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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

October 9, 2018

Board of Commissioners
Linton Housing Authority
1148 N. 1300 West
Linton, IN 47441

We have reviewed the audit report opined on by Goldie Roberts, CPA, Independent Public Accountant, for the period January 1, 2017 to December 31, 2017. Per the Independent Auditor's Report, the financial statements included in the report present fairly the financial condition of the Linton Housing Authority as of December 31, 2017, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts.

The audit 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

LINTON HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

Linton, Indiana

December 31, 2017

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120
812-472-3527

LINTON
HOUSING AUTHORITY

Linton, Indiana
December 31, 2017

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Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.
Fredericksburg, IN 47120

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Linton Housing Authority
1148 N. 1300 W.
Linton, Indiana 47441

Report on the Financial Statements

I have audited the accompanying financial statements of the Linton Housing Authority ("the Authority") which comprise the Statement of Net Position as of December 31, 2017, and the related Statements of Revenues, Expenses and Changes in Fund Net Position, and Cash Flows for the year then ended, and the related Notes to the Financial Statements, which collectively comprise the Linton Housing Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Linton Housing Authority as of December 31, 2017, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i through vi and Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of the Authority's Contributions on pages 20 through 21 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the Authority's financial statements as a whole. The accompanying Financial Data Schedule, Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards*, and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

In regard to, the Financial Data Schedule, Schedule of Expenditures of Federal Awards, and the other supplemental information as listed in the table of contents, such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Financial Data Schedule, Schedule of Expenditures of Federal Awards, and the other supplemental information as listed in the table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 12, 2018 on my consideration of the Linton Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Linton Housing Authority's internal control over financial reporting and compliance.


Certified Public Accountant

Fredericksburg, Indiana
September 12, 2018

LINTON HOUSING AUTHORITY
Linton, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

The management of the Linton Housing Authority presents the following discussion and analysis of the Housing Authority's financial activities for the fiscal year ending 12/31/2017. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's audited financial statements, which follows.

FINANCIAL HIGHLIGHTS

- The Housing Authority's assets exceeded its liabilities by \$834,816 at the close of the fiscal year ended 12/31/17.

Of this amount, \$191,651 of unrestricted assets may be used to meet the Housing Authority's ongoing obligations to citizens and creditors. This amount equals 54% of the total operating expenses for the fiscal year 2017, which means the Authority could operate about 6 months using the unrestricted and restricted assets alone.

The remainder of \$642,304 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.

- The Housing Authority's total net position decreased by \$61,828, a 4% change from the prior fiscal year 2016.
- The Housing Authority continues to operate without the need for debt borrowing.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information. In addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed.

LINTON HOUSING AUTHORITY
Linton, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

REPORTING ON THE HOUSING AUTHORITY AS A WHOLE

One of the most important questions asked about the Authority's finances is, "is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2017?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For reporting purposes all housing funds are reported in one housing enterprise fund.

The Housing Authority's financial statements report its net position and changes in it. One can think of the Housing Authority's net position – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant three programs, the Low Rent Housing Program, the Section 8 Voucher Program and Public Housing Capital Fund Program.

LINTON HOUSING AUTHORITY
Linton, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

The Housing Authority's auditors provided assurance in their independent auditors' report, located immediately preceding the MD&A, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of the report.

REPORTING THE HOUSING AUTHORITY'S MOST SIGNIFICANT FUNDS

The Housing Authority's financial statements provide detailed information about the most significant programs. Some programs are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other programs to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

The Housing Authority's enterprise funds use the following accounting approach or Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net position, is an important financial indicator.

FINANCIAL ANALYSIS

The Housing Authority's net position was \$834,816 as of December 31, 2017. Of this amount, \$642,304 was invested in capital assets and \$191,651 was unrestricted.

LINTON HOUSING AUTHORITY
Linton, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

CONDENSED FINANCIAL STATEMENTS COMPARING
FYE 12/31/2016 WITH FYE 12/31/2017

Condensed Balance Sheet

As of 012/31/2017 As of 12/31/2016

ASSETS

Current Assets	287,598	308,058
Capital Assets, Net of Depreciation	642,304	713,540
Deferred outflow of resources	16,395	25,784
Total Assets	946,297	1,047,382

LIABILITIES

Current Liabilities	19,865	88,276
Non-Current Liabilities	86,185	86,302
Deferred Inflow of resources	5,441	5,924
Total Liabilities	114,020	178,502

NET POSITION

Investment in Capital Assets	642,304	713,540
Unrestricted	191,651	155,340
Restricted	861	0
Total Net Position	834,816	868,880
Total Liabilities and net Position	946,297	1,047,382

LINTON HOUSING AUTHORITY
Linton, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

CONDENSED FINANCIAL STATEMENTS (Continued)

Condensed Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Fiscal Year Ended December 31, 2017

	FYE 12/31/2017	FYE 12/31/2016
OPERATING REVENUES		
Rental Revenues	122,851	120,500
Total Operating Revenues	122,851	120,500
OPERATING EXPENSES		
Administration	233,084	200,043
Utilities	25,143	31,040
Ordinary maint. and operations	86,886	85,953
General and Other	24,767	28,169
Depreciation	73,122	76,641
HAP payments	541,457	528,790
Total Operating Expenses	984,459	950,636
Operating Income (Loss)	(861,608)	(830,136)
NON-OPERATING REVENUES		
Federal Grants – Operating	794,245	746,634
Interest Income and Other Revenue	5,535	11,219
Total Non-Operating Revenue	799,780	757,853
NET INCREASE (DECREASE) IN NET POSITION	-61,828	(72,283)
NET POSITION, Beginning of Year	896,644	995,371
Prior period adjustments	0	(54,208)
NET POSITION, End of Year	834,816	896,644

Compared with the prior fiscal year, total tenant revenues increased \$2351 or by 2%. Compared with the prior fiscal year, total expenses increased, by \$18,836 with the most significant cause(s) listed below

- Administrative costs increased by \$33,041
- Ordinary Maintenance increased by \$933.

