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November 14, 2018

Board of Commissioners
Tell City Housing Authority
1648 Tenth Street
Tell City, IN 47586

We have reviewed the audit report prepared by Louis A. Barrale, CPA, Independent Public Accountant, for the period July 1, 2016 to June 30, 2017. Per the Independent Auditor's Report, the financial statements included in the report present fairly the financial condition of the Tell City Housing Authority as of June 30, 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

HOUSING AUTHORITY OF TELL CITY
TELL CITY, INDIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017
AND
REPORTS ON COMPLIANCE AND
ON INTERNAL CONTROL

HOUSING AUTHORITY OF TELL CITY
Tell City, Indiana

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JUNE 30, 2017

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SECTION I
AUDITOR'S REPORT
AND
MANAGEMENT'S DISCUSSION AND ANALYSIS

Louis A Barrale

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of Tell City
Tell City, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of Tell City, Indiana, (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of Tell City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority of Tell City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of Tell City'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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of Tell City, as of June 30, 2017 and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Required Supplementary Information

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

Other Information

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of Tell City's basic financial statements. The accompanying Financial Data Schedule - HUD Prescribed Format are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the above described supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2018 on our consideration of the Housing Authority of Tell City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority of Tell City's internal control over financial reporting and compliance.



Louis A. Barrale, C.P.A.
St. Louis, MO
March 14, 2018

Housing Authority of Tell City

Management's Discussion and Analysis (MD&A)

June 30, 2017

(Unaudited)

This section of the Housing Authority of Tell City (Authority) annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on June 30, 2017. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

FINANCIAL HIGHLIGHTS

The term "net position" refers to the difference between assets and liabilities. The Authority's total net position as of June 30, 2017 were \$1,284,653. The net position decreased by \$249,713, a decrease of 16.3% from the prior year.

Revenues and contributions for the Authority were \$1,222,455 for the year ended June 30, 2017. This was a decrease of \$141,360 or 10.4% from the prior year.

Expenses for the Authority were \$1,472,168 for the year ended June 30, 2017. This was an increase of \$127,963 or 9.5% from the prior year.

HUD operating grants were \$501,181 for the year ended June 30, 2017. This was an increase of \$11,749 or 2.4% from the prior year. Capital contributions for the Authority were \$75,482 for the year ended June 30, 2017. This was an increase of \$69,865 or 1243.8% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) - HUD Prescribed Format as referenced in the section of *Supplemental Information*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

Required Financial Statements

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

**Housing Authority of Tell City
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, 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 its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements and provide more detailed data.

Supplemental Information

This report also contains the Financial Data Schedule (FDS) - HUD Prescribed Format as referenced in the section of *Supplemental Information*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authorities to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2017 and is required to be included in the audit reporting package.

To fully understand the financial statements of the Housing Authority, one must start with an understanding of what the Authority actual does. The following is a brief description of the programs and services that the Authority provides for the residents of Tell City.

Low Income Public Housing (LIPH)

The Housing Authority maintains units in its Public Housing inventory. The Authority is responsible for the management, maintenance, and utilities for all of these units.

The total rent charged to the tenants is based on a formula dictated by HUD and usually does not exceed 30% of qualified income. As a result, the Housing Authority can not generate enough tenant income to cover necessary operating expenses. HUD provides operating subsidy to the Housing Authority to cover the gap between what is generated in rental income and what is needed to cover the actual operating expenses, including utilities.

On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has a Project Expense Level (PEL). The PEL is calculated by HUD in accordance with the results of the Harvard Cost Study which was performed for HUD.

HUD funds the difference between allowable costs as incurred for all leased units and the actual tenant revenue generated. Funding is made by formula, in accordance with total funds appropriated by Congress.

**Housing Authority of Tell City
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Section 8 Housing Choice Vouchers (HCV)

HUD has contracted with the Housing Authority to manage the Housing Choice Voucher Program. The Authority pays a Housing Assistance Payments to Landlords for Low Income tenants. The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay. For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Housing Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program, however, the Housing Authority must inspect every unit at least annually to ensure that it meets or exceeds minimum quality standards.

