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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

September 1, 2015

Board of Commissioners  
Housing Authority of the City of Evansville  
500 Court Street  
Evansville, IN 47708

We have reviewed the audit report prepared by Katz, Sapper & Miller, LLP, Independent Public Accountants, for the period January 1, 2014 to December 31, 2014. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Housing Authority of the City of Evansville, as of December 31, 2014 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to Federal Awards Program Audit Finding and Questioned Cost 2014-001 Section 8 Housing Choice Vouchers CFDA 14.871 in the report on page 39 in the Schedule of Findings and Questioned Costs. This finding reports a significant deficiency in the eligibility and special tests compliance requirements and is reported in the Independent Auditor's Reports on Compliance for Each Major Program and Internal Control over Compliance Required by OMB Circular A-133. The accompanying Corrective Action Plan is on pages 41 and 42.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads 'Paul D. Joyce'.

Paul D. Joyce, CPA  
State Examiner



**THE HOUSING AUTHORITY OF THE  
CITY OF EVANSVILLE, INDIANA**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

December 31, 2014

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

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*Independent Auditors' Report*

Board of Commissioners  
The Housing Authority of the City of  
Evansville, Indiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities (primary government) and the discretely presented component units of The Housing Authority of the City of Evansville, Indiana (the Authority) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Lincoln Estates Redevelopment Partnership, L.P. and Vision 1505, L.P., which are the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for Lincoln Estates Redevelopment Partnership, L.P. and Vision 1505, L.P., are based solely on the reports of the other auditors. The financial statements of Lincoln Estates Redevelopment Partnership, L.P. and Vision 1505, L.P. were not audited in accordance with *Government Auditing Standards*. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities (primary government) and the discretely presented component units of The Housing Authority of the City of Evansville, Indiana as of December 31, 2014, and the respective changes in net position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

### ***Emphasis of Matter***

The other auditors' report on the 2014 financial statements of Lincoln Estates Redevelopment Partnership, L.P. included an emphasis-of-matter paragraph describing conditions that raised substantial doubt about its ability to continue as a going concern, as discussed in Note 13 to the financial statements. Our opinions on the financial statements referred to above are not modified with respect to that matter.

### **Report on Required Supplementary Information**

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 4 to 10 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Report on Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards on pages 33 to 34, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The financial data schedule on pages 43 to 72 is presented for purposes of additional analysis as required by the *Consolidated Audit Guide for Audits of HUD Programs* issued by the Department of Housing and Urban Development, Office of the Inspector General, and is also 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. This 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 or other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
July 30, 2015

**THE HOUSING AUTHORITY OF THE  
CITY OF EVANSVILLE, INDIANA**

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

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2014**

This section of The Housing Authority of the City of Evansville, Indiana's (the Authority) annual financial report presents management's discussion and analysis of the Authority's financial position, results of operations and cash flows during the fiscal year ended December 31, 2014. This analysis should be read in conjunction with the Independent Auditors' Report, financial statements and accompanying notes.

***Introduction - The Housing Authority of the City of Evansville, Indiana***

The Authority is a Public Housing Authority with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the 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 the Department of Housing and Urban Development (HUD). The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has included as blended component units the activities for Advantix Development, Inc., a non-profit organization, Lincoln Estates Redevelopment, Inc., a non-profit organization, and ADCV1505, Inc., a for-profit organization. Advantix Development, Inc., Lincoln Estates Redevelopment, Inc. and ADCV1505, Inc. are shown as blended component units because the Authority has financial accountability and control over their boards of directors and management.

The Authority has two discretely presented component units: Lincoln Estates Redevelopment, L.P. and Vision 1505, L.P. Lincoln Estate Redevelopment, L.P. and Vision 1505, L.P. prepare separately issued financial statements. The Authority is responsible for their debts and is entitled to surpluses.

The Authority's financial statements include the operations of funds that the Authority has established to achieve its purposes. The financial transactions of the Authority are recorded in the funds that consist of a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses, as appropriate. The Authority is a self-supporting entity and follows enterprise fund reporting.

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

***Financial Statements***

The basic financial statements include three required statements, which provide different views of the Authority. They are the *Statement of Net Position*, the *Statement of Revenue, Expenses and Changes in Net Position* and the *Statement of Cash Flows*. These statements provide current and long-term information about the Authority and its activities.

The *Statement of Net Position* includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Over time, changes in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

All of the current year's revenues and expenses are accounted for in the *Statement of Revenue, Expenses, and Changes in Net Position*. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all of its costs through externally funded programs, tenant rents and other revenue sources.



**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2014**

The primary purpose of the *Statement of Cash Flows* is to provide information about the Authority's cash receipts and cash payments during the accounting period. This statement reports cash transactions, including receipts, payments, and net changes resulting from operations, noncapital financing, capital financing, and investing activities.

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

***Financial Highlights***

- The Authority's net position decreased by approximately \$1.7 million during 2014 and \$1.6 million during 2013. The decreases in 2014 and 2013 are due to depreciation.
- Operating revenues decreased by approximately \$283 thousand from 2013 to 2014 and were approximately \$13.2 million for 2014 and \$13.5 million for 2013.
- The total operating expenses for Authority programs decreased by approximately \$585 thousand from 2013 to 2014. Total operating expenses were approximately \$15.1 million for 2014 and \$15.7 million for 2013.
- Non-operating income for the Authority decreased by approximately \$454 thousand from 2013 to 2014. Total net non-operating income was approximately \$197 thousand for 2014 and \$651 thousand for 2013.

The Authority has many programs that are consolidated into a single enterprise fund. The programs consist of the following:

***Low Rent Public Housing Program***

This program is operated under HUD's Annual Contribution Contract (ACC) and consists of the operations of the low-rent public housing properties totaling 888 units. The purpose of this program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. Funding for the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition). The Low Rent Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

***Housing Choice Voucher Program***

Under the Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 1,680 housing units. The purpose of the program is to provide decent affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2014**

**Other Programs**

In addition to the significant programs noted above, the Authority also maintains other programs. Currently, the Authority administers the following smaller programs:

- Resident Opportunity and Supportive Services
- Residential Vocational Training

**Net Position**

The following table is a condensed summary of net position of the business-type activities at December 31, 2014 and 2013:

	<b>2014</b>	<b>2013</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Assets</b>				
Current assets	\$ 3,109,788	\$ 3,580,166	\$ (470,378)	(13.1%)
Noncurrent investments		14,877	(14,877)	(100.0%)
Capital assets, net	<u>18,130,633</u>	<u>19,592,249</u>	<u>(1,461,616)</u>	<u>(7.5%)</u>
Total assets	<u>\$21,240,421</u>	<u>\$23,187,292</u>	<u>\$(1,946,871)</u>	<u>(8.4%)</u>
<b>Liabilities</b>				
Current liabilities	\$ 869,150	\$ 1,002,567	\$ (133,417)	(13.3%)
Noncurrent liabilities	<u>1,085,464</u>	<u>1,179,086</u>	<u>(93,622)</u>	<u>(7.9%)</u>
Total liabilities	<u>\$ 1,954,614</u>	<u>\$ 2,181,653</u>	<u>\$(227,037)</u>	<u>(10.4%)</u>
<b>Net Position</b>				
Net investment in capital assets	\$17,148,426	\$18,562,924	\$(1,414,498)	(7.6%)
Restricted	28,633	114,955	(86,322)	(75.1%)
Unrestricted	<u>2,108,748</u>	<u>2,327,760</u>	<u>(219,012)</u>	<u>(9.4%)</u>
Total net position	<u>\$19,285,807</u>	<u>\$21,005,639</u>	<u>\$(1,719,832)</u>	<u>(8.2%)</u>

**Major Factors Affecting the Statement of Net Position**

Total assets of the Authority as of December 31, 2014 and 2013 amounted to \$21,240,421 and \$23,187,292, respectively. Current assets primarily consist of cash and equivalents and certificates of deposits. Non-current assets consist of capital assets. Capital assets include land, land improvements, structures, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation. The principal changes in assets from December 31, 2013 to December 31, 2014 were the decrease in investments due to the maturity of certificates of deposits and decrease in capital assets due to depreciation. Cash proceeds from maturing investments during 2014 were not reinvested, and the cash was available to fund operations.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2014**

Total liabilities of the Authority are \$1,954,614 and \$2,181,653 as of December 31, 2014 and 2013, respectively. Current liabilities primarily include accounts payable, tenant security deposits, unearned revenue, accrued compensated absences and accrued expenses. Current liabilities have decreased by \$133,417 due mainly to significant construction costs accrued for at December 31, 2013, relating to construction projects that were completed in 2014.

Net position represents the Authority's equity, a portion of which is restricted for certain use. Net position is divided into three major categories. The first category, net investment in capital assets shows the Authority's equity in land, structures, construction in progress, and equipment, net of related capital debt outstanding. The next net position category, restricted, is reserved for the programs mandated by HUD. The last category, unrestricted, is available to use for any lawful and prudent purpose of the Authority. The decrease in net position is due to the operating loss in the current year.

***Revenue, Expenses and Changes in Net Position***

The following table is a condensed summary of revenue, expenses and changes in net position of the business-type activities for the years ended December 31, 2014 and 2013.

	<b>2014</b>	<b>2013</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Operating Revenue</b>				
Tenant revenue	\$ 2,407,672	\$ 2,448,252	\$ (40,580)	(1.7%)
HUD PHA operating grants	10,647,469	10,741,289	(93,820)	(0.9%)
Fraud recovery income	25,118	26,105	(987)	(3.8%)
Other revenue	<u>149,851</u>	<u>297,910</u>	<u>(148,059)</u>	<u>(49.7%)</u>
Total operating revenue	<u>\$13,230,110</u>	<u>\$13,513,556</u>	<u>\$(283,446)</u>	<u>(2.1%)</u>
<b>Operating Expenses</b>				
Administration	\$ 2,112,422	\$ 2,223,213	\$(110,791)	(5.0%)
Tenant services	32,549	86,135	(53,586)	(62.2%)
Housing assistance payments	7,780,906	8,080,431	(299,525)	(3.7%)
Utilities	1,044,303	973,701	70,602	7.3%
Ordinary maintenance and operations	1,469,113	1,809,056	(339,943)	(18.8%)
Insurance	219,042	229,878	(10,836)	(4.7%)
Other general expenses	734,854	537,675	197,179	(36.7%)
Depreciation expense	<u>1,754,380</u>	<u>1,791,424</u>	<u>(37,044)</u>	<u>(2.1%)</u>
Total operating expenses	<u>15,146,569</u>	<u>15,731,513</u>	<u>(584,944)</u>	<u>(3.7%)</u>
Operating loss	(1,916,459)	(2,217,957)	301,498	(13.6%)
Nonoperating income (expense), net	<u>196,627</u>	<u>651,038</u>	<u>(454,411)</u>	<u>(69.8%)</u>
Change in net position	<u>\$ (1,719,832)</u>	<u>\$ (1,566,919)</u>	<u>\$(152,913)</u>	<u>9.8%</u>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2014**