These changes led to a decrease in Total Net Position after adjustments by \$61,828. With these changes, there is still over \$2.50 of current assets covering each dollar of liability.

LINTON HOUSING AUTHORITY
Linton, Indiana
MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for December 2017 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability or the money it receives. If you have questions about this report, or wish to request additional financial information, contact J Ken Wright, Executive Director, Linton Housing Authority, 1148N 1300W, Linton, IN 47441.

FINANCIAL STATEMENTS

LINTON HOUSING AUTHORITY
Linton, Indiana

STATEMENT OF NET POSITION
DECEMBER 31, 2017

ASSETS

Current Assets

Cash and cash equivalents	\$	271,078
Restricted cash & cash equivalents		9,386
Accounts receivable, net		482
Prepaid expenses		4,570
Inventory, net		2,082
Total Current Assets		287,598

Capital Assets

Land and other nondepreciable assets		293,481
Depreciable capital assets, net		348,823
Total Capital Assets		642,304

Total Assets		929,902
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Deferred outflow of resources

Pension related		16,395
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Total Assets and Deferred Outflow of Resources		946,297
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LIABILITIES

Current liabilities

Accounts payable		2,343
Accrued liabilities		8,561
Payable from restricted cash and and cash equivalents:		
Tenant's security deposits		8,525
Unearned revenue		436
Total Current Liabilities		19,865

Noncurrent liabilities

Accrued compensated absences		4,083
Net Pension Liability		82,092
Noncurrent Liabilities		86,175

Total Liabilities		106,040
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Deferred inflow of resources

Pension related		5,441
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NET POSITION

Investment in capital assets		642,304
Restricted		861
Unrestricted		191,651
Total Net Position	\$	834,816

The accompanying notes are an integral part of these financial statements

LINTON HOUSING AUTHORITY
Linton, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>OPERATING REVENUES</u>	
Rental income	\$ 122,851
Other income	5,410
	128,261
 <u>OPERATING EXPENSES</u>	
Administrative	233,084
Utilities	25,143
Ordinary maintenance and operation	86,886
General expense	24,767
Housing assistance payments	541,457
Depreciation expense	73,122
	984,459
 OPERATING INCOME (LOSS)	 (856,198)
 <u>NONOPERATING REVENUES / (EXPENSE)</u>	
Federal operating grants	794,245
Interest income	125
	794,370
 Net income before capital contributions	 (61,828)
 CAPITAL CONTRIBUTIONS	 0
 CHANGE IN NET POSITION	 (61,828)
 TOTAL NET POSITION - BEGINNING OF YEAR	 896,644
 TOTAL NET POSITION - END OF YEAR	 \$ 834,816

The accompanying notes are an integral part of these financial statements

LINTON HOUSING AUTHORITY
Linton, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and other deposits	\$ 142,238
Payments to vendors	(195,222)
Payments to landlords	(541,457)
Payments to employees	(204,762)
Net Cash (Used) by Operating Activities	(799,203)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants received	794,245
Net Cash From Noncapital Financing Activities	794,245

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants received	0
Gain or loss on the sale of capital assets	0
Acquisition and construction of capital assets	(2,500)
Net Cash Flows Provided by (Used)	(2,500)
Capital and Related Financing Activities	(2,500)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	125
Net Cash Flows Provided by	125
Investing Activities	125

Net Increase (Decrease) in Cash and Cash Equivalents (7,333)

Cash - Beginning of year 287,797

Cash - End of year \$ 280,464

Reconciliation of Cash

Unrestricted	\$ 271,078
Restricted	9,386
	\$ 280,464

Continued

LINTON HOUSING AUTHORITY
Linton, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(CONTINUED)

RECONCILIATION OF OPERATING (LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(856,198)
Adjustments to reconcile operating net income (loss) to net cash Provided by operating activities:		
Depreciation		73,122
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		22,729
Prepaid expenses		1,340
Inventory		(199)
Increase (Decrease) in:		
Accounts payable		(917)
Accrued liabilities		4,836
Unearned revenue		(8,752)
Pension liabilities		(35,164)
Net Cash Flows Provided (Used) by Operating Activities	\$	<u>(799,203)</u>

The accompanying notes are an integral part of these financial statements

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE A - Summary of Significant Accounting Policies and Organization:

The financial statements of the LINTON HOUSING AUTHORITY ("the Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity - The entity is a public corporation, legally separate, fiscally independent, and governed by the Board of commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of the Linton Housing Authority. There are no component units to be included herewith, but this report does include all programs which are controlled by the entity's governing body.

The financial statements of the Linton Housing Authority include the following:

At December 31, 2017, the Housing Authority has 246 units under management.

<u>Project</u>	<u>Units</u>
Low Income Public Housing	49
Housing Assistance Payments Program: Vouchers	<u>197</u>
	<u>246</u>

The Authority is also operating Capital Fund Grant Programs.

Basis of Presentation and Accounting: In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applicable to special purpose governments engaged only in business type activities.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflow of resources, liabilities, and deferred inflow of resources are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in net position. Under the Accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

This special purpose government engaged in activities similar to business activities uses an enterprise fund to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following net position categories:

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE A - Summary of Significant Accounting Policies and Organization: (Continued)

Investment in Capital Assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted: Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted: Net position that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

Budgets - Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis.