Capital Fund Program

As stated above, rental income and operating subsidy are designed to cover only the operating costs and utility costs. This leaves little to no funding for capital expenditures, replacements, betterments, etc.

To provide this needed capital funding, HUD provides modernization grants. These grant programs are award by HUD on an annual basis. The Authority requisitions funds from HUD as needed to meet funds the Authority expends funds.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets exceeded liabilities by \$1,284,653 at the close of the year ended June 30, 2017 down from \$1,534,366 in 2016. The decrease in net position of \$249,713 or 16.3% was due to the change in net position for the year.

The unrestricted net position were \$249,772 as of June 30, 2017. This amount may be used to meet the Authority's ongoing obligations. The Authority had \$11,892 in net position classified as restricted that are subject to external restrictions on how they may be used. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

**Housing Authority of Tell City
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued**

FINANCIAL ANALYSIS (CONTINUED)

**CONDENSED STATEMENTS OF NET POSITION
JUNE 30,**

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current and other assets	\$ 408,726	\$ 467,752	\$ (59,026)	-12.6%
Capital assets	<u>1,022,989</u>	<u>1,231,787</u>	<u>(208,798)</u>	-17.0%
Total Assets	<u>1,431,715</u>	<u>1,699,539</u>	<u>(267,824)</u>	-15.8%
Current liabilities	134,245	148,470	(14,225)	-9.6%
Noncurrent liabilities	<u>12,817</u>	<u>16,703</u>	<u>(3,886)</u>	-23.3%
Total Liabilities	<u>147,062</u>	<u>165,173</u>	<u>(18,111)</u>	-11.0%
Net Position				
Net investment in capital assets	1,022,989	1,231,787	(208,798)	-17.0%
Restricted HAP	11,892	----	11,892	100.0%
Unrestricted	<u>249,772</u>	<u>302,579</u>	<u>(52,807)</u>	-17.5%
Total Net Position	<u>\$ 1,284,653</u>	<u>\$ 1,534,366</u>	<u>\$ (249,713)</u>	-16.3%

The largest portion of the Authority's net position reflects its investment in capital assets (e.g. land, buildings and equipment) less accumulated depreciation. The Authority uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending.

While the Statement of Net Position shows the change in financial position of net position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

As can be seen in the table on the following page total revenues and contributions decreased by \$141,360 due to decreases in rental revenue, other income and interest income, which were partially offset by decreases in HUD operating grants and capital contributions.

**Housing Authority of Tell City
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued**

FINANCIAL ANALYSIS (CONTINUED)

**CONDENSED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30,**

	2017	2016	Dollar Change	Percent Change
Revenues and Contributions				
Operating - non-operating -capital contributions:				
Rental revenue	\$ 626,344	\$ 641,492	\$ (15,148)	-2.4%
HUD operating grants	501,181	489,432	11,749	2.4%
Interest income	1,404	1,589	(185)	-11.6%
Capital Contributions	75,482	5,617	69,865	1243.8%
Other income	18,044	36,657	(18,613)	-50.8%
Gain on disposition of capital items	----	189,028	(189,028)	-100.0%
Total Revenues and Contributions	1,222,455	1,363,815	(141,360)	-10.4%
Expenses				
Personal services	424,258	447,219	(22,961)	-5.1%
Utilities	188,980	159,262	29,718	18.7%
Operations and maintenance	184,560	95,378	89,182	93.5%
Non routine maintenance	51,356	19,936	31,420	157.6%
Insurance	62,449	63,896	(1,447)	-2.3%
Payment in lieu of taxes	43,910	48,159	(4,249)	-8.8%
Other supplies and expenses	42,049	34,452	7,597	22.1%
Housing assistance payments	243,395	235,510	7,885	3.3%
Depreciation	231,211	240,393	(9,182)	-3.8%
Total Expenses	1,472,168	1,344,205	127,963	9.5%
Change in net position	(249,713)	19,610	(269,323)	
Beginning net position	1,534,366	1,514,756	19,610	
Ending net position	\$ 1,284,653	\$ 1,534,366	\$ (249,713)	

Total expenses for the Authority increased by \$127,963 due to increases in utilities, operations and maintenance, non routine maintenance, other supplies and expenses and housing assistance payments, which were partially offset by decreases in personal services, insurance, payment in lieu of taxes and depreciation. Operations and maintenance increased primarily due to increases in material and contract costs. Non routine maintenance increased due to increases in unexpected maintenance issues during the year. Utilities increased due to increases in utility rates. Other supplies and expenses increased primarily due to increases staff training, accounting fees and miscellaneous sundry items. Personal services decreased primarily due to decreases in salaries and benefits.

