

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

REPORT ON AUDIT
OF
FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION

YEAR ENDED JUNE 30, 2025

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Reports	1 - 7
Management's Discussion and Analysis (MD&A)	8 - 16
FINANCIAL STATEMENTS:	
Statement of Net Position	17 - 18
Statement of Revenues, Expenses and Changes in Net Position	19
Statement of Cash Flows	20 - 21
Notes to Financial Statements	22 - 40
SUPPLEMENTARY INFORMATION:	
Statement and Certification of Program Costs – Capital Fund Program	41
Statement and Certification of Program Costs – Family Self Sufficiency Grant	42
Schedule of Expenditures of Federal Awards	43 - 44
Financial Data Schedule	45 - 58
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	59 - 61
CORRECTIVE ACTION PLAN	62



INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of Joliet
Joliet, Illinois

Qualified Opinion

We have audited the accompanying financial statements of the Housing Authority of Joliet (the Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statement as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2025, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The Authority has not included the financial statements of a blended component unit, resulting in materially misstated capital asset, other asset and capital debt balances reported in these financial statements. The omitted blended component unit was acquired by the Authority during the fiscal year ended June 30, 2025. The financial balance misstatements resulting from the omission are described in Note V to the financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Management's Discussion and Analysis on pages 8 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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.

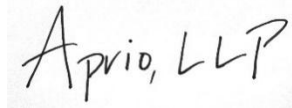
Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Statement and Certification of Program Costs – Capital Fund Program; the Statement and Certification of Program Costs – Family Self Sufficiency Grant; the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the Financial Data Schedule are 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 auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the supplementary information of the qualified opinion on the basic financial statements as explained in the Basis for Qualified Opinion section, the Statement and Certification of Program Costs – Capital Fund Program; the Statement and Certification of Program Costs – Family Self Sufficiency Grant; the Schedule of Expenditures of Federal Awards and the Financial Data Schedule are 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 March 23, 2026, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

Birmingham, Alabama
March 23, 2026



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Housing Authority of Joliet
Joliet, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Housing Authority of Joliet (the Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 23, 2026. Our report includes a qualified opinion on the financial statements due to the omission of a blended component unit and its effect on certain balances reported in the financial statements.

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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a *material weakness*, yet important enough to merit attention by those charged with governance.

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* and therefore, *material weaknesses* or *significant deficiencies* may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2025-001, that we consider to be a *material weakness*.

Report on Compliance and Other Matters

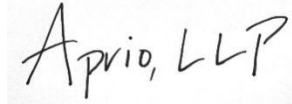
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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*.

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, flowing style.

Birmingham, Alabama
March 23, 2026



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of Joliet
Joliet, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited the Housing Authority of Joliet's (the 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 the Authority's major federal programs for the year ended June 30, 2025. The Authority's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2025.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Auditors' 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 the 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.

Auditors' 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 generally accepted auditing standards, *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 the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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.

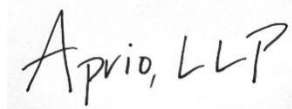
Report on Internal Control Over Compliance

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 Auditors' 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.



Birmingham, Alabama
March 23, 2026

**HOUSING AUTHORITY OF JOLIET, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2025**

The Housing Authority of Joliet's ("the Authority") Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased \$10.2 million in 2025 and was \$47.3 million for 2024 and \$57.5 million for 2025.
- Revenues increased \$18.2 million during 2025 and were \$61.2 million for 2024 and \$79.4 million for 2025.
- Expenses increased \$10.3 million during 2025 and were \$58.8 million for 2024 and \$69.1 million for 2025.

USING THIS ANNUAL REPORT

The Report includes three major sections, the “Management’s Discussion and Analysis (MD&A),” “Basic Financial Statements,” and “Other Required Supplementary Information”:

MD&A

~ Management’s Discussion
and Analysis ~

Basic Financial Statements

~ Authority-wide Financial Statements ~
~ Notes to Financial Statements ~

Other Required Supplementary Information

~ Required Supplementary Information ~
(Other than the MD&A)

Authority-Wide Financial Statements

Statement of Net Position

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Position," formerly known as equity. Assets and liabilities are presented in order of liquidity and are classified as "Current" (convertible into cash within one year), and "Non-current."

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) are reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position."

Statement of Revenues, Expenses, and Changes in Net Position

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the "Change in Net Position," which is similar to Net Income or Loss.

Statement of Cash Flows

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, investing activities and from capital and related financing activities.

The Authority's Programs

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

Public Housing Program – Under the Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income.

Capital Fund Program – a grant program funded by the Department of Housing and Urban Development as the primary sources of funding for physical and management improvements to the Authority's properties.

Central Office Cost Center (COCC) – As part of its conversion to Asset Management, the Authority established the COCC to manage and oversee the operations of the Public Housing Developments and other grant programs. Utilizing a "fee for service" approach, the COCC recognizes revenues through management and service fees charged to the other programs. Management fees cannot exceed the "safe harbor" amount established by HUD.

Section 8 Housing Choice and Mainstream Vouchers Program – Under the Housing Choice Vouchers Program, the Board administers contracts with independent landlords that own the property. The Board subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Board to structure a lease that sets the participants' rent at 30% of household income.

The Public Housing, Capital Fund and Section 8 Housing Choice Voucher Programs are administered through HUD's Moving-to-Work (MTW) Demonstration Program. The MTW Program is a voluntary HUD initiative that gives selected Public Housing Authorities broad flexibility to design and test alternative ways of administering Public Housing and Section 8 Housing Choice Voucher Programs, while still serving substantially the same number and type of households.

Other programs and reporting sectors include:

- Disaster Voucher Program
- Emergency Housing Voucher Program
- Mainstream Voucher Program
- Family Self Sufficiency Program
- HOME Investment Partnerships Program
- Blended Component Units

AUTHORITY-WIDE STATEMENTS

The following table reflects the Condensed Statement of Net Position compared to the prior year.

TABLE 1
CONDENSED STATEMENT OF NET POSITION

	2025	2024	Variance
Assets:			
Current and Restricted Assets	\$ 18,156,102	\$ 11,058,340	\$ 7,097,762
Capital Assets	13,988,837	15,120,049	(1,131,212)
Other Assets	28,508,691	24,628,877	3,879,814
Total Assets	\$ 60,653,630	\$ 50,807,266	\$ 9,846,364
Liabilities and Deferred Inflows of Resources:			
Current Liabilities	\$ 1,694,357	\$ 1,574,918	\$ 119,439
Non-current Liabilities and Deferred Inflows	1,443,552	1,937,683	(494,131)
Total Liabilities and Deferred Inflows of Resources	\$ 3,137,909	\$ 3,512,601	\$ (374,692)
Net Position:			
Net Investment in Capital Assets	\$ 13,176,444	\$ 13,713,877	\$ (537,433)
Restricted Net Position	222,792	259,664	(36,872)
Unrestricted Net Position	44,116,485	33,321,124	10,795,361
Total Net Position	\$ 57,515,721	\$ 47,294,665	\$ 10,221,056

Major Factors Affecting the Condensed Statement of Net Position

During 2025, current and restricted assets increased primarily due to an increase of cash resulting from operating and capital-related cash inflows. See the Statement of Cash Flows for additional details regarding cash inflows and outflows. An increase of grants receivable due from HUD also contributed to the increase of current assets. Capital assets decreased due to depreciation and amortization expenses exceeding property and equipment expenditures. Other assets increased due to an advance to an affiliate under a promissory note receivable, and interest and developer fee receivable accruals. Non-current liabilities and deferred inflows of resources decreased due mainly to capital debt retirements.

Table 2 (below) presents details of the change in unrestricted net position during the fiscal year.

TABLE 2**CHANGE OF UNRESTRICTED NET POSITION**

Unrestricted Net Position, June 30, 2024	\$ 33,321,124
Results of Operations	2,923,353
Capital Expenditures from Operations	(112,406)
Interest Income	855,080
Restricted Funds used for Housing Assistance Payments	36,872
Proceeds on Sale of Capital Assets	4,491,672
Developer Fee Income	1,929,198
Principal and Interest on Capital Debt Funded from Operations	(202,305)
Depreciation and Amortization Expense	<u>873,897</u>
Unrestricted Net Position, June 30, 2025	<u><u>\$ 44,116,485</u></u>

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in unrestricted net position provides a clearer change in financial well-being.

TABLE 3**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The following Schedule compares the revenues and expenses for the current and previous fiscal year.

	2025	2024	Variance
Revenues:			
Tenant Rent	\$ 1,417,579	\$ 1,484,183	\$ (66,604)
Operating Grants	50,031,241	41,695,579	8,335,662
Capital Contributions	450,713	4,137,084	(3,686,371)
Interest Income	855,080	776,837	78,243
Gain on Disposition of Capital Assets	4,121,951	-	4,121,951
Other	22,474,395	13,079,674	9,394,721
Total Revenues	\$ 79,350,959	\$ 61,173,357	\$ 18,177,602
Expenses:			
Administrative	\$ 4,475,910	\$ 3,818,490	\$ 657,420
Tenant Services	495,127	995,784	(500,657)
Utilities	604,111	635,720	(31,609)
Maintenance	2,068,535	1,698,597	369,938
Protective Services	804	24,029	(23,225)
General	1,214,626	1,010,728	203,898
Housing Assistance Payments	59,337,654	49,078,225	10,259,429
Interest	59,239	94,175	(34,936)
Predevelopment Costs	-	497,713	(497,713)
Depreciation and Amortization	873,897	947,088	(73,191)
Total Expenses	\$ 69,129,903	\$ 58,800,549	\$ 10,329,354
Increase (Decrease) in Net Position	\$ 10,221,056	\$ 2,372,808	\$ 7,848,248

Major Factors Affecting the Schedule of Revenues, Expenses and Changes in Net Position

Operating grants increased due predominantly to an increase of subsidies recognized through the Section 8 Housing Voucher Program in order to fund additional housing assistance payments. A significant portion of the fiscal year 2024 capital contributions were recognized to fund financing to an affiliate under HUD's Rental Assistance Demonstration (RAD) Program. No capital contributions were utilized during fiscal year 2025 to fund financing to affiliates. The fiscal year 2025 gain on disposition of capital assets was primarily a result of the sale of an apartment building from the Authority's John Murphy Center dwelling project. Other revenue increased due to increases of developer fee income and revenues recognized from other housing authorities for Section 8 Housing Choice Voucher Program participants ported-in.