Budget compared to actual presentation is not presented because the Authority does not annually adopt a legally authorized budget. The authority's budget is adopted by the Authority's board and approved by HUD. This budget does not represent a legally binding appropriated budget that has been signed into law or a non-appropriated budget authorized by constitution. The Authority's budget represents budgetary execution and management by its board and HUD; therefore, budgetary data and presentation is not required.

Cash and Cash Equivalents - Deposits consist of checking accounts, Money Market accounts and Certificates of deposit and are stated at fair value. Deposits are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority.

For the purposes of the Statement of Cash Flows, the Authority considers all highly liquid cash deposits and cash equivalents with a maturity of three months or less when purchases and non negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital, and financing activities during the year.

State statutes authorize the Housing Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by political subdivisions.

Tenant Receivable - Receivable for rentals and service charges are reported at net of an allowance for doubtful accounts. The Authority board takes monthly action as required to write off specific uncollectible accounts receivable balances.

Prepaid - Prepaid represent payments made to vendors for services that will benefit beyond December 31, 2017.

Inventories - Inventories are valued at cost, which approximates market value, using the first-in/first/out (FIFO) method. The consumption method is applied and expense is charged when inventory items are used for the units.

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE A - Summary of Significant Accounting Policies and Organization: (Continued)

Capital assets - Capital assets purchased are recorded on the Statement of Net Position at the time of purchase. Such assets are recorded at cost. The capitalization policy of the Authority requires assets to be capitalized when their cost is \$1,500 or more. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

Depreciation of capital assets is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Buildings and improvements	5-40 years
Maintenance and office equipment	3-10 years

Compensated Absences - compensated absences are those absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that related to future services or that are contingent on a specific event that is outside 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.

Operating Revenues and Expenses - Operating revenues and expenses generally result from providing and producing goods and/or services in connection with providing low income housing programs. Operating expenses include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

Restricted Assets - When both restricted (if any) and unrestricted resources are available for use, it is the Authorities policy to use unrestricted resources first, and then restricted resources as they are needed.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liability and disclosure of contingent liability at the date of the financial statements and report amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leasing Activities (as Lessor) - The Authority is the lessor of dwelling units primarily to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and scheduled as "Rental income". Rental income per resident generally remains consistent from year to year, but is affected by general economic conditions which impact person income, such as local job availability.

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE B - Deposits, Cash and Cash Equivalents, and Investments:

1. HUD Deposit Restrictions

HUD requires Authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments. HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

Deposits, made in accordance with State statute (IC 5-13), with financial institutions in the State of Indiana should be covered to the extent not covered by insurance of any Federal deposit insurance agency.

2. Risk Disclosures

A. **Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase. At December 31, 2017, the Authority's deposits and investments were not limited and all of which are either available on demand or have maturities of less than two years.

B. **Credit Risk:** This is a risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

C. **Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

At December 31, 2017, the carrying amount of the Authority's deposits was \$280,464 and the bank balance was \$281,167. The deposits are either covered by federal depository insurance, by collateral held by the Authority's agent in the Authority's name of by the Federal Reserve Banks acting as third party agents or by a collateralization agreement. Restricted cash consists of tenant security deposits.

Deposits consist of the following:

Checking accounts	<u>\$ 280,464</u>
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LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2017, consist of the following:

Tenants, Net of allowance \$146 \$ 482

NOTE D - Prepaid Expense:

Prepaid expenses at December 31, 2017, consists of the following:

Prepaid insurance \$ 4,570

NOTE E - Inventory:

Inventory at December 31, 2017, consists of the following:

Materials and supplies, Net of Allowance of \$1,485 \$ 2,082

Materials inventories are recorded at cost. The FIFO inventory flow assumption is used to determine expenditures. Expenditures are recorded when inventory is consumed.

NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

	Beginning Balance <u>12/31/16</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Ending Balance <u>12/31/17</u>
Capital assets, not being depreciated:					
Land	\$ 293,481	\$ 0	\$ 0	\$ 0	\$ 293,481
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Assets, Not being depreciated	<u>293,481</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>293,481</u>
Capital Assets, being depreciated:					
Buildings & Improvements	2,905,985	0	0	0	2,905,985
Furniture, Equipment & Machinery	<u>118,144</u>	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>120,644</u>
Total Capital Assets, being depreciated	<u>3,024,129</u>	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>3,026,629</u>

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE F - Capital Assets: (Continued)

Less Accumulated Depreciation for:					
Buildings & Improvements	(2,500,497)	(65,809)	0	0	(566,306)
Furniture, Equipment and Machinery	(104,187)	(7,313)	0	0	(111,500)
 Total Accumulated Depreciation:	 (2,604,684)	 (73,122)	 0	 0	 (2,677,806)
 Total Capital Assets, being depreciated, net	 419,445	 (70,622)	 0	 0	 348,823
 Capital Assets, Net	 <u>\$ 712,926</u>	 <u>\$ (70,622)</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 642,304</u>

Depreciation expenses of \$73,122 was incurred during the year.

NOTE G- Pension Plan:

Description of Pension Plan

The Linton Housing Authority (Housing Authority) participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Indiana Public Retirement System (INPRS) and is based on Title 35 of IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). The Public Employees' Retirement Fund (PERF) Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees. INPRS financial reports are available online at www.in.gov/inprs/annualreports.htm.

Members include officers and employees of units of State and local governments in Indiana (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by resolution of the governing body, which specifies the classifications of employees who will become members of the PERF Hybrid Plan.

Benefits Provided

Retirement benefits consist of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits vest after 10 years of creditable service. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position.

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE G- Pension Plan: (Continued)

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit.

