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April 30, 2019

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

We have reviewed the audit report opined on by MCM CPAs & Advisors, Independent Public Accountants, 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 Housing Authority of the City of Evansville 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

The Housing Authority of the City of Evansville, Indiana

**Financial Statements
and Supplementary Information**

Year Ended December 31, 2017

The Housing Authority of the City of Evansville, Indiana

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Year Ended December 31, 2017

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, and the aggregate discretely presented component units of The Housing Authority of the City of Evansville, Indiana (the "Authority") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of three of the Authority's discretely presented component units (Vision 1505, L.P., EHA RAD I, L.P. and EHA RAD II, L.P.). Those statements, which were prepared in accordance with the Accounting Standards Codification as issued by the Financial Accounting Standards Board were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. No adjustments were necessary to convert the financial statements of the discretely presented component units to the financial reporting framework used by the Authority. The financial statements of EHA RAD II, L.P. were audited in accordance with *Government Auditing Standards*. The financial statements for Vision 1505, L.P. and EHA RAD I, L.P. were not audited in accordance with *Government Auditing Standards*. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Kentucky
Indiana
Ohio

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Independent Auditor's Report (Continued)

Opinions

In our opinion, based on our audit and the reports of the other auditors of Vision 1505, L.P., EHA RAD I, L.P. and EHA RAD II, L.P, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate discretely presented component units of the Authority, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 to 9 and the Schedules of the Authority's Proportionate Share of the Net Pension Liability and of the Authority's Contributions on pages 42 and 43 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying financial data schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 information 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*, we have also issued our report dated September 18, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Jeffersonville, Indiana
September 18, 2018

**The Housing Authority of the City of Evansville, Indiana
Management's Discussion and Analysis
Year Ended December 31, 2017**

This section of The Housing Authority of the City of Evansville, Indiana's (the "Authority") annual financial report presents management's discussion and analysis of the Authority's financial position, results of operations and cash flows during the fiscal year ended December 31, 2017. This analysis should be read in conjunction with the Independent Auditor's Report, financial statements and accompanying notes.

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

The Authority is a Public Housing Authority with a Board of Commissioners. The applicable jurisdictions appoint the Board of Commissioners. However, the Authority has complete legislative and administrative authority, and it recruits and employs personnel. The Authority adopts a budget that is approved by the Board of Commissioners. Subsidies for operations are received primarily from the Department of Housing and Urban Development (HUD). The Authority has substantial legal authority to control its affairs without local government approval; therefore, all operations of the Authority are a separate reporting entity as reflected in this report. The Authority has included as blended component units the activities for Advantix Development, Inc. and Lincoln Estates Redevelopment, Inc., both non-profit organizations, Lincoln Estates Redevelopment Partnership, L.P., a limited partnership, ADC V1505, Inc., Evansville RAD ONE, LLC, Evansville RAD FOUR, LLC, and Corydon SSL, LLC. These entities are shown as blended component units because the Authority has financial accountability and control over their boards of directors and management.

The Authority has also included, as discretely presented component units, the activities of Vision 1505, L.P. (Vision LP), EHA RAD I, L.P. (RAD I), EHA RAD II, L.P. (RAD II), EHA RAD IV, L.P. (RAD IV), and CSSL, LP. These entities are shown as discretely presented component units because the Authority is financially accountable for them; however, they do not have full operational responsibilities for these entities.

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

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

Financial Statements

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

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

All of the current year's revenues and expenses are accounted for in the *Statement of 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 of its costs through externally funded programs, tenant rents and other revenue sources.

**The Housing Authority of the City of Evansville, Indiana
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2017**

Financial Statements (Continued)

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

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

Financial Highlights

The Authority's most significant financial highlights consist of the following:

- The Authority's net position increased by approximately \$8.2 million during 2017 and increased by approximately \$6.2 million during 2016.
- Operating revenues decreased by approximately \$1.1 million from 2016 to 2017 and were approximately \$15.4 million for 2017 and \$16.5 million for 2016.
- Total operating expenses for the Authority's programs decreased by approximately \$0.2 million from 2016 to 2017. Total operating expenses were approximately \$14.5 million for 2017 and \$14.7 million for 2016.
- Net nonoperating income (expense), capital grants and other special items for the Authority increased by approximately \$3.0 million from 2016 to 2017. Total net nonoperating income and capital grants was approximately \$7.4 million in income for 2017 and a \$4.4 million income for 2016. The increase from 2016 to 2017 was primarily driven by the sale of property and equipment to the RAD IV partnership through an assumption of a note receivable totaling \$6,890,000 and other considerations. This transaction resulted in a net gain of approximately \$5,600,000 which is presented in the Statement of Revenues, Expenses and Changes in Net Position as "Other special items".

