190,900,945</u>	<u>\$ 138,282,757</u>	<u>\$ 138,515,400</u>	<u>\$ 38,270</u>	<u>\$ 467,737,372</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Supplementary Information**  
**Combining Schedule of Cash Flows**  
**Year Ended December 31, 2023**

	General Fund	Program Fund	Single Family Fund	MBS Pass-thru Fund	2023 Total
<b>Cash Flows From Operating Activities</b>					
Receipts for services	\$ 10,725,511	\$ -	\$ -	\$ -	\$ 10,725,511
Receipts for program revenue	3,249,091	667,061,536	(245,770)	-	670,064,857
Principal received on loans receivable	(15,750,224)	-	-	-	(15,750,224)
Interest received on investments	5,318,346	1,147,074	9,995,316	3,134	16,463,870
Interest received on investments held against bonds	-	-	41,951,383	1,110,166	43,061,549
Interest received on loans	-	1,468,428	-	-	1,468,428
Payments for program expenses	(827,496)	(688,819,752)	(7,757,509)	-	(697,404,757)
Interest paid on bonds and bank loans	(95,603)	(381,155)	(28,546,346)	(968,379)	(29,991,483)
Debt issuance costs incurred	-	-	(4,898,416)	-	(4,898,416)
Payments for suppliers and employees	(11,357,584)	-	(2,757,017)	(14,200)	(14,128,801)
Interfund activity	5,054,778	(3,625,648)	(1,429,130)	-	-
Net cash provided by (used in) operating activities	<u>(3,683,181)</u>	<u>(23,149,517)</u>	<u>6,312,511</u>	<u>130,721</u>	<u>(20,389,466)</u>
<b>Cash Flows From Noncapital and Related Financing Activities</b>					
Proceeds from bond issues	-	-	519,988,309	-	519,988,309
Repayments and redemption of bonds and bank loans	-	(75,825)	(36,735,000)	(3,231,378)	(40,042,203)
Transfers	43,297,127	(43,297,127)	130,792	(130,792)	-
Net cash provided by (used in) noncapital and related financing activities	<u>43,297,127</u>	<u>(43,372,952)</u>	<u>483,384,101</u>	<u>(3,362,170)</u>	<u>479,946,106</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Purchases of capital assets	(515,367)	(138,570)	-	-	(653,937)
Payments on lease and subscription liability	(804,800)	(108,560)	-	-	(913,360)
Net cash provided by (used in) capital and related financing activities	<u>(1,320,167)</u>	<u>(247,130)</u>	<u>-</u>	<u>-</u>	<u>(1,567,297)</u>
<b>Cash Flows From Investing Activities</b>					
Proceeds from sale and maturities of investments	28,228,622	-	34,201,350	-	62,429,972
Principal received on investments held against bonds	-	-	64,065,858	3,231,449	67,297,307
Purchases of investments held against bonds	-	-	(433,936,242)	-	(433,936,242)
Purchase of DPA loans	-	-	(20,295,587)	-	(20,295,587)
Purchase of investments	(35,000,000)	-	(40,881,730)	-	(75,881,730)
Net cash provided by (used in) investing activities	<u>(6,771,378)</u>	<u>-</u>	<u>(396,846,351)</u>	<u>3,231,449</u>	<u>(400,386,280)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	31,522,401	(66,769,599)	92,850,261	-	57,603,063
<b>Cash and Cash Equivalents, January 1</b>	<u>35,006,187</u>	<u>329,856,736</u>	<u>103,387,466</u>	<u>60,642</u>	<u>468,311,031</u>
<b>Cash and Cash Equivalents, December 31</b>	<u>\$ 66,528,588</u>	<u>\$ 263,087,137</u>	<u>\$ 196,237,727</u>	<u>\$ 60,642</u>	<u>\$ 525,914,094</u>
<b>Cash and Cash Equivalents</b>					
Cash	\$ 53,790,301	\$ 219,143,987	\$ -	\$ -	\$ 272,934,288
Money market investments	12,738,287	43,943,150	196,237,727	60,642	252,979,806
Total cash and cash equivalents	<u>\$ 66,528,588</u>	<u>\$ 263,087,137</u>	<u>\$ 196,237,727</u>	<u>\$ 60,642</u>	<u>\$ 525,914,094</u>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Supplementary Information**  
**Combining Schedule of Cash Flows (Continued)**  
**Year Ended December 31, 2023**