A member who is at least 55 years old and if age plus number of years of creditable service is at least 85 is entitled to 100% of the benefits described above.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA provided for the year ended June 30, 2017; however, eligible members received a one-time check in September of 2016.

The PERF Hybrid Plan also provides disability and survivor benefits.

Contributions

Members are required by statute to make contributions to the plan as determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. During fiscal year 2016, all participating employers contributed an average rate of 11.2% of covered payroll. The Authority's required contribution to the plan for the fiscal year ended December 31, 2016 was \$26,564. A contribution of 3% of covered payroll was contributed by the employees into the annuity savings account portion.

Employer Allocations

Wages reported by employers relative to the collective wages of the plan serve as the basis to determine the employer's proportionate share. The basis of allocation measures the proportionate relationship of an employer to all employers, and is consistent with the manner in which contributions to the pension plan are determined.

At June 30, 2017, the Authority's proportionate share was 0.00184.

Net Pension Liability

At June 30, 2017, the Authority reported a liability of \$82,092. The proportionate share of the liability as of June 30, 2016 was \$84,869.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, was determined using member census data as of June 30, 2016 and adjusted, as appropriate to reflect changes between June 30, 2017 and June 30, 2017. The valuation results from June 30, 2016 were rolled to June 30, 2017 to reflect benefits accruals during the year less benefits paid. Key methods and assumptions used in calculating the total pension liability are presented below:

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE G- Pension Plan: (Continued)

Price inflation	2.25%
Cost of Living Increases	1.00%
Salary increases, including wage increases	2.5% to 4.25%, including inflation
Long-Term rate of return, net of investment expense, and including price inflation	6.75%

Mortality assumption (healthy) rates were based on the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table, with future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

Disabled mortality assumption rates were based on the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table with future mortality improvement inherent in the social Security Administration's 2014 Trustee report.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were undated as needed for the June 30, 2015 actuarial valuation based on the results of the study.

The long-term expected rate of return of pension plan investments was determined using a building-block approach that considered the target asset allocation from the Board's investment policy and capital market forecasts from various investment professionals.

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE G- Pension Plan: (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Actual Allocations	Target Range
Public equity	23.6%	22.0%
Private equity	12.7%	14.0%
Fixed Income - Inflation-Linked	7.3%	7.0%
Real estate	6.5%	7.0%
Commodities	7.9%	8.0%
Absolute Return	9.6%	10.0%
Risk Parity	11.1%	12.0%
Cash Overlay	1.2%	N/A
Total	100%	100%

Discount Rate

The discount rate used to measure the total pension liability was 6.75% and is equal to long-term expected return on plan investments, net of administrative expenses. The INPRS Board of Trustees has established a funding policy of setting the employer contribution rate equal to the greater of: 1) the current contribution rate of 11.2%, or 2) the actuarially determined contribution rate computed by the actuary using the assumptions and methods selected by the Board for the annual actuarial valuations.

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE G- Pension Plan: (Continued)

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following presents the Housing Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Authority's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

1% Decrease (5.75%)	Discount rate (6.75%)	1% Increase (7.75%)
\$119,728	\$82,092	\$70,806

Pension Expense

For the year ended December 31, 2017, the Housing Authority recognized pension expense of \$16,354, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$1,559	\$64
Net differences between projected and actual investment earnings on pension plan investments	\$12,986	\$4,116
Change of assumptions	\$1,318	
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$532	\$ 1,261
Contributions made after plan year end (measurement date)	0	\$0
Total	\$16,395	\$ 5,441

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE G- Pension Plan: (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of the NPL in the following years:

Amortization of net deferred outflows/(inflows) of resources - debit/(credit)	
2018	\$4,409
2019	\$5,176
2020	\$1,810
2021	\$(441)
2022	\$0
Thereafter	\$0
Total	\$10,954

The information presented above has not been audited.

NOTE H - Accounts Payable:

Accounts payable at December 31, 2017, consist of the following:

Vendor Accounts Payable \$ 2,343

NOTE I - Accrued Liabilities:

Accrued liabilities at December 31, 2017, consist of the following:

Accrued wage payable \$ 4,683
 Accrued compensated absences 3,878
 Total \$ 8,561

NOTE J - Unearned Revenue:

Unearned revenue at December 31, 2017, consist of the following:

Prepaid rent \$ 436

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)

NOTE K - Schedule of Changes in Noncurrent Liabilities:

Noncurrent liabilities at December 31, 2017, consist of the following:

	<u>12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/17</u>	<u>Due within one year</u>	<u>Total</u>
Accrued Compensated absences	\$ 1,433	\$ 2,650	\$ 0	\$ 4,083	\$ 3,878	\$ 7,691
Pension	84,869	0	2,777	82,092	0	82,092
Total	<u>\$ 86,302</u>	<u>\$ 2,650</u>	<u>\$ 2,777</u>	<u>\$ 86,175</u>	<u>\$ 3,878</u>	<u>\$ 90,053</u>

NOTE L - Federal Operating Grants:

HUD contributed operating subsidies approved in the operating budgets under the Annual Contributions Contract. These subsidy contributions for the operating year ended December 31, 2017 were as follows:

Low Rent Public Housing	\$ 85,802
Housing Choice Voucher	640,174
Capital Fund Program	68,269
	<u>\$ 794,245</u>

NOTE M - Commitments and Contingencies:

Litigation: At December 31, 2017, the Authority was not involved in any threatened litigation.

Examination: The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, law and regulations governing other grants given to the Authority in the current and prior years. There were no examinations during the year ended December 31, 2017.

Grant Disallowances: Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, would constitute a liability of the Authority. The amounts, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

Construction Projects: There were no major construction projects in progress at December 31, 2017. These include modernizing rental units at the project sites. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. The Authority had outstanding construction commitments pertaining to its Capital Fund Program totaling \$0.