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

Low Rent Public Housing Program

This program is operated under HUD's Annual Contribution Contract (ACC) and consists of the operations of the low-rent public housing properties totaling 329 units in 2017. The purpose of this program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. Funding for the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition). The Low Rent Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. The Authority converted 194 of these units to the RAD program in December 2017, resulting in 135 low-rent public housing units remaining.

**The Housing Authority of the City of Evansville, Indiana
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2017**

Housing Choice Voucher Program

Under the Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 2,098 housing units in 2017. The purpose of the program is to provide decent affordable housing to low- income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

Net Position

The following table is a condensed summary of net position of the business-type activities of the Authority at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Current assets	\$ 7,005,170	\$ 4,970,508	\$ 2,034,662	40.9%
Capital assets, net	6,321,090	8,335,648	(2,014,558)	-24.2%
Notes receivable, net	21,059,750	14,174,000	6,885,750	48.6%
Other assets	102,000	-	102,000	100%
Total Assets	34,488,010	27,480,156	7,007,854	25.5%
Deferred Outflows of Resources	264,928	519,540	(254,612)	-49.0%
Total Assets and Deferred Outflows of Resources	34,752,938	27,999,696	6,753,242	24.1%
Liabilities				
Current liabilities	571,548	1,498,008	(926,460)	-61.8%
Noncurrent liabilities	1,909,281	2,511,520	(602,239)	-24.0%
Total Liabilities	2,480,829	4,009,528	(1,528,699)	-38.1%
Deferred Inflows of Resources	434,318	390,832	43,486	11.1%
Total Liabilities and Deferred Inflows of Resources	2,915,147	4,400,360	(1,485,213)	-33.8%
Net Position				
Net investment in capital assets	6,321,090	8,241,016	(1,919,926)	-23.3%
Restricted	1,728,247	100,457	1,627,790	1620.4%
Unrestricted	23,788,454	15,257,863	8,530,591	55.9%
Total Net Position	\$ 31,837,791	\$ 23,599,336	\$ 8,238,455	34.9%

**The Housing Authority of the City of Evansville, Indiana
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2017**

Major Factors Affecting the Statement of Net Position

Total assets of the Authority as of December 31, 2017 and 2016 amounted to \$34,488,010 and \$27,480,156, respectively. Current assets primarily consist of cash and prepaid expense and other current assets. Non-current assets primarily consist of capital assets and notes receivable. Capital assets primarily include land, buildings and improvements, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation. Notes receivable primarily consist of loans made to the RAD I, RAD II, and RAD IV partnerships for the sale of property at appraised values. The principal change in assets from December 31, 2016 to December 31, 2017 was due an increase in notes receivable of \$8,890,000 which resulted from the sale of property to the RAD IV partnership.

Total liabilities of the Authority are \$2,480,829 and \$4,009,528 as of December 31, 2017 and 2016, respectively. Current liabilities primarily include accounts payable and accrued expenses. Noncurrent liabilities primarily include the accrued pension obligation and mortgage and other notes payable, net of current portion. Current liabilities have decreased by \$926,460 primarily due to the timing of HUD funding for the Section 8 advanced funding for 2017 received in 2016. Noncurrent liabilities have decreased by \$602,239, primarily due to a decrease in the accrued pension obligation.

Deferred outflows of resources are \$264,928 and \$519,540 as of December 31, 2017 and 2016, respectively. Deferred inflows of resources are \$434,318 and \$390,832 as of December 31, 2017 and 2016, respectively. Deferred outflows and inflows of resources are related to the pension obligation and are being amortized into pension expense over the average expected remaining service life, except for the difference between expected and actual investment earnings, which is amortized over five years.

Net position represents the Authority's equity, a portion of which is restricted for certain use. Net position is divided into three major categories. The first category, net investment in capital assets shows the Authority's equity in land, buildings and improvements, construction in progress, and equipment, net of related capital debt outstanding. The next net position category, restricted, is reserved for the programs mandated by HUD. The last category, unrestricted, is available to use for any lawful and prudent purpose of the Authority. The increase in net position is due to operating and nonoperating income during 2017.

**The Housing Authority of the City of Evansville, Indiana
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2017**

Revenues, Expenses and Changes in Net Position

The following table is a condensed summary of revenues, expenses and changes in net position for the years ended December 31, 2017 and 2016.