**Housing Authority of Tell City
(Unaudited)
Management's Discussion and Analysis (MD&A) - Continued**

CAPITAL ASSETS

Capital Assets - The Housing Authority of Tell City's investment in capital assets, as of June 30, 2017 amounts to \$1,022,989 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment and construction in progress.

**CAPITAL ASSETS
NET OF ACCUMULATED DEPRECIATION
JUNE 30,**

	<u>2017</u>	<u>2016</u>	<u>Dollar Change</u>
Land	\$ 222,531	\$ 222,531	\$ ----
Building	10,273,517	10,273,517	----
Furniture, equipment and machinery-dwelling	28,449	28,449	----
Furniture, equipment and machinery-administration	<u>166,492</u>	<u>175,117</u>	<u>(8,625)</u>
	10,690,989	10,699,614	(8,625)
Accumulated depreciation	<u>9,668,000</u>	<u>9,467,827</u>	<u>200,173</u>
Total	<u>\$ 1,022,989</u>	<u>\$ 1,231,787</u>	<u>\$ (208,798)</u>

The total increase in the Authority's capital assets for the current fiscal year was \$208,798 or 17.0% in terms of net book value. The Authority has \$687,733 available in Capital Funds to draw down and spend in the future.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2018 Federal budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Donna Nance, Executive Director, Housing Authority of Tell City, 1648 Tenth Street, Tell City, Indiana 47586, 812-547-8581.

SECTION II
FINANCIAL STATEMENTS
AND
NOTES TO FINANCIAL STATEMENTS

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

STATEMENT OF NET POSITION

June 30, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$	161,432
Investments		184,197
Receivable - net of allowances:		
Accounts		2,702
Accrued interest		169
Inventory - net of allowances		24,172
Prepaid expenses		24,162
Restricted cash and cash equivalents		<u>11,892</u>
Total Current Assets		<u>408,726</u>

Capital assets:

Land, improvements, and construction in progress		222,531
Other capital assets, net of depreciation		<u>800,458</u>

Total capital assets- net 1,022,989

Total Assets 1,431,715

See notes to financial statements

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

STATEMENT OF NET POSITION (CONTINUED)

June 30, 2017

LIABILITIES

Current Liabilities:

Accounts Payable	91,820
Accrued compensated absences	1,424
Tenant security deposit liability	31,435
Unearned revenues	<u>9,566</u>

Total Current Liabilities 134,245

Noncurrent Liabilities:

Accrued compensated absences	<u>12,817</u>
------------------------------	---------------

Total Noncurrent Liabilities 12,817

Total Liabilities 147,062

NET POSITION

Net investment in capital assets	1,022,989
Restricted for:	
HAP	11,892
Unrestricted	<u>249,772</u>

Total Net Position \$ 1,284,653

See notes to financial statements

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

For Year Ended June 30, 2017

Operating Revenues:	
Rental revenue	\$ 626,344
Operating subsidies- HUD grants	501,181
Other revenues	<u>18,044</u>
Total operating revenues	<u>1,145,569</u>
Operating Expenses:	
Personal services	424,258
Utilities	188,980
Operations and maintenance	184,560
Non routine maintenance	51,356
Insurance	62,449
Payment in lieu of taxes	43,910
Other supplies and expenses	42,049
Housing assistance payments	243,395
Depreciation	<u>231,211</u>
Total operating expenses	<u>1,472,168</u>
Operating income (loss)	<u>(326,599)</u>
Non-operating revenues (expenses):	
Interest and investment earnings	<u>1,404</u>
Net non-operating revenues (expenses)	<u>1,404</u>
Income (loss) before other revenues, expenses, gains, losses and transfers	(325,195)
Capital contributions	<u>75,482</u>
Change in net position	(249,713)
Net position at beginning of year	<u>1,534,366</u>
Net position at end of year	<u><u>\$ 1,284,653</u></u>