	<u>General Fund</u>	<u>Program Fund</u>	<u>Single Family Fund</u>	<u>MBS Pass-thru Fund</u>	<u>2023 Total</u>
<b>Noncash Transactions From Capital and Related Financing Activities</b>					
Issuance of lease and subscription obligation	\$ -	\$ 83,837	\$ -	\$ -	\$ 83,837
<b>Reconciliation of Change in Net Position to Net Cash</b>					
<b>Provided by Operating Activities:</b>					
Change in net position	\$ 13,798,302	\$ 13,605,290	\$ 11,153,162	\$ 142,440	\$ 38,699,194
Adjustment to reconcile change in net position to net cash provided by (used in) operating activities:					
Net increase in fair value of investments	(1,570,902)	-	(10,394,203)	(24,777)	(11,989,882)
Loss on sale of investments	440,471	-	499,130	-	939,601
Depreciation	1,274,850	169,383	-	-	1,444,233
Amortization of bond premium/discount	-	-	(3,076,507)	(80,597)	(3,157,104)
Changes in operating assets and liabilities:					
Accounts and loan receivable	(15,959,915)	(6,959,003)	(245,770)	-	(23,164,688)
Accrued interest receivable	(568,255)	-	(2,582,904)	9,564	(3,141,595)
Other assets	4,913,576	(3,664,144)	(1,429,130)	-	(179,698)
Deferred pension costs	(995,067)	-	-	-	(995,067)
Deferred refunding costs	-	-	-	93,654	93,654
Unearned revenue	(98,000)	(31,735,655)	-	-	(31,833,655)
Accounts payable and other liabilities	(6,343,188)	5,739,915	118,774	-	(484,499)
Accrued interest payable	-	-	12,269,959	(9,563)	12,260,396
Net pension liability	1,633,704	-	-	-	1,633,704
Deferred pension revenue	(208,757)	-	-	-	(208,757)
Government advances	-	(305,303)	-	-	(305,303)
Total adjustments	<u>(17,481,483)</u>	<u>(36,754,807)</u>	<u>(4,840,651)</u>	<u>(11,719)</u>	<u>(59,088,660)</u>
Net cash provided by (used in) operating activities	<u>\$ (3,683,181)</u>	<u>\$ (23,149,517)</u>	<u>\$ 6,312,511</u>	<u>\$ 130,721</u>	<u>\$ (20,389,466)</u>



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**Exhibit K**

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

**Single Audit Report**

December 31, 2023



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**Contents**

<b>Schedule of Expenditures of Federal Awards.....</b>	<b>1</b>
<b>Notes to the Schedule of Expenditures of Federal Awards.....</b>	<b>2</b>
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards - Independent Auditor’s Report.....</b>	<b>3</b>
<b>Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance - Independent Auditor’s Report.....</b>	<b>5</b>
<b>Schedule of Findings and Questioned Costs.....</b>	<b>8</b>
<b>Summary Schedule of Prior Audit Findings.....</b>	<b>11</b>

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2023**

Federal Grantor / Pass - Through Grantor or Cluster Title	Federal Assistance Listing Number	Pass Through to Subrecipients	Expenditures Paid Directly by the Authority	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>				
Rural Rental Housing Loans	10.415	\$ -	\$ 1,374,457	\$ 1,374,457
<b>Total U.S. Department of Agriculture</b>		<u>-</u>	<u>1,374,457</u>	<u>1,374,457</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>				
Section 8 Housing Assistance Payments Program ( <i>Section 8 Project-Based Cluster</i> )	14.195	210,935,484	-	210,935,484
Indiana Office of Rural and Community Affairs ( <i>pass-through entity</i> )				
Community Development Block Grants (a)	14.228	14,485,150	(663)	14,484,487
Emergency Solutions Grant	14.231	3,414,642	150,968	3,565,610
COVID-19 - Emergency Solutions Grant	14.231	<u>5,159,850</u>	<u>248,858</u>	<u>5,408,708</u>
<b>Total Emergency Solutions Grant</b>		<u>8,574,492</u>	<u>399,826</u>	<u>8,974,318</u>
Home Investment Partnerships Program	14.239	19,424,300	12,557,198	31,981,498
Housing Opportunities for Persons with AIDS	14.241	2,191,200	69,390	2,260,590
COVID-19 - Housing Opportunities for Persons with AIDS	14.241	<u>2,426</u>	<u>910</u>	<u>3,336</u>
<b>Total Housing Opportunities for Persons with AIDS</b>		<u>2,193,626</u>	<u>70,300</u>	<u>2,263,926</u>
Continuum of Care Program	14.267	7,817,750	1,557,269	9,375,019
Housing Trust Fund	14.275	-	6,882,152	6,882,152
Section 811 Supportive Housing for Persons with Disabilities	14.326	-	9,124	9,124
Performance Based Contract Administrator Programs	14.327	-	1,140,414	1,140,414
Section 8 Housing Choice Vouchers ( <i>Housing Voucher Cluster</i> )	14.871	30,524,701	8,297,695	38,822,396
COVID - 19 - Section 8 Housing Choice Vouchers ( <i>Housing Voucher Cluster</i> )	14.871	2,566,006	177,450	2,743,456
Section 8 - Housing Choice Vouchers Mainstream ( <i>Housing Voucher Cluster</i> )	14.879	<u>269,415</u>	<u>26,612</u>	<u>296,027</u>
<b>Total Housing Choice Voucher</b>		<u>33,360,122</u>	<u>8,501,757</u>	<u>41,861,879</u>
Family Unification Program	14.880	268,194	53,824	322,018
Lead Hazard Reduction Demonstration Grant Program	14.905	4,000	55,308	59,308
Healthy Homes Weatherization Cooperation Grant	14.901	-	8,586	8,586
Healthy Homes	14.913	-	489,850	489,850
<b>Total U.S. Department of Housing and Urban Development</b>		<u>297,063,118</u>	<u>31,724,945</u>	<u>328,788,063</u>
<b>U.S. DEPARTMENT OF TREASURY</b>				
COVID-19 - Indiana Emergency Rental Assistance	21.023	-	117,443,961	117,443,961
COVID-19 - Homeowners Assistance Program	21.026	-	118,174,139	118,174,139
<b>Total U.S. Department of Treasury</b>		<u>-</u>	<u>235,618,100</u>	<u>235,618,100</u>
<b>U.S. DEPARTMENT OF ENERGY:</b>				
Weatherization Assistance for Low-Income Persons	81.042	<u>9,407,439</u>	<u>692,455</u>	<u>10,099,894</u>
<b>Total U.S. Department of Energy</b>		<u>9,407,439</u>	<u>692,455</u>	<u>10,099,894</u>
<b>U.S. DEPARTMENT OF EDUCATION:</b>				
COVID-19 - Education Stabilization Fund	84.425W	-	1,262,708	1,262,708
<b>Total U.S. Department of Education</b>		<u>-</u>	<u>1,262,708</u>	<u>1,262,708</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
Temporary Housing for Needy Families	93.558	-	135	135
Low Income Home Energy Assistance	93.568	1,613,700	5,040,052	6,653,752
COVID - 19 - Low Income Home Energy Assistance Program	93.568	<u>15,782,468</u>	<u>111,033,716</u>	<u>126,816,184</u>
<b>Total Low Income Home Energy Assistance Program</b>		<u>17,396,168</u>	<u>116,073,768</u>	<u>133,469,936</u>
Community Services Block Grant	93.569	10,671,212	722,477	11,393,689
COVID - 19 - Community Services Block Grant	93.569	<u>75,856</u>	<u>-</u>	<u>75,856</u>
<b>Total Community Services Block Grant</b>		<u>10,747,068</u>	<u>722,477</u>	<u>11,469,545</u>
COVID-19 Epidemiology and Laboratory Capacity for Infection Diseases	93.323	-	322,799	322,799
Block Grants for Community Mental Health Services	93.958	-	20,687	20,687
<b>Total U.S. Department of Health and Human Services</b>		<u>28,143,236</u>	<u>117,139,866</u>	<u>145,283,102</u>
<b>Total Expenditures of Federal Awards</b>		<u>\$ 334,613,793</u>	<u>\$ 387,812,531</u>	<u>\$ 722,426,324</u>