	<u>2017</u>	<u>2016</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Revenues				
Tenant revenue	\$ 733,740	\$ 1,676,317	\$ (942,577)	-56.2%
HUD PHA operating grants	14,009,684	14,132,748	(123,064)	-0.9%
Other government grants	87,849	130,987	(43,138)	-32.9%
Fraud recovery income	7,714	7,759	(45)	-0.6%
Other revenue	564,929	581,026	(16,097)	-2.8%
Total Operating Revenues	15,403,916	16,528,837	(1,124,921)	-6.8%
Operating Expenses				
Administration	2,007,291	1,977,921	29,370	1.5%
Tenant services	103,614	47,967	55,647	116.0%
Utilities	316,099	672,726	(356,627)	-53.0%
Ordinary maintenance and operations	443,052	806,155	(363,103)	-45.0%
Protective Services	20	22,875	(22,855)	-99.9%
Insurance	163,834	209,913	(46,079)	-22.0%
Other general expenses	405,829	400,934	4,895	1.2%
Housing assistance payments	10,391,826	9,432,516	959,310	10.2%
Depreciation expense	698,970	1,173,297	(474,327)	-40.4%
Total Operating Expenses	14,530,535	14,744,304	(213,769)	-1.4%
Operating Income (Expense)	873,381	1,784,533	(911,152)	-51.1%
Nonoperating income (expense), net				
Capital grants - hard costs	1,462,637	799,913	662,724	82.8%
Other special items	304,164	165,285	138,879	84.0%
	<u>5,598,273</u>	<u>3,414,978</u>	<u>2,183,295</u>	<u>63.9%</u>
Change in Net Position	<u>\$ 8,238,455</u>	<u>\$ 6,164,709</u>	<u>\$ 2,073,746</u>	<u>33.6%</u>

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

During 2017, the Authority's operating income was approximately \$0.9 million. Net nonoperating income, capital grants and other special items resulted in approximately \$7.4 million in income which primarily consisted of gains recognized on the sale of property to the RAD IV partnership plus interest earned on related notes.

During 2016, the Authority's operating income was approximately \$1.8 million. Net nonoperating income, capital grants and other special items resulted in approximately \$4.4 million in income which primarily consisted of gains on the sale of property to the RAD I and RAD II partnerships plus interest earned on related notes.

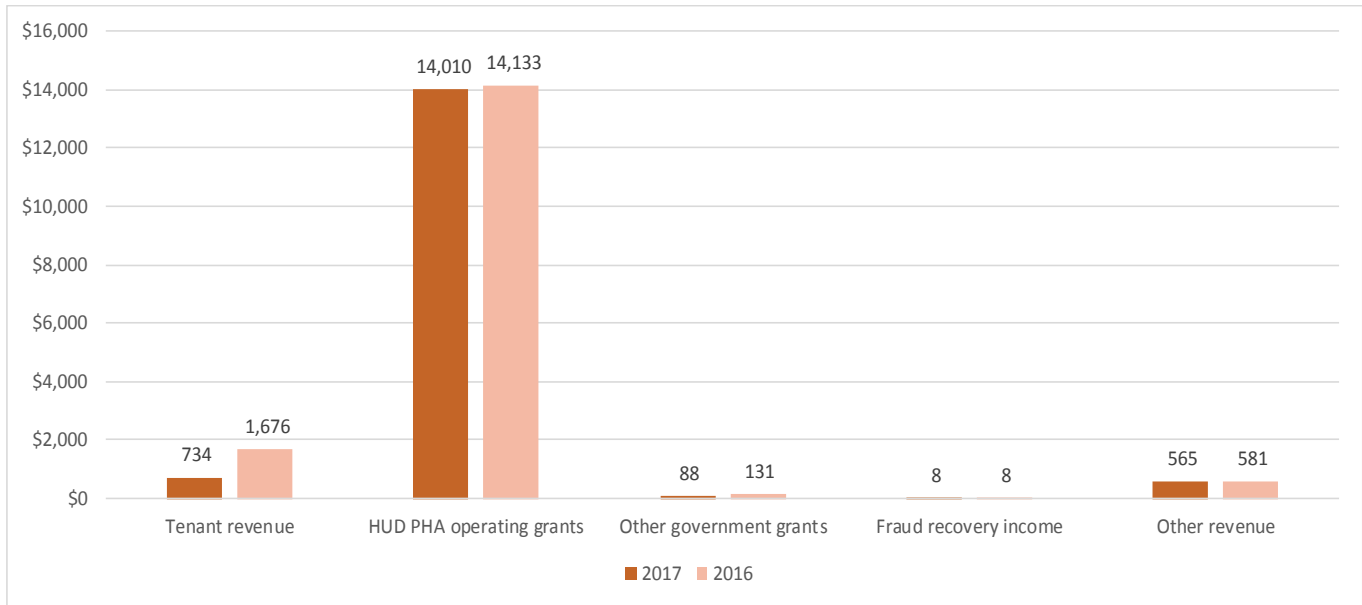
**The Housing Authority of the City of Evansville, Indiana
 Management's Discussion and Analysis (Continued)
 Year Ended December 31, 2017**