***Major Factors Affecting the Statement of Revenue, Expenses and Changes in Net Position***

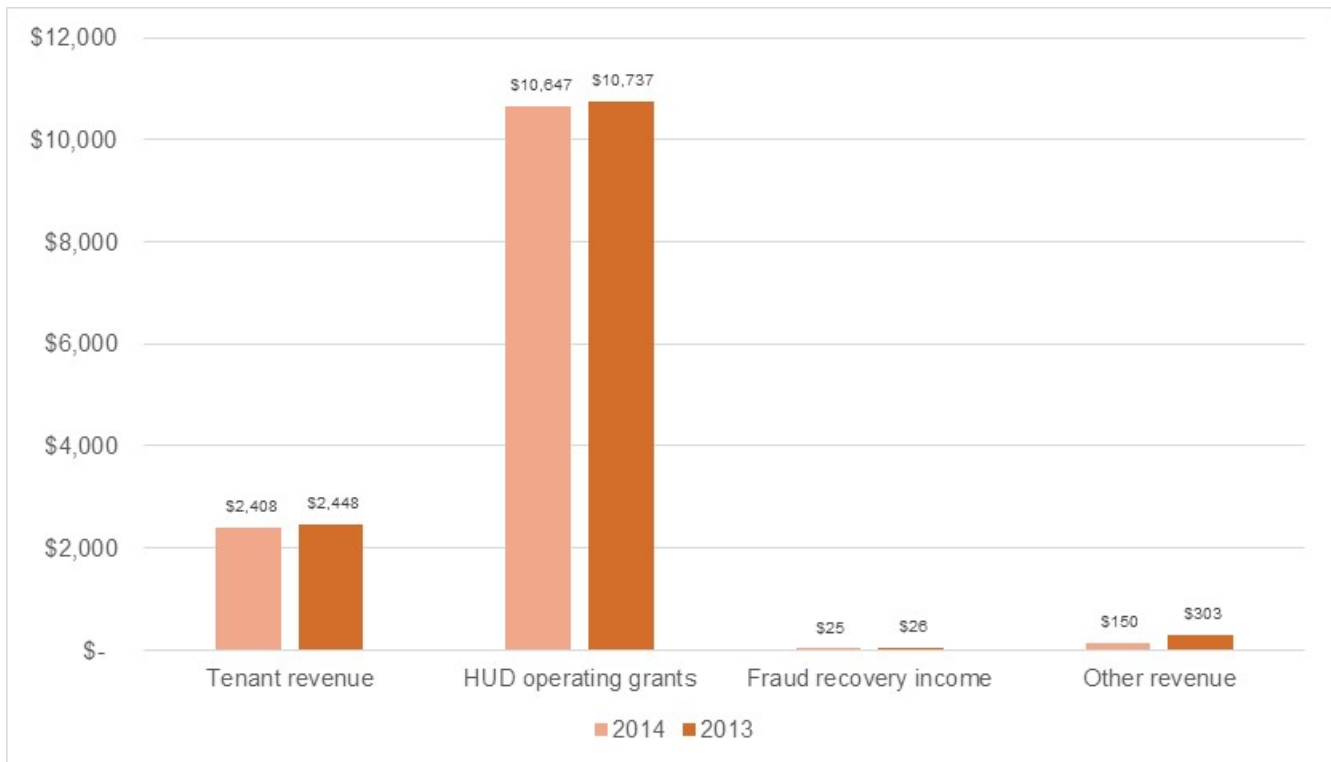
During 2014, the Authority’s operating loss was approximately \$1.9 million. Nonoperating income was approximately \$197 thousand which consisted mostly of capital grant income.

During 2013, the Authority’s operating loss was approximately \$2.2 million. Nonoperating income was approximately \$646 thousand which consisted mostly of capital grant income.

As seen in the charts below, the most important factors affecting the change in net position in 2014 were the decrease in other revenue, decrease in administration expenses, decrease in housing assistance payments, and decrease in ordinary maintenance and operations expenses in 2014 compared to 2013.

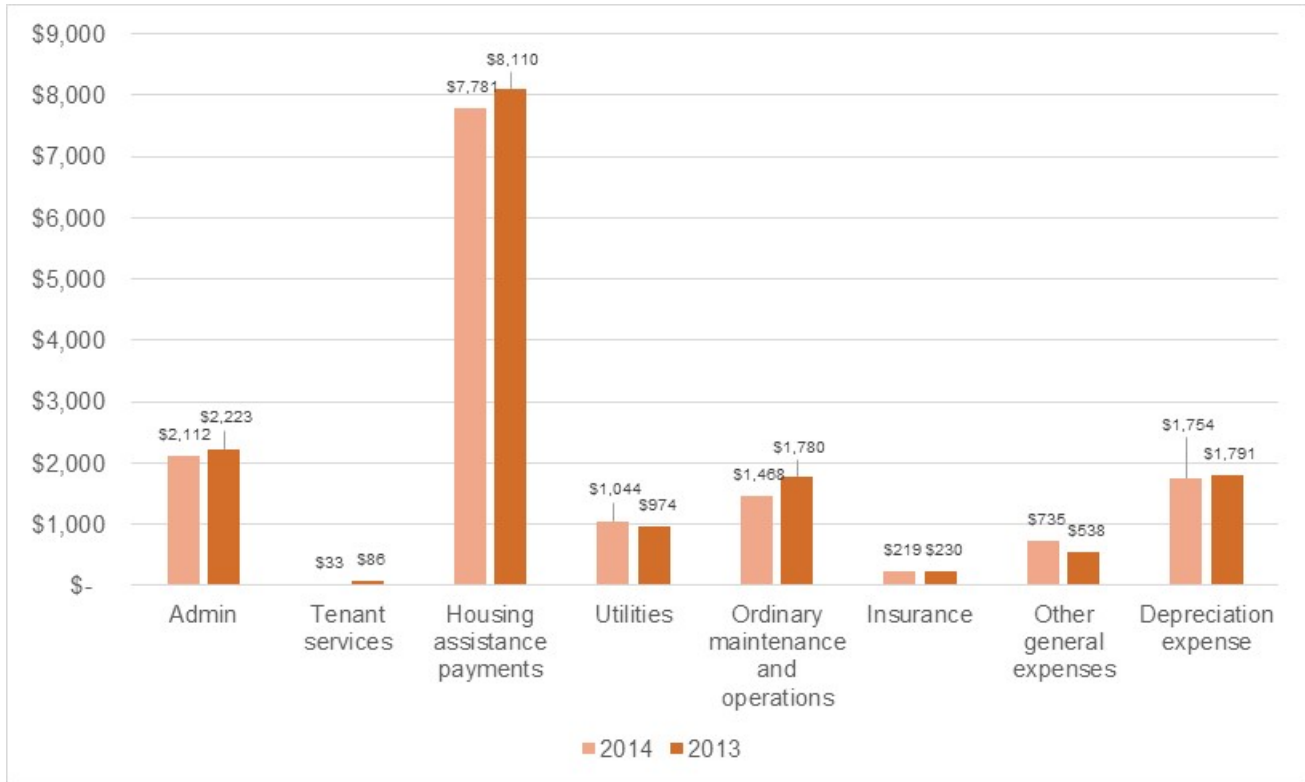
Operating revenue and expenses are shown in detail in the charts below:

Operating Revenue – 2014 and 2013 (Dollars in Thousands)



**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2014**

Operating Expenses – 2014 and 2013 (Dollars in Thousands)



**Capital Assets**

As of December 31, 2014 and 2013, the Authority had approximately \$18.1 and \$19.6 million, respectively, invested in a variety of capital assets as reflected in the following table:

	2014	2013
Land	\$ 1,389,080	\$ 1,389,080
Buildings and improvements	49,676,562	49,414,788
Furniture, equipment and machinery	2,325,300	2,409,029
Construction in progress	6,024	
Accumulated depreciation	<u>(35,266,333)</u>	<u>(33,620,648)</u>
Net capital assets	<u>\$ 18,130,633</u>	<u>\$ 19,592,249</u>

In 2014, the Authority made capital expenditures of approximately \$299 thousand while recognizing depreciation expense of approximately \$1.8 million and disposing of equipment with a net book value of \$6,710.

In 2013, the Authority made capital expenditures of approximately \$2.1 million while recognizing depreciation expense of approximately \$1.8 million and disposing of equipment with a net book value of \$5,861.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**December 31, 2014**

See Note 4 in the *Notes to Financial Statements* for additional disclosures regarding changes in capital assets during the year ended December 31, 2014.

***Long-Term Debt***

Long-term debt outstanding totaled \$982,207 and \$1,029,325 at December 31, 2014 and 2013, respectively. The decrease in long-term debt is due to principal payments of \$47,118 during 2014. There were no additional borrowings in 2014.

***Requests of Information***

This financial report is designed to provide a general overview of the Authority's finances and resources. Questions concerning any of this information should be addressed to The Housing Authority of the City of Evansville, Indiana, 500 Court Street, Evansville, Indiana, 47708.

Requests for full financial information of the Component Units should also be addressed to The Housing Authority of the City of Evansville, Indiana, 500 Court Street, Evansville, Indiana, 47708.

**THE HOUSING AUTHORITY OF THE  
CITY OF EVANSVILLE, INDIANA**

**BASIC FINANCIAL STATEMENTS**

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**STATEMENT OF NET POSITION**

December 31, 2014

**ASSETS**

	<b>Primary Government</b>	<b>Component Units Lincoln Estates</b>	<b>Vision</b>
<b>CURRENT ASSETS</b>			
Cash and equivalents	\$ 2,526,913	\$ 15,881	\$ 31,154
Restricted cash - escrow deposits and reserves	92,318	5,356	27,224
Restricted cash - tenant security deposits	133,179	30,408	
Investments	14,991		
Accounts receivable - HUD	61,191		
Accounts receivable - tenants, net	30,461	30,522	8,720
Accounts receivable - other	2,570		
Prepaid expense and other current assets	248,165	3,179	55,850
Total Current Assets	<u>3,109,788</u>	<u>85,346</u>	<u>122,948</u>
<b>CAPITAL ASSETS</b>			
Land	1,389,080	467,800	126,000
Buildings and improvements	49,676,562	6,716,057	6,758,409
Furniture, equipment and machinery - dwellings	1,027,026	691,164	507,639
Furniture, equipment and machinery - administrative	1,298,274		
Construction in progress	6,024		
	<u>53,396,966</u>	<u>7,875,021</u>	<u>7,392,048</u>
Less: Accumulated depreciation	<u>(35,266,333)</u>	<u>(3,276,759)</u>	<u>(455,722)</u>
Total Capital Assets	<u>18,130,633</u>	<u>4,598,262</u>	<u>6,936,326</u>
<b>OTHER ASSETS</b>			
Other assets		39,840	47,007
Total Other Assets	<u>-</u>	<u>39,840</u>	<u>47,007</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 21,240,421</u></u>	<u><u>\$ 4,723,448</u></u>	<u><u>\$ 7,106,281</u></u>