(a) Pass-through Identifying Numbers: A192-19-MOU-101, A192-20-MOU-101 & A192-10-PBC-DR2-001

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2023**

---

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Indiana Housing and Community Development Authority (the Authority) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable regulatory guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3. Indirect Cost Rate**

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

**Note 4. Federal Loan Programs**

The federal loan programs listing subsequently are administered directly by the Authority, and balance and transactions relating to these programs are included in the Authority’s basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2023, consist of:

<b>Federal Assistance Listing Number</b>	<b>Program Name</b>	<b>Outstanding Balance at December 31, 2023</b>
10.415	Rural Rental Housing Loans	\$ 1,312,748
14.228	Community Development Block Grants	13,475,882
14.239	Home Investment Partnerships Program	18,128,374
		<u>\$ 32,917,004</u>

During 2023, the Authority granted noncash assistance in the form of loans totaling \$11,690 for the Home Investment Partnerships Program.



201 N. Illinois Street, Suite 700 / Indianapolis, IN 46244

P 317.383.4000 / F 317.383.4200

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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

### **Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Indiana Housing and Community Development Authority (Authority), which comprise the statement of net position as of December 31, 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 18, 2024.

#### ***Report on Internal Control Over Financial Reporting***

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

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

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



***Report on Compliance and Other Matters***

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

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS,LLP**

**Indianapolis, Indiana  
April 18, 2024**



201 N. Illinois Street, Suite 700 / Indianapolis, IN 46244

P 317.383.4000 / F 317.383.4200

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

### **Independent Auditor's Report**

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

### **Report on Compliance for Each Major Federal Program**

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

We have audited Indiana Housing and Community Development Authority (Authority)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

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

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

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

#### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of Indiana Housing and Community Development Authority, a component unit of the State of Indiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements. We have issued our report thereon dated April 18, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

**FORVIS,LLP**

**Indianapolis, Indiana  
April 18, 2024**

**Indiana Housing and Community Development Authority  
(A Component Unit of the State of Indiana)  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2023**

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**Section I – Summary of Auditor’s Results**

***Financial Statements***

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP was:  
 Unmodified       Qualified       Adverse       Disclaimer
  
2. Internal control over financial reporting:  
Significant deficiency(ies) identified?       Yes       None Reported  
Material weakness(es) identified?       Yes       No
  
3. Noncompliance material to the financial statements noted?       Yes       No

***Federal Awards***

3. Internal control over major federal awards programs:  
Significant deficiency(ies) identified?       Yes       None Reported  
Material weakness(es) identified?       Yes       No
  
4. Type of auditor’s report issued on compliance for major federal award programs:  
 Unmodified       Qualified       Adverse       Disclaimer
  
5. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?       Yes       No

**Indiana Housing and Community Development Authority  
 (A Component Unit of the State of Indiana)  
 Schedule of Findings and Questioned Costs (Continued)  
 Year Ended December 31, 2023**

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6. Identification of major federal programs:

<b>Assistance Listing Numbers</b>	<b>Name of Federal Program or Cluster</b>
14.195	Section 8 Project-Based Cluster
14.231	Emergency Solutions Grant
14.871, 14.879	Housing Voucher Cluster
21.023	COVID-19 Indiana Emergency Rental Assistance
21.026	COVID-19 Homeowners Assistance Program
84.425W	COVID-19 Education Stabilization Fund

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

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

**Indiana Housing and Community Development Authority  
(A Component Unit of the State of Indiana)  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2023**

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**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Indiana Housing and Community Development Authority**  
**(A Component Unit of the State of Indiana)**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended December 31, 2023**

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<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.