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Position (Continued)

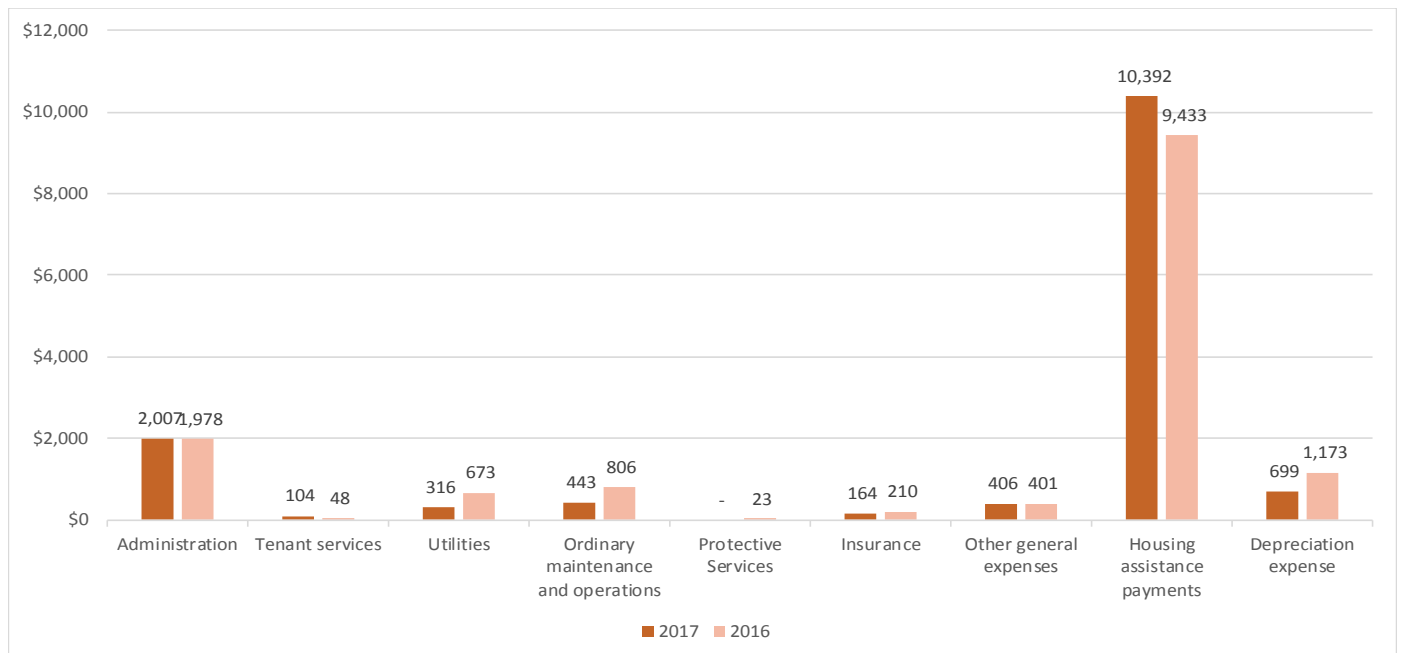
As seen in the charts below, the most important factors affecting the change in the Authority's operating income in 2017 were the decreases in tenant revenue and HUD operating grants which was partially offset by decreases in other various operating expenses in 2017 compared to 2016, mostly as a result of the RAD conversion in those years.

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

Operating Revenue - 2017 and 2016 (Dollars in Thousands)



Operating Expenses - 2017 and 2016 (Dollars in Thousands)



**The Housing Authority of the City of Evansville, Indiana
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2017**

Capital Assets

As of December 31, 2017 and 2016, the Authority had approximately \$6.3 and \$8.3 million, respectively, invested in a variety of capital assets as reflected in the following table:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,227,544	\$ 1,386,198
Buildings and improvements	15,566,874	24,129,530
Furniture, equipment and machinery	730,151	924,741
Construction in progress	-	64,531
Accumulated depreciation	<u>(11,203,479)</u>	<u>(18,169,352)</u>
Capital Assets, net	<u>\$ 6,321,090</u>	<u>\$ 8,335,648</u>

In 2017, the Authority had capital expenditures of approximately \$398 thousand while recognizing depreciation expense of approximately \$700 thousand and disposing of equipment with a net book value of \$1.7 million.