Administrative expenses increased due to increases of personnel and related costs and legal fees. Tenant services expenses decreased due to fiscal year 2024 relocation costs incurred in preparation of the fiscal year 2025 property sale. Maintenance expenses increased primarily due to increases of materials and external contracting costs incurred, including repair and unit turnover costs. General expenses increased due to increases of personnel leave costs, tenant bad debt charges and other various expenses.

Housing assistance payments increased due to increases of leasing, rental rates and assistance payments expended on Section 8 Housing Choice Voucher Program participants ported-in from other jurisdictions. Fiscal year 2024 predevelopment costs consisted primarily of costs incurred on behalf of an affiliate in connection with the fiscal year 2023 property disposition.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of fiscal year-end, the Authority had \$14 million invested in a variety of capital assets as reflected in the following schedule, which represents a 7% decrease from fiscal year-end 2024.

**TABLE 4
CAPITAL ASSETS AT FISCAL YEAR-END
(NET OF DEPRECIATION)**

	<u>2025</u>	<u>2024</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 8,913,263	\$ 8,913,263	\$ -	0%
Buildings and Improvements	28,043,427	35,871,759	(7,828,332)	-22%
Furniture and Equipment	1,982,373	1,922,509	59,864	3%
Accumulated Depreciation	<u>(24,950,226)</u>	<u>(31,587,482)</u>	<u>6,637,256</u>	<u>-21%</u>
Net Capital Assets	<u>\$13,988,837</u>	<u>\$15,120,049</u>	<u>\$ (1,131,212)</u>	<u>-7%</u>

**TABLE 5
CHANGE IN CAPITAL ASSETS**

The following reconciliation summarizes the change in Capital Assets.

Ending Balance June 30, 2024	\$ 15,120,049
Additions:	
Buildings and Improvements	32,042
Furniture and Equipment	80,364
Dispositions (Net)	(369,721)
Depreciation and Amortization Expense	<u>(873,897)</u>
Ending Balance, June 30, 2025	<u>\$ 13,988,837</u>

Debt Administration

As of fiscal year-end 2025, the Authority had \$.8 million of capital debt outstanding.

TABLE 6
OUTSTANDING CAPITAL DEBT, AS OF FISCAL YEAR-END

	<u>2025</u>	<u>2024</u>
CFP Note Payable	\$ 471,063	\$ 921,776
Subscription Liability	<u>341,330</u>	<u>484,396</u>
Total	<u>\$ 812,393</u>	<u>\$ 1,406,172</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on supplies and other costs

FINANCIAL CONTACT

This financial report is designed to provide our residents; the citizens of Joliet, Illinois; and federal and state regulatory bodies with a general overview of the Housing Authority of Joliet's finances as of June 30, 2025. The individual to be contacted regarding this report is:

Damien Kelly, Chief Financial Officer
Housing Authority of Joliet
6 South Broadway Street
Joliet, Illinois 60436

HOUSING AUTHORITY OF THE CITY OF JOLIET
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS AND DEFERRED
OUTFLOWS OF RESOURCES

	Enterprise Fund
<u>Current Assets</u>	
Cash	\$ 15,247,719
Accounts Receivable, Net	1,981,951
Prepaid Costs	154,542
Inventory	36,313
Total Current Assets	<u>17,420,525</u>
<u>Restricted Assets</u>	
Cash	<u>735,577</u>
Total Restricted Assets	<u>735,577</u>
<u>Capital Assets</u>	
Land	8,913,263
Buildings and Improvements	28,043,427
Furniture and Equipment	<u>1,982,373</u>
	38,939,063
(Less): Accumulated Depreciation	<u>(24,950,226)</u>
Net Capital Assets	<u>13,988,837</u>
<u>Other Assets</u>	
Notes Receivable	19,633,568
Interest Receivable, Non-current	3,399,095
Accounts Receivable, Non-current	1,971,019
Prepaid Deposits, Non-current	187,280
Investment in Partnerships	<u>3,317,729</u>
Total Other Assets	<u>28,508,691</u>
Total Assets	<u>60,653,630</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 60,653,630</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF JOLIET
STATEMENT OF NET POSITION
JUNE 30, 2025

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND NET POSITION

	Enterprise Fund
<u>Current Liabilities</u>	
Accounts Payable	\$ 715,255
Accrued Wages and Payroll Taxes	106,784
Accrued Compensated Absences	91,208
Accrued Interest Payable	5,889
Tenant Security Deposits	48,536
Unearned Revenue	94,715
Current Portion of Capital Debt	631,970
Total Current Liabilities	<u>1,694,357</u>
<u>Non-current Liabilities</u>	
Long Term Capital Debt	180,423
FSS Escrow Liability	483,767
Accrued Compensated Absences	314,592
Total Non-current Liabilities	<u>978,782</u>
Total Liabilities	<u>2,673,139</u>
Deferred Inflows of Resources - Leases	<u>464,770</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,137,909</u>
<u>Net Position</u>	
Net Investment in Capital Assets	13,176,444
Restricted Net Position	222,792
Unrestricted Net Position	44,116,485
Total Net Position	<u>57,515,721</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 60,653,630</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF JOLIET
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Fund
<u>Operating Revenues</u>	
Tenant Rent Revenue	\$ 1,417,579
Operating Grants	50,031,241
Other Revenue	20,545,197
Total Operating Revenues	<u>71,994,017</u>
<u>Operating Expenses</u>	
Administrative	4,475,910
Tenant Services	495,127
Utilities	604,111
Maintenance	2,068,535
Protective Services	804
General	1,214,626
Housing Assistance Payments	59,337,654
Depreciation and Amortization	873,897
Total Operating Expenses	<u>69,070,664</u>
Operating Income (Loss)	<u>2,923,353</u>
<u>Non-Operating Revenues (Expense)</u>	
Interest Income	79,697
Interest Income on Notes Receivable	775,383
Gain on the Disposition of Capital Assets	4,121,951
Developer Fee Income	1,929,198
Interest Expense	(59,239)
Total Non-Operating Revenues (Expense)	<u>6,846,990</u>
Increase (decrease) before Capital Contributions	9,770,343
Capital Contributions	<u>450,713</u>
Increase (Decrease) in Net Position	10,221,056
Net Position, Beginning	47,294,665
Net Position, Ending	<u>\$ 57,515,721</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF JOLIET
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Fund
<u>Cash flows from operating activities:</u>	
Cash Received from Dwelling Rent	\$ 1,383,738
Cash Received from Operating Grants	48,374,252
Cash Received from Other Sources	20,459,235
Cash Payments for Salaries and Benefits	(3,828,998)
Cash Payments to Vendors and Landlords	(64,040,938)
Net cash provided (used) by operating activities	<u>2,347,289</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital Outlay	(112,406)
Capital Contributions Received	450,713
Principal and Interest Paid on Capital Debt	(664,083)
Proceeds Received on Dispositions	4,491,672
Net cash provided (used) by capital and related financing activities	<u>4,165,896</u>
<u>Cash flows from investing activities:</u>	
Interest Received on Cash Deposits	79,697
Proceeds Advanced on Note Receivable	(1,340,000)
Developer Fees Received from Affiliated Partnership	100,000
Net cash provided (used) by investing activities	<u>(1,160,303)</u>
Net Increase in Cash and Restricted Cash	5,352,882
Total Cash and Restricted Cash, Beginning of Year	<u>10,630,414</u>
Total Cash and Restricted Cash, End of Year	<u><u>\$ 15,983,296</u></u>
Reconciliation of cash and restricted cash presented on the Statement of Net Position, to ending cash and restricted cash presented above on the Statement of Cash Flows:	
Cash	\$ 15,247,719
Restricted Cash	735,577
Cash and Restricted Cash, End of Year	<u><u>\$ 15,983,296</u></u>

Continued on next page

**HOUSING AUTHORITY OF THE CITY OF JOLIET
STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2025**

	Enterprise Fund
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating Income (Loss)	\$ 2,923,353
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and Amortization	873,897
Bad Debt Expense	116,640
Obsolete Inventory Expense	
Change in Accounts Receivable (Tenants)	(31,718)
Change in Accounts Receivable (Grants)	(1,656,989)
Change in Accounts Receivable (Other)	(134,085)
Change in Prepaid Costs and Inventory	26,039
Change in Accounts Payable - Operating	87,293
Change in Accrued Personnel Expenses	96,859
Change in Unearned Revenue (Tenants)	(2,123)
Change in Unearned Revenue (Other)	(16,153)
Change in Security and Escrow Deposits Held	135,248
Change in Deferred Lease Revenue (Non-dwelling)	(70,972)
Net cash provided (used) by operating activities	<u>\$ 2,347,289</u>

See the accompanying notes to financial statements.

HOUSING AUTHORITY OF JOLIET, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138 and GASB 63.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented as the "enterprise fund" in the basic financial statements as follows:

Enterprise Fund – In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This required the Housing Authority to account for operations in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Governmental Accounting Standards – The Housing Authority has applied all applicable Governmental Accounting Standards Board pronouncements.

Cash

Cash and restricted cash consisted of funds held in checking accounts.

Accounts Receivable

Accounts receivables are reported at amounts management expects to collect and consisted of tenant receivables, grant receivables, fraud recovery receivables, non-dwelling rent receivables, developer fee receivables, fees and advances due from affiliates, amounts due from other housing authorities for Section 8 Housing Choice Voucher Program participants ported-in, and other miscellaneous receivables. Gross current and non-current accounts receivable totaled \$7,757,705 and are reported net of allowances of \$3,804,735, at \$3,952,970. See Note J for additional details regarding accounts receivable.

Prepaid Costs, Prepaid Deposits and Inventory

Prepaid items and inventory consist of payments made to vendors for services and supplies that will benefit future periods.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

Capital Assets are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed, while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the Statement of Revenue, Expenses and Changes in Net Position. Estimated useful lives are as follows:

Buildings and Improvements	15 - 20 years
Furniture and Equipment	5 - 10 years

Authority management has assessed the carrying values of capital asset balances as of June 30, 2025, and as of March 23, 2026. No significant capital asset value impairments exist as of the noted dates.