NOTE N - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

(Continued)

NOTE O - Economic Dependency:

The Authority receives approximately 86% of its operating revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

NOTE P - Conduit Type Debt:

Debt related to the original acquisition and early modernization of the public housing development is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on the part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Authority.

NOTE Q - Subsequent Events:

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management has evaluated the activity of the Authority through September 12, 2018 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

LINTON HOUSING AUTHORITY
Linton, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

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

INPRS Pension Plan
Last Ten Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Linton Housing Authority's proportion of the net pension liability	.0000178	.0000185	.0000187	.0000184
Linton Housing Authority's proportionate share of the net pension liability	\$ 46,777	\$ 75,349	\$ 84,869	\$ 82,092
Linton Housing Authority's covered employee payroll	\$ 86,766	\$ 88,611	\$ 89,689	\$ 91,300
Linton Housing Authority's proportionate share of the net pension liability as a percentage of it's covered employee payroll	.54%	.85%	.95%	.90%

Note: Additional years information will be presented when available.

* The amounts for each fiscal year were determined as of 6/30.

LINTON HOUSING AUTHORITY
Linton, Indiana

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE LINTON HOUSING AUTHORITY CONTRIBUTIONS

INPRS Pension Plan
Last Ten Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$ 9,202	\$ 9,924	\$ 10,045	\$ 16,354
Contributions in relation to the contractually required contribution	<u>9,202</u>	<u>9,924</u>	<u>10,045</u>	<u>16,354</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Linton Housing Authority's covered employee payroll	\$ 86,776	\$ 88,611	\$ 89,689	\$ 91,300
Contributions as a percentage of covered employee payroll	10.675%	11.12%	11.12%	17.91%

Note: Additional years information will be presented when available.

* The amounts for each fiscal year were determined as of 6/30/16

SUPPLEMENTAL FINANCIAL INFORMATION

LINTON HOUSING AUTHORITY
Linton, Indiana

COMBINING SCHEDULE OF PROGRAM NET POSITION
DECEMBER 31, 2017

	Annual Contributions	
	C-2080	C-2080
	Low Income Public Housing	Capital Fund Programs
ASSETS		
<u>Current Assets</u>	\$ 207,979	\$ 0
Cash and cash equivalents	8,525	0
Restricted cash & cash equivalents	482	0
Accounts receivable, net	2,539	0
Interprogram due from	4,570	0
Prepaid expenses	2,082	0
Inventory, net	226,177	0
Total Current Assets		
<u>Capital Assets</u>	293,481	0
Land and other nondepreciable assets	348,823	0
Depreciable capital assets, net	642,304	0
Total Capital Assets	868,481	0
Total Assets		
<u>Deferred outflow of resources</u>	16,395	0
Pension related	884,876	0
Total Assets and Deferred Outflow of Resources		
LIABILITIES		
<u>Current liabilities</u>	1,683	0
Accounts payable	7,389	0
Accrued liabilities	0	0
Interprogram due to		
Payable from restricted cash and and cash equivalents:	8,525	0
Tenants security deposits	436	0
Unearned revenue	18,033	0
Total Current Liabilities		
<u>Noncurrent Liabilities</u>	2,650	
Long Term Compensated Absences	82,092	0
Net Pension Liability	84,742	0
Total Long Term Liabilities	102,775	0
Total liabilities		
<u>Deferred inflow of resources</u>	5,441	0
Pension related		
NET POSITION	642,304	0
Investment in capital assets	0	0
Restricted	134,356	0
Unrestricted	776,660	0
Total Net Position	\$ 776,660	\$ 0

Contracts

<u>IN055</u>		
<u>Section 8</u>		
<u>Housing</u>		
<u>Choice</u>	<u>Interprogram</u>	
<u>Vouchers</u>	<u>Elimination</u>	<u>Total</u>
\$ 63,099	\$ 0	\$ 271,078
861	0	9,386
0	0	482
0	(2,539)	0
0	0	4,570
0	0	2,082
<u>63,960</u>	<u>(2,539)</u>	<u>287,598</u>
0	0	293,481
<u>0</u>	<u>0</u>	<u>348,823</u>
<u>0</u>	<u>0</u>	<u>642,304</u>
<u>63,960</u>	<u>(2,539)</u>	<u>929,902</u>
<u>0</u>	<u>0</u>	<u>16,395</u>
<u>63,960</u>	<u>(2,539)</u>	<u>946,297</u>
660	0	2,343
1,172	0	8,561
2,539	(2,539)	0
0	0	8,525
<u>0</u>	<u>0</u>	<u>436</u>
<u>4,371</u>	<u>(2,539)</u>	<u>19,865</u>
1,433		4,083
<u>0</u>	<u>0</u>	<u>82,092</u>
<u>1,433</u>	<u>0</u>	<u>86,175</u>
<u>5,804</u>	<u>(2,539)</u>	<u>106,040</u>
<u>0</u>	<u>0</u>	<u>5,441</u>
0	0	642,304
861	0	861
57,295	0	191,651
<u>\$ 58,156</u>	<u>\$ 0</u>	<u>\$ 834,816</u>