See notes to financial statements

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

STATEMENT OF CASH FLOWS

For Year Ended June 30, 2017

Cash flows from operating activities:	
Cash received from tenants	\$ 624,918
Cash received from HUD grants- operating	518,077
Cash received from other operating activities	16,703
Cash payments for goods and services	(781,851)
Cash payments to employees-salaries	(281,101)
Cash payments for employee benefit contributions	(147,475)
Cash (payments) receipts for in lieu of property taxes	<u>(45,218)</u>
Net cash provided (used) by operating activities	<u>(95,947)</u>
Cash flows from capital and related financing activities:	
Capital contributions	75,482
Proceeds from sale of assets	<u>(22,413)</u>
Net cash (used) for capital and related financing activities	<u>53,069</u>
Cash flows from investing activities:	
Proceeds from sale of (payments) for investments	(1,281)
Interest and dividends	1,300
Other revenue	0
Receipts (payments) from tenant security deposits	<u>(50)</u>
Net cash provided (used) from investing activities	<u>(31)</u>
Net increase (decrease) in cash and cash equivalents	(42,909)
Cash and cash equivalents at beginning of year	<u>216,233</u>
Cash and cash equivalents at end of year	<u>\$ 173,324</u>
Cash and cash equivalents	\$ 161,432
Restricted cash and cash equivalents	<u>11,892</u>
Total cash and cash equivalents at end of year	<u>\$ 173,324</u>

See notes to financial statements

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

STATEMENT OF CASH FLOWS (CONTINUED)

For Year Ended June 30, 2017

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (326,599)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	231,211
Allowance for doubtful accounts	26
Allowance for inventory	(289)
Changes in assets and liabilities:	
Receivables	15,915
Inventory	257
Prepaid expenses	1,593
Accounts and other payables	(11,931)
Deferred revenues	(1,812)
Compensated absences	<u>(4,318)</u>
Net cash provided (used) by operating activities	<u>\$ (95,947)</u>

See notes to financial statements

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1c. Basis of Presentation (Continued)

Following is a description of the Authority's programs:

Program	Brief Description
Low Rent	Accounts for activities of the Public and Indian Housing program which HUD provides an annual subsidy to help public housing agencies (PHAs) pay some of the cost of operating and maintaining public housing units.
Housing Choice Vouchers	Accounts for activities of the Voucher program which assists very low-income families, the elderly, and the disabled to afford decent, safe and sanitary housing in the private market.
Capital Fund Program	Accounts for activities of the Capital Fund which provides funds to housing authorities to modernize public housing developments.

1d. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the financial statements, the “economic resources” measurement focus is used as follows:

- ▶ The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the financial statements, the proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1e. Assets, Liabilities, and Equity

Cash and Investments

For the purpose of the Statement of Net Position, "cash and cash equivalents" includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations, if any, with a remaining maturity at the time of purchase of one year or less. Those investments, if any, are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2b. and 3a.

Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. Offsetting interprograms, if any, are eliminated for financial statement presentation.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Tenant accounts receivable, accrued interest receivable and accounts receivable - miscellaneous compose the majority of receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

Inventories are valued at average cost, and consist of expendable supplies held for consumption. The cost of inventories are recorded as expenditures when consumed, rather than when purchased.

Budgets and Budgetary Accounting

The Authority adopts a formal operating budget each year for its operating programs and on a project length basis for its capital expenditures which are approved by the Board of Commissioners and submitted to the Department of Housing and Urban Development for their approval, if required.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1e. Assets, Liabilities, and Equity (Continued)

Estimates and Assumptions

The Authority uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) is as follows:

In the financial statements, capital assets purchased or acquired with an original cost of \$1,000 or more are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense depending on the program where the asset is shown, in the Statement of Revenues, Expenses and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25	years
Furniture, equipment and machinery - dwelling	3 - 7	years
Furniture, equipment and machinery - administration	3 - 7	years
Leasehold improvements	10	years

Restricted Assets

Restricted assets include cash and investments legally restricted as to their use. The primary restricted assets are related to Housing Choice Vouchers which is a HUD program.