In 2016, the Authority had capital expenditures of approximately \$298 thousand while recognizing depreciation expense of approximately \$1.2 million and disposing of land buildings and equipment with a net book value of \$9.6 million.

See Note D in the *Notes to Financial Statements* for additional disclosures regarding changes in capital assets during the year ended December 31, 2017.

Long-Term Debt

Long-term debt outstanding totaled \$1.9 million and \$2.5 million at December 31, 2017 and 2016, respectively. The decrease in long-term debt was due to an approximate \$0.6 million decrease in the net pension liability of \$522 thousand and \$78 thousand in other long-term liability decreases during 2017.

Requests of Information

This financial report is designed to provide a general overview of the Authority's finances and resources. Questions concerning any of this information should be addressed to The Housing Authority of the City of Evansville, Indiana, 402 Court Street, Suite B, Evansville, Indiana, 47708.

Requests for full financial information of the discretely presented component unit should also be addressed to The Housing Authority of the City of Evansville, Indiana, 402 Court Street, Suite B, Evansville, Indiana, 47708.

The Housing Authority of the City of Evansville, Indiana
Statement of Net Position
December 31, 2017

	Primary Government	Discretely Presented Component Units
Current Assets		
Cash and cash equivalents - unrestricted	\$ 2,548,099	\$ 444,697
Cash and cash equivalents - restricted for modernization and development	396,377	4,193,980
Cash and cash equivalents - other restricted	268,741	12,843,904
Cash and cash equivalents - tenant security deposits	15,185	62,475
Cash and cash equivalents - restricted for payment of current liabilities	82,141	-
Certificates of deposit	1,063,194	-
Accounts receivable - HUD	9,128	43,111
Accounts receivable - tenants, net	3,867	18,694
Accounts receivable - development costs	243,271	-
Accounts receivable - other	170,038	28,546
Accrued interest receivable, current	122,216	-
Notes receivable - current, net	2,004,250	-
Prepaid expense and other current assets	78,663	329,037
Total Current Assets	<u>7,005,170</u>	<u>17,964,444</u>
Noncurrent Assets		
Capital assets, at cost, less accumulated depreciation	6,321,090	52,981,636
Notes receivable, net	21,059,750	-
Accrued interest receivable, noncurrent	102,000	-
Total Noncurrent Assets	<u>27,482,840</u>	<u>52,981,636</u>
Total Assets	<u>34,488,010</u>	<u>70,946,080</u>
Deferred Outflows of Resources		
Deferred pension costs	264,928	-
Total Assets and Deferred Outflows of Resources	<u>34,752,938</u>	<u>70,946,080</u>
Current Liabilities		
Accounts payable	169,955	1,396,123
Tenant security deposits	15,185	50,282
Unearned revenue	57,671	21,387
Accrued compensated absences - current portion	61,589	-
Accrued wages and payroll taxes	93,562	-
Accrued expenses and other current liabilities	103,836	314,077
Current portion of long-term debt	69,750	16,742,021
Total Current Liabilities	<u>571,548</u>	<u>18,523,890</u>
Noncurrent Liabilities		
Other liabilities	76,608	6,396,636
Accrued compensated absences, net of current portion	33,448	-
Accrued pension obligation	1,059,617	-
Mortgage and other notes payable, net of current portion	739,608	28,973,406
Total Noncurrent Liabilities	<u>1,909,281</u>	<u>35,370,042</u>
Total Liabilities	<u>2,480,829</u>	<u>53,893,932</u>
Deferred Inflows of Resources		
Deferred pension revenue	434,318	-
Total Liabilities and Deferred Inflows of Resources	<u>2,915,147</u>	<u>53,893,932</u>
Net Position		
Net investment in capital assets	6,321,090	7,266,209
Restricted	1,728,247	-
Unrestricted	23,788,454	9,785,939
Total Net Position	<u>\$ 31,837,791</u>	<u>\$ 17,052,148</u>