## LIABILITIES AND NET POSITION

	Component Units		
	Primary Government	Lincoln Estates	Vision
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 59,499	\$ 168,248	\$ 68,327
Tenant security deposits	133,179	28,400	
Unearned revenue	10,710	3,259	349
Accrued compensated absences - current portion	109,468		
Accrued wages and payroll taxes	203,467		
Accrued expenses and other current liabilities	300,549	180,635	54,831
Current portion of long-term debt	52,278	41,095	9,334
Total Current Liabilities	<u>869,150</u>	<u>421,637</u>	<u>132,841</u>
<b>NONCURRENT LIABILITIES</b>			
Other liabilities	141,654		917,758
Accrued compensated absences, net of current portion	13,881		
Loan payable, net of current portion	929,929		
IHCDA Development Fund Loan			490,666
Mortgage payable, net of current portion		1,720,495	
Notes payable and advances, due to primary government		1,149,507	
Total Noncurrent Liabilities	<u>1,085,464</u>	<u>2,870,002</u>	<u>1,408,424</u>
Total Liabilities	<u>1,954,614</u>	<u>3,291,639</u>	<u>1,541,265</u>
<b>NET POSITION</b>			
Net investment in capital assets	17,148,426	1,687,165	5,518,568
Restricted	28,633		
Unrestricted (deficit)	2,108,748	(255,356)	46,448
Total Net Position	<u>19,285,807</u>	<u>1,431,809</u>	<u>5,565,016</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 21,240,421</u>	<u>\$ 4,723,448</u>	<u>\$ 7,106,281</u>

See accompanying notes.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**Year Ended December 31, 2014**

	<b>Primary Government</b>	<b>Component Units</b>	
		<b>Lincoln Estates</b>	<b>Vision</b>
<b>OPERATING REVENUE</b>			
Tenant revenue	\$ 2,407,672	\$ 623,736	\$ 326,338
HUD PHA operating grants	10,647,469		
Fraud recovery income	25,118		
Other revenue	<u>149,851</u>	<u>22,613</u>	<u>13,395</u>
Total Operating Revenue	<u>13,230,110</u>	<u>646,349</u>	<u>339,733</u>
<b>OPERATING EXPENSES</b>			
Administration	2,112,422	117,420	95,023
Tenant services	32,549		
Housing assistance payments	7,780,906		
Utilities	1,044,303	131,428	90,911
Ordinary maintenance and operations	1,468,113	224,042	76,098
Insurance	219,042	36,558	34,145
Other general expenses	734,854	121,224	4,000
Depreciation expense	<u>1,754,380</u>	<u>156,200</u>	<u>227,861</u>
Total Operating Expenses	<u>15,146,569</u>	<u>786,872</u>	<u>528,038</u>
Operating Loss	<u>(1,916,459)</u>	<u>(140,523)</u>	<u>(188,305)</u>
<b>NONOPERATING INCOME (EXPENSE)</b>			
Investment income - unrestricted	1,616	55	
Interest expense	(47,389)	(118,592)	(18,616)
Loss on sale of capital assets	(2,248)		
Capital grants - hard costs	<u>244,648</u>		
Total Nonoperating Income (Expense)	<u>196,627</u>	<u>(118,537)</u>	<u>(18,616)</u>
Change in net position before capital contributions	(1,719,832)	(259,060)	(206,921)
Capital contributions			<u>100</u>
<b>DECREASE IN NET POSITION</b>	(1,719,832)	(259,060)	(206,821)
<b>NET POSITION</b>			
Beginning of Year	<u>21,005,639</u>	<u>1,690,869</u>	<u>5,771,837</u>
End of Year	<u>\$ 19,285,807</u>	<u>\$ 1,431,809</u>	<u>\$ 5,565,016</u>

See accompanying notes.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**STATEMENT OF CASH FLOWS  
Year Ended December 31, 2014**

	<b>Primary Government</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from dwelling rent	\$ 2,370,440
Cash received from HUD grants	10,623,586
Cash received from other sources	192,463
Cash payments to employees for services	(1,944,182)
Cash payments for employee benefits	(634,101)
Cash payments to participants in the Housing Choice Voucher Program	(7,780,906)
Cash payments to other suppliers for goods and services	(3,144,074)
Net Cash Used by Operating Activities	<u>(316,774)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(523,945)
Proceeds from sale of capital assets	4,463
Repayment of loan payable	(47,118)
Capital grants received	255,183
Net Cash Used by Capital and Related Financing Activities	<u>(311,417)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net redemptions of certificates of deposit	489,796
Interest received	1,616
Net Cash Provided by Investing Activities	<u>491,412</u>
<b>DECREASE IN CASH AND EQUIVALENTS</b>	(136,779)
<b>CASH AND EQUIVALENTS</b>	
Beginning of Year	<u>2,889,189</u>
End of Year	<u>\$ 2,752,410</u>
<b>CASH AND EQUIVALENTS</b>	
Cash and equivalents	\$ 2,526,913
Restricted cash - escrow deposits and reserves	92,318
Restricted cash - tenant security deposits	133,179
<b>TOTAL CASH AND EQUIVALENTS</b>	<u>\$ 2,752,410</u>
<b>Reconciliation of Decrease in Net Position to Net Cash Used by Operating Activities:</b>	
Decrease in net position	\$ (1,719,832)
Depreciation expense	1,754,380
Capital grants revenue	(244,648)
Loss on sale of capital assets	2,248
Interest revenue	(1,616)
Increase in allowance for doubtful accounts - tenants receivable	15,954
(Increase) decrease in certain current assets:	
Accounts receivable - HUD	(23,883)
Accounts receivable - tenants	(27,152)
Accounts receivable - other	15,246
Prepaid expenses and other current assets	(132,020)
Increase (decrease) in certain liabilities:	
Accounts payable	(11,870)
Accounts payable - HUD	(3,472)
Unearned revenue	(26,034)
Other liabilities	85,925
Net Cash Used by Operating Activities	<u>\$ (316,774)</u>

See accompanying notes.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The Housing Authority of the City of Evansville, Indiana (the Authority) is presented to assist in understanding the Authority's financial statements. The financial statements and notes are representations of the Authority's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States and have been consistently applied in the preparation of the financial statements.

**Nature of Operations:** The Authority, a governmental entity, is organized under the laws of the State of Indiana (State) for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owns and operates 888 public housing units and administers 1,680 Section 8 vouchers under an Annual Contributions Contract (ACC) in Evansville, Indiana.

The Authority's activities include the following programs:

*Low Rent Public Housing Program* – This program is operated under HUD's ACC and consists of the operations of the low-rent public housing properties totaling 888 units. The purpose of this program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. Funding for the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition). The Low Rent Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

*Housing Choice Voucher Program* – Under the Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 1,680 housing units. The purpose of the program is to provide decent affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

*Other Programs* – In addition to the significant programs noted above, the Authority also maintains other programs. Currently, the Authority administers the following smaller programs:

- Resident Opportunity and Supportive Services
- Residential Vocational Training

**Reporting Entity:** The Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments.

The 7-member Board of Commissioners of the Authority is appointed to 4 year staggering terms by the Mayor of the City of Evansville, but the Authority designates its own management. The City of Evansville is not financially accountable for the Authority as it cannot impose its will on the Authority, and there is no potential for the Authority to provide financial benefits to, or impose financial burdens on the City of Evansville. Accordingly, the Authority is not a component unit of the financial reporting entity of the City of Evansville.

The Authority has included as blended component units the activities for Advantix Development, Inc., a non-profit organization, Lincoln Estates Redevelopment, Inc., a non-profit organization, and ADCV1505, Inc., a for-profit organization. Advantix Development, Inc., Lincoln Estates Redevelopment, Inc. and ADCV1505, Inc. are shown as blended component units because the Authority has financial accountability and control over their boards of directors and management.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lincoln Estates Redevelopment, Inc. is a wholly-owned subsidiary of Advantix Development, Inc. ADCV1505, Inc. has 1,000 shares of common stock, 490 shares owned by Advantix Development, Inc. and 510 shares owned by the Authority.

The Authority has included, as a discretely presented component unit, the activity for Lincoln Estates Redevelopment Partnership, L.P. (Lincoln Estates). The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government. Lincoln Estates is shown as a discretely presented component unit because the Authority is financially accountable for it; however, they do not have full ownership over the entity. Lincoln Estates Redevelopment, Inc. (which is included as a blended component of the Authority) has a .01% general partner interest in Lincoln Estates. Lincoln Estates is a 112 unit, residential apartment project known as Lincoln Estates Apartments located in Evansville, Indiana.

The Authority has also included, as a discretely presented component unit, the activity for Vision 1505, L.P. (Vision). Vision is shown as a discretely presented component unit because the Authority is financially accountable for it; however, they do not have full ownership over the entity. ADC V1505, Inc. (which is included as a blended component of the Authority) has a .001% general partner interest in Vision. Vision is a 32 unit, residential supportive apartment project known as Vision 1505 located in Evansville, Indiana.

Requests for full financial information of Lincoln Estates and Vision (the Component Units) should be addressed to The Housing Authority of the City of Evansville, Indiana, 500 Court Street, Evansville, Indiana, 47708.

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

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation:** The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, maintenance, insurance, depreciation, utilities, housing assistance payments and other general expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. This includes capital subsidy for the Capital Fund Program.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue Recognition:** Tenant rent revenue is recorded as rentals become due. Rental payments received in advance, if any, are deferred until earned.

The Authority has entered into an ACC with HUD to develop, manage and own public housing projects and to administer the federal Section 8 programs whereby the Authority pays the owner a portion of the rent, a housing assistance payment (HAP), on behalf of the family. Such contributions are reflected as HUD grants in the accompanying financial statements.

The Component Units recognize net rent revenue in the period in which the rent is earned.

**Cash and Equivalents:** For purposes of reporting cash flows, cash and equivalents include cash on hand and on deposit and investments with an original maturity of three months or less and restricted cash.

**Investments:** All investments are reflected at fair value. Investments are restricted by the provisions of HUD regulations. Investments consist primarily of bank certificates of deposits with original maturities of greater than three months.

**Accounts Receivable:** Tenant accounts receivable consist of amounts invoiced to tenants for rents. The Authority provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and economic conditions. Delinquent accounts are written off based on management's review of the specific circumstances of each tenant. As of December 31, 2014, the allowance for doubtful accounts totaled \$41,755. In addition, other accounts receivable consist of amounts due from HUD under reimbursements due under grants.

**Notes Receivable:** Notes receivable are carried at the principal amount outstanding net of an allowance for doubtful accounts. As of December 31, 2014, the allowance for doubtful accounts totaled \$1,149,507, entirely offsetting the principal amount of the notes receivable.

**Capital Assets:** Capital assets are recorded at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. The Authority capitalizes capital asset purchases over \$500. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

Capital assets are depreciated using the straight-line method over the estimated useful lives as follows:

Buildings and improvements	10-39 years
Furniture, equipment and machinery	5-7 years

The Authority evaluates prominent events or changes in circumstances affecting capital assets to determine when impairment of a capital asset has occurred. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. Impairment of capital assets with physical damage are generally measured using the restoration cost approach, which uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written-off. No such impairment loss was incurred during 2014.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 1 - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Compensated Absences:** Compensated absences are those for which employees will be paid, such as vacation. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside of the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

**Net Position:** The Authority classifies net position for accounting and financial reporting purposes in the following net position categories:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, 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 - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

**Use of Restricted and Unrestricted Resources:** When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Capital Contributions:** Vision's limited partner is to make capital contributions totaling \$7,155,588 at various times, as specified in the partnership agreement. As of December 31, 2014, a total of \$899,999 remains outstanding. The general partner and special limited partners A and B are to make an initial capital contribution of \$100 each, of which \$100 is outstanding at December 31, 2014.