Compensated Absences

The Housing Authority's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as short-term and long-term liabilities based on historical trends. In accordance with the provisions of GASB Statement No. 16, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1e. Assets, Liabilities, and Equity (Continued)

Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. The Authority had no related debt.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

1f. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Non-operating revenues and expenses are those that are not operating in nature.

Interfund Transfers

For the purposes of the Statement of Revenues, Expenses and Change in Net Position, all interfund transfers between individual programs, if any, have been eliminated.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 2 - Stewardship, Compliance, and Accountability

The Authority and its component units, if any, are subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows.

2a. Program Accounting Requirements

The Authority complies with all state and local laws and regulations requiring the use of separate programs. The programs used by the Authority are as follows:

Program	Required By
Public and Indian Housing	U.S. Department of Housing and Urban Development
Housing Choice Vouchers	U.S. Department of Housing and Urban Development
Capital Fund Program	U.S. Department of Housing and Urban Development

2b. Deposits and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of the Authority in financial institutions must be secured with acceptable collateral valued at the lower of market or par. All financial institutions pledging collateral to the Authority must have a written collateral agreement. As reflected in Note 3a., all deposits were fully insured or collateralized.

Investments of the Authority are limited by state law to the following:

- a. Direct obligations of the U.S. Government or its agencies or instrumentalities to which acceptable collateral is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral.

2c. Revenue Restrictions

The Authority has various restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<i>Revenue Source</i>	<i>Legal Restrictions of Use</i>
Capital Fund Program	Modernization

For the year ended June 30, 2017, the Authority complied, in all material respects, with these revenue restrictions.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 3 - Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3a. Cash and Investments

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it or the Authority will not be able to recover collateral securities in the possession of an outside party. As of June 30, 2017, the Authority's bank balances of \$182,467, were insured by federal depository insurance or collateralized with securities held by the pledging financial institutions in the Authority's name.

Investments

Custodial Credit Risk - Investments. For an investment, custodial credit risk 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 in the possession of an outside party. As of June 30, 2017, the Authority's investments were \$184,197. These investments were insured by federal depository insurance or registered, or securities held by the Authority or its agent in the Authority's name.

Credit Risk Investments, Concentrations of Credit Risk and Interest Rate Risk - Investments:

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority will minimize credit risk by reviewing the financial institutions with which the Authority will do business so that potential losses on individual securities will be minimized.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Authority will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements and investing operating funds primarily in shorter term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority does not have a written investment policy covering concentration of credit risk.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3b. Restricted Cash and Cash Equivalents

The restricted cash and cash equivalents as of June 30, 2017, are as follows:

<u>Type of Restricted Cash and Cash Equivalents</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Total</u>
Unspent HAP	\$ <u>11,892</u>	\$ -----	\$ <u>11,892</u>
	\$ <u>11,892</u>	\$ -----	\$ <u>11,892</u>

3c. Accounts Receivable

Receivables detail at June 30, 2017, is as follows:

Tenant accounts receivable	\$ 2,110
Allowance for doubtful accounts	<u>(749)</u>
Tenants accounts receivable - net	1,361
Accounts receivable - other	<u>1,341</u>
	\$ <u>2,702</u>

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3d. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>(Deductions)</u>	<u>Balance June 30, 2017</u>
Land	\$ 222,531	\$ ----	\$ ----	\$ 222,531
Building	10,273,517	----	----	10,273,517
Furniture, equipment and machinery- dwelling	28,449	----	----	28,449
Furniture, equipment and machinery- administration	<u>175,117</u>	<u>----</u>	<u>(8,625)</u>	<u>166,492</u>
	10,699,614	<u>\$ ----</u>	<u>\$ (8,625)</u>	10,690,989
Accumulated depreciation	<u>9,467,827</u>	<u>\$ 231,211</u>	<u>\$ (31,038)</u>	<u>9,668,000</u>
Total	<u>\$ 1,231,787</u>			<u>\$ 1,022,989</u>