PILOT Agreement

The Authority has entered into a Payments-In-Lieu-of Taxes (PILOT) Agreement with the City of Joliet whereby the Authority agreed to pay a negotiated sum in-lieu-of real property tax. During fiscal year 2025, the Authority incurred \$90,741 of payments-in-lieu-of taxes expense and owed the City \$90,741 as of fiscal year-end.

Unearned Revenue

The Authority recognizes revenues as earned. Funds received before the Authority is eligible to apply them are recorded as a liability under unearned revenue. As of June 30, 2025, the Authority's unearned revenue balance consisted of tenant rent prepayments, insurance proceeds, operating grant receipts and other miscellaneous receipts.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of assets by the Authority that is applicable to a future reporting period. Conversely, a deferred inflow of resources is an acquisition of assets by the Authority that is applicable to a future reporting period. As of June 30, 2025, the Authority did not have any deferred outflows of resources. Deferred inflows of resources consisted of non-dwelling rental revenue deferrals. See Note S for additional details regarding deferred inflows of resources.

Revenue Accounting Policies

Dwelling rent income, HUD grants recognized to fund operations, property management fees and other miscellaneous income sources resulting from operations are reported as operating revenue. Capital contributions from HUD, interest income, developer fees and gains on asset dispositions are reported as non-operating revenue.

Indirect Costs Recovery

Direct costs are charged to the Authority's applicable programs. The Authority charges indirect costs to its Central Office Cost Center and charges the programs management fees based on fee rates provided by the Department of Housing and Urban Development.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgetary Control

The Authority maintains budgetary controls over its enterprise fund, as required by the Budget and Fiscal Control Act and the terms of the Authority's annual contributions contract with HUD. An annual budget is adopted for its enterprise fund, except for the Authority's Capital Fund Grant Program. A multi-year budget is adopted for each Capital Grant within the Capital Fund Grant Program. The annual budget was prepared on the accrual basis of accounting.

NOTE B - REPORTING ENTITY DEFINITION

The Housing Authority is a public body and a body corporate and politic created under the authority of the State of Illinois. The Authority was created for the purpose of providing safe and sanitary housing for the low-income citizens of the City of Joliet. The applicable jurisdictions appoint the Board of Commissioners. However, the Housing Authority has complete legislative and administrative authority and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from HUD. The Authority is responsible for its debts and is entitled to surpluses.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in *Section 2100 and 2600 of the Codification of Governmental Accounting and Financial Reporting Standards, Statement No. 14 (amended), of the Governmental Accounting Standards Board: The Financial Reporting Entity, Statement No. 39: Determining Whether Certain Organizations are Component Units, and Statement No. 61: The Financial Reporting Entity: Omnibus*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable.

Based upon the application of these criteria, the Authority has the following blended component units:

Will County Housing Development Corporation (WCHDC, a *Blended Component Unit*) is a not-for-profit corporate affiliate created by the Authority to assist, as a public charity, needy persons of low income by providing safe, sanitary and affordable housing. The Board of Directors consists of members of the Housing Authority's Board of Commissioners; therefore, the WCHDC is a blended component unit of the Authority and the Corporation's financial transactions for the fiscal year ended, and balances as of June 30, 2025, are consolidated into the Authority's financial statements. WCHDC does not issue stand-alone financial statements. Additional information concerning the WCHDC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

Briggs – Rosalind Development, LLC (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on March 6, 2006. The Company was formed to act as general partner of Briggs-Rosalind Phase One, LP, a limited partnership established for the purpose of holding low-income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Briggs-Rosalind Apartments, a 74-unit apartment complex intended primarily for low-moderate income tenants. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2024, are consolidated into and reported with WCHDC's financial balances and transactions. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

Liberty Landing Phase I LP, LLC (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois to acquire and serve as an investor limited partner and an administrative limited partner of Briggs-Rosalind Phase One, LP (described below). The LLC is wholly owned by WCHDC and therefore is a blended component unit of the Authority. However, the LLC's financial balances and transactions for the year ended December 31, 2024 have not been consolidated into and reported with WCHDC's financial balances and transactions and consequently, have not been consolidated into and reported with the Authority's financial statements. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

Briggs-Rosalind Phase One, LP (*Blended Component Unit*) is a limited partnership formed under the laws of the State of Illinois on September 28, 2007. The partnership was formed to acquire, construct hold and operate a 74-unit apartment complex known as Briggs-Rosalind Apartments in Joliet. The partnership is owned by Briggs-Rosalind Development, LLC (the general partner) and as of December 31, 2024, Liberty Landing Phase I LP, LLC (the investor limited partner and the administrative limited partner). Because Briggs-Rosalind Development, LLC and Liberty Landing Phase I LP, LLC are wholly owned by WCHDC and are blended component units of the Authority, the partnership is a blended component unit of the Authority. However, the partnership's financial balances and transactions for the year ended December 31, 2024, have not been consolidated into and reported with the Authority's financial statements. See Note X for additional details about the Authority's omission of the partnership's financial statements. Additional information concerning the partnership can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

Liberty Meadow Estates, LLC (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on March 18, 2008. The LLC was formed to act as general partner of Liberty Meadow Estates Phase II, LP, a limited partnership established for the purpose of holding low-income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Liberty Meadow Estates, a mixed-income residential rental housing project. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2024, are consolidated into and reported with WCHDC's financial balances and transactions. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

Water-McDonough, LLC, (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on July 13, 2015. The LLC was formed to act as general partner of Water's Edge, LP, a limited partnership established for the purpose of holding low-income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Water's Edge, a low-income rental housing project consisting of 68 units. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2024, are consolidated into and reported with WCHDC's financial balances and transactions. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - REPORTING ENTITY DEFINITION - CONTINUED

Liberty Meadow Estates Phase III, LLC (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on June 4, 2018. The LLC was formed to act as general partner of Liberty Meadow Estates Phase III, LP, a limited partnership established for the purpose of holding low-income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Liberty Meadow Estates, a mixed-income residential rental housing project. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2024, are consolidated into and reported with WCHDC's financial balances and transactions. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

Stevenson Crossing, LLC (*Blended Component Unit*) is a limited liability company formed under the laws of the State of Illinois on July 27, 2020. The LLC was formed to act as general partner of Stevenson Crossing, LP, a limited partnership established for the purpose of holding low-income housing tax credits under Section 42 of the Internal Revenue Code, and to develop Stevenson Crossing, a mixed-income residential rental housing project. The LLC is wholly owned by WCHDC, and its financial balances and transactions for the year ended December 31, 2024, are consolidated into and reported with WCHDC's financial balances and transactions. The LLC does not issue stand-alone financial statements. Additional information concerning the LLC can be obtained by contacting the Authority at 6 South Broadway, Joliet, Illinois 60436.

NOTE C - CASH DEPOSITS

Custodial Credit Risk - The Authority's policy is to limit credit risk by adherence to the list of HUD-permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

Interest Rate Risk – The Authority's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The U.S. Department of HUD requires housing authorities to invest excess funds in obligations of the U.S., certificates of deposit or any other federally insured investments.

The Authority's cash consisted of funds held in interest-bearing checking accounts with reconciled balances totaling \$15,983,296.

Deposits held with financial institutions totaled \$16,515,539 and were secured as follows:

	<u>Bank Deposits</u>
Insured by FDIC	\$ 500,000
Collateralized with specific securities in the Authority's name which are held by a third-party financial institution	15,142,865
Uncollateralized	872,674
	<u><u>\$ 16,515,539</u></u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE C - CASH DEPOSITS - CONTINUED

The Authority's uncollateralized deposits consisted of non-federal funds held by WCHDC, the blended component unit. WCHDC deposit balances exceed the FDIC insured deposit limit of \$250,000 per financial institution. As of June 30, 2025, the Corporation's deposit balances exceeded the FDIC limits by \$872,674. The Corporation has not experienced any losses through March 20, 2026, the date the financial statements were available to be issued.

NOTE D - CONTRACTUAL COMMITMENTS

The Authority had outstanding contractual commitments as of June 30, 2025, as follows:

Type of Commitment:

Repairs and Maintenance	\$ 112,195
Total Outstanding Contractual Commitments	\$ 112,195

NOTE E - CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE F - RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Housing Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Housing Authority has not had any significant reductions in insurance coverage, or any claims not reimbursed.

NOTE G - RETIREMENT PLAN

The Authority provides retirement benefits through a defined contribution plan administered by John Hancock. All regular and full-time employees are eligible to participate in the plan upon completion of the evaluation period, and extension if applicable. The employee may contribute a portion of their gross salary to the plan. The Authority will match the employee contribution up to six percent. The plan provisions and matching contributions are determined by the Board of the Housing Authority. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employer contributions for the year ended June 30, 2025, were \$50,197, and employees contributed \$55,669 to the plan.

NOTE H - SIGNIFICANT ESTIMATES

These financial statements are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, and the realizable value of accounts, notes and interest receivable. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE I - RESTRICTED ASSETS AND RESTRICTED NET POSITION

As of June 30, 2025, the Authority's restricted cash consisted of the following:

FSS Escrow Funds	\$ 483,767
Disaster Voucher Program Funds	4,802
Scholarship Fund	47,344
Unearned Emergency Housing Voucher Program Funds	29,018
Housing Assistance Payments Reserve	170,646
Total Restricted Assets	\$ 735,577

There are no off-setting liabilities applicable to the Disaster Voucher Program funds, the Scholarship Fund or the Housing Assistance Payments Reserve. Therefore, \$222,792 of applicable net position is reported as restricted net position in the Statement of Net Position.