**Property Taxes:** The Component Units expense real estate and personal property taxes in the year of lien on the property. The Authority is exempt from state and local property taxes.

**Payments in Lieu of Taxes:** Pursuant to an agreement with Vanderburgh County, the Authority may make payments in lieu of taxes (PILOT). During 2014, the Authority made \$129,732 of payments in lieu of taxes to the Office of the Vanderburgh County Treasurer.

**Primary Government Income Taxes:** Income received or generated by the Authority is not subject to federal income tax, pursuant to Internal Revenue Code Section 115. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients, pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended. Contributions to the Authority are tax deductible contributions, pursuant to Sections 170(b)(1)(A)(v) and 170(c)(1) of the Internal Revenue Code of 1986, as amended.

**Component Units' Income Taxes:** No provision for federal or state income taxes has been made in the Component Units' financial statements as the federal and state income tax effect on the Component Units' activities accrues to their partners.

**Subsequent Events:** The Authority has evaluated the financial statements for subsequent events occurring through July 30, 2015, the date the financial statements were available to be issued.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 2 - CASH DEPOSITS AND INVESTMENTS

During the year ended December 31, 2014, the Authority held cash deposits and investments with several financial institutions. Investments are primarily certificates of deposit.

**Investment Policy:** It is the policy of the Authority to invest its funds in a manner, which will provide the highest investment return with maximum security while meeting the daily cash flow needs of the Authority, and comply with all federal, state and local statutes or ordinances governing the investment of public funds. The Authority's investment policy requires investment in instruments authorized by HUD Notice PIH 96-33.

**Custodial Credit Risk:** Custodial credit risk is the risk that the Authority will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty of the counterparty's trust department or agent but not in the Authority's name.

Cash is exposed to risk if it is not covered by depository insurance in the pledging financial institution. The Federal Deposit Insurance Corporation (FDIC) generally insures deposits up to \$250,000 per bank. In addition, the State of Indiana's Public Deposit Insurance Fund (PDIF) insures public funds deposited in approved financial institutions which exceed the limits of coverage provided by any federal deposit insurance. At December 31, 2014, all of the Authority's cash and investments were insured by FDIC or PDIF.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

Investments are made based upon prevailing market conditions at the time of the transaction. The Authority reviews its cash and investments in order to maintain adequate liquidity to meet its cash flow needs. Investments will typically be limited to certificates of deposit maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the Authority.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

**Concentration of Credit Risk:** The Authority's investment policy requires diversification of the overall portfolio to eliminate the risk of loss resulting from an over concentration of assets in a specific maturity, a specific issuer and/or a specific class of securities.

**Foreign Currency Risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect fair value of an investment or a deposit. All of the Authority's cash deposits and investments are denominated in United States currency.



**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)**

At December 31, 2014, the Authority had the following investments and maturities:

	Credit Rating	Investment Maturities (in years)		
		Fair Value	<1	1 - <5
Certificates of deposit	N/A	\$ 14,991	\$ -	\$ 14,991

*Component Units Deposits* – As of December 31, 2014, Lincoln Estates' carrying amount of deposits was \$51,645. As of December 31, 2014, Vision's carrying amount of deposits was \$58,378. The bank balances held with financial institutions are entirely insured and are classified as cash and equivalents or restricted cash on the statement of net position.

*Restricted Deposits* – Regulations of HUD require that security deposits be segregated from general funds of the Authority. Accordingly, the Authority and its Component Units hold all security deposits in a separate interest-bearing account. At December 31, 2014, amounts held for security deposits totaled:

Security Deposits – Primary Government	\$133,179
Security Deposits – Lincoln Estates	30,408

Pursuant to various agreements, the Authority and its Component Units must hold amounts in escrow for restricted use. At December 31, 2014, amounts held in escrow totaled:

Escrow Deposits – Primary Government	\$92,318
Escrow Deposits – Lincoln Estates	5,356

Pursuant to various agreements, the Authority and its component unit Vision must hold amounts in reserves for restricted use. The following is a summary of activity in the reserve accounts for the year ended December 31, 2014:

	Operating Reserve	Subsidy Reserve	Replacement Reserve	Total
Balance – January 1, 2014			\$12,802	\$12,802
Additions			14,422	14,422
Withdrawals				
Balance – December 31, 2014	\$	\$	\$27,224	\$27,224

**NOTE 3 - NOTES RECEIVABLE**

The Authority has gross notes receivable and advances and an offsetting allowance of \$1,149,507 for a loan made to Lincoln Estates. The allowance for doubtful accounts fully covers the loan which is payable to the Authority and dependent on uncertain cash flows.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 4 - CAPITAL ASSETS**

The following is a summary of changes in the capital assets of the Authority for the year ended December 31, 2014:

	<b>Balance at January 1, 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Balance at December 31, 2014</b>
Non-depreciable capital assets:					
Land	\$ 1,389,080	\$ -	\$ -	\$ -	\$ 1,389,080
Construction in progress	<u>                    </u>	<u>6,024</u>	<u>                    </u>	<u>                    </u>	<u>6,024</u>
Total Non-Depreciable Capital Assets	<u>1,389,080</u>	<u>6,024</u>	<u>                    </u>	<u>                    </u>	<u>1,395,104</u>
Depreciable capital assets:					
Buildings and improvements	49,414,788	261,774			49,676,562
Furniture, equipment and machinery	<u>2,409,029</u>	<u>31,676</u>	<u>115,405</u>	<u>                    </u>	<u>2,325,300</u>
Total Depreciable Capital Assets	<u>51,823,817</u>	<u>293,450</u>	<u>115,405</u>	<u>                    </u>	<u>52,001,862</u>
Total Accumulated Depreciation	<u>33,620,648</u>	<u>1,754,380</u>	<u>108,695</u>	<u>                    </u>	<u>35,266,333</u>
Total Depreciable Capital Assets, Net	<u>18,203,169</u>	<u>(1,460,931)</u>	<u>6,710</u>	<u>                    </u>	<u>16,735,529</u>
Total Capital Assets, Net	<u>\$19,592,249</u>	<u>\$(1,454,907)</u>	<u>\$ 6,710</u>	<u>\$                    </u>	<u>\$18,130,633</u>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in the capital assets of Lincoln Estates for the year ended December 31, 2014:

	<b>Balance at January 1, 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Balance at December 31, 2014</b>
Non-depreciable capital assets:					
Land	\$ 467,800	\$ -	\$ -	\$ -	\$ 467,800
Total Non-Depreciable Capital Assets	<u>467,800</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>467,800</u>
Depreciable capital assets:					
Buildings and improvements	6,716,057				6,716,057
Furniture, equipment and machinery	<u>691,164</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>691,164</u>
Total Depreciable Capital Assets	<u>7,407,221</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>7,407,221</u>
Total Accumulated Depreciation	<u>3,120,559</u>	<u>156,200</u>	<u>          </u>	<u>          </u>	<u>3,276,759</u>
Total Depreciable Capital Assets, Net	<u>4,286,662</u>	<u>(156,200)</u>	<u>          </u>	<u>          </u>	<u>4,130,462</u>
Total Capital Assets, Net	<u>\$4,754,462</u>	<u>\$(156,200)</u>	<u>\$          </u>	<u>\$          </u>	<u>\$4,598,262</u>

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in the capital assets of Vision for the year ended December 31, 2014:

	<b>Balance at January 1, 2014</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Balance at December 31, 2014</b>
Non-depreciable capital assets:					
Land	\$ 126,000	\$ -	\$ -	\$ -	\$ 126,000
Total Non-Depreciable Capital Assets	<u>126,000</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>126,000</u>
Depreciable capital assets:					
Buildings and improvements	6,758,409				6,758,409
Furniture, equipment	<u>507,639</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>507,639</u>
Total Depreciable Capital Assets	<u>7,266,048</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>7,266,048</u>
Total Accumulated Depreciation	<u>227,861</u>	<u>227,861</u>	<u>          </u>	<u>          </u>	<u>455,722</u>
Total Depreciable Capital Assets, Net	<u>7,038,187</u>	<u>(227,861)</u>	<u>          </u>	<u>          </u>	<u>6,810,326</u>
Total Capital Assets, Net	<u>\$7,164,187</u>	<u>\$ (227,861)</u>	<u>\$          </u>	<u>\$          </u>	<u>\$6,936,326</u>

**NOTE 5 - RETIREMENT PLAN**

***Plan Description***

The Authority contributed to the Public Employees' Retirement Fund (PERF). PERF as part of the implementation of GASB Statement No. 67 changed from an agent to a cost-sharing, multiple-employer defined benefit plan effective July 1, 2013, based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' Annuity Savings Account Only Plan (PERF ASA Only Plan).

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 5 - RETIREMENT PLAN (CONTINUED)

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3 and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the annuity savings (ASA) that supplements the defined benefit at retirement.

The PERF ASA Only Plan was established by the Indiana Legislature in 2011, and is governed by the INPRS Board of Trustees in accordance with IC 5-10.3-12 and IC 5-10.5. This plan is funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement. PERF ASA Only Plan members are full-time employees of the State of Indiana (as defined in IC 5-10.3-7-1(d)), who are in a position eligible for membership in the PERF Hybrid Plan and who elect to become members of the PERF ASA Only Plan. The PERF ASA Only Plan membership does not include individuals who: (1) before March 1, 2013; were members of the PERF Hybrid Plan or (2) on or after March 1, 2013, do not elect to participate in the PERF ASA Only Plan. Any government agency that pays employees through the Auditor of the State is a mandatory participant in the PERF ASA Only Plan and must offer eligible employees the PERF ASA Only Plan option. Quasi-government agencies and State educational institutions may choose to offer the PERF ASA Only Plan as an option to their employees. Since inception, 395 members have selected the PERF ASA Only Plan, or approximately 9 percent of eligible new hires of the State.

Members are required to participate in an ASA. The ASA consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision. Investments in the members' ASA are individually directed and controlled by plan participants who direct the investment of their account balances among eight (8) investment options, with varying degrees of risk and return potential. All contributions made to a member's account (member contribution subaccount and employer contribution subaccount) are invested as a combined total according to the member's investment elections. Members may make changes to their investment directions daily and investments are reported at fair value.

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

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 5 - RETIREMENT PLAN (CONTINUED)

#### *Funding Policy*

The State of Indiana is obligated by statute to make contributions to the PERF Hybrid Plan or the PERF ASA Only Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal year 2014, most participating employers were required to contribute 11.2 percent of covered payroll for members; however, the INPRS Board of Trustees limited the maximum increase in the contribution rate to 1.5 percent, and the Authority's 2013 rate was 8 percent. The Authority was therefore required to contribute a rate of 9.5 percent of covered payroll for members during the period of January 1 – December 31, 2014. For the PERF ASA Only Plan all participating employers were also required to contribute 11.2 percent of covered payroll. In accordance to IC 5-10.3-12-24, the amount credited from the employer's contribution rate to the member's account shall not be less than 3 percent and not be greater than the normal cost of the fund which was 4.7 percent for fiscal year 2014 and any amount not credited to the member's account shall be applied to the pooled assets of the PERF Hybrid Plan.