For assets that are depreciated refer to Note 1e - Capital Assets

3e. Accounts Payable

Payable detail at June 30, 2017, is as follows:

Accounts payable - vendors	\$ 13,812
Accounts payable - other government - PILOT	66,896
Accrued liabilities -other	<u>11,112</u>
	<u>\$ 91,820</u>

3f. Compensated Absences

Accumulated unpaid compensated absences are accrued. The liability for compensated absences at June 30, 2017 is \$14,241.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 3 - Detail Notes on Transaction Classes/Accounts (Continued)

3g. Non-current Liabilities

As of June 30, 2017, the non-current liabilities are comprised of the following:

Accrued compensated absences - non current portion	\$ <u>12,817</u>
Total	\$ <u><u>12,817</u></u>

The following is a summary of changes in non-current liabilities for the year ended June 30, 2017:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>	<u>Amounts Due within One Year</u>
Accrued compensated absences	\$ <u>16,703</u>	\$ ----	\$ <u>3,886</u>	\$ <u>12,817</u>	\$ <u>1,424</u>
Total	\$ <u><u>16,703</u></u>	\$ <u><u>----</u></u>	\$ <u><u>3,886</u></u>	\$ <u><u>12,817</u></u>	\$ <u><u>1,424</u></u>

3h. Interprogram Transactions

Transfers are used to move revenues from the program that is authorized to transfer them to the program in accordance with budgetary authorizations. Offsetting operating transfers, if any, are eliminated for financial statement presentation.

NOTE 4 - Other Notes

4a. Employee Retirement Plan

The Housing Authority of Tell City provides pension benefits to all its eligible full time employees through a defined contribution plan administered by Metropolitan Life. A defined contribution plan depends solely on amounts contributed to the plan plus investment earnings. The Plan was established, is authorized and may be amended by the Authority's Board of Commissioners. Employees are eligible to participate after six months on continuous full time employment. The plan requires the Housing Authority of Tell City to contribute 7 percent of covered payroll and the employees to contribute 5 percent of covered payroll. The Housing Authority's contribution for each employee is fully vested after five years of continuous service. Authority contributions forfeited by employees are used to pay administrative costs of the plan. The Authority accounts for pension costs as incurred.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 4 - Other Notes (Continued)

4a. Employee Retirement Plan (Continued)

For the year ended June 30, 2017, the following amounts related to the defined contribution plan:

Authority total payroll	\$269,102
Payroll for covered employees	\$269,102
Employer (Authority) contributions made	\$ 18,837
Employee contributions made	\$ 12,993

The Authority offers no other post employment benefits.

4b. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The Authority manages these various risks of loss as follows:

Type of Loss	Method Managed
a. Torts, errors and omissions	Purchased insurance with Indiana Farm Bureau.
b. Injuries to employees (workers' compensation)	Purchased insurance with Indiana Farm Bureau; Claims are administered by Indiana Farm Bureau.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$1,000 deductibles.
d. Health and life	Purchased health insurance with Tell City Flexible Benefits, Life insurance is provided by Tell City Flexible Benefits.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

4c. Economic Dependency

The Housing Authority of Tell City receives a significant portion of its revenue from funds provided through Federal grants. The grant amounts are appropriated each year at the Federal level. The amount of the funds the Authority receives could be reduced significantly and have an adverse impact on its operations.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2017

NOTE 4 - Other Notes (Continued)

4d. Commitments and Contingencies

Commitments—Construction

At June 30, 2017, the Authority had the following pending construction projects in progress:

	<u>Funds Approved</u>		<u>Funds Expended - Project to Date</u>
CFP 501-13	\$ 199,213	\$	199,213
CFP 501-14	194,998		97,068
CFP 501-15	197,267		19,727
CFP 501-16	204,886		5,202
CFP 501-17	<u>212,579</u>		<u>----</u>
	<u>\$ 1,008,943</u>	\$	<u>321,210</u>

Contingencies

The Authority is subject to possible examination by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. No significant violations of finance-related legal or contractual provisions occurred.