## FORVIS Report to the Board of Directors

### Indiana Housing and Community Development Authority

#### Results of the 2023 Financial Statement Audit, Including Required Communications

December 31, 2023

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

##### Overview & Responsibilities

Matter	Discussion
<b>Scope of Our Audit</b>	<p>This report covers audit results related to your financial statements and supplementary information:</p> <ul style="list-style-type: none"><li>• As of and for the year ended December 31, 2023</li><li>• Conducted in accordance with our contract dated February 14, 2024</li></ul>
<b>Our Responsibilities</b>	<p>FORVIS is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>
<b>Audit Scope &amp; Inherent Limitations to Reasonable Assurance</b>	<p>An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.</p>
<b>Extent of Our Communication</b>	<p>In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.</p>
<b>Independence</b>	<p>The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.</p>



Matter	Discussion
<b>Your Responsibilities</b>	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
<b>Distribution Restriction</b>	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: <ul style="list-style-type: none"> <li>• The Board of Directors, Audit Committee, and Management</li> <li>• Others within the Authority</li> </ul>

**Government Auditing Standards**

Matter	Discussion
<b>Additional GAGAS Reporting</b>	We also provided reports as of December 31, 2023, on the following as required by GAGAS: <ul style="list-style-type: none"> <li>• Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS</li> </ul>
<b>Reporting Limitations</b>	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

**Uniform Guidance Overview & Responsibilities**

Matter	Discussion
<b>Scope of Our Audit</b>	We also provided reports as of December 31, 2023, on the following as required by U.S. Office of Management and Budget (OMB) Uniform Guidance: <ul style="list-style-type: none"> <li>• Opinion on compliance for each major federal award program</li> <li>• Report on internal control over compliance</li> <li>• Schedule of Expenditures of Federal Awards</li> </ul>
<b>Audit Scope &amp; Inherent Limitations to Reasonable Assurance</b>	A compliance audit performed in accordance with OMB Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on a major federal award program occurred.
<b>Agreed-Upon Procedures</b>	We performed certain agreed-upon procedures to assist in determining the accuracy of the electronic submission of certain information into the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC) as of and for the year ended December 31, 2023, in accordance with attestation standards established by the AICPA.



## Qualitative Aspects of Significant Accounting Policies & Practices

### Significant Accounting Policies

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

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

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*

### Unusual Policies or Methods

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

- No matters are reportable

### Alternative Accounting Treatments

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

- No matters are reportable

### Management Judgments & Accounting Estimates

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

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

### Financial Statement Disclosures

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

- Note 5 - Capital, Lease and Subscription Assets
- Note 6 - Bonds Payable
- Note 9 - Lease and Subscription Liability

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

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

- No matters are reportable





## Adjustments Identified by Audit

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

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

## Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

## Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

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

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

## Other Required Communications

### Significant Issues Discussed With Management

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- Adoption of GASB Statement No. 96, SBITAs
- Allowance for DPA loans

### Other Material Communications

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

- Management representation letter (see Attachments)

We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

## Other Financial Reporting Matters

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

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

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

- GASB Statement No. 101, Compensated Absences (2024 Effective Date) - The primary objective of GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The requirements of GASB 101 are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.
- GASB Statement No. 102, Certain Risk Disclosures (2025 Effective Date) - GASB 102 requests governments to disclose information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. A concentration is defined as “a lack of diversity related to an aspect of a significant inflow of resource or outflow of resource.” This may limit a government’s ability to acquire resources or control spending. GASB 102 defines a constraint as “a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority”. A constraint may affect a government’s ability to continue to provide services at the current level or to meet its obligations as they come due. GASB 102 requires a government to disclose information about a concentration or constraint only if all of the following criteria are met: 1) It is known to the government prior to issuing the financial statements; 2) The concentration or constraint makes the reporting unit vulnerable to the risk of a substantial impact; and 3) An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the financial statement date. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

- **Vendor Fraud: Business Email Compromise** - The latest wave of business fraud takes the form of email impersonation schemes, in which perpetrators attempt to fraudulently induce employees of a business entity to execute a wire transfer. In business email compromise (BEC) schemes fraudsters masquerade as an approved vendor or business partner. For example, a person with authority to initiate or execute a transaction (e.g. a C-level executive) within the victim organization receives an email via their business account purportedly from a vendor requesting a wire transfer to a designated bank account. The innocent looking email fools the employee receiving it because it appears to be coming from a legitimate business relationship. The emails are “spoofed” by adding, removing or changing characters in the email address that make it difficult to distinguish the perpetrator’s email address from the legitimate email address. Unbeknownst to the victims, the wires are typically made to overseas bank accounts (typically in China, South Africa, Turkey and Japan). The Internet Crime Complaint Center (IC3) reported in 2021 that they had received 19,954 Business Email Compromise (BEC) complaints with adjusted losses of nearly \$2.4 billion, an 22% increase from 2020. BEC continues to be one of the top reported internet crimes year over year. It’s unknown how victims are selected, but the fraudsters study their victims before initiating the BEC scam. It’s important to note that this type of fraud could occur even when all standard internal controls and protocols are followed by victim organizations and their employees. Therefore, this type of fraud is particularly difficult to prevent. Spam filters and anti-virus software are not designed to protect against clever social engineered impersonation. The human element is vitally important. We recommend conducting employee awareness training on BEC for all employees. We further recommend, if possible, two person verification for all bank wires and ACH payments.
- **OMB Issues updated Uniform Guidance** - In April 2024, the Office of Management and Budget (OMB) issued revisions to the OMB Guidance for Grants and Agreements, which is now called the OMB Guidance for Federal Financial Assistance. The revisions impact several parts of the guidance and are intended to improve federal financial assistance management, transparency, and oversight through more accessible and easily understandable guidance. Several key thresholds have been revised for the first time in over a decade, including raising the threshold for a single audit from expenditures of \$750,000 to \$1,000,000. The type A program threshold for entities expending awards from \$1 million to \$34 million is also raised from \$750,000 to \$1,000,000. In addition, the revision updates the cost accounting standards and disclosure statement to remove the requirement to submit a DS-2 disclosure statement in support of an indirect rate. The effective date for the final guidance is October 1, 2024. However, the effective date for the increase in the single audit threshold is not yet clear. Clarification is expected in the fall of 2024.