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2017

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>
Operating Revenues		
Tenant revenue	\$ 733,740	\$ 3,121,263
HUD PHA operating grants	14,009,684	-
Other government grants	87,849	-
Fraud recovery income	7,714	-
Other revenue	<u>564,929</u>	<u>33,079</u>
Total Operating Revenues	15,403,916	3,154,342
Operating Expenses		
Administration	2,007,291	905,525
Tenant services	103,614	-
Utilities	316,099	883,363
Ordinary maintenance and operations	443,052	758,000
Protective Services	20	43,097
Insurance	163,834	51,166
Other general expenses	405,829	474,855
Housing assistance payments	10,391,826	-
Depreciation expense	<u>698,970</u>	<u>700,592</u>
Total Operating Expenses	<u>14,530,535</u>	<u>3,816,598</u>
Net Operating Income (Loss)	873,381	(662,256)
Nonoperating Income (Expense)		
Investment income - unrestricted	869,459	309
Interest expense and amortization cost	(40,472)	(488,970)
Gain on disposal of capital assets	633,650	-
Syndication costs	<u>-</u>	<u>(15,000)</u>
Total Nonoperating Income (Expense)	1,462,637	(503,661)
Change in net position before capital grants and other special items	2,336,018	(1,165,917)
Capital grants - hard costs	304,164	-
Other special items	<u>5,598,273</u>	<u>-</u>
Total capital fund grant and other special items	<u>5,902,437</u>	<u>-</u>
Changes in Net Position	8,238,455	(1,165,917)
Net Position, Beginning of Year	23,599,336	8,402,843
Capital Contributions	<u>-</u>	<u>9,815,222</u>
Net Position, End of Year	<u>\$ 31,837,791</u>	<u>\$ 17,052,148</u>

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Statement of Cash Flows
Year Ended December 31, 2017

	Primary Government
Cash Flows from Operating Activities	
Cash received from tenants	\$ 729,177
Cash received from HUD grants	13,243,226
Cash received from other governmental grants	89,675
Cash received from other sources	153,915
Cash payments to employees for services	(1,385,733)
Cash payments for employee benefits	(221,601)
Cash payments to participants in the Housing Choice Voucher Program	(10,391,826)
Cash payments to other suppliers for goods and services	(2,081,812)
	<u>135,021</u>
Net Cash Provided by Operating Activities	
Cash Flows from Capital and Related Financing Activities	
Capital fund grant	304,164
Purchases of capital assets	(398,365)
Proceeds from sale of capital assets	1,055,876
Repayment of loan payable	(62,799)
Issuance of notes receivable	(2,000,000)
Payments received on notes receivable	4,250
Interest paid	(40,472)
	<u>(1,137,346)</u>
Net Cash Used by Capital and Related Financing Activities	
Cash Flows from Investing Activities	
Purchases of certificates of deposit	(585,012)
Interest received	715,943
	<u>130,931</u>
Net Cash Provided by Investing Activities	
Decrease in Cash	(871,394)
Cash and cash equivalents	
Beginning of Year	<u>4,181,937</u>
End of Year	<u>\$ 3,310,543</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:	
Cash and cash equivalents - unrestricted	\$ 2,548,099
Cash and cash equivalents - restricted for modernization and development	396,377
Cash and cash equivalents - other restricted	268,741
Cash and cash equivalents - tenant security deposits	15,185
Cash and cash equivalents - restricted for payment of current liabilities	82,141
	<u>82,141</u>
Total Cash and Equivalents	<u>\$ 3,310,543</u>

Supplemental Disclosure of Noncash Investing and Financing Activities:

During the year ended December 31, 2017, the Authority issued a note receivable in the amount of \$6,890,000 in exchange for property.

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Statement of Cash Flows (Continued)
Year Ended December 31, 2017

	Primary Government
Operating Activities	
Net Operating Income	\$ 873,381
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:	
Depreciation expense	698,970
Bad debt expense - tenant rents	26,477
Decrease (increase) in assets:	
Accounts receivable - HUD	34,229
Accounts receivable - tenants	(5,097)
Accounts receivable - other government	1,826
Accounts receivable - development costs	(243,271)
Accounts receivable - other	(171,504)
Prepaid expenses and other current assets	87,812
Deferred outflows of resources	254,612
Increase (decrease) in liabilities:	
Accounts payable	(36,935)
Tenant security deposits	(25,440)
Unearned revenue	(804,517)
Accrued wages and payroll taxes	(21,971)
Accrued expenses and other current liabilities	(45,732)
Accrued compensated absences	689
Other liabilities	(10,416)
Accrued pension obligation	(521,578)
Deferred inflows of resources	43,486
	<hr/>
Net Cash Provided by Operating Activities	<u>\$ 135,021</u>

See accompanying notes.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements
Year Ended December 31, 2017

Note A - Nature of Organization and Operations

Nature of Operations

The Housing Authority of the City of Evansville, Indiana (the "Authority" or the "Primary Government"), a governmental entity, is organized under the laws of the State of Indiana (State) for the purpose of engaging in the development and administration of low-rent housing programs. The Authority owns and operates 135 public housing units and administers 2,690 Section 8 vouchers, under an Annual Contributions Contract (ACC) in Evansville, Indiana.