EXHIBIT A
FINANCIAL DATA SCHEDULE

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$28,818	\$101,179	\$129,997		\$129,997
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$11,892	\$11,892		\$11,892
114 Cash - Tenant Security Deposits	\$31,435		\$31,435		\$31,435
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$60,253	\$113,071	\$173,324	\$0	\$173,324
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous	\$1,341		\$1,341		\$1,341
126 Accounts Receivable - Tenants	\$2,110		\$2,110		\$2,110
126.1 Allowance for Doubtful Accounts - Tenants	-\$749		-\$749		-\$749
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$169		\$169		\$169
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,871	\$0	\$2,871	\$0	\$2,871
131 Investments - Unrestricted	\$184,197		\$184,197		\$184,197
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$24,162		\$24,162		\$24,162
143 Inventories	\$24,405		\$24,405		\$24,405

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
143.1 Allowance for Obsolete Inventories	-\$233		-\$233		-\$233
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$295,655	\$113,071	\$408,726	\$0	\$408,726
161 Land	\$222,531		\$222,531		\$222,531
162 Buildings	\$10,273,517		\$10,273,517		\$10,273,517
163 Furniture, Equipment & Machinery - Dwellings	\$28,449		\$28,449		\$28,449
164 Furniture, Equipment & Machinery - Administration	\$133,773	\$32,719	\$166,492		\$166,492
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$9,652,613	-\$15,387	-\$9,668,000		-\$9,668,000
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,005,657	\$17,332	\$1,022,989	\$0	\$1,022,989
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	\$1,005,657	\$17,332	\$1,022,989	\$0	\$1,022,989
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$1,301,312	\$130,403	\$1,431,715	\$0	\$1,431,715

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$13,812		\$13,812		\$13,812
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion	\$1,424		\$1,424		\$1,424
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government	\$66,896		\$66,896		\$66,896
341 Tenant Security Deposits	\$31,435		\$31,435		\$31,435
342 Unearned Revenue	\$9,566		\$9,566		\$9,566
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	\$11,112		\$11,112		\$11,112
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$134,245	\$0	\$134,245	\$0	\$134,245
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	\$12,817		\$12,817		\$12,817
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
357 Accrued Pension and OPEB Liabilities					
350 Total Non-Current Liabilities	\$12,817	\$0	\$12,817	\$0	\$12,817
300 Total Liabilities	\$147,062	\$0	\$147,062	\$0	\$147,062
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$1,005,657	\$17,332	\$1,022,989		\$1,022,989
511.4 Restricted Net Position		\$11,892	\$11,892		\$11,892
512.4 Unrestricted Net Position	\$148,593	\$101,179	\$249,772		\$249,772
513 Total Equity - Net Assets / Position	\$1,154,250	\$130,403	\$1,284,653	\$0	\$1,284,653
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$1,301,312	\$130,403	\$1,431,715	\$0	\$1,431,715

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$622,484		\$622,484		\$622,484
70400 Tenant Revenue - Other	\$5,616		\$5,616		\$5,616
70500 Total Tenant Revenue	\$628,100	\$0	\$628,100	\$0	\$628,100
70600 HUD PHA Operating Grants	\$289,398	\$287,265	\$576,663		\$576,663
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			\$0	\$0	\$0
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$1,404	\$0	\$1,404		\$1,404
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	\$18,032	\$12	\$18,044		\$18,044
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$936,934	\$287,277	\$1,224,211	\$0	\$1,224,211
91100 Administrative Salaries	\$76,939	\$8,000	\$84,939		\$84,939

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
91200 Auditing Fees	\$4,590	\$1,000	\$5,590		\$5,590
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative	\$42,178		\$42,178		\$42,178
91600 Office Expenses	\$2,460		\$2,460		\$2,460
91700 Legal Expense	\$1,200		\$1,200		\$1,200
91800 Travel	\$1,000	\$1,000	\$2,000		\$2,000
91810 Allocated Overhead					
91900 Other	\$23,628	\$6,600	\$30,228		\$30,228
91000 Total Operating - Administrative	\$151,995	\$16,600	\$168,595	\$0	\$168,595
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$571		\$571		\$571
92500 Total Tenant Services	\$571	\$0	\$571	\$0	\$571
93100 Water	\$23,100		\$23,100		\$23,100
93200 Electricity	\$104,662		\$104,662		\$104,662
93300 Gas	\$25,429		\$25,429		\$25,429
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					