## Attachments

### **Management Representation Letter (Attachment A)**

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

### **Schedule of Uncorrected Misstatements (Attachment B)**

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



## Attachment A

# Management Representation Letter

**FORV/S**

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office



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

*Provided to:*  
**FORVIS, LLP**  
Certified Public Accountants  
201 N. Illinois Street, Suite 700  
Indianapolis, Indiana 46204

The undersigned (“We”) are providing this letter in connection with FORVIS’ audit of our financial statements as of and for the year ended December 31, 2023.

We are also providing this letter in connection with:

- Your audit of our compliance with requirements applicable to reach of our major federal awards programs as of and for the year ended December 31, 2023.

Our representations are current and effective as of the date of FORVIS’ report: April 18, 2024.

Our engagement with FORVIS is based on our contract for services dated: February 14, 2024.

### **Our Responsibility & Consideration of Material Matters**

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

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

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

### **Confirmation of Matters Specific to the Subject Matter of FORVIS’ Report**

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

#### ***Broad Matters***

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
  - a. Internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
  - b. Internal control to prevent and detect fraud.

Indiana Housing & Community Development Authority (IHCDA)  
Page 2

3. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. All minutes of governing body meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.
  - e. All significant contracts and grants.
4. We have responded fully and truthfully to all your inquiries.

**Government Auditing Standards**

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
7. We have identified and disclosed to you any violations or possible violations of laws, regulations, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.
11. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

***Federal Awards Programs (Uniform Guidance)***

12. We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations, or in any other form.
13. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
14. We have reconciled the schedule of expenditures of federal awards (SEFA) to the financial statements.
15. Federal awards-related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the entity's financial statements.
16. We have evaluated all recipient organizations that received federal funding and have correctly identified all subrecipients on the schedule of expenditures of federal awards.
17. We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* regarding activities allowed or unallowed; allowable cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.
18. We are responsible for complying, and have complied, with the requirements of Uniform Guidance.
19. We are responsible to understand and comply with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the entity has complied with all applicable compliance requirements.
20. We are responsible for the design, implementation, and maintenance of internal controls over compliance that provide reasonable assurance we have administered each of our federal awards programs in compliance with federal statutes, regulations, and the terms and conditions of the federal awards.
21. We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.
22. The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.
23. The costs charged to federal awards are in accordance with applicable cost principles.
24. The reports provided to you related to federal awards programs are true copies of reports

Indiana Housing & Community Development Authority (IHCDA)  
Page 4

submitted or electronically transmitted to the federal awarding agency, the applicable payment system, or pass-through entity in the case of a subrecipient.

25. Amounts claimed or used for matching were determined in accordance with Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) regarding cost principles.
26. We have monitored any subrecipients to determine that they have expended federal awards in accordance with federal statutes, regulations, and the terms and conditions of the subaward and have met the audit and other requirements of the Uniform Guidance.
27. We have taken appropriate corrective action on a timely basis after receipt of any subrecipient's auditor's report that identified findings and questioned costs pertaining to federal awards programs passed through to the subrecipient by us.
28. We have considered the results of any subrecipient's audits received and made any necessary adjustments to our books and records.
29. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.
30. We have identified to you any previous compliance audits, attestation engagements, and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other monitoring.
31. Except as described in the schedule of findings and questioned costs, we are in agreement with the findings contained therein and our views regarding any disagreements with such findings are consistent, as of the date of this letter, with the description thereof in that schedule.
32. We are responsible for taking corrective action on any audit findings and have developed a corrective action plan that meets the requirements of Uniform Guidance.
33. The summary schedule of prior audit findings correctly states the status of all audit findings of the prior audit's schedule of findings and questioned costs and any uncorrected open findings included in the prior audit's summary schedule of prior audit findings as of the date of this letter.
34. The reporting package does not contain any protected personally identifiable information.
35. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.

***Misappropriation, Misstatements, & Fraud***

36. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
  - a. Misappropriation of assets.
  - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.

Indiana Housing & Community Development Authority (IHCDA)  
Page 5

37. We have no knowledge of fraud or suspected fraud affecting the entity involving:
- a. Management or employees who have significant roles in internal control over financial reporting, or
  - b. Others when the fraud could have a material effect on the financial statements.
38. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
39. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, regulators, citizens, suppliers, or others.
40. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

***Ongoing Operations***

41. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.

***Related Parties***

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

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

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

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

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

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

***Litigation, Laws, Rulings & Regulations***

44. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
45. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
46. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
47. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
48. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

***Nonattest Services***

49. You have provided nonattest services, including the following, during the period of this engagement:
  - Preparing a draft of the financial statements and related notes and supplementary information
  - Preparing a draft of the schedule of expenditures of federal awards
  - Completing the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse
50. With respect to these services:
  - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
  - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
  - c. We have made any and all decisions involving management functions with respect to the

Indiana Housing & Community Development Authority (IHCDA)  
Page 7

nonattest services and accept full responsibility for such decisions.