The PERF Hybrid Plan or the PERF ASA Only Plan members contribute three (3) percent of covered payroll to their ASA, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. For the PERF Hybrid Plan, the employer may elect to make the contributions on behalf of the member. The employer shall pay the member's contributions on behalf of the member for the PERF ASA Only Plan. In addition, members of the PERF Hybrid Plan (effective July 1, 2014, the PERF ASA Only Plan may also participate) may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts.

For the 2014 plan year, the Authority's contribution was \$258,935, equal to the required contributions for the year. This consisted of \$9,201 for the 3 percent employer payment of the employee contribution to their ASA, and \$186,254 for the 9.5 percent employer contribution to the defined benefit plan.

### NOTE 6 - COMPENSATED ABSENCES

Authority employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave is not vested and is not paid to an employee upon separation. Vested or accumulated vacation is recorded as an expense and liability as the benefits accrue to employees. Sick leave is recorded as an expense as the employee utilizes it. A liability has been recorded for compensated absences totaling \$123,349 at December 31, 2014.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 7 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

**Primary Government**

On November 23, 2011, the Authority entered into a financing agreement to purchase energy efficient equipment for \$1,079,391. As of December 31, 2014, \$982,207 had been drawn on the loan. Effective July 15, 2012, the Authority began making monthly payments of \$7,533, which include principal and interest. The loan bears interest at 4.70% annually and matures November 15, 2026. The loan is secured by the purchased equipment.

Debt service requirements of the Authority as of December 31, 2014 are as follows:

<b>Payable In</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ 52,278	\$ 45,142
2016	57,691	42,572
2017	63,534	39,736
2018	69,750	36,618
2019	76,360	33,199
2020-2024	457,893	105,393
2025-2026	<u>204,701</u>	<u>9,840</u>
<b>Total Requirements</b>	<b><u>\$982,207</u></b>	<b><u>\$312,500</u></b>

	<b>Balance at January 1, 2014</b>	<b>Additions/ Transfers</b>	<b>Retirements</b>	<b>Balance at December 31, 2014</b>	<b>Due within one year</b>
Other liabilities	\$ 175,710	\$29,631	\$ -	\$ 141,654	\$ -
Accrued compensated absences	142,197		18,710	123,349	109,468
Loan payable to bank	<u>1,029,325</u>		<u>47,118</u>	<u>982,207</u>	<u>52,278</u>
<b>Total Long-term Obligations</b>	<b><u>\$1,347,232</u></b>	<b><u>\$29,631</u></b>	<b><u>\$ 65,828</u></b>	<b><u>\$1,247,210</u></b>	<b><u>\$161,885</u></b>

**Component Unit – Lincoln Estates**

The mortgage note, dated February 8, 2002, is due to the Class B Special Limited Partner. The note was originally due in monthly installments of principal and interest through February 8, 2022, at which time the remaining balance was due. The mortgage note had an original balance of \$2,060,000. The note is secured by a first deed of trust on the rental property and an assignment of tenant rents.

On January 13, 2009, the terms of the note were modified. Effective March 8, 2009, monthly payments, including principal and interest of \$12,481 were required. The loan bore interest at 7.375% annually through February 8, 2011. On March 8, 2011, the lender at its option adjusted the interest rate to the prime rate plus 2.25%. The effective rate as of December 31, 2014 was 5.50%. At December 31, 2014, the note had an outstanding balance of \$1,761,590. The note matures on October 8, 2036.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 7 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

Debt service requirements of Lincoln Estates as of December 31, 2014 are as follows:

Payable In	Principal	Interest
2015	\$ 41,095	\$ 108,676
2016	45,615	104,156
2017	50,632	99,139
2018	56,201	93,570
2019	61,821	87,950
2020-2024	302,290	446,565
2025-2029	415,420	333,435
2030-2034	570,890	177,965
2035-2036	<u>217,626</u>	<u>50,806</u>
 Total Requirements	 <u>\$1,761,590</u>	 <u>\$1,502,262</u>

On June 4, 1999, Lincoln Estates obtained a loan from the primary government, in the amount of \$567,800. The loan is noninterest-bearing, matures in 2029 and is secured by a second deed of trust on the rental property and an assignment of rents.

Also on June 4, 1999, Lincoln Estates obtained a loan from the Original General Partner, in the amount of \$392,000. The loan is noninterest-bearing, matures in 2029 and is secured by a third deed of trust on the rental property and an assignment of rents. In 2007, the loan was assigned to the primary government.

	Balance at January 1, 2014	Additions/ Transfers	Retirements	Balance at December 31, 2014	Due within one year
Mortgage payable to Class B Special Limited Partner	\$1,797,797		\$36,207	\$1,761,590	\$41,095
Loans payable to primary government	959,800			959,800	
Advances due to primary government (see Note 11)	<u>189,707</u>	\$ _____	_____	<u>189,707</u>	_____
 Total Long-term Obligations	 <u>\$2,947,304</u>	 <u>\$ _____</u>	 <u>\$36,207</u>	 <u>\$2,911,097</u>	 <u>\$41,095</u>

**Component Unit – Vision**

In October 2011, Vision obtained a loan from the Indiana Housing and Community Development Authority (IHCDA), in the amount of \$500,000. The loan originally bore interest at 3% and required annual payments of \$25,510 beginning on September 1, 2014.



**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
December 31, 2014**

**NOTE 7 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

However, the loan converted and was amended on December 18, 2014, prior to any required principal payments. Interest accrues at 4.167% per annum with an annual principal and interest payment of the lessor of \$29,504 or 100% of net cash flow, as defined. The loan matures on January 1, 2030. The loan is secured by a mortgage on certain real estate. At December 31, 2014, the note had an outstanding balance of \$500,000.

Debt service requirements of Vision as of December 31, 2014 are estimated as follows based on annual payments of \$29,504:

<b>Payable In</b>	<b>Principal</b>	<b>Interest</b>
2015	\$ 9,334	\$ 20,170
2016	9,614	19,890
2017	9,902	19,602
2018	10,200	19,304
2019	10,506	18,998
2020-2024	58,040	89,480
2025-2029	71,183	76,337
2030	<u>321,221</u>	<u>1,115</u>
<b>Total Requirements</b>	<b><u>\$500,000</u></b>	<b><u>\$264,896</u></b>

	<b>Balance at January 1, 2014</b>	<b>Additions/ Transfers</b>	<b>Retirements</b>	<b>Balance at December 31, 2014</b>	<b>Due within one year</b>
Loan payable to IHCD	\$ 500,000		\$ -	\$ 500,000	\$9,334
Other liabilities (see Note 11)	<u>927,000</u>		<u>9,242</u>	<u>917,758</u>	
<b>Total Long-term Obligations</b>	<b><u>\$1,427,000</u></b>	<b><u>\$</u></b>	<b><u>\$ 9,242</u></b>	<b><u>\$1,417,758</u></b>	<b><u>\$9,334</u></b>

**NOTE 8 - RISK MANAGEMENT**

The Authority is exposed to various risks of loss from torts, theft of, damages to, or destruction of assets, business interruption, errors or omissions, job related illnesses or injuries to employees, and natural disasters. The Authority has purchased commercial insurance to mitigate its exposure to such losses. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductible and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of such uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. Settled claims to date have not exceeded coverage levels, and insurance coverage levels, and insurance coverage, by major categories of risk, is consistent with coverage in the prior year.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 9 - CONCENTRATIONS

The Authority is substantially funded by federal awards. The Authority received 81% of its total revenue from a single Federal Agency during the year ended December 31, 2014. Management is in the process of implementing HUD's Rental Demonstration Program for certain properties which will alter funding and delivery of services in future years.

A portion of the labor costs of the Authority are attributable to employees under a collective bargaining agreement. Consequently, the Authority is subject to this agreement with respect to wages and other labor-related matters.

### NOTE 10 - CONTINGENCIES

The Authority is party to various legal proceedings, which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

The Authority has received several federal grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will be immaterial.

Pursuant to the HUD Office of Inspector General audits conducted in 2002 and 2004, the Authority had an initial contingent repayment of \$1,518,517 to HUD which was subsequently reduced to \$835,482. The Authority and HUD have agreed to negotiated terms for resolution of these audits that requires the Authority to continue with its Homeownership Program. As long as the Authority is maintaining the Homeownership Program, HUD will not seek repayment of the amounts due from the audits and eventually, over time as homes continue to be sold, the contingent liability will be reduced to zero. Therefore this contingent repayment is not recorded as a liability on the statement of net position.

### Component Unit – Vision

#### **Operating Deficit Guaranty**

Pursuant to Vision's operating deficit guaranty, upon reduction of the operating reserve to zero, the general partner, special limited partner B and the specified guarantors, are obligated to provide funds to Vision to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins with the stabilization of operations and ends on the fifth anniversary of the stabilization date provided, however, that a minimum debt service coverage of 1.20 to 1.00 to be achieved for the 12 month period immediately preceding the expiration of the guaranty period and the operating reserve is fully funded. Advances are to be treated as non-interest bearing loans to Vision. No funds were advanced under this guaranty in 2014.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### NOTE 11 - RELATED PARTY INFORMATION

The Authority has advanced funds to Lincoln Estates in the amount of \$1,149,507 during prior years. Management has declared the entire amount uncollectible and has set up an allowance for doubtful accounts in the amount of \$1,149,507 as of December 31, 2014.

#### **Component Unit – Lincoln Estates**

##### **Advances**

The original general partner had advanced funds to Lincoln Estates in order for it to meet financial obligations. These advances were assigned to the Authority. As of December 31, 2014, outstanding advances amounted to \$133,713.

The Authority also advanced funds to Lincoln Estates in order for it to meet financial obligations. As of December 31, 2014, the outstanding advances amounted to \$55,994.

##### **Limited Partner Reporting Fee**

The partnership agreement provides that an annual limited partner reporting fee of \$7,500 be paid to the Limited Partner from available net operating income. During the year ended December 31, 2014, \$7,500 was charged to operations. As of December 31, 2014, \$75,000 was payable to the Limited Partner.

##### **Incentive Management Fee**

The partnership agreement provides that an incentive management fee be paid to the General Partner for services in connection with the management of the Project. The fee is equal to 70% of available net operating income and does not accrue. No incentive management fee was incurred for the year ended December 31, 2014.

##### **Net Operating Income**

Net operating income, as defined in the partnership agreement, is available for distribution after year end in accordance with the partnership agreement. As of December 31, 2014, there was no net operating income available for distribution.

#### **Component Unit – Vision**

City Real Estate Advisors, Inc. (CREA) is entitled to receive an annual asset management fee in the amount of \$4,000. The fee is payable out of an escrow deposit fund in the original amount of \$60,000 held by CREA. The balance in the escrow fund totaled \$47,000 at December 31, 2014.

The general partner is entitled to receive an annual incentive partnership management fee of 85% of remaining cash flow, not to exceed 12% of the gross revenues of the Partnership on a noncumulative basis. No fee was earned in 2014.