NOTE J - ACCOUNTS RECEIVABLE

As of June 30, 2025, the Authority's current and non-current accounts receivable balances consisted of the following:

	<u>Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivable</u>
Dwelling Rent Receivables	\$ 20,840	\$ (5,101)	\$ 15,739
Grant Receivables due from HUD	1,656,989	-	1,656,989
Fees and Advances due from Affiliated Partnerships	439,579	(382,130)	57,449
Fraud Recovery Receivables	230,265	(230,265)	-
Due from Other Housing Authorities for Voucher Program Participants Ported-in	2,673,064	(2,506,359)	166,705
Non-dwelling Rent Receivable	52,270	-	52,270
Due from Voucher Program Landlords	680,880	(680,880)	-
Developer Fees Receivable	1,971,019	-	1,971,019
Other Miscellaneous Receivables	32,799	-	32,799
Total Receivables, Net of Allowances	\$ 7,757,705	\$ (3,804,735)	\$ 3,952,970

NOTES TO FINANCIAL STATEMENTS – CONTINUED

NOTE K - CAPITAL ASSETS

A summary of the Authority's capital asset activity and balances as of June 30, 2025, is as follows:

	July 1, <u>2024 Balance</u>	<u>Additions</u>	<u>Transfers and Dispositions</u>	June 30, <u>2025 Balance</u>
Land	\$ 8,913,263	\$ -	\$ -	\$ 8,913,263
Total Assets not being Depreciated	8,913,263	-	-	8,913,263
Buildings and Improvements	35,871,759	32,042	(7,860,374)	28,043,427
Furniture and Equipment	<u>1,922,509</u>	<u>80,364</u>	<u>(20,500)</u>	<u>1,982,373</u>
Total Capital Assets	46,707,531	112,406	(7,880,874)	38,939,063
Less Accumulated Depreciation and Amortization:				
Building and Improvements	(30,177,565)	(678,499)	7,490,653	(23,365,411)
Furniture and Equipment	<u>(1,409,917)</u>	<u>(195,398)</u>	<u>20,500</u>	<u>(1,584,815)</u>
Net Book Value	<u>\$ 15,120,049</u>	<u>\$ (761,491)</u>	<u>\$ (369,721)</u>	<u>\$ 13,988,837</u>

The Authority uses operational and accounting software under a subscription-based information technology agreement provided by Yardi Systems, Inc. In July of 2024, Authority management exercised a renewal option of the agreement which provides right-of-use software licensing through August of 2027. During fiscal year 2024, the Authority capitalized right-of-use asset costs associated with the agreement, including cost obligations of the executed renewal option, of \$587,586 reported as Equipment on the Statement of Net Position. The software costs are amortized on the straight-line basis through subscription expiration in August of 2027. Amortization expense incurred during fiscal year 2025 was \$141,021 and accumulated amortization as of June 30, 2025, was \$282,042.

In July of 2024, the Authority sold an apartment building from its John Murphy Center dwelling project. The building was reported at a net book value of \$276,130 with a cost basis of \$7,749,725 and accumulated depreciation of \$7,473,595. The Authority sold the property to an unrelated purchaser for a cash payment of \$4,359,688.

In August of 2024, Will County Housing Development Corporation sold an additional property located at 305 N Ottawa Street. The building was reported at a net book value of \$93,590 with a cost basis of \$110,649 and accumulated depreciation of \$17,058. The Authority sold the property to an unrelated purchaser for a cash payment of \$125,569.

The Authority also sold a fully depreciated vehicle during the fiscal year with a cost basis of \$20,500 for a cash payment of \$6,415.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L - NOTES AND INTEREST RECEIVABLE

The Authority has provided financing to its affiliated partnerships identified in Note B, to partially finance the development of various low and mixed-income dwelling properties.

A summary of notes and interest receivable as of fiscal year-end is as follows:

<u>Debtor and Description</u>	<u>Interest Rate</u>	<u>Payment Terms</u>	<u>Maturity</u>	<u>Principal Balance</u>	<u>Interest Receivable</u>
Due from Liberty Meadow Estates Phase II, LP; issued August 2011; original principal amount of \$1,041,858; collateralized by the applicable property and assignment of rents	2%	Annual payments from available net cash flows as defined in the Partnership Agreement	August 2051	\$ 1,041,858	\$ 330,605
Due from Liberty Meadow Estates Phase II, LP; issued August 2011; original principal amount of \$610,264; collateralized by the applicable property and assignment of rents	2%	Annual payments from available net cash flows as defined in the Partnership Agreement	August 2051	610,264	193,651
Due from Liberty Meadow Estates Phase II, LP; issued August 2011; original principal amount of \$136,000; collateralized by the applicable property and assignment of rents	2%	Annual payments from available net cash flows as defined in the Partnership Agreement	August 2051	136,000	43,156
Due from Liberty Meadow Estates Phase II, LP; issued August 2011; original principal amount of \$430,000; collateralized by the applicable property and assignment of rents	2%	Annual payments from available net cash flows as defined in the Partnership Agreement	August 2051	430,000	136,449
Due from Water's Edge, LP; issued September 2016; original principal amount of \$1,524,121; collateralized by the applicable property and assignment of rents	8%	Annual payments from available net cash flows as defined in the Partnership Agreement	October 2038	1,211,140	1,174,664

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L - NOTES AND INTEREST RECEIVABLE - CONTINUED

<u>Debtor and Description</u>	<u>Interest Rate</u>	<u>Payment Terms</u>	<u>Maturity</u>	<u>Principal Balance</u>	<u>Interest Receivable</u>
Due from Liberty Meadow Estates Phase III, LP; issued November 2019; original principal amount of \$362,000; collateralized by the applicable property and assignment of rents	7%	Annual payments from available net cash flows as defined in the Partnership Agreement	November 2049	362,000	168,673
Due from Briggs-Rosalind Phase I, LP: issued August 2007; original principal amount of \$350,000; collateralized by the applicable property and assignment of rents	0%	Balance of loan due upon maturity on October 1, 2037	October 2037	350,000	-
Due from Briggs-Rosalind Phase I, LP: issued August 2007; original principal amount of \$203,645; collateralized by the applicable property and assignment of rents	5%	Balance of loan due upon maturity on October 1, 2037	October 2037	203,645	178,185
Due from Briggs-Rosalind Phase I, LP: issued August 2007; original principal amount of \$620,000; collateralized by the applicable property and assignment of rents	0%	Balance of loan due upon maturity on October 1, 2037	October 2037	620,000	-
Due from Stevenson Crossing, LP; issued November 2022; original principal amount of \$5,375,000; \$1,875,000 was funded as of 6/30/2023; collateralized by the applicable property and assignment of rents	3.5%	Annual payments from available net cash flows as defined in the Partnership Agreement	October 2062	5,375,000	408,916

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE L - NOTES AND INTEREST RECEIVABLE - CONTINUED

<u>Debtor and Description</u>	<u>Interest Rate</u>	<u>Payment Terms</u>	<u>Maturity</u>	<u>Principal Balance</u>	<u>Interest Receivable</u>
Due from Stevenson Crossing, LP; issued November 2022; original principal amount of \$1,320,000; collateralized by the applicable property and assignment of rents	3.5%	Annual payments from available net cash flows as defined in the Partnership Agreement	October 2062	1,320,000	127,155
Due from Stevenson Crossing, LP; issued November 2022; original principal amount of \$5,110,000; collateralized by the applicable property and assignment of rents	3.5%	Annual payments from available net cash flows as defined in the Partnership Agreement	October 2062	5,110,000	498,559
Due from Stevenson Crossing, LP; issued November 2022; original principal amount of \$1,523,661; collateralized by the applicable property and assignment of rents	3.5%	Annual payments from available net cash flows as defined in the Partnership Agreement	October 2062	1,523,661	139,082
Due from Stevenson Crossing, LP; issued July 2024; original principal amount of \$1,340,000; collateralized by the applicable property and assignment of rents	0%	Annual payments from available net cash flows as defined in the Partnership Agreement	July 2064	1,340,000	-
Notes and Interest Receivable				\$ 19,633,568	\$ 3,399,095

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE M - NOTES AND INTEREST RECEIVABLE - CONTINUED

Affordable Housing Program Pass-through Notes Receivable

In order to provide additional financing assistance to the partnerships referenced above, the Authority provided various partnerships with Affordable Housing Program (AHP) funded loans. The loans to the partnerships were funded with AHP subsidies provided to the Authority from the Federal Home Loan Bank (FHLB) of Chicago. The subsidies are subject to recapture in the event that the partnerships fail to manage and operate the properties in accordance with the AHP Subsidy Agreements. Potential repayment of the subsidies is secured with mortgages against each of the properties. Because the Authority's assets are not at risk concerning the potential recapture of the subsidies, Authority management has elected not to report the contingencies or related notes receivable in its Statement of Net Position. The notes receivable are summarized as follows:

AHP Loan due from Water's Edge, LP, dated September 16, 2016	\$ 750,000
AHP Loan due from Liberty Meadow Estates Phase III, LP, dated March 5, 2021	630,000
AHP Loan due from Stevenson Crossing, LP, dated November 2, 2022	900,000
Total AHP-Subsidized Notes Receivable	<u>\$ 2,280,000</u>

NOTE N - INVESTMENT IN PARTNERSHIPS

The Authority, through WCHDC and Liberty Meadow Estates, LLC (blended component units), is a partner in Liberty Meadow Estates Phase II, LP, an Illinois limited partnership. WCHDC, through Liberty Meadow Estates, LLC, has made a capital contribution of \$268,335 to the partnership. No contributions were made, nor distributions received, during fiscal year 2025.

The Authority, through WCHDC and Briggs-Rosalind Development, LLC (blended component units), is a partner in Briggs-Rosalind Phase One, LP, an Illinois limited partnership. WCHDC, through Briggs-Rosalind Development, LLC, has made capital contributions totaling \$1,458,987 to the partnership. No contributions were made, nor distributions received, during fiscal year 2025.

The Authority, through WCHDC and Liberty Meadow Estates Phase III, LLC (blended component units), is a partner in Liberty Meadow Estates Phase III, LP, an Illinois limited partnership. WCHDC, through Liberty Meadow Estates Phase III, LLC, has made a capital contribution of \$800,100 to the partnership. No contributions were made, nor distributions received, during fiscal year 2025.

The Authority, through WCHDC and Stevenson Crossing, LLC (blended component units), is a partner in Stevenson Crossing, LP, an Illinois limited partnership. In November of 2022, WCHDC, through Stevenson Crossing, LLC, was issued partnership capital of \$790,100 as additional consideration in exchange for transferring the former Public Housing dwelling property to the partnership through the RAD conversion. No contributions were made, nor distributions received, during fiscal year 2025.