- d. We have evaluated the adequacy of the services performed and any findings that resulted.
- e. We have established and maintained internal controls, including monitoring ongoing activities.
- f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

***Financial Statements & Reports***

- 51. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
- 52. With regard to supplementary information:
  - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
  - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
  - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
  - e. We understand that supplementary information is for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of each of the individual funds.
  - f. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.
- 53. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

***Transactions, Records, & Adjustments***

- 54. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 55. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.

Indiana Housing & Community Development Authority (IHCDA)  
Page 8

56. We have everything we need to keep our books and records.
57. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
58. We believe the effects of the uncorrected financial statement misstatements and omitted disclosures summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

***Governmental Accounting & Disclosure Matters***

59. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
60. With regard to deposit and investment activities:
  - a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.
  - b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
  - c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
  - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
61. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
62. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
63. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
64. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
65. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.
66. The entity has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.



Indiana Housing & Community Development Authority (IHCDA)  
Page 9

67. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.
68. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis and pension information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.
69. With regard to pension:
  - a. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
  - b. We have provided you with the entity's most current pension plan instrument for the audit period, including all plan amendments.
  - c. The participant data provided to you related to pension plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
  - d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

**General Government Matters**

70. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
71. All funds that meet the quantitative criteria in in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an Amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
72. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
73. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
74. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund

balance is properly recognized under the policy.

***Accounting & Disclosure***

75. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
76. Except as reflected in the financial statements, there are no:
- a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.
  - b. Material transactions omitted or improperly recorded in the financial records.
  - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
  - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
  - e. Agreements to purchase assets previously sold.
  - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
  - g. Guarantees, whether written or oral, under which the entity is contingently liable.
  - h. Known or anticipated asset retirement obligations.
77. Except as disclosed in the financial statements, the entity has:
- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
  - b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
78. We agree with the findings of specialists in evaluating the pension plan and interest rate swap valuation and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

***Revenue & Accounts Receivable***

79. Adequate provisions and allowances have been accrued for any material losses from:
- a. Uncollectible receivables.
  - b. Purchase commitments in excess of normal requirements or at prices in excess of

prevailing market prices.

***Estimates***

80. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
81. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, markets, loans, investments, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

***Fair Value***

82. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
  - a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated course of action.
  - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
  - c. The significant assumptions appropriately reflect market participant assumptions.
  - d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

***Tax-Exempt Bonds***

83. Tax-exempt bonds issued have retained their tax-exempt status.
84. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

***GASB Statement 96, Subscription-Based Information Technology Arrangements***

85. In connection with the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), we represent the following:
  - a. We have identified a complete population of potential subscription-based information technology arrangements (SBITAs) as of the implementation date.
  - b. We have reviewed all significant contracts to identify subscription and nonsubscription components as of the earliest date of adoption. Allocation of costs between subscription and

Indiana Housing & Community Development Authority (IHCDA)  
Page 12

nonsubscription components are based upon standalone prices or other reasonable factors.

- c. Measurements of the subscription assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
- d. The estimates related to any options to extend or terminate the SBITA terms within the measurement of subscription liability and an intangible right to use IT subscription asset agrees to management's plans for the SBITA.
- e. The discount rates for each SBITA are based upon what would be obtained by the entity for similar payment amounts during the subscription term as an incremental rate.
- f. We have adequate controls in place to prevent and/or detect errors in subscription assets and liabilities on a recurring basis.
- g. The footnotes to the financial statements appropriately describe the adoption of GASB 96 and include all additional disclosures required under the GASB 96.

DocuSigned by:  
Jacob Sipe 4/18/2024  
86DB579B5D7487  
Jacob Sipe, Executive Director

jsipe@ihcda.in.gov  
Email address

Rich Harcourt, Chief Financial Officer  
rharcourt@ihcda.in.gov  
Email address

DocuSigned by:  
Brennen Garard 4/18/2024  
AB87EA59ZDB24AF  
Brennen Garard, Controller and Director of Accounting

bgarard@ihcda.in.gov  
Email address

Attachment:  
Schedule of Uncorrected Misstatements and Omitted Disclosures

nonsubscription components are based upon standalone prices or other reasonable factors.

- c. Measurements of the subscription assets and liabilities are based upon facts and circumstances that existed at the beginning of the period of implementation.
- d. The estimates related to any options to extend or terminate the SBITA terms within the measurement of subscription liability and an intangible right to use IT subscription asset agrees to management's plans for the SBITA.
- e. The discount rates for each SBITA are based upon what would be obtained by the entity for similar payment amounts during the subscription term as an incremental rate.
- f. We have adequate controls in place to prevent and/or detect errors in subscription assets and liabilities on a recurring basis.
- g. The footnotes to the financial statements appropriately describe the adoption of GASB 96 and include all additional disclosures required under the GASB 96.

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Jacob Sipe, Executive Director

[jsipe@ihcda.in.gov](mailto:jsipe@ihcda.in.gov)

Email address



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Rich Harcourt, Chief Financial Officer

[rharcourt@ihcda.in.gov](mailto:rharcourt@ihcda.in.gov)

Email address

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Brennen Garard, Controller and Director of Accounting

[bgarard@ihcda.in.gov](mailto:bgarard@ihcda.in.gov)

Email address

Attachment:

Schedule of Uncorrected Misstatements and Omitted Disclosures



## Attachment B

### Schedule of Uncorrected Misstatements

**FORV/S**

FORV/S is a trademark of FORV/S, LLP, registration of which is pending with the U.S. Patent and Trademark Office

**Appendix B**  
**Ind Housing & Community Dev Authority**  
**Summary of Uncorrected Misstatements and Omitted Disclosures, as applicable**  
**As of and for the Year Ended December 31, 2023**