LINTON HOUSING AUTHORITY
Linton, Indiana

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

	Annual Contributions (
	C-2080	C-2080
	Low	
	Income	Capital
	Public	Fund
	Housing	Programs
<u>OPERATING REVENUES</u>		
Rental income	\$ 122,851	\$ 0
Other income	5,080	0
TOTAL OPERATING REVENUE	127,931	0
<u>OPERATING EXPENSES</u>		
Administrative	128,456	0
Utilities	25,143	0
Ordinary maintenance and operation	86,886	0
General expense	24,767	0
Housing assistance payments	0	0
Depreciation expense	73,122	0
TOTAL OPERATING EXPENSES	338,374	0
 OPERATING INCOME (LOSS)	 (210,443)	 0
<u>NONOPERATING REVENUES / (EXPENSE)</u>		
Federal operating grants	85,802	68,269
Interest income	83	0
TOTAL NONOPERATING REVENUES / (EXPENSE)	85,885	68,269
 Net income before capital contributions	 (124,558)	 68,269
 CAPITAL CONTRIBUTIONS	 0	 0
 CHANGE IN NET POSITION	 (124,558)	 68,269
 TOTAL NET POSITION - BEGINNING OF YEAR as originally stated	 832,949	 0
Operating transfers	68,269	(68,269)
 TOTAL NET POSITION - BEGINNING OF YEAR, as restated	 901,218	 (68,269)
 TOTAL NET POSITION - END OF YEAR	 \$ 776,660	 \$ 0

:
:
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Contracts

<u>IN055</u>	
<u>Housing Choice Vouchers</u>	<u>Total</u>
\$ 0	\$ 122,851
330	5,410
<u>330</u>	<u>128,261</u>
104,628	233,084
0	25,143
0	86,886
0	24,767
541,457	541,457
0	73,122
<u>646,085</u>	<u>984,459</u>
<u>(645,755)</u>	<u>(856,198)</u>
640,174	794,245
42	125
<u>640,216</u>	<u>794,370</u>
<u>(5,539)</u>	<u>(61,828)</u>
<u>0</u>	<u>0</u>
<u>(5,539)</u>	<u>(61,828)</u>
63,695	896,644
0	0
<u>63,695</u>	<u>896,644</u>
<u>\$ 58,156</u>	<u>834,816</u>

Linton Housing Authority (IN055)
LINTON, IN
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	14,871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$207,979	\$63,099	\$271,078	\$271,078
112 Cash - Restricted - Modernization and Development				
113 Cash - Other Restricted		\$861	\$861	\$861
114 Cash - Tenant Security Deposits	\$8,525		\$8,525	\$8,525
115 Cash - Restricted for Payment of Current Liabilities				
100 Total Cash	\$216,504	\$63,960	\$280,464	\$280,464
121 Accounts Receivable - PHA Projects				
122 Accounts Receivable - HUD Other Projects				
124 Accounts Receivable - Other Government				
125 Accounts Receivable - Miscellaneous				
126 Accounts Receivable - Tenants	\$628		\$628	\$628
126.1 Allowance for Doubtful Accounts - Tenants	-\$146		-\$146	-\$146
126.2 Allowance for Doubtful Accounts - Other				
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	\$482	\$0	\$482	\$482
131 Investments - Unrestricted				
132 Investments - Restricted				
135 Investments - Restricted for Payment of Current Liability				
142 Prepaid Expenses and Other Assets	\$4,570		\$4,570	\$4,570
143 Inventories	\$2,082		\$2,082	\$2,082
143.1 Allowance for Obsolete Inventories	\$0		\$0	\$0
144 Inter Program Due From	\$2,539		\$2,539	\$2,539
145 Assets Held for Sale				
150 Total Current Assets	\$226,177	\$63,960	\$290,137	\$290,137
161 Land	\$293,481		\$293,481	\$293,481
162 Buildings	\$2,865,112	\$39,631	\$2,904,743	\$2,904,743
163 Furniture, Equipment & Machinery - Dwellings				
164 Furniture, Equipment & Machinery - Administration	\$120,644		\$120,644	\$120,644
165 Leasehold Improvements	\$1,242		\$1,242	\$1,242
166 Accumulated Depreciation	-\$2,638,175	-\$39,631	-\$2,677,806	-\$2,677,806
167 Construction in Progress				
168 Infrastructure				
160 Total Capital Assets, Net of Accumulated Depreciation	\$642,304	\$0	\$642,304	\$642,304
171 Notes, Loans and Mortgages Receivable - Non-Current				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due				
173 Grants Receivable - Non Current				
174 Other Assets				
176 Investments in Joint Ventures				
180 Total Non-Current Assets	\$642,304	\$0	\$642,304	\$642,304
200 Deferred Outflow of Resources	\$16,395		\$16,395	\$16,395

290 Total Assets and Deferred Outflow of Resources	\$884,876	\$63,960	\$948,836	\$948,836
311 Bank Overdraft				
312 Accounts Payable <= 90 Days	\$1,683	\$660	\$2,343	\$2,343
313 Accounts Payable >90 Days Past Due				
321 Accrued Wage/Payroll Taxes Payable	\$4,683		\$4,683	\$4,683
322 Accrued Compensated Absences - Current Portion	\$2,706	\$1,172	\$3,878	\$3,878
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	\$8,525		\$8,525	\$8,525
342 Unearned Revenue	\$436		\$436	\$436
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue				
344 Current Portion of Long-term Debt - Operating Borrowings				
345 Other Current Liabilities				
346 Accrued Liabilities - Other				
347 Inter Program - Due To		\$2,539	\$2,539	\$2,539
348 Loan Liability - Current				
310 Total Current Liabilities	\$18,033	\$4,371	\$22,404	\$22,404
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				
352 Long-term Debt, Net of Current - Operating Borrowings				
353 Non-current Liabilities - Other				
354 Accrued Compensated Absences - Non Current	\$2,650	\$1,433	\$4,083	\$4,083
355 Loan Liability - Non Current				
356 FASB 5 Liabilities				
357 Accrued Pension and OPEB Liabilities	\$82,092		\$82,092	\$82,092
350 Total Non-Current Liabilities	\$84,742	\$1,433	\$86,175	\$86,175
300 Total Liabilities	\$102,775	\$5,804	\$108,579	\$108,579
400 Deferred Inflow of Resources	\$5,441		\$5,441	\$5,441
508.4 Net Investment in Capital Assets	\$642,304		\$642,304	\$642,304
511.4 Restricted Net Position	\$0	\$861	\$861	\$861
512.4 Unrestricted Net Position	\$134,356	\$57,295	\$191,651	\$191,651
513 Total Equity - Net Assets / Position	\$776,660	\$58,156	\$834,816	\$834,816
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$884,876	\$63,960	\$948,836	\$948,836