Investment balances, reported under the equity method, as of June 30, 2025, were as follows:

Liberty Meadow Estates Phase II, LP	\$ 269,292
Briggs-Rosalind Phase I, LP	1,458,349
Liberty Meadow Estates Phase III, LP	799,988
Stevenson Crossing, LP	790,100
Total Investment in Partnerships	<u>\$ 3,317,729</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE O - COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate a limited amount of earned but unused annual leave. Employees receive annual hours based on the number of years of service. Upon separation from employment, an employee shall be paid for all allowable accumulated annual leave, as of their final date of employment. Leave accrued but not yet paid as of the end of the fiscal year, is reported as a liability allocated between current and non-current.

NOTE P – CAPITAL DEBT

On April 4, 2019, the Authority entered into a promissory note with Capital One Public Funding, LLC in the original amount of \$2,965,031. The loan bore interest at 3.75% per annum. Payments were made semi-annually from the Capital Fund Program grants through maturity in September of 2025. The loan was secured by a pledge of future Capital Fund Program grant allocations. As of June 30, 2025, the outstanding principal balance of the note was \$471,063 and accrued interest was \$5,889. Interest expense incurred on the note during fiscal year 2025 was \$19,276.

Projected future debt service payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal Balance Due</u>
2026	471,063	8,832	-
Total Payments	<u>\$ 471,063</u>	<u>\$ 8,832</u>	<u>\$ -</u>

The Authority uses operational and accounting software under a subscription-based information technology agreement provided by Yardi Systems, Inc. The right-of-use agreement expires in August of 2027. The interest rate applied to the agreement is 8.25%, and interest expense incurred during 2025 was \$39,963. The outstanding principal balance of the right-of-use subscription liability as of June 30, 2025, was \$341,330. Future payment obligations under the agreement are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Principal Balance Due</u>
2026	160,907	28,160	180,423
2027	180,423	14,885	-
	<u>\$ 341,330</u>	<u>\$ 43,045</u>	<u>\$ -</u>

See Note K for additional information about the right-of-use software subscription.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE Q - SUMMARY OF NON-CURRENT LIABILITIES

A summary of the Authority's non-current liabilities as of June 30, 2025, is as follows:

	July 1, 2024			June 30, 2025	
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Due Within One Year</u>
Accrued Compensated Absences	\$ 328,847	\$ 159,948	\$ 82,995	\$ 405,800	\$ 91,208
FSS Escrows	337,181	146,586	-	483,767	-
Note Payable	921,776	-	450,713	471,063	471,063
Subscription Agreement Payable	484,396	-	143,066	341,330	160,907
Less: Current Portion	(670,259)			(723,178)	
Total Non-current Liabilities	<u>\$ 1,401,941</u>	<u>\$ 306,534</u>	<u>\$ 676,774</u>	<u>\$ 978,782</u>	<u>\$ 723,178</u>

NOTE R - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE S - DEFERRED INFLOWS OF RESOURCES (LEASES)

Ground Lease

In December of 2012, the Authority entered into a Ground Lease Agreement with SpectraSite Communications, LLC (the tenant), under which the Authority leased land to the tenant for a term of 40 years, through December of 2052. Annual rent of \$15,000 per year was collected upon lease execution in a lump sum prepayment amount of \$600,000. During fiscal year 2025, the Authority recognized rent revenue applicable to the lease of \$15,000 and has deferred recognition of \$412,500 of the rent as of June 30, 2025, which is reported as a deferred inflow of resources in the Statement of Net Position. Rent revenue recognitions are anticipated to be recognized at \$15,000 each year through fiscal year 2052, and at \$7,500 in fiscal year 2053.

Building Lease

Other deferred inflows of resources as of June 30, 2025, included \$52,270 of deferred rent recognitions from the Felman Early Childhood Center building lease to the Catholic Charities of the Diocese of Joliet.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE T – BLENDED COMPONENT UNIT, CONDENSED FINANCIAL STATEMENTS

WCHDC's financial statements have been consolidated into and reported with the Authority's financial statements, and are summarized as follows:

Condensed Statement of Net Position

	WCHDC June 30, 2025
Assets	
Current and restricted assets	\$ 1,251,202
Capital assets	2,078,002
Other non-current assets	15,260,939
Total assets	<u>\$ 18,590,143</u>
Liabilities, deferred inflows of resources and net position	
Current liabilities	\$ 89,892
Non-current liability	51,263
Deferred inflows of resources	240,625
Total liabilities and deferred inflows of resources	<u>381,780</u>
Net investment in capital assets	2,078,002
Restricted net position	44,358
Unrestricted net position	16,086,003
Total net position	<u>18,208,363</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 18,590,143</u></u>

Condensed Statement of Revenues, Expenses and Changes in Net Position

	WCHDC June 30, 2025
Revenues	
Operating revenues	\$ 1,213,492
Non-operating revenues	2,416,277
Total revenues	<u>3,629,769</u>
Expenses	
Administrative and general	864,340
Maintenance and Utilities	465,945
Depreciation and amortization	125,529
Total expenses	<u>1,455,814</u>
Increase in net position	<u>2,173,955</u>
Beginning net position	16,034,408
Ending net position	<u><u>\$ 18,208,363</u></u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE T - BLENDED COMPONENT UNIT, CONDENSED FINANCIAL STATEMENTS - CONTINUED

Condensed Statement of Cash Flows

	WCHDC June 30, 2025
Cash flows provided (used) by operating activities	\$ (113,772)
Cash flows provided (used) by capital and related financing activities	110,544
Cash flows provided (used) by investing activities	<u>100,000</u>
Net increase in cash and restricted cash	96,772
Beginning cash and restricted cash	<u>1,061,992</u>
Ending cash and restricted cash	<u><u>\$ 1,158,764</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating loss	\$ (242,322)
Depreciation and amortization	125,529
Change in other operating activities	<u>3,021</u>
Net cash provided (used) by operating activities	<u><u>\$ (113,772)</u></u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE U – OMITTED BLENDED COMPONENT UNIT, CONDENSED FINANCIAL STATEMENTS

Briggs-Rosalind Phase One, LP's financial statements, summarized below, have not been consolidated into and reported with the Authority's financial statements.

Condensed Statement of Net Position

	Briggs-Rosalind Phase One, LP December 31, 2024
Assets	
Current and restricted assets	\$ 1,550,917
Capital assets	8,686,121
Total assets	<u>\$ 10,237,038</u>
Liabilities, deferred inflows of resources and net position	
Current liabilities	\$ 746,497
Non-current liabilities	4,643,525
Total liabilities	<u>5,390,022</u>
Net investment in capital assets	3,928,175
Restricted net position	1,281,944
Unrestricted net position	(363,103)
Total net position	<u>4,847,016</u>
Total liabilities and net position	<u><u>\$ 10,237,038</u></u>

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Briggs-Rosalind Phase One, LP December 31, 2024
Revenues	
Operating revenues	\$ 1,013,879
Non-operating revenue	57,388
Total revenues	<u>1,071,267</u>
Expenses	
Administrative and general	403,882
Maintenance and Utilities	258,376
Depreciation and amortization	369,227
Interest Expense	213,540
Total expenses	<u>1,245,025</u>
Decrease in net position	<u>(173,758)</u>
Beginning net position	5,020,774
Ending net position	<u><u>\$ 4,847,016</u></u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE U - OMITTED BLENDED COMPONENT UNIT, CONDENSED FINANCIAL STATEMENTS - CONTINUED

Condensed Statement of Cash Flows

	Briggs-Rosalind Phase One, LP <u>December 31, 2024</u>
Cash flows provided (used) by operating activities	\$ 400,838
Cash flows provided (used) by capital and and related financing activities	(337,698)
Cash flows provided (used) by investing activities	<u>57,388</u>
Net increase in cash and restricted cash	120,528
Beginning cash and restricted cash	<u>1,308,536</u>
Ending cash and restricted cash	<u><u>\$ 1,429,064</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating loss	\$ (17,606)
Depreciation	369,227
Change in other operating activities	<u>49,217</u>
Net cash provided (used) by operating activities	<u><u>\$ 400,838</u></u>

NOTE V – OMISSION OF A BLENDED COMPONENT UNIT FROM THESE FINANCIAL STATEMENTS

As of December 31, 2024, the Authority (through WCHDC, a blended component unit) acquired Briggs-Rosalind Phase One, LP; making the partnership a wholly owned blended component unit of the Authority. The partnership's financial balances and transactions as of and for the year ended December 31, 2024, which are summarized above in Note U, have not been consolidated into and reported with the Authority's financial statements. Omitting the partnership's financial statements, after factoring in the elimination of certain applicable balances and transactions between the partnership and the Authority, has resulted in the following material misstatements of the Authority's financial statements:

- A) Capital assets are understated by \$8,686,121
- B) Other assets (notes and interest receivable and investment in partnerships) are overstated by \$2,805,088
- C) Capital debt liabilities are understated by \$3,469,880

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE W - SUBSEQUENT EVENTS

In preparing financial statements, management evaluated subsequent events through March 23, 2026, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

HOUSING AUTHORITY OF JOLIET
STATEMENT AND CERTIFICATION OF PROGRAM COSTS - CAPITAL FUND PROGRAM
FOR THE YEAR ENDED JUNE 30, 2025

	<u>IL01P02450122</u>
Funds Approved	\$ 3,687,829
Funds Expended	<u>3,687,829</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 3,687,829
Funds Expended	<u>3,687,829</u>
Excess of Funds Advanced	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Housing Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AUTHORITY OF JOLIET
STATEMENT AND CERTIFICATION OF PROGRAM COSTS - FAMILY SELF SUFFICIENCY
GRANT
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>FSS23IL532101</u>
Funds Approved	\$ 118,247
Funds Expended	118,247
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 118,247
Funds Expended	118,247
Excess of Funds Advanced	<u>\$ -</u>

1. The costs as shown on the SF-425 Federal Financial Report submitted to HUD for approval are in agreement with the Housing Authority's records.