**Summary of Misstatements in the Financial Statements**

Description	Debit (Credit) Required to Correct the Financial Statements					
	Assets and Deferred Outflows	Liabilities and Deferred Inflows	Net Position	Revenue	Expenses	Change in Net Position
Unrecorded misstatements - factual	542,255	-	(542,255)	(542,255)	-	-
Unrecorded misstatements - projected	-	-	-	-	-	-
Unrecorded misstatements - judgmental	-	-	-	-	-	-
Total uncorrected misstatements (Iron Curtain)	542,255	-	(542,255)	(542,255)	-	-
Impact of correcting prior period misstatements in prior periods (From Prior Period Table Below)				-	-	-
Total uncorrected misstatements, assuming prior year misstatements were corrected in prior periods (Rollover)				(542,255)	-	-

**Financial Statement Impact**

	As Reported	Misstatements	Subsequent to Misstatements	% Change
<b>Current Assets</b>	\$ 553,028,774	\$ -	\$ 553,028,774	- %
<b>Non-Current Assets and Deferred Outflows</b>	1,559,735,958	-	1,559,735,958	- %
<b>Current Liabilities</b>	(264,229,125)	-	(264,229,125)	- %
<b>Non-Current Liabilities and Deferred Inflows</b>	(1,380,798,251)	-	(1,380,798,251)	- %
<b>Current Ratio</b>	(2.09)		(2.09)	- %
<b>Total Assets and Deferred Outflows</b>	2,112,764,732	-	2,112,764,732	- %
<b>Total Liabilities and Deferred Inflows</b>	(1,645,027,376)	-	(1,645,027,376)	- %
<b>Net Position</b>	(467,737,356)	(542,255)	(468,279,611)	0.12 %
<b>General Revenues &amp; Transfers</b>	(785,724,276)	-	(785,724,276)	- %
<b>Net Program Revenues / Expenses</b>	747,025,096	(542,255)	746,482,841	(0.07)%
<b>Change in Net Position</b>	(38,699,180)	(542,255)	(39,241,435)	1.40 %

**Unrecorded Misstatements Detail**

Account Number	Account Name	Financial Statement Line	Debit	Credit	Description
02-277-1100-200	2023 A GNMA Certificate Receivable	Investments Held Against Bonds	542,255	-	Adjust market value for difference found in market value testing.
02-277-5150-900	2023 A Change in Fair Value of Securities	Net Increase in Fair Value of Investments	-	542,255	Adjust market value for difference found in market value testing.