Linton Housing Authority (IN055)
LINTON, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue	\$122,851		\$122,851	\$122,851
70400 Tenant Revenue - Other				
70500 Total Tenant Revenue	\$122,851	\$0	\$122,851	\$122,851
70600 HUD PHA Operating Grants	\$154,071	\$625,187	\$779,258	\$779,258
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				
71100 Investment Income - Unrestricted	\$83	\$42	\$125	\$125
71200 Mortgage Interest Income				
71300 Proceeds from Disposition of Assets Held for Sale				
71310 Cost of Sale of Assets				
71400 Fraud Recovery		\$330	\$330	\$330
71500 Other Revenue	\$5,080		\$5,080	\$5,080
71600 Gain or Loss on Sale of Capital Assets				
72000 Investment Income - Restricted				
70000 Total Revenue	\$282,085	\$625,559	\$907,644	\$907,644
91100 Administrative Salaries	\$69,996	\$66,422	\$136,418	\$136,418
91200 Auditing Fees	\$7,185		\$7,185	\$7,185
91300 Management Fee				
91310 Book-keeping Fee				
91400 Advertising and Marketing				
91500 Employee Benefit contributions - Administrative	\$29,176	\$6,841	\$36,017	\$36,017
91600 Office Expenses	\$8,982	\$11,905	\$20,887	\$20,887
91700 Legal Expense	\$1,137		\$1,137	\$1,137
91800 Travel	\$4,984	\$873	\$5,857	\$5,857
91810 Allocated Overhead				
91900 Other	\$4,290	\$3,600	\$7,890	\$7,890
91000 Total Operating - Administrative	\$125,750	\$89,641	\$215,391	\$215,391
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
93100 Water	\$7,527		\$7,527	\$7,527
93200 Electricity	\$3,330		\$3,330	\$3,330
93300 Gas	\$607		\$607	\$607
93400 Fuel				
93500 Labor				

93600	Sewer	\$13,594		\$13,594	\$13,594
93700	Employee Benefit Contributions - Utilities				
93800	Other Utilities Expense	\$85		\$85	\$85
93000	Total Utilities	\$25,143	\$0	\$25,143	\$25,143
94100	Ordinary Maintenance and Operations - Labor	\$22,601		\$22,601	\$22,601
94200	Ordinary Maintenance and Operations - Materials and Other	\$19,428		\$19,428	\$19,428
94300	Ordinary Maintenance and Operations Contracts	\$35,131		\$35,131	\$35,131
94500	Employee Benefit Contributions - Ordinary Maintenance	\$9,726		\$9,726	\$9,726
94000	Total Maintenance	\$86,886	\$0	\$86,886	\$86,886
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	\$17,902		\$17,902	\$17,902
96120	Liability Insurance	\$767		\$767	\$767
96130	Workmen's Compensation	\$3,882		\$3,882	\$3,882
96140	All Other Insurance	\$964		\$964	\$964
96100	Total Insurance Premiums	\$23,515	\$0	\$23,515	\$23,515
96200	Other General Expenses				
96210	Compensated Absences	\$2,706		\$2,706	\$2,706
96300	Payments in Lieu of Taxes				
96400	Bad debt - Tenant Rents	\$1,252		\$1,252	\$1,252
96500	Bad debt - Mortgages				
96600	Bad debt - Other				
96800	Severance Expense				
96000	Total Other General Expenses	\$3,958	\$0	\$3,958	\$3,958
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
96900	Total Operating Expenses	\$265,252	\$89,641	\$354,893	\$354,893
97000	Excess of Operating Revenue over Operating Expenses	\$16,833	\$535,918	\$552,751	\$552,751
97100	Extraordinary Maintenance				
97200	Casualty Losses - Non-capitalized				
97300	Housing Assistance Payments		\$541,457	\$541,457	\$541,457
97350	HAP Portability-In				
97400	Depreciation Expense	\$73,122		\$73,122	\$73,122
97500	Fraud Losses				
97600	Capital Outlays - Governmental Funds				
97700	Debt Principal Payment - Governmental Funds				
97800	Dwelling Units Rent Expense				
90000	Total Expenses	\$338,374	\$631,098	\$969,472	\$969,472
10010	Operating Transfer in	\$68,269		\$68,269	\$68,269
10020	Operating transfer Out	-\$68,269		-\$68,269	-\$68,269
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)				
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	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$56,289	-\$5,539	-\$61,828	-\$61,828
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$832,949	\$53,695	\$896,644	\$896,644
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors				
11050	Changes in Compensated Absence Balance				
11060	Changes in Contingent Liability Balance				
11070	Changes in Unrecognized Pension Transition Liability				
11080	Changes in Special Term/Severance Benefits Liability				
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100	Changes in Allowance for Doubtful Accounts - Other				
11170	Administrative Fee Equity		\$57,295	\$57,295	\$57,295
11180	Housing Assistance Payments Equity		\$861	\$861	\$861
11190	Unit Months Available	588	2828	3216	3216
11210	Number of Unit Months Leased	577	2366	2943	2943
11270	Excess Cash	\$179,388		\$179,388	\$179,388
11610	Land Purchases	\$0		\$0	\$0
11620	Building Purchases	\$0		\$0	\$0
11630	Furniture & Equipment - Dwelling Purchases	\$0		\$0	\$0
11640	Furniture & Equipment - Administrative Purchases	\$800		\$800	\$800
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

LINTON HOUSING AUTHORITY
Linton, Indiana

NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE A - Financial Data Schedule:

As required by HUD, the Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes depreciation expense and extraordinary maintenance expense from operating activities, includes investment revenue, HUD capital grants, revenue and gains and losses on the disposal of capital assets in operating activities, and reflects tenant revenue and bad debt expense separately, which differs from the presentation of the financial statements.