The Authority, its blended component unit Advantix Development, Inc., and Flaherty & Collins Development, LLC serviced as co-developers for the project. As compensation for their services, the developers are to receive \$1,200,000, which is to be paid at various times, as specified in the development agreement. If any developer fee remains outstanding as of December 31, 2027, the general partner is to make a capital contribution in the amount of the unpaid fee in order for Vision to pay the entire unpaid amount. As of December 31, 2014, \$917,758 remains unpaid.

# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO FINANCIAL STATEMENTS December 31, 2014

### **NOTE 12 - RENTAL ASSISTANCE DEMONSTRATION PROGRAM**

The Authority has applied for participation in HUD's Rental Assistance Demonstration Program (RAD) for some of its public housing properties. RAD was created to allow public housing authorities to leverage public and private debt and equity in order to provide financing to preserve and improve public housing properties. The Authority has been working closely with HUD throughout the process to ensure the requirements for participation are met. As of the date of the audit report, HUD had not yet approved the closing on the conversion of the public housing properties, which will include selling the buildings to various partnerships established as part of this process, establishing a land lease owned by Advantix Development, Inc., and securing financing. Management is projecting the closing on the conversion of the public housing properties and related financing to occur in September 2015.

### **NOTE 13 - GOING CONCERN UNCERTAINTY**

#### **Component Unit – Lincoln Estates**

Lincoln Estates Redevelopment Partnership, L.P. has suffered recurring losses from operations, has current obligations that greatly exceed its cash and cash equivalents, and is delinquent with many of its vendors; factors which raises substantial doubt about its ability to continue as a going concern. Lincoln Estates management and the general partner are working to increase occupancy and cut costs. In the interim, partners may need to advance funds to Lincoln Estates in order to meet its current obligations. The financial statements of Lincoln Estates do not include any adjustments that might result from the outcome of this uncertainty.

**THE HOUSING AUTHORITY OF THE  
CITY OF EVANSVILLE, INDIANA**

**OTHER REPORTS AND SUPPLEMENTARY INFORMATION**

*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  
The Housing Authority of the City of Evansville, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States 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 business-type activities and the discretely presented component units of The Housing Authority of the City of Evansville, Indiana (the Authority), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated July 30, 2015. Our report includes a reference to other auditors who have audited the financial statements of Lincoln Estates Redevelopment Partnership, L.P. and Vision 1505, L.P., as described in our report on the Authority's financial statements. The financial statements of Lincoln Estates Redevelopment Partnership, L.P. and Vision 1505, L.P. were not audited in accordance with *Government Auditing Standards*.

### **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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
July 30, 2015

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2014**

Federal Grantor	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Public and Indian Housing	14.850		\$ 1,974,959
Section 8 Housing Choice Vouchers (a)	14.871		8,457,100
Public Housing Capital Fund	14.872		455,751
Public Housing Family Self-Sufficiency under Resident Opportunity and Supportive Services	14.877		21,509
Resident Opportunity and Supportive Services - Service Coordinators	14.870		28,334
Passed through City of Evansville: Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-18-002	<u>45,000</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 10,982,653</u></u>

(a) The Authority's expenditures include \$7,780,906 of Housing Assistance Payments.

*See accompanying notes to schedule of expenditures of federal awards.*



# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended December 31, 2014

### NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Housing Authority of the City of Evansville, Indiana (the Authority), a governmental entity, under programs of the federal government for the year ended December 31, 2014. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the 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 OMB Circular A-87, *Cost Principles for State, Local and Indiana Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

*Independent Auditors' Reports on Compliance  
for Each Major Program and on  
Internal Control over Compliance Required  
by OMB Circular A-133*

Board of Commissioners  
The Housing Authority of the City of Evansville, Indiana

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

We have audited The Housing Authority of the City of Evansville, Indiana's (the Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2014. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

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

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 each of its major federal programs for the year ended December 31, 2014.

## ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

The Authority's response to the noncompliance finding identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

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

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency.

The Authority's response to the internal control over compliance finding identified in our audit is 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 compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
July 30, 2015

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2014**

**SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued [*unmodified, qualified, adverse, or disclaimer*]: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes ✓ no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes ✓ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes ✓ no
- Significant deficiency(ies) identified? ✓ yes \_\_\_\_\_ none reported

Type of auditors' report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? ✓ yes \_\_\_\_\_ no

Identification of major programs:

<b>CFDA Numbers</b>	<b>Name of Federal Program</b>
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund

Dollar threshold used to distinguish between type A and type B programs: \$329,480

Auditee qualified as low-risk auditee? ✓ yes \_\_\_\_\_ no

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**Year Ended December 31, 2014**

**FINANCIAL STATEMENTS AUDIT FINDINGS**

None

**FEDERAL AWARDS PROGRAM AUDIT FINDINGS AND QUESTIONED COSTS**

**U.S. Department of Housing and Urban Development**

**2014-001 Section 8 Housing Choice Vouchers – CFDA #14.871**

**Significant Deficiency – Eligibility and Special Tests**

*Criteria:* Per 24 CFR section 5.601 et seq., HUD requires that tenant income eligibility and rent payments are calculated correctly using verified third-party documentation. Also, per 24 CFR section 982.158 and part 982, subpart K, the Authority must pay a monthly housing assistance payment (HAP) on behalf of the family that corresponds with the amount on line 12u of the HUD-50058. This HAP amount must be reflected on the HAP contract and HAP register.

*Condition and Context:* We selected 40 participant files of tenants that were new to the program in 2014 for our testing of compliance with eligibility requirements. We noted that the HAP was incorrectly calculated for one of the participants due to a miscalculation of the individual's annual income. We also selected 40 participant files of tenants that entered the program in a prior year. One participant file was missing a current HAP contract; therefore, we were unable to verify that the HAP amount per the HUD-50058 and HAP register agreed to the HAP contract.

*Cause and Effect:* A significant deficiency in internal control over compliance exists, as third-party income verification documentation was not used appropriately to correctly calculate the tenant's annual income and a tenant file was missing the current HAP contract. This resulted in the participant's housing assistance payments being calculated for an incorrect amount. Also, we were unable to verify compliance due to the missing HAP contract.

*Recommendations:* The Authority should implement adequate internal controls and procedures to ensure that HAP payments are calculated based on the correct annual income amounts of tenants and all documentation is properly obtained and maintained in the participant files.

*Management Response:* Management agrees with this finding. Management indicated that retroactive corrective payments were made related to the error in HAP amount. The recommended procedures will also be implemented as described above.

**THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE, INDIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2014**

**U.S. Department of Housing and Urban Development**

**2013-001 Public and Indian Housing – CFDA #14.850**

**Significant Deficiency – Eligibility**

*Condition:* This finding was a significant deficiency in internal control related to inadequate consideration of eligibility documentation.

*Recommendation:* The auditors recommended that the Authority implement adequate internal controls and procedures to ensure all tenant files include the proper income verification.

*Current Status:* Management hired a new manager of the property where findings were noted and added an internal control/quality assurance function to periodically review files for accuracy and compliance. No similar findings were noted in the 2014 audit.



# THE HOUSING AUTHORITY OF THE CITY OF EVANSVILLE



Rick Moore  
Executive Director

Telephone: (812) 428-8500  
FAX: (812) 428-8560

500 Court Street  
Evansville, Indiana 47708

## **Board of Commissioners:**

David G. Hatfield, Chairman  
Daphne Robinson, Vice Chairman  
Vanessa Brown, Commissioner  
Richard Engbers, Commissioner  
Glenda B. Hampton, Commissioner  
Mildred Thacker, Commissioner

## **CORRECTIVE ACTION PLAN Year Ended December 31, 2014**

The Housing Authority of the City of Evansville, Indiana respectively submits the following corrective action plan for the year ended December 31, 2014.

Name and address of independent public accounting firm:

Katz, Sapper & Miller, LLP  
800 East 96<sup>th</sup> Street, Suite 500  
Indianapolis, IN 46240

Audit period: Year ended December 31, 2014

The schedule of findings and questioned costs for the year ended December 31, 2014 are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

## **FINANCIAL STATEMENT AUDIT FINDINGS**

None

## **MAJOR FEDERAL AWARDS PROGRAM AUDIT FINDINGS AND QUESTIONED COSTS**

### U.S. Department of Housing and Urban Development

2014-001      Section 8 Housing Choice Vouchers – CFDA #14.871  
                    Significant Deficiency – Eligibility and Special Tests

*Recommendations:* The Authority should implement adequate internal controls and procedures to ensure that HAP payments are calculated based on the correct annual income amounts of tenants and all documentation is properly obtained and maintained in the participant files.

*Actions Taken:* The Housing Authority of the City of Evansville agrees with the recommendation and has implemented enhanced internal control to address this area of concern. Housing



Choice Voucher staff attended bi-weekly meetings with Executive staff to discuss policy and procedures. An overall evaluation of the program was conducted to determine best practices for the HCVP Standard Operating Procedures Manual and to ensure compliance according to HUD regulations. Housing Choice Voucher staff participated in training and the Standard Operating Procedures Manual was distributed to staff on August 20, 2014. Staff will continue to participate in quarterly training and internal file audits will be conducted to monitor compliance.

Please contact me at 812-428-8500, or by email at [rick.moore@evansvillehousing.org](mailto:rick.moore@evansvillehousing.org), if there are any further questions or concerns regarding the Corrective Action Plan for year ended December 31, 2014.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Moore', with a long, sweeping horizontal stroke extending to the right.

Rick Moore  
Executive Director

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
111 Cash - Unrestricted	\$2,131,441		\$77,733	\$0	\$47,035
112 Cash - Restricted - Modernization and Development					\$32,580
113 Cash - Other Restricted	\$0		\$28,081		\$0
114 Cash - Tenant Security Deposits	\$129,879				\$30,408
115 Cash - Restricted for Payment of Current Liabilities	\$13,586		\$50,651		
100 Total Cash	\$2,274,906	\$0	\$156,465	\$0	\$110,023
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$33,624		\$24,510	\$3,057	
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous			\$1,330		\$0
126 Accounts Receivable - Tenants	\$68,083			\$0	\$39,242
126.1 Allowance for Doubtful Accounts - Tenants	-\$38,970				\$0
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					\$0
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$62,737	\$0	\$25,840	\$3,057	\$39,242
131 Investments - Unrestricted	\$14,991				
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$210,965		\$7,163		\$59,029
143 Inventories					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$2,563,599	\$0	\$189,468	\$3,057	\$208,294
161 Land	\$1,322,280				\$593,800
162 Buildings	\$46,532,432				\$13,474,466
163 Furniture, Equipment & Machinery - Dwellings	\$1,018,842				\$1,194,625
164 Furniture, Equipment & Machinery - Administration	\$636,753		\$148,024		\$4,178
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$32,723,347		-\$105,436		-\$3,732,481
167 Construction in Progress	\$6,024				
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$16,792,984	\$0	\$42,588	\$0	\$11,534,588
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					\$86,847
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$16,792,984	\$0	\$42,588	\$0	\$11,621,435
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$19,356,583	\$0	\$232,056	\$3,057	\$11,829,729