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

<u>Grantor Program or Cluster Title</u>	<u>Federal Assistance Listing No.</u>	<u>Pass-through Entity Identifying No.</u>	<u>Federal Expenditures</u>
HOME Investment Partnerships Program - Passed through Will County, Illinois	14.239	366006672	\$ 279,170
Moving to Work Program , including:	14.881	N/A	
Public Housing Program 14.OPS			\$ 2,811,764
Section 8 Housing Choice Voucher Program 14.HCV			40,668,594
Capital Fund Program 14.CFP			<u>1,589,567</u>
			45,069,925
Housing Choice Voucher Cluster:			
Emergency Housing Voucher Program	14.EHV	N/A	1,282,649
Mainstream Voucher Program	14.879	N/A	<u>3,686,946</u>
			4,969,595
PIH Family Self Sufficiency Program	14.896	N/A	<u>163,264</u>
TOTAL HUD EXPENDITURES			<u>50,481,954</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 50,481,954</u>

NOTE 1 – BASIS OF PRESENTATION

The above Schedule of Expenditures of Federal Awards includes the federal award activity of the Authority under programs of the federal government for the fiscal year ended June 30, 2025. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial net 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, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

NOTE 3 – AWARDS PASSED-THROUGH TO SUBRECIPIENTS

No federal award funds were passed-through to subrecipient grantees during the fiscal year ended June 30, 2025.

NOTE 4 – NON-MONETARY FEDERAL AWARDS ASSISTANCE

The Authority did not receive or expend non-monetary federal awards assistance during the fiscal year ended June 30, 2025.

NOTE 5 – INDIRECT COST RATE

The Authority has elected not to use the 10% *De Minimus Indirect Cost Rate* allowed under the Uniform Guidance.

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2025

	Project Total	14.CFP MTW Demonstration Program for Capital Fund	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.DVP Disaster Voucher Program	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent
111 Cash - Unrestricted	\$ 10,829,279	\$ -	\$ 1,110,306	\$ -	\$ -	\$ 458,552	\$ -
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	-	44,358	-	4,802	-	-
114 Cash - Tenant Security Deposits	44,436	-	4,100	-	-	-	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-
100 Total Cash	\$ 10,873,715	\$ -	\$ 1,158,764	\$ -	\$ 4,802	\$ 458,552	\$ -
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	70,950	-	-	-	-	-	-
124 Accounts Receivable - Other Government	-	-	-	-	-	-	-
125 Accounts Receivable - Miscellaneous	52,270	-	439,579	-	-	-	-
126 Accounts Receivable - Tenants	16,601	-	4,239	-	-	-	-
126.1 Allowance for Doubtful Accounts - Tenants	(5,101)	-	-	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	(382,130)	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 134,720	\$ -	\$ 61,688	\$ -	\$ -	\$ -	\$ -
131 Investments - Unrestricted	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	57,614	-	30,750	-	-	-	-
143 Inventories	34,069	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	(2,384)	-	-	-	-	-	-
144 Inter Program Due From	-	-	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-
150 Total Current Assets	\$ 11,097,734	\$ -	\$ 1,251,202	\$ -	\$ 4,802	\$ 458,552	\$ -
161 Land	8,494,983	-	231,972	-	-	-	-

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2025

	Project Total	14.CFP MTW Demonstration Program for Capital Fund	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.DVP Disaster Voucher Program	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent
162 Buildings	21,853,201	-	2,418,303	-	-	-	-
163 Furniture, Equipment & Machinery - Dwellings	42,950	-	-	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	425,184	-	52,073	-	-	-	-
165 Leasehold Improvements	-	-	-	-	-	-	-
166 Accumulated Depreciation	(22,285,905)	-	(624,346)	-	-	-	-
167 Construction in Progress	-	-	-	-	-	-	-
168 Infrastructure	2,377,340	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	\$ 10,907,753	\$ -	\$ 2,078,002	\$ -	\$ -	\$ -	\$ -
171 Notes, Loans and Mortgages Receivable - Non-Current	7,027,122	-	8,003,140	-	-	-	-
174 Other Assets	972,651	-	7,257,799	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-	-	-
180 Total Non-Current Assets	\$ 18,907,526	\$ -	\$ 17,338,941	\$ -	\$ -	\$ -	\$ -
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 30,005,260	\$ -	\$ 18,590,143	\$ -	\$ 4,802	\$ 458,552	\$ -
311 Bank Overdraft	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	905	-	-	-	-	-	-
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	42,990	-	18,555	-	-	-	-
322 Accrued Compensated Absences - Current Portion	32,983	-	13,445	-	-	-	-
324 Accrued Contingency Liability	-	-	-	-	-	-	-
325 Accrued Interest Payable	5,820	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	90,741	-	-	-	-	-	-
341 Tenant Security Deposits	44,436	-	4,100	-	-	-	-
342 Unearned Revenue	41,607	-	21,430	-	-	-	-

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2025

	Project Total	14.CFP MTW Demonstration Program for Capital Fund	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.DVP Disaster Voucher Program	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	465,768	-	-	-	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-
345 Other Current Liabilities	120,486	-	7,386	-	-	-	-
346 Accrued Liabilities - Other	133,660	-	24,976	-	-	-	-
347 Inter Program - Due To	-	-	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-
310 Total Current Liabilities	\$ 979,396	\$ -	\$ 89,892	\$ -	\$ -	\$ -	\$ -
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-	-
354 Accrued Compensated Absences - Non Current	133,363	-	51,263	-	-	-	-
355 Loan Liability - Non Current	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ 133,363	\$ -	\$ 51,263	\$ -	\$ -	\$ -	\$ -
300 Total Liabilities	\$ 1,112,759	\$ -	\$ 141,155	\$ -	\$ -	\$ -	\$ -
400 Deferred Inflow of Resources	\$ 224,145	\$ -	\$ 240,625	\$ -	\$ -	\$ -	\$ -
508.4 Net Investment in Capital Assets	10,441,985	-	2,078,002	-	-	-	-
511.4 Restricted Net Position	-	-	44,358	-	4,802	-	-
512.4 Unrestricted Net Position	18,226,371	-	16,086,003	-	-	458,552	-
513 Total Equity - Net Assets / Position	\$ 28,668,356	\$ -	\$ 18,208,363	\$ -	\$ 4,802	\$ 458,552	\$ -
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 30,005,260	\$ -	\$ 18,590,143	\$ -	\$ 4,802	\$ 458,552	\$ -

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2025

	Project Total	14.CFP MTW Demonstration Program for Capital Fund	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.DVP Disaster Voucher Program	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent
70300 Net Tenant Rental Revenue	\$ 1,400,871	\$ -	\$ 88,176	\$ -	\$ -	\$ -	\$ -
70400 Tenant Revenue - Other	10,112	-	344	-	-	-	-
70500 Total Tenant Revenue	\$ 1,410,983	\$ -	\$ 88,520	\$ -	\$ -	\$ -	\$ -
70600 HUD PHA Operating Grants	-	1,138,854	-	163,264	-	3,686,946	2,811,764
70610 Capital Grants	-	450,713	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-	-
70740 Front Line Service Fee	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-
70700 Total Fee Revenue	\$ -	\$ 1,589,567	\$ -	\$ 163,264	\$ -	\$ 3,686,946	\$ 2,811,764
70800 Other Government Grants	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	-	-	-	-	-	-	-
71200 Mortgage Interest Income	237,693	-	455,101	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-
71500 Other Revenue	84,365	-	3,054,170	-	-	-	-
71600 Gain or Loss on Sale of Capital Assets	4,083,558	-	31,978	-	-	-	-
72000 Investment Income - Restricted	3,597	-	-	-	-	-	-
70000 Total Revenue	\$ 5,820,196	\$ 1,589,567	\$ 3,629,769	\$ 163,264	\$ -	\$ 3,686,946	\$ 2,811,764
91100 Administrative Salaries	705,792	-	268,347	-	-	103,351	-
91200 Auditing Fees	10,137	-	10,137	-	-	-	-
91300 Management Fee	627,329	-	-	-	-	42,276	-
91310 Book-keeping Fee	34,073	-	-	-	-	17,235	-
91400 Advertising and Marketing	-	-	-	-	-	-	-
91500 Employee Benefit contributions - Administrative	187,989	-	126,958	-	-	37,223	-
91600 Office Expenses	107,271	-	110,496	-	-	-	-
91700 Legal Expense	42,424	-	13,729	-	-	-	-
91800 Travel	-	-	6,346	-	-	-	-

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2025

	Project Total	14.CFP MTW Demonstration Program for Capital Fund	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.DVP Disaster Voucher Program	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent
91900 Other	37,417	-	90,196	-	-	-	-
91000 Total Operating - Administrative	\$ 1,752,432	\$ -	\$ 626,209	\$ -	\$ -	\$ 200,085	\$ -
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	163,264	-	-	-
92200 Relocation Costs	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-
92400 Tenant Services - Other	2,478	-	-	-	-	-	-
92500 Total Tenant Services	\$ 2,478	\$ -	\$ -	\$ 163,264	\$ -	\$ -	\$ -
93100 Water	275,056	-	7,252	-	-	-	-
93200 Electricity	164,157	-	24,923	-	-	-	-
93300 Gas	101,880	-	16,867	-	-	-	-
93400 Fuel	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-
93000 Total Utilities	\$ 541,093	\$ -	\$ 49,042	\$ -	\$ -	\$ -	\$ -
94100 Ordinary Maintenance and Operations - Labor	325,763	-	130,628	-	-	-	-
94200 Ordinary Maintenance and Operations - Materials and Other	188,707	-	63,137	-	-	-	-
94300 Ordinary Maintenance and Operations Contracts	857,985	-	158,521	-	-	-	-
94500 Employee Benefit Contributions - Ordinary Maintenance	117,087	-	64,617	-	-	-	-
94000 Total Maintenance	\$ 1,489,542	\$ -	\$ 416,903	\$ -	\$ -	\$ -	\$ -
95100 Protective Services - Labor	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	804	-	-	-	-	-	-
95000 Total Protective Services	\$ 804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2025