LINTON HOUSING AUTHORITY
Linton, Indiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>ANNUAL CONTRIBUTION CONTRACT</u>	<u>PROGRAM AND ASSISTANCE TYPE</u>	<u>CFDA NUMBER</u>	<u>AWARD</u>	<u>EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HUD</u>				
C-2080	Low Income Public Housing	14.850	\$ 85,802	\$ 85,802
IN-055	Housing Voucher Cluster Housing Choice Vouchers	14.871	640,174	640,174
C-2080	Capital Fund Grant Program	14.872	<u>68,269</u>	<u>68,269</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 794,245</u>	<u>\$ 794,245</u>

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Linton Housing Authority under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Linton Housing Authority, it is not intended to and does not present the financial position, changes in net position or cash flow of Linton Housing Authority.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting as described in Note A. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Linton Housing Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

LINTON HOUSING AUTHORITY
Linton, Indiana

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND COSTS - COMPLETED

DECEMBER 31, 2017

1. The Capital Fund Costs are as follows:		Capital Fund
		<u>501-17</u>
Funds Approved	\$	68,269
Funds Expended		<u>68,269</u>
Excess / (Deficiency) of Funds Approved	\$	<u><u>0</u></u>
Funds Advanced	\$	68,269
Funds Expended		<u>68,269</u>
Excess / (Deficiency) of Funds Advanced	\$	<u><u>0</u></u>

2. Cost additions totaling \$ 68,269 were made during the current audit period, and accordingly were audited by Goldie Roberts, CPA.

3. The Distribution of Costs by project as shown on the Final Statement of Capital Fund accompanying the Actual Cost Certificate submitted to HUD for approval is in agreement with the Authority's records.

4. All liabilities have been paid and there are no undischarged mechanics', laborers', contractors', or material-mens' liens against the project on file in any public office where the same should be filed in order to be valid and the time in which such liens could be filed has expired.

5. There were no budget overruns.

OTHER REPORTS

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

Report On Internal Control Over Financial Reporting and on Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In
Accordance With *Government Auditing Standards*

Independent Auditor's Report

Management and
Board of Commissioners of the
Linton Housing Authority
1148 N. 1300 W.
Linton, Indiana 47441

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Linton Housing Authority, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Linton Housing Authority's basic financial statements and have issued my report thereon dated September 12, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Linton Housing Authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to the management of the Linton Housing Authority in a separate letter dated September 12, 2018.

Purpose Of This Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or 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.

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
September 12, 2018

Goldie Roberts

Certified Public Accountant

8518 S Kays Chapel Rd.

Fredericksburg, IN 47120

Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance Required by Uniform Guidance

INDEPENDENT AUDITOR'S REPORT

Management and
Board of Commissioners of the
Linton Housing Authority
1148 N. 1300 W.
Linton, Indiana 47441

Report on Compliance for Each Major Federal Program

I have audited the Linton Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Linton Housing Authority's major federal programs for the year ended December 31, 2017. The Linton Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In my opinion, the Linton Housing Authority, complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the Linton Housing Authority is responsible for establishing and maintaining effective internal control over the type of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Linton Housing 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 audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Linton Housing 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 a 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.

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

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

Goldie Roberts

Certified Public Accountant

Fredericksburg, Indiana
September 12, 2018

LINTON HOUSING AUTHORITY
Linton, Indiana

DECEMBER 31, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I - SUMMARY OF AUDITORS RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

~ Material weakness(es) identified?

_____ yes X no

~ Significant deficiency(s) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

FEDERAL AWARDS

Internal control over major federal programs:

~ Material weakness(es) identified?

_____ yes X no

~ Significant deficiency(s) identified that are not considered to be material weakness(es)?

_____ yes X none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major federal programs:

CFDA Number

Name of Federal Program

14.871

Housing Choice Vouchers

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

\$ 750,000

Auditee qualified as low-risk auditee?

X yes _____ no

LINTON HOUSING AUTHORITY
Linton, Indiana

DECEMBER 31, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

PRIOR YEAR FINDINGS

2016-001 PRIOR Findings Over Internal Controls of Financial Statements
CONDITION: Preparation

PAYMENTS TO FAMILY MEMEBERS

Family members were paid \$8,028 in allowable costs.

CURRENT
CONDITION: A check was deposited from Non Federal Funds to repay the
\$8,028. This finding is cleared.

This finding is cleared.

CURRENT YEAR FINDINGS

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

LINTON HOUSING AUTHORITY
Linton, Indiana

DECEMBER 31, 2017

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

<u>FINDINGS</u>	<u>CONDITION</u>	<u>STATUS</u>
2016-001	Finding Over Internal Controls of Financial Statement Preparation Payments to Family Members	Cleared

LINTON HOUSING AUTHORITY
Linton, Indiana

DECEMBER 31, 2017.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

<u>FINDINGS</u>	<u>CONDITION</u>	<u>STATUS</u>
2016-001	Finding Over Internal Controls of Financial Statement Preparation Payments to Family Members	Cleared