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$47,903				\$122,244
313 Accounts Payable >90 Days Past Due					\$114,331
321 Accrued Wage/Payroll Taxes Payable	\$133,295		\$10,444		
322 Accrued Compensated Absences - Current Portion	\$49,043		\$23,333	\$763	
324 Accrued Contingency Liability					
325 Accrued Interest Payable					\$0
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$129,879				\$28,400
342 Unearned Revenue	\$10,431				\$3,608
343 Current Portion of Long-term Debt - Capital	\$52,278				\$50,429
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$147,977		\$67,768		
346 Accrued Liabilities - Other	\$68,066		\$361		\$235,466
347 Inter Program - Due To				\$2,294	
348 Loan Liability - Current					
310 Total Current Liabilities	\$638,872	\$0	\$101,906	\$3,057	\$554,478
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$929,929				\$3,360,668
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other	\$550				\$917,758
354 Accrued Compensated Absences - Non Current	\$5,585		\$3,833		
355 Loan Liability - Non Current	\$0				\$0
356 FASB 5 Liabilities					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self- Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
357 Accrued Pension and OPEB Liabilities	\$56,035		\$22,287		
350 Total Non-Current Liabilities	\$992,099	\$0	\$26,120	\$0	\$4,278,426
300 Total Liabilities	\$1,630,971	\$0	\$128,026	\$3,057	\$4,832,904
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$15,810,777	\$0	\$42,588		\$7,205,733
511.4 Restricted Net Position	\$0	\$0	\$28,633		
512.4 Unrestricted Net Position	\$1,914,835	\$0	\$32,809	\$0	-\$208,908
513 Total Equity - Net Assets / Position	\$17,725,612	\$0	\$104,030	\$0	\$6,996,825
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$19,356,583	\$0	\$232,056	\$3,057	\$11,829,729

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
111 Cash - Unrestricted	\$14,994		\$141,717	\$3,597	
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits				\$3,300	
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$14,994	\$0	\$141,717	\$6,897	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	\$1,240				
126 Accounts Receivable - Tenants				\$4,133	
126.1 Allowance for Doubtful Accounts -Tenants				-\$2,785	
126.2 Allowance for Doubtful Accounts - Other	\$0				
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	\$1,240	\$0	\$0	\$1,348	\$0
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$16,234	\$0	\$141,717	\$8,245	\$0
161 Land				\$16,800	
162 Buildings				\$1,707,458	
163 Furniture, Equipment & Machinery - Dwellings				\$12,362	
164 Furniture, Equipment & Machinery - Administration					
165 Leasehold Improvements					
166 Accumulated Depreciation				-\$932,753	
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$803,867	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$0	\$803,867	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$16,234	\$0	\$141,717	\$812,112	\$0
311 Bank Overdraft					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
312 Accounts Payable <= 90 Days				\$102	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable				\$84	
322 Accrued Compensated Absences - Current Portion					
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits				\$3,300	
342 Unearned Revenue				\$279	
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other				\$7,804	
347 Inter Program - Due To				\$41,500	
348 Loan Liability - Current					
310 Total Current Liabilities	\$0	\$0	\$0	\$53,069	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities				\$178	



Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$178	\$0
300 Total Liabilities	\$0	\$0	\$0	\$53,247	\$0
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets				\$803,867	\$0
511.4 Restricted Net Position		\$0		\$0	
512.4 Unrestricted Net Position	\$16,234	\$0	\$141,717	-\$45,002	\$0
513 Total Equity - Net Assets / Position	\$16,234	\$0	\$141,717	\$758,865	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$16,234	\$0	\$141,717	\$812,112	\$0

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$157,431	\$2,573,948	\$0	\$2,573,948
112 Cash - Restricted - Modernization and Development		\$32,580		\$32,580
113 Cash - Other Restricted		\$28,081		\$28,081
114 Cash - Tenant Security Deposits		\$163,587		\$163,587
115 Cash - Restricted for Payment of Current Liabilities		\$64,237		\$64,237
100 Total Cash	\$157,431	\$2,862,433	\$0	\$2,862,433
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects		\$61,191		\$61,191
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous		\$2,570		\$2,570
126 Accounts Receivable - Tenants		\$111,458		\$111,458
126.1 Allowance for Doubtful Accounts -Tenants		-\$41,755		-\$41,755
126.2 Allowance for Doubtful Accounts - Other		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$0		\$0
128 Fraud Recovery				
128.1 Allowance for Doubtful Accounts - Fraud				
129 Accrued Interest Receivable				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$133,464	\$0	\$133,464
131 Investments - Unrestricted		\$14,991		\$14,991
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$30,037	\$307,194		\$307,194
143 Inventories				
143.1 Allowance for Obsolete Inventories				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
144 Inter Program Due From	\$43,794	\$43,794	-\$43,794	\$0
145 Assets Held for Sale				
150 Total Current Assets	\$231,262	\$3,361,876	-\$43,794	\$3,318,082
161 Land	\$50,000	\$1,982,880		\$1,982,880
162 Buildings	\$1,436,672	\$63,151,028		\$63,151,028
163 Furniture, Equipment & Machinery - Dwellings		\$2,225,829		\$2,225,829
164 Furniture, Equipment & Machinery - Administration	\$509,319	\$1,298,274		\$1,298,274
165 Leasehold Improvements				
166 Accumulated Depreciation	-\$1,504,797	-\$38,998,814		-\$38,998,814
167 Construction in Progress		\$6,024		\$6,024
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$491,194	\$29,665,221	\$0	\$29,665,221
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past				
173 Grants Receivable - Non Current				
174 Other Assets		\$86,847		\$86,847
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$491,194	\$29,752,068	\$0	\$29,752,068
200 Deferred Outflow of Resources				
290 Total Assets and Deferred Outflow of Resources	\$722,456	\$33,113,944	-\$43,794	\$33,070,150
311 Bank Overdraft				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$11,494	\$181,743		\$181,743
313 Accounts Payable >90 Days Past Due		\$114,331		\$114,331
321 Accrued Wage/Payroll Taxes Payable	\$59,644	\$203,467		\$203,467
322 Accrued Compensated Absences - Current Portion	\$36,329	\$109,468		\$109,468
324 Accrued Contingency Liability				
325 Accrued Interest Payable		\$0		\$0
331 Accounts Payable - HUD PHA Programs				
332 Account Payable - PHA Projects				
333 Accounts Payable - Other Government				
341 Tenant Security Deposits		\$161,579		\$161,579
342 Unearned Revenue		\$14,318		\$14,318
343 Current Portion of Long-term Debt - Capital		\$102,707		\$102,707
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities	\$3,299	\$219,044		\$219,044
346 Accrued Liabilities - Other	\$5,274	\$316,971		\$316,971
347 Inter Program - Due To		\$43,794	-\$43,794	\$0
348 Loan Liability - Current				
310 Total Current Liabilities	\$116,040	\$1,467,422	-\$43,794	\$1,423,628
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$4,290,597		\$4,290,597
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other		\$918,308		\$918,308
354 Accrued Compensated Absences - Non Current	\$4,463	\$13,881		\$13,881
355 Loan Liability - Non Current		\$0		\$0
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities	\$62,604	\$141,104		\$141,104

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$67,067	\$5,363,890	\$0	\$5,363,890
300 Total Liabilities	\$183,107	\$6,831,312	-\$43,794	\$6,787,518
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$491,194	\$24,354,159		\$24,354,159
511.4 Restricted Net Position		\$28,633		\$28,633
512.4 Unrestricted Net Position	\$48,155	\$1,899,840		\$1,899,840
513 Total Equity - Net Assets / Position	\$539,349	\$26,282,632	\$0	\$26,282,632
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$722,456	\$33,113,944	-\$43,794	\$33,070,150

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
70300 Net Tenant Rental Revenue	\$2,062,495				\$950,074
70400 Tenant Revenue - Other	\$263,268				
70500 Total Tenant Revenue	\$2,325,763	\$0	\$0	\$0	\$950,074
70600 HUD PHA Operating Grants	\$2,186,062	\$28,334	\$8,411,564	\$21,509	
70610 Capital Grants	\$244,648				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$792				\$65
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery			\$25,118		
71500 Other Revenue	\$87,868		\$6,910		\$35,998
71600 Gain or Loss on Sale of Capital Assets	-\$5,774				
72000 Investment Income - Restricted					
70000 Total Revenue	\$4,839,359	\$28,334	\$8,443,592	\$21,509	\$986,137
91100 Administrative Salaries	\$291,230	\$0	\$263,235	\$16,705	\$55,610

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
91200 Auditing Fees	\$18,932		\$27,385		\$17,850
91300 Management Fee	\$688,791		\$66,699		\$75,128
91310 Book-keeping Fee	\$74,940		\$85,756		
91400 Advertising and Marketing	\$270		\$52		\$8,019
91500 Employee Benefit contributions - Administrative	\$136,432	\$0	\$124,931	\$3,168	\$29,308
91600 Office Expenses	\$155,589	\$2,798	\$69,905		\$3,279
91700 Legal Expense	\$48,445				\$1,949
91800 Travel	\$96	\$1,475			\$5,483
91810 Allocated Overhead					
91900 Other					\$15,817
91000 Total Operating - Administrative	\$1,414,725	\$4,273	\$637,963	\$19,873	\$212,443
92000 Asset Management Fee	\$106,530				
92100 Tenant Services - Salaries		\$16,320			
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services		\$5,420			
92400 Tenant Services - Other	\$8,681	\$1,791			\$0
92500 Total Tenant Services	\$8,681	\$23,531	\$0	\$0	\$0
93100 Water	\$203,590				\$102,160
93200 Electricity	\$624,215				\$120,179
93300 Gas	\$192,343				
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
93800 Other Utilities Expense					
93000 Total Utilities	\$1,020,148	\$0	\$0	\$0	\$222,339
94100 Ordinary Maintenance and Operations - Labor	\$409,638				\$54,782
94200 Ordinary Maintenance and Operations - Materials and	\$126,788		\$1,573		\$165,887
94300 Ordinary Maintenance and Operations Contracts	\$604,767		\$9,828		\$79,471
94500 Employee Benefit Contributions - Ordinary Maintenance	\$275,409				
94000 Total Maintenance	\$1,416,602	\$0	\$11,401	\$0	\$300,140
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$126,857		\$2,604		\$57,784
96120 Liability Insurance	\$500				
96130 Workmen's Compensation	\$31,343	\$530	\$12,096		\$3,022
96140 All Other Insurance					\$9,897
96100 Total insurance Premiums	\$158,700	\$530	\$14,700	\$0	\$70,703
96200 Other General Expenses			\$1,963		\$1,585
96210 Compensated Absences	\$279,393		\$63,084	\$1,636	
96300 Payments in Lieu of Taxes	\$122,029				\$99,570
96400 Bad debt - Tenant Rents	\$94,502				\$24,069
96500 Bad debt - Mortgages					



Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
96600 Bad debt - Other	\$0		\$1,528		
96800 Severance Expense					
96000 Total Other General Expenses	\$495,924	\$0	\$66,575	\$1,636	\$125,224
96710 Interest of Mortgage (or Bonds) Payable					\$128,511
96720 Interest on Notes Payable (Short and Long Term)	\$47,389				
96730 Amortization of Bond Issue Costs					\$8,697
96700 Total Interest Expense and Amortization Cost	\$47,389	\$0	\$0	\$0	\$137,208
96900 Total Operating Expenses	\$4,668,699	\$28,334	\$730,639	\$21,509	\$1,068,057
97000 Excess of Operating Revenue over Operating Expenses	\$170,660	\$0	\$7,712,953	\$0	-\$81,920
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments	\$10,383		\$7,770,523		
97350 HAP Portability-In					
97400 Depreciation Expense	\$1,615,368		\$8,803		\$384,061
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$6,294,450	\$28,334	\$8,509,965	\$21,509	\$1,452,118
10010 Operating Transfer In	\$73,446				
10020 Operating transfer Out	-\$73,446				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					\$100
10091 Inter Project Excess Cash Transfer In	\$81,000				
10092 Inter Project Excess Cash Transfer Out	-\$81,000				
10093 Transfers between Program and Project - In	\$0				\$0
10094 Transfers between Project and Program - Out	\$0				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$100
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$1,455,091	\$0	-\$66,373	\$0	-\$465,881
11020 Required Annual Debt Principal Payments	\$47,118	\$0	\$0	\$0	\$37,023
11030 Beginning Equity	\$18,401,397	\$0	\$170,403	\$0	\$7,462,706
11040 Prior Period Adjustments, Equity Transfers and Correction	\$779,306				
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			\$75,397		
11180 Housing Assistance Payments Equity			\$28,633		

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	Project Total	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.877 Public Housing Family Self-Sufficiency under ROSS	6.1 Component Unit - Discretely Presented
11190 Unit Months Available	10656		23052		1728
11210 Number of Unit Months Leased	9992		19032		1626
11270 Excess Cash	\$1,336,179				
11610 Land Purchases	\$0				
11620 Building Purchases	\$240,616				
11630 Furniture & Equipment - Dwelling Purchases	\$4,032				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
70300 Net Tenant Rental Revenue				\$80,211	
70400 Tenant Revenue - Other				\$1,698	
70500 Total Tenant Revenue	\$0	\$0	\$0	\$81,909	\$0
70600 HUD PHA Operating Grants					
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0				\$45,000
71100 Investment Income - Unrestricted			\$813	\$1	
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue	\$3,105			\$600	
71600 Gain or Loss on Sale of Capital Assets			-\$325	\$1,301	
72000 Investment Income - Restricted					
70000 Total Revenue	\$3,105	\$0	\$488	\$83,811	\$45,000
91100 Administrative Salaries				\$5,077	
91200 Auditing Fees					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative				\$1,528	
91600 Office Expenses	\$1,775		\$30,250	\$498	
91700 Legal Expense	\$1,500				
91800 Travel					
91810 Allocated Overhead					
91900 Other	\$0				\$45,000
91000 Total Operating - Administrative	\$3,275	\$0	\$30,250	\$7,103	\$45,000
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water				\$1,002	
93200 Electricity				\$785	
93300 Gas				\$571	
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
93000 Total Utilities	\$0	\$0	\$0	\$2,358	\$0
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and				\$698	
94300 Ordinary Maintenance and Operations Contracts				\$4,270	
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$0	\$0	\$0	\$4,968	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance				\$4,940	
96120 Liability Insurance					
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total insurance Premiums	\$0	\$0	\$0	\$4,940	\$0
96200 Other General Expenses				\$1,864	
96210 Compensated Absences				\$78	
96300 Payments in Lieu of Taxes				\$7,702	
96400 Bad debt - Tenant Rents				\$3,250	
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$0	\$0	\$12,894	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$3,275	\$0	\$30,250	\$32,263	\$45,000
97000 Excess of Operating Revenue over Operating Expenses	-\$170	\$0	-\$29,762	\$51,548	\$0
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense				\$65,187	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$3,275	\$0	\$30,250	\$97,450	\$45,000
10010 Operating Transfer In					
10020 Operating transfer Out				-\$5,514	
10030 Operating Transfers from/to Primary Government					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	-\$5,514	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$170	\$0	-\$29,762	-\$19,153	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$16,404	\$0	\$171,479	\$778,018	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction					
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available				204	



Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	6.2 Component Unit - Blended	5 Fiduciary	8 Other Federal Program 1	1 Business Activities	14.228 Community Development Block Grants/State's Program
11210 Number of Unit Months Leased				163	
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$3,092,780		\$3,092,780
70400 Tenant Revenue - Other		\$264,966		\$264,966
70500 Total Tenant Revenue	\$0	\$3,357,746	\$0	\$3,357,746
70600 HUD PHA Operating Grants		\$10,647,469		\$10,647,469
70610 Capital Grants		\$244,648		\$244,648
70710 Management Fee	\$755,490	\$755,490	-\$755,490	\$0
70720 Asset Management Fee	\$106,530	\$106,530	-\$106,530	\$0
70730 Book Keeping Fee	\$160,696	\$160,696	-\$160,696	\$0
70740 Front Line Service Fee	\$1,296	\$1,296		\$1,296
70750 Other Fees	\$0	\$0		\$0
70700 Total Fee Revenue	\$1,024,012	\$1,024,012	-\$1,022,716	\$1,296
70800 Other Government Grants		\$45,000		\$45,000
71100 Investment Income - Unrestricted		\$1,671		\$1,671
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery		\$25,118		\$25,118
71500 Other Revenue	\$5,082	\$139,563		\$139,563
71600 Gain or Loss on Sale of Capital Assets	\$2,550	-\$2,248		-\$2,248
72000 Investment Income - Restricted				
70000 Total Revenue	\$1,031,644	\$15,482,979	-\$1,022,716	\$14,460,263
91100 Administrative Salaries	\$462,208	\$1,094,065		\$1,094,065
91200 Auditing Fees	\$7,183	\$71,350		\$71,350

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
91300 Management Fee		\$830,618	-\$755,490	\$75,128
91310 Book-keeping Fee		\$160,696	-\$160,696	\$0
91400 Advertising and Marketing	\$1,631	\$9,972		\$9,972
91500 Employee Benefit contributions - Administrative	\$217,823	\$513,190		\$513,190
91600 Office Expenses	\$128,945	\$393,039		\$393,039
91700 Legal Expense	\$18,419	\$70,313		\$70,313
91800 Travel	\$25,153	\$32,207		\$32,207
91810 Allocated Overhead				
91900 Other	\$4,784	\$65,601		\$65,601
91000 Total Operating - Administrative	\$866,146	\$3,241,051	-\$916,186	\$2,324,865
92000 Asset Management Fee		\$106,530	-\$106,530	\$0
92100 Tenant Services - Salaries	\$133	\$16,453		\$16,453
92200 Relocation Costs				
92300 Employee Benefit Contributions - Tenant Services		\$5,420		\$5,420
92400 Tenant Services - Other	\$204	\$10,676		\$10,676
92500 Total Tenant Services	\$337	\$32,549	\$0	\$32,549
93100 Water	\$1,348	\$308,100		\$308,100
93200 Electricity	\$17,397	\$762,576		\$762,576
93300 Gas	\$3,052	\$195,966		\$195,966
93400 Fuel				
93500 Labor				
93600 Sewer				
93700 Employee Benefit Contributions - Utilities				
93800 Other Utilities Expense				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
93000 Total Utilities	\$21,797	\$1,266,642	\$0	\$1,266,642
94100 Ordinary Maintenance and Operations - Labor	\$0	\$464,420		\$464,420
94200 Ordinary Maintenance and Operations - Materials and	\$1,202	\$296,148		\$296,148
94300 Ordinary Maintenance and Operations Contracts	\$33,940	\$732,276		\$732,276
94500 Employee Benefit Contributions - Ordinary Maintenance		\$275,409		\$275,409
94000 Total Maintenance	\$35,142	\$1,768,253	\$0	\$1,768,253
95100 Protective Services - Labor				
95200 Protective Services - Other Contract Costs				
95300 Protective Services - Other				
95500 Employee Benefit Contributions - Protective Services				
95000 Total Protective Services	\$0	\$0	\$0	\$0
96110 Property Insurance	\$16,972	\$209,157		\$209,157
96120 Liability Insurance		\$500		\$500
96130 Workmen's Compensation	\$23,200	\$70,191		\$70,191
96140 All Other Insurance		\$9,897		\$9,897
96100 Total insurance Premiums	\$40,172	\$289,745	\$0	\$289,745
96200 Other General Expenses	\$33,861	\$39,273		\$39,273
96210 Compensated Absences	\$116,791	\$460,982		\$460,982
96300 Payments in Lieu of Taxes		\$229,301		\$229,301
96400 Bad debt - Tenant Rents		\$121,821		\$121,821
96500 Bad debt - Mortgages				
96600 Bad debt - Other	\$7,173	\$8,701		\$8,701

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
96800 Severance Expense				
96000 Total Other General Expenses	\$157,825	\$860,078	\$0	\$860,078
96710 Interest of Mortgage (or Bonds) Payable		\$128,511		\$128,511
96720 Interest on Notes Payable (Short and Long Term)		\$47,389		\$47,389
96730 Amortization of Bond Issue Costs		\$8,697		\$8,697
96700 Total Interest Expense and Amortization Cost	\$0	\$184,597	\$0	\$184,597
96900 Total Operating Expenses	\$1,121,419	\$7,749,445	-\$1,022,716	\$6,726,729
97000 Excess of Operating Revenue over Operating Expenses	-\$89,775	\$7,733,534	\$0	\$7,733,534
97100 Extraordinary Maintenance				
97200 Casualty Losses - Non-capitalized				
97300 Housing Assistance Payments		\$7,780,906		\$7,780,906
97350 HAP Portability-In				
97400 Depreciation Expense	\$65,022	\$2,138,441		\$2,138,441
97500 Fraud Losses				
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense				
90000 Total Expenses	\$1,186,441	\$17,668,792	-\$1,022,716	\$16,646,076
10010 Operating Transfer In	\$5,514	\$78,960	-\$78,960	\$0
10020 Operating transfer Out		-\$78,960	\$78,960	\$0
10030 Operating Transfers from/to Primary Government				

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
10040 Operating Transfers from/to Component Unit				
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss				
10080 Special Items (Net Gain/Loss)		\$100		\$100
10091 Inter Project Excess Cash Transfer In		\$81,000	-\$81,000	\$0
10092 Inter Project Excess Cash Transfer Out		-\$81,000	\$81,000	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out		\$0		\$0
10100 Total Other financing Sources (Uses)	\$5,514	\$100	\$0	\$100
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$149,283	-\$2,185,713	\$0	-\$2,185,713
11020 Required Annual Debt Principal Payments	\$0	\$84,141		\$84,141
11030 Beginning Equity	\$688,632	\$27,689,039		\$27,689,039
11040 Prior Period Adjustments, Equity Transfers and Correction		\$779,306		\$779,306
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity		\$75,397		\$75,397
11180 Housing Assistance Payments Equity		\$28,633		\$28,633
11190 Unit Months Available		35640		35640

Housing Authority of the City of Evansville (IN016)

EVANSVILLE, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 12/31/2014

	COCC	Subtotal	ELIM	Total
11210 Number of Unit Months Leased		30813		30813
11270 Excess Cash		\$1,336,179		\$1,336,179
11610 Land Purchases	\$0	\$0		\$0
11620 Building Purchases	\$0	\$240,616		\$240,616
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$4,032		\$4,032
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0	\$0		\$0
11660 Infrastructure Purchases	\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0	\$0		\$0