# EAP UPDATE

Greg Glassley  
Director of Energy and Utility Programs  
April 25, 2024

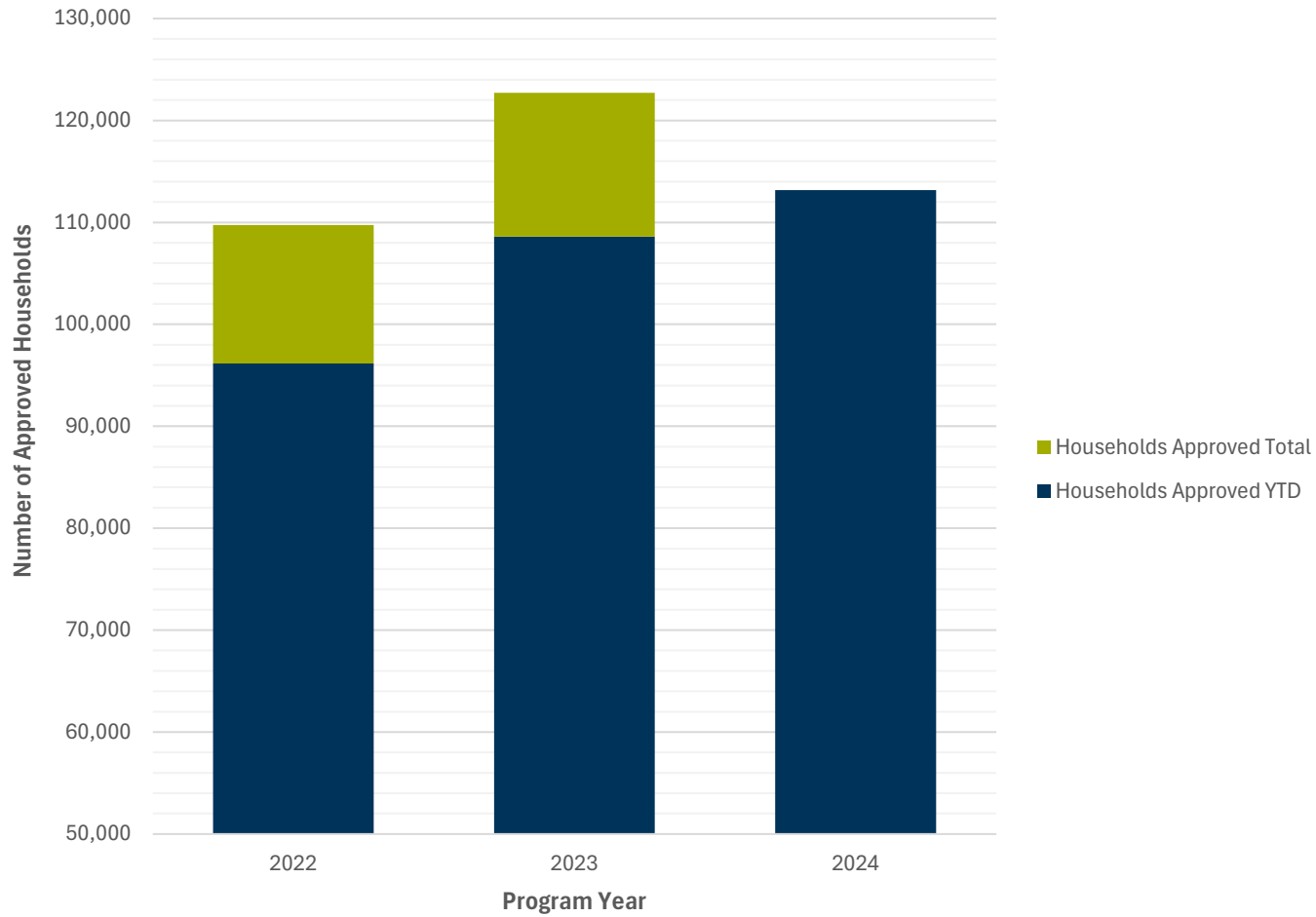
# Program Year 2024 Updates

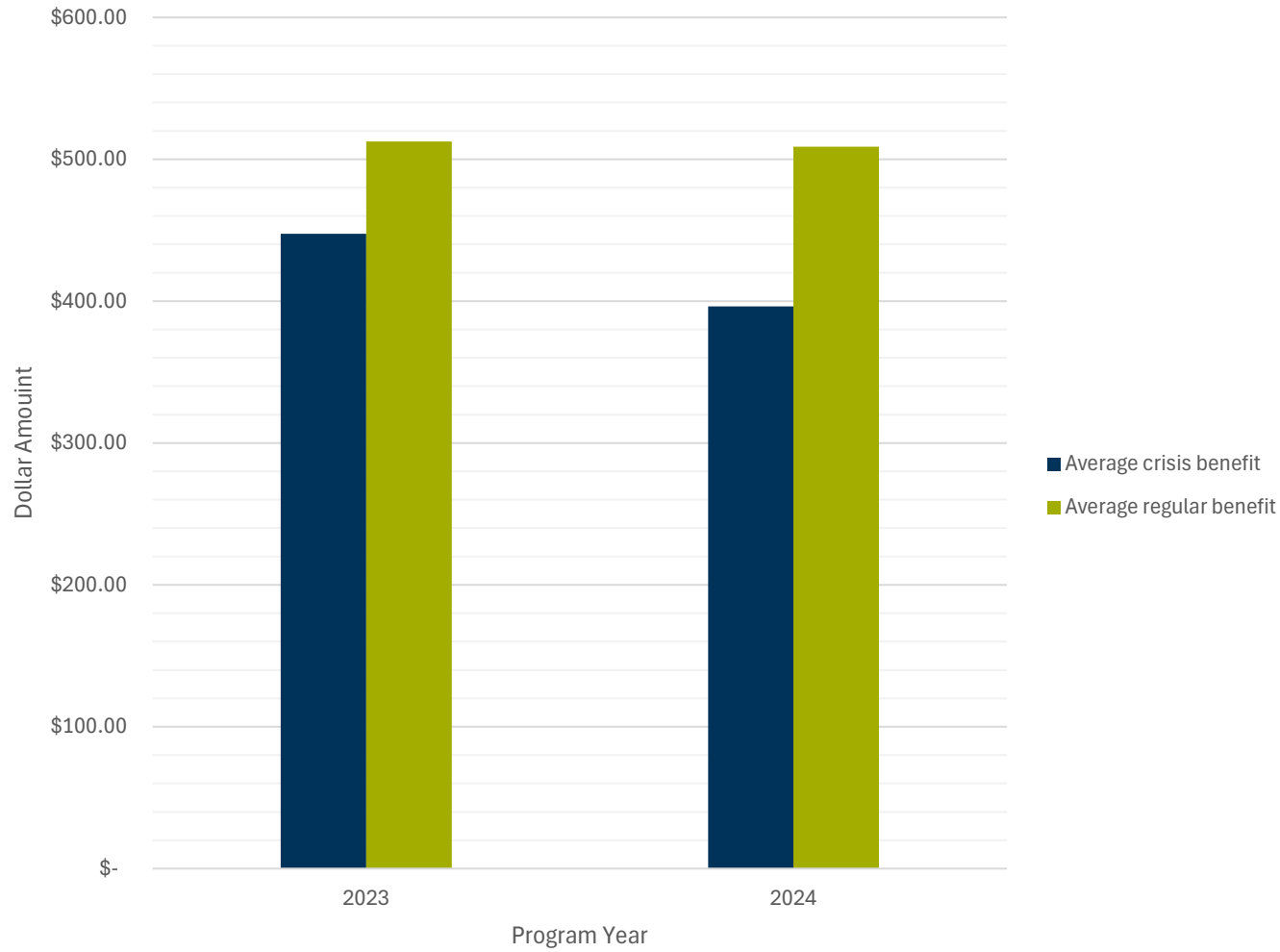
## Notable Policy Changes

- Crisis eligibility expanded to include those households on payment arrangements
  - This has increased the number of households receiving crisis by approximately 7,800

## Funding Levels

- Program Year 2023: \$128.9M
  - Three releases in November; one in February, one in March, one in August
  - Benefits given YTD: \$72,223,660
- Program Year 2024: \$75.6M
  - Three releases in October
  - Benefits given YTD: \$75,565,812
  - Awaiting second release of approximately \$8.17M
  - Ability to utilize carryover funds
  - Moving funds from various agencies





**THANK YOU!**