The Authority's activities include the following programs:

Public and Indian Housing Program - This program is operated under HUD's ACC and consists of the operations of the low-rent public housing properties totaling 135 units. The purpose of this program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. Funding for the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition). The Public and Indian Housing Program also includes the Public Housing Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Section 8 Housing Choice Voucher Program - Under the Section 8 Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 2,690 housing units. The purpose of the program is to provide decent affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

Reporting Entity

The Housing Authority of the City of Evansville - The Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments.

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

The following entities are reported as blended component units because the Authority has financial accountability and control over their boards of directors and management.

ADC V1505 Inc.: ADC V1505, Inc. has 1,000 shares of common stock, 490 shares are owned by Advantix Development Corporation and 510 shares are owned by the Authority. ADC V1505, Inc. is the .008% general partner in Vision 1505, L.P (Vision LP). Vision LP operates a 32 unit, residential supportive apartment project known as Vision 1505 located in Evansville, Indiana.

Advantix Development Corporation (Advantix): The Authority established the non-profit entity, which is legally separate from the Authority. The purpose of the entity is to foster low income housing within the State of Indiana through ownership, development, construction, property management and RAD consultation. The board consists of 8 members, all of which are Authority board members.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note A - Nature of Organization and Operations (Continued)

Advantix established and wholly owns the following entities:

- Lincoln Estates Redevelopment Corporation and Lincoln Estates Redevelopment Partnership, L.P.
- Corydon SSL, LLC, which is the .009% general partner in CSSL, L.P. (CSSL)
- Evansville RAD One, LLC, which is the .01% general partner in EHA RAD I, L.P. (RAD I) and EHA RAD II, L.P. (RAD II) RAD I owns and operates a 438 unit apartment community. RAD II owns and operates a 121 unit apartment community RAD I and RAD II apartment communities are both located in Evansville, Indiana.
- Evansville RAD Four, LLC, which is the .01% general partner in EHA RAD IV, L.P. (RAD IV). RAD IV operates a 194 unit apartment community located in Evansville, Indiana.

RAD I, RAD II and RAD IV units are rented to low-income individuals and, as a result, federal income tax credits are available to investors. The RAD I Partnership's major program is the Section 221 (d) (4) insured mortgage. RAD I, RAD II and RAD IV Partnerships have entered into a housing assistance payment contract (HAP contract) with Evansville Housing Authority (the primary government). The contract is a rent assistance program for low-income families (or persons) as provided by the Section 8 Program of the National Housing Act. These entities were established to allow the Authority to participate in the rental assistance demonstration program as discussed in Note L.

The Authority has included, as discretely presented component units, the activity for Vision LP, RAD I, RAD II, RAD IV and CSSL. These entities are shown as discretely presented component units because the Authority is financially accountable for them; however, they do not have full operational responsibility for the entities. ADC V1505, Inc. (which is included as a blended component of the Authority) has a .001% general partner interest in Vision LP. Vision LP operates a 32 unit, residential supportive apartment project known as Vision 1505 located in Evansville, Indiana.

Requests for full financial information of Vision LP, RAD I, RAD II, RAD IV and CSSL (the Discretely Presented Component Units) should be addressed to The Housing Authority of the City of Evansville, Indiana, 402 Court Street, Suite B, Evansville, Indiana, 47708.

Note B - Summary of Organization and Significant Accounting Policies

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

1. Basis of Presentation: The Authority's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Authority accounts for all of its activity as a proprietary fund which includes business-type activities that are financed in whole or in part by fees charged to external parties.
2. Estimates: The preparation of financial statements in accordance 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 liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note B - Summary of Organization and Significant Accounting Policies (Continued)

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation: The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred, regardless of the timing of related cash flows.
4. Revenue and Expenses: Revenue from rentals is recorded as earned over the life of the lease, and expenses are charged against such revenue as incurred without regard to the date of receipt or payment of cash. Rental agreements generally do not exceed one year, but are renewable.

The discretely presented component units recognize net rent revenue in the period in which the rent is earned.