	Project Total	14.CFP MTW Demonstration Program for Capital Fund	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.DVP Disaster Voucher Program	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent
96110 Property Insurance	78,375	-	30,717	-	-	-	-
96120 Liability Insurance	54,192	-	19,030	-	-	-	-
96130 Workmen's Compensation	30,488	-	7,652	-	-	-	-
96140 All Other Insurance	-	-	-	-	-	-	-
96100 Total insurance Premiums	\$ 163,055	\$ -	\$ 57,399	\$ -	\$ -	\$ -	\$ -
96200 Other General Expenses	142,951	-	129,655	-	-	-	-
96210 Compensated Absences	72,019	-	46,402	-	-	-	-
96300 Payments in Lieu of Taxes	90,824	-	-	-	-	-	-
96400 Bad debt - Tenant Rents	65,798	-	-	-	-	-	-
96500 Bad debt - Mortgages	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	-	-	-	-	-
96800 Severance Expense	11,688	-	4,675	-	-	-	-
96000 Total Other General Expenses	\$ 383,280	\$ -	\$ 180,732	\$ -	\$ -	\$ -	\$ -
96710 Interest of Mortgage (or Bonds) Payable	19,050	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ 19,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96900 Total Operating Expenses	\$ 4,351,734	\$ -	\$ 1,330,285	\$ 163,264	\$ -	\$ 200,085	\$ -
97000 Excess of Operating Revenue over Operating Expenses	\$ 1,468,462	\$ 1,589,567	\$ 2,299,484	\$ -	\$ -	\$ 3,486,861	\$ 2,811,764
97100 Extraordinary Maintenance	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	-	-	3,460,627	-
97350 HAP Portability-In	-	-	-	-	-	-	-
97400 Depreciation Expense	531,872	-	125,529	-	-	-	-

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2025

	Project Total	14.CFP MTW Demonstration Program for Capital Fund	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.DVP Disaster Voucher Program	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent
97500 Fraud Losses	-	-	-	-	-	-	-
90000 Total Expenses	\$ 4,883,606	\$ -	\$ 1,455,814	\$ 163,264	\$ -	\$ 3,660,712	\$ -
10010 Operating Transfer In	694,933	-	-	-	-	-	-
10020 Operating transfer Out	(694,933)	(1,589,567)	-	-	-	-	(2,811,764)
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	4,401,331	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	\$ 4,401,331	\$ (1,589,567)	\$ -	\$ -	\$ -	\$ -	\$ (2,811,764)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 5,337,921	\$ -	\$ 2,173,955	\$ -	\$ -	\$ 26,234	\$ -
11020 Required Annual Debt Principal Payments	\$ 450,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 23,330,435	\$ -	\$ 16,034,408	\$ -	\$ 4,802	\$ 432,318	\$ -
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	4,596	-	60	-	-	2,484	-
11210 Number of Unit Months Leased	4,543	-	60	-	-	2,299	-
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	-	-	-	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	33,648	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-
11660 Infrastructure Purchases	17,019	-	-	-	-	-	-
13510 CFFP Debt Service Payments	469,763	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2025

	14.HCV MTW Demonstration Program for HCV program	14.EHV Emergency Housing Voucher	14.881 Moving to Work Demonstration Program	COCC	14.239 HOME Investment Partnerships Program	ELIM	Total Enterprise Fund
111 Cash - Unrestricted	\$ -	\$ 185,607	\$ 985,669	\$ 1,629,770	\$ -	\$ -	\$ 15,199,183
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	199,664	483,767	2,986	-	-	735,577
114 Cash - Tenant Security Deposits	-	-	-	-	-	-	48,536
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-
100 Total Cash	\$ -	\$ 385,271	\$ 1,469,436	\$ 1,632,756	\$ -	\$ -	\$ 15,983,296
121 Accounts Receivable - PHA Projects	-	-	-	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	1,586,039	-	-	-	1,656,989
124 Accounts Receivable - Other Government	-	-	2,673,064	-	-	-	2,673,064
125 Accounts Receivable - Miscellaneous	-	-	680,880	32,799	-	-	1,205,528
126 Accounts Receivable - Tenants	-	-	-	-	-	-	20,840
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	(5,101)
126.2 Allowance for Doubtful Accounts - Other	-	-	(3,187,239)	-	-	-	(3,569,369)
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-
128 Fraud Recovery	-	-	230,265	-	-	-	230,265
128.1 Allowance for Doubtful Accounts - Fraud	-	-	(230,265)	-	-	-	(230,265)
129 Accrued Interest Receivable	-	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ -	\$ 1,752,744	\$ 32,799	\$ -	\$ -	\$ 1,981,951
131 Investments - Unrestricted	-	-	-	-	-	-	-
132 Investments - Restricted	-	-	-	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	-	-	39,432	26,746	-	-	154,542
143 Inventories	-	-	4,628	-	-	-	38,697
143.1 Allowance for Obsolete Inventories	-	-	-	-	-	-	(2,384)
144 Inter Program Due From	-	-	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-
150 Total Current Assets	\$ -	\$ 385,271	\$ 3,266,240	\$ 1,692,301	\$ -	\$ -	\$ 18,156,102
161 Land	-	-	-	186,308	-	-	8,913,263

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2025

	14.HCV MTW Demonstration Program for HCV program	14.EHV Emergency Housing Voucher	14.881 Moving to Work Demonstration Program	COCC	14.239 HOME Investment Partnerships Program	ELIM	Total Enterprise Fund
162 Buildings	-	-	-	779,877	-	-	25,051,381
163 Furniture, Equipment & Machinery - Dwellings	-	-	46,151	-	-	-	89,101
164 Furniture, Equipment & Machinery - Administration	-	-	121,214	1,294,801	-	-	1,893,272
165 Leasehold Improvements	-	-	-	-	-	-	-
166 Accumulated Depreciation	-	-	(133,649)	(1,906,326)	-	-	(24,950,226)
167 Construction in Progress	-	-	-	-	-	-	-
168 Infrastructure	-	-	-	614,706	-	-	2,992,046
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ -	\$ 33,716	\$ 969,366	\$ -	\$ -	\$ 13,988,837
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	4,603,306	-	-	19,633,568
174 Other Assets	-	-	-	644,673	-	-	8,875,123
176 Investments in Joint Ventures	-	-	-	-	-	-	-
180 Total Non-Current Assets	\$ -	\$ -	\$ 33,716	\$ 6,217,345	\$ -	\$ -	\$ 42,497,528
200 Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ -	\$ 385,271	\$ 3,299,956	\$ 7,909,646	\$ -	\$ -	\$ 60,653,630
311 Bank Overdraft	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	-	-	53,177	5,703	-	-	59,785
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	41,702	3,537	-	-	106,784
322 Accrued Compensated Absences - Current Portion	-	-	13,976	30,804	-	-	91,208
324 Accrued Contingency Liability	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	-	69	-	-	5,889
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	90,741
341 Tenant Security Deposits	-	-	-	-	-	-	48,536
342 Unearned Revenue	-	29,018	2,660	-	-	-	94,715

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Balance Sheet Summary

Fiscal Year

End: 06/30/2025

	14.HCV MTW Demonstration Program for HCV program	14.EHV Emergency Housing Voucher	14.881 Moving to Work Demonstration Program	COCC	14.239 HOME Investment Partnerships Program	ELIM	Total Enterprise Fund
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	166,202	-	-	631,970
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-
345 Other Current Liabilities	-	-	201,235	13,838	-	-	342,945
346 Accrued Liabilities - Other	-	-	55,194	7,954	-	-	221,784
347 Inter Program - Due To	-	-	-	-	-	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-
310 Total Current Liabilities	\$ -	\$ 29,018	\$ 367,944	\$ 228,107	\$ -	\$ -	\$ 1,694,357
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	180,423	-	-	180,423
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	483,767	-	-	-	483,767
354 Accrued Compensated Absences - Non Current	-	-	10,460	119,506	-	-	314,592
355 Loan Liability - Non Current	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	\$ -	\$ -	\$ 494,227	\$ 299,929	\$ -	\$ -	\$ 978,782
300 Total Liabilities	\$ -	\$ 29,018	\$ 862,171	\$ 528,036	\$ -	\$ -	\$ 2,673,139
400 Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 464,770
508.4 Net Investment in Capital Assets	-	-	33,716	622,741	-	-	13,176,444
511.4 Restricted Net Position	-	170,646	-	2,986	-	-	222,792
512.4 Unrestricted Net Position	-	185,607	2,404,069	6,755,883	-	-	44,116,485
513 Total Equity - Net Assets / Position	\$ -	\$ 356,253	\$ 2,437,785	\$ 7,381,610	\$ -	\$ -	\$ 57,515,721
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ -	\$ 385,271	\$ 3,299,956	\$ 7,909,646	\$ -	\$ -	\$ 60,653,630

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2025

	14.HCV MTW Demonstration Program for HCV program	14.EHV Emergency Housing Voucher	14.881 Moving to Work Demonstration Program	COCC	14.239 HOME Investment Partnerships Program	ELIM	Total Enterprise Fund
70300 Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,924)	\$ 1,407,123
70400 Tenant Revenue - Other	-	-	-	-	-	-	10,456
70500 Total Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,924)	\$ 1,417,579
70600 HUD PHA Operating Grants	40,668,594	1,282,649	-	-	-	-	49,752,071
70610 Capital Grants	-	-	-	-	-	-	450,713
70710 Management Fee	-	-	-	1,295,465	-	(1,295,465)	-
70720 Asset Management Fee	-	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	262,531	-	(262,531)	-
70740 Front Line Service Fee	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-
70700 Total Fee Revenue	\$ 40,668,594	\$ 1,282,649	\$ -	\$ 1,557,996	\$ -	\$ (1,557,996)	\$ 50,202,784
70800 Other Government Grants	-	-	-	-	279,170	-	279,170
71100 Investment Income - Unrestricted	-	-	933	75,167	-	-	76,100
71200 Mortgage Interest Income	-	-	-	82,589	-	-	775,383
71400 Fraud Recovery	-	-	2,526	-	-	-	2,526
71500 Other Revenue	-	-	19,197,052	136,282	-	-	22,471,869
71600 Gain or Loss on Sale of Capital Assets	-	-	-	6,415	-	-	4,121,951
72000 Investment Income - Restricted	-	-	-	-	-	-	3,597
70000 Total Revenue	\$ 40,668,594	\$ 1,282,649	\$ 19,200,511	\$ 1,858,449	\$ 279,170	\$ (1,639,920)	\$ 79,350,959
91100 Administrative Salaries	-	30,932	651,748	342,274	-	-	2,102,444
91200 Auditing Fees	-	-	10,137	10,137	-	-	40,548
91300 Management Fee	-	17,080	608,780	-	-	(1,295,465)	-
91310 Book-keeping Fee	-	5,640	205,583	-	-	(262,531)	-
91400 Advertising and Marketing	-	-	-	460	-	-	460
91500 Employee Benefit contributions - Administrative	-	11,460	238,959	203,274	-	-	805,863
91600 Office Expenses	-	-	197,285	127,308	-	-	542,360
91700 Legal Expense	-	-	302,708	7,995	-	-	366,856
91800 Travel	-	-	2,505	85,959	-	-	94,810