Housing Authority of the City of Tell City (IN018)

TELL CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
93800 Other Utilities Expense	\$35,789		\$35,789		\$35,789
93000 Total Utilities	\$188,980	\$0	\$188,980	\$0	\$188,980
94100 Ordinary Maintenance and Operations - Labor	\$192,162	\$4,000	\$196,162		\$196,162
94200 Ordinary Maintenance and Operations - Materials and	\$40,452		\$40,452		\$40,452
94300 Ordinary Maintenance and Operations Contracts	\$52,891		\$52,891		\$52,891
94500 Employee Benefit Contributions - Ordinary Maintenance	\$105,297		\$105,297		\$105,297
94000 Total Maintenance	\$390,802	\$4,000	\$394,802	\$0	\$394,802
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$6,204		\$6,204		\$6,204
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$6,204	\$0	\$6,204	\$0	\$6,204
96110 Property Insurance	\$62,449		\$62,449		\$62,449
96120 Liability Insurance					
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total insurance Premiums	\$62,449	\$0	\$62,449	\$0	\$62,449
96200 Other General Expenses					
96210 Compensated Absences	-\$4,318		-\$4,318		-\$4,318
96300 Payments in Lieu of Taxes	\$43,910		\$43,910		\$43,910
96400 Bad debt - Tenant Rents	\$1,756		\$1,756		\$1,756
96500 Bad debt - Mortgages					

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$41,348	\$0	\$41,348	\$0	\$41,348
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	\$842,349	\$20,600	\$862,949	\$0	\$862,949
97000 Excess of Operating Revenue over Operating Expenses	\$94,585	\$266,677	\$361,262	\$0	\$361,262
97100 Extraordinary Maintenance	\$51,356		\$51,356		\$51,356
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$243,395	\$243,395		\$243,395
97350 HAP Portability-In					
97400 Depreciation Expense	\$227,403	\$3,808	\$231,211		\$231,211
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,121,108	\$267,803	\$1,388,911	\$0	\$1,388,911
10010 Operating Transfer In					
10020 Operating transfer Out					

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
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	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$184,174	\$19,474	-\$164,700	\$0	-\$164,700
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,423,255	\$110,929	\$1,534,184		\$1,534,184
11040 Prior Period Adjustments, Equity Transfers and Correction	-\$84,831		-\$84,831		-\$84,831
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		\$118,511	\$118,511		\$118,511
11180 Housing Assistance Payments Equity		\$11,892	\$11,892		\$11,892

Housing Authority of the City of Tell City (IN018)
 TELL CITY, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2017

	Project Total	14,871 Housing Choice Vouchers	Subtotal	ELIM	Total
11190 Unit Months Available	2388	804	3192		3192
11210 Number of Unit Months Leased	2319	757	3076		3076
11270 Excess Cash	\$47,288		\$47,288		\$47,288
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	\$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

SECTION III
REPORTS ON COMPLIANCE
AND
ON INTERNAL CONTROL

Louis A Barrale

Certified Public Accountant

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Board of Commissioners
Housing Authority of Tell City
Tell City, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of Tell City, Indiana, (Authority), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Housing Authority of Tell City's basic financial statements, and have issued our report thereon dated March 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of Tell City'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 Housing Authority of Tell City's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of Tell City'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Housing Authority of Tell City'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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Louis A. Barrale in black ink.

Louis A. Barrale, C.P.A.
St. Louis, MO
March 14, 2018

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

SIGNIFICANT DEFICIENCIES COMMUNICATED IN PRIOR YEARS

June 30, 2017

The prior audit report for the year ended June 30, 2016 contained no significant deficiencies.

HOUSING AUTHORITY OF TELL CITY

Tell City, Indiana

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2017

The current audit report for the year ended June 30, 2017 disclosed no audit findings.