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

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

5. Cash and Cash Equivalents: The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are stated at fair value.
6. Investments: Investments consist of certificates of deposit and are stated at cost, which approximates fair value given the nature of the investments.
7. Allowance for Doubtful Accounts: The Authority uses the allowance for bad debts method of valuing doubtful accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. For the year ended December 31, 2017, management has determined the allowance for doubtful accounts to be \$4,255 for accounts receivable - tenants, and \$34,000 for notes receivable.
8. Capital Assets: Capital assets are recorded at cost. Maintenance and repairs are charged to expense as incurred; renewals or betterments are capitalized. The Authority capitalizes capital asset purchases over \$5,000. Gain or loss on retirements and disposition of assets is credited or charged to operations, and respective costs and accumulated depreciation are eliminated from the accounts.

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

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

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

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note B - Summary of Organization and Significant Accounting Policies (Continued)

9. Deferred Outflows of Resources: The Authority reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section on the Statement of Net Position.
10. Deferred Inflows of Resources: The Authority reports increases in net position that relate to future periods as deferred inflows of resources in a separate section on the Statement of Net Position.
11. Pension Plan: The employees of the Authority participate in the Indiana Public Retirement System (INPRS). The Authority recognizes its proportionate share of the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension and pension expense. Deferred outflows and inflows represent changes in the Authority's allocated proportion from the previous year; differences between the Authority's contributions to the Plan and its proportionate share, actual Plan investment earnings and expected amounts, and expected and actual experience on the Plan included in determining pension expense; and the impact of changes in assumptions on the net pension liability, all of which are being amortized into pension expense over the average expected remaining service life, ranging from 3.10 to 4.50 years, except for the difference between expected and actual investment earnings, which is amortized over five years. Deferred outflows of resources also includes contributions made to the Plan between the Plan's measurement date for the net pension liability and the end of the Authority's fiscal year.
12. Compensated Absences: Compensated absences are those for which employees will be paid, such as vacation. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside of the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.
13. Net Position: The Authority classifies net position for accounting and financial reporting purposes in the following net position categories:
 - Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
 - Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
 - Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".
14. Use of Restricted and Unrestricted Resources: When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.
15. Primary Government Income Taxes: Income received or generated by the Authority is not subject to federal income tax, pursuant to Internal Revenue Code Section 115. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients, pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended. Contributions to the Authority are tax deductible contributions, pursuant to Sections 170(b)(1)(A)(v) and 170(c)(1) of the Internal Revenue Code of 1986, as amended.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note B - Summary of Organization and Significant Accounting Policies (Continued)

16. Discretely Presented Component Unit's Income Taxes: No provision for federal or state income taxes has been made in the Discretely Presented Component Unit's financial statements as the federal and state income tax effect on the Discretely Presented Component Unit's activities accrues to its partners.
17. Discretely Presented Component Units - Capital Contributions: Vision LP's limited partner made capital contributions totaling \$7,155,588 at various times, as specified in the partnership agreement. The general partner and special limited partners A and B are to make an initial capital contribution of \$100 each, of which \$100 is outstanding at December 31, 2017.

RAD I's investor limited partner is required to make capital contributions totaling \$11,252,915 at various times, as specified in the partnership agreement. As of December 31, 2017, capital contributions totaling \$5,626,507 have been made. RAD I's administrative limited partner and special limited partner each made capital contributions of \$100 during a prior year, as required by the partnership agreement.

RAD II's investor limited partner is required to make capital contributions totaling \$3,799,479 at various times, as specified in the partnership agreement. As of December 31, 2017, capital contributions totaling \$3,039,564 have been made. RAD II's general partner and administrative limited partner each made capital contributions of \$100 during a prior year, as required by the partnership agreement.

RAD IV's investor limited partner is required to make capital contributions totaling \$6,387,689 at various times, as specified in the partnership agreement. As of December 31, 2017, capital contributions totaling \$1,292,469 have been made. RAD IV's general partner and administrative limited partner each made capital contributions of \$100, as required by the partnership agreement.

CSSL's investor limited partner is required to make capital contributions totaling \$9,549,000 at various times, as specified in the partnership agreement. As of December 31, 2017, capital contributions totaling \$2,866,800 have been made. CSSL's general partner made a capital contribution of \$100, as required by the partnership agreement.

18. Subsequent Events: The Authority has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditor's Report, the date the accompanying financial statements were available for issuance.

Note C - Cash, Cash Equivalents, and Investments

During the year ended December 31, 2017, the Authority held cash, cash equivalents and investments with several financial institutions. In accordance with GASB Statement No. 40 "Deposits and Investment Risk Disclosures," information related to cash, cash equivalents and investments is as follows:

- A. Custodial Credit Risk - Custodial credit risk is the risk that the Authority will not be able to recover the value of its deposits that are in the possession of an outside party if the counterparty fails. Cash is exposed to risk if it is not covered by depository insurance in the pledging financial institution. The Federal Deposit Insurance