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2025

	14.HCV MTW Demonstration Program for HCV program	14.EHV Emergency Housing Voucher	14.881 Moving to Work Demonstration Program	COCC	14.239 HOME Investment Partnerships Program	ELIM	Total Enterprise Fund
91900 Other	-	-	330,444	64,512	-	-	522,569
91000 Total Operating - Administrative	\$ -	\$ 65,112	\$ 2,548,149	\$ 841,919	\$ -	\$ (1,557,996)	\$ 4,475,910
92000 Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100 Tenant Services - Salaries	-	-	-	-	-	-	163,264
92200 Relocation Costs	-	-	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	50,215	-	-	-	50,215
92400 Tenant Services - Other	-	-	-	-	279,170	-	281,648
92500 Total Tenant Services	\$ -	\$ -	\$ 50,215	\$ -	\$ 279,170	\$ -	\$ 495,127
93100 Water	-	-	-	2,847	-	-	285,155
93200 Electricity	-	-	5,187	2,532	-	-	196,799
93300 Gas	-	-	2,304	1,106	-	-	122,157
93400 Fuel	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	-	-	-	-	-	-
93000 Total Utilities	\$ -	\$ -	\$ 7,491	\$ 6,485	\$ -	\$ -	\$ 604,111
94100 Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	456,391
94200 Ordinary Maintenance and Operations - Materials and Other	-	-	6,882	13,394	-	-	272,120
94300 Ordinary Maintenance and Operations Contracts	-	-	57,113	84,701	-	-	1,158,320
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	181,704
94000 Total Maintenance	\$ -	\$ -	\$ 63,995	\$ 98,095	\$ -	\$ -	\$ 2,068,535
95100 Protective Services - Labor	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	804
95000 Total Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 804

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2025

	14.HCV MTW Demonstration Program for HCV program	14.EHV Emergency Housing Voucher	14.881 Moving to Work Demonstration Program	COCC	14.239 HOME Investment Partnerships Program	ELIM	Total Enterprise Fund
96110 Property Insurance	-	-	-	26,125	-	-	135,217
96120 Liability Insurance	-	-	-	-	-	-	73,222
96130 Workmen's Compensation	-	-	43,881	23,032	-	-	105,053
96140 All Other Insurance	-	-	-	-	-	-	-
96100 Total insurance Premiums	\$ -	\$ -	\$ 43,881	\$ 49,157	\$ -	\$ -	\$ 313,492
96200 Other General Expenses	-	-	198,384	57,508	-	-	528,498
96210 Compensated Absences	-	-	-	-	-	-	118,421
96300 Payments in Lieu of Taxes	-	-	-	-	-	-	90,824
96400 Bad debt - Tenant Rents	-	-	-	-	-	-	65,798
96500 Bad debt - Mortgages	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	50,842	-	-	-	50,842
96800 Severance Expense	-	-	21,038	9,350	-	-	46,751
96000 Total Other General Expenses	\$ -	\$ -	\$ 270,264	\$ 66,858	\$ -	\$ -	\$ 901,134
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	226	-	-	19,276
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	39,963	-	-	39,963
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ 40,189	\$ -	\$ -	\$ 59,239
96900 Total Operating Expenses	\$ -	\$ 65,112	\$ 2,983,995	\$ 1,102,703	\$ 279,170	\$ (1,557,996)	\$ 8,918,352
97000 Excess of Operating Revenue over Operating Expenses	\$ 40,668,594	\$ 1,217,537	\$ 16,216,516	\$ 755,746	\$ -	\$ (81,924)	\$ 70,432,607
97100 Extraordinary Maintenance	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	1,119,897	37,739,578	-	-	(81,924)	42,238,178
97350 HAP Portability-In	-	-	17,099,476	-	-	-	17,099,476
97400 Depreciation Expense	-	-	15,737	200,759	-	-	873,897

Housing Authority of Joliet (IL024)

JOLIET, IL

Entity Wide Revenue and Expense Summary

Fiscal Year

End: 06/30/2025

	14.HCV MTW Demonstration Program for HCV program	14.EHV Emergency Housing Voucher	14.881 Moving to Work Demonstration Program	COCC	14.239 HOME Investment Partnerships Program	ELIM	Total Enterprise Fund
97500 Fraud Losses	-	-	-	-	-	-	-
90000 Total Expenses	\$ -	\$ 1,185,009	\$ 57,838,786	\$ 1,303,462	\$ 279,170	\$ (1,639,920)	\$ 69,129,903
10010 Operating Transfer In	-	-	45,069,925	-	-	(45,764,858)	-
10020 Operating transfer Out	(40,668,594)	-	-	-	-	45,764,858	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	(4,401,331)	-
10094 Transfers between Project and Program - Out	-	-	(4,401,331)	-	-	4,401,331	-
10100 Total Other financing Sources (Uses)	\$ (40,668,594)	\$ -	\$ 40,668,594	\$ -	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ -	\$ 97,640	\$ 2,030,319	\$ 554,987	\$ -	\$ -	\$ 10,221,056
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ 5,259	\$ -	\$ -	\$ 455,972
11030 Beginning Equity	\$ -	\$ 258,613	\$ 407,466	\$ 6,826,623	\$ -	\$ -	\$ 47,294,665
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-	-	-	-
11170 Administrative Fee Equity	\$ -	\$ -	\$ 2,437,785	\$ -	\$ -	\$ -	\$ 2,437,785
11180 Housing Assistance Payments Equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190 Unit Months Available	-	754	31,080	-	-	-	38,974
11210 Number of Unit Months Leased	-	754	27,564	-	-	-	35,220
11610 Land Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620 Building Purchases	-	-	-	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	22,309	-	-	55,957
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-	17,019
13510 CFFP Debt Service Payments	-	-	-	-	-	-	469,763
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

JUNE 30, 2025

Section I: Summary of Auditors' Results:

FINANCIAL STATEMENTS

Type of auditors' report issued:

Qualified

Internal control over financial reporting:

Are material weaknesses identified?

X Yes

 No

Are significant deficiencies that are not considered
to be material weaknesses identified?

 Yes

X None
Reported

Is noncompliance that could have a material effect
on the financial statements identified?

 Yes

X No

FEDERAL AWARDS

Internal control over Major Programs:

Are material weaknesses identified?

 Yes

X No

Are significant deficiencies that are not considered
to be material weaknesses identified?

 Yes

X None
Reported

Type of report issued on compliance with requirements
applicable to the Major Programs:

Unmodified

Are there any audit findings that are required to be
reported in accordance with 2 CFR Section 200.516(a)
of the Uniform Guidance?

 Yes

X No

Identification of Major Programs:

Assistance Listing No.

Moving to Work Program, including:

14.881

Public Housing Program

Section 8 Housing Choice Voucher Program

Capital Fund Program

Housing Voucher Cluster:

Mainstream Vouchers

14.879

Emergency Housing Voucher

14.EHV

Dollar threshold used to distinguish between Type A and Type B Programs: \$1,514,459

Is the auditee identified as a Low-Risk Auditee?

X Yes

 No

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

JUNE 30, 2025

Section II: Financial Statement Findings:

Prior Year Findings

None

Current Year Finding:

Finding 2025-001 – Omission of a Blended Component Unit

Criteria

The Governmental Accounting Standards Board (GASB) is the source of generally accepted accounting principles used by state and local governments. GASB Statement No. 61 *The Financial Reporting Entity* requires a governmental entity, in this case the Housing Authority, to include an entity in its financial statements when the entity's governing body is substantively the same as that of the primary government; and 1) a financial benefit or burden relationship exists or 2) management of the primary government has operational responsibility for the entity.

Condition and Perspective

As of December 31, 2024, the Authority (through WCHDC, a blended component unit) acquired Briggs-Rosalind Phase One, LP, making the partnership a wholly owned blended component unit of the Housing Authority (the Authority). The partnership does not have a separate governing body from that of the Authority and a financial benefit or burden relationship exists. Additionally, Authority management has operational responsibility for the partnership.

Questioned Costs – None

Cause

Financial management did not reevaluate the partnership for inclusion in the Authority's financial statements after acquiring the partnership.

Effect

Understatement of capital assets of \$8,686,121, overstatement of other assets of \$2,805,088 and an understatement of capital debt liabilities of \$3,469,880 as of fiscal year end 2025.

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

SCHEDULE OF FINDINGS
AND QUESTIONED COSTS

JUNE 30, 2025

Section II: Financial Statement Findings - Continued:

Current Year Finding - Continued:

Finding 2025-001 – Omission of a Blended Component Unit - Continued

Recommendation

We recommend that the Authority reevaluate related entities for financial statement inclusion routinely, and anytime organizational changes occur.

Management's Response

The Authority will reevaluate related entities for financial statement inclusion routinely, and anytime organizational changes occur. The Authority's Finance Director has assumed the responsibility of reevaluating related entities as of March 23, 2026.

Section III: Federal Award Findings and Questioned Costs:

Prior Year Findings and Questioned Costs

None

Current Year Finding and Questioned Costs

None

HOUSING AUTHORITY OF JOLIET
JOLIET, ILLINOIS

CORRECTIVE ACTION PLAN

JUNE 30, 2025

Finding 2025-001 – Omission of a Blended Component Unit

Corrective Action

The Authority will reevaluate related entities for financial statement inclusion routinely, and anytime organizational changes occur. The Authority's Finance Director has assumed the responsibility of reevaluating related entities as of March 23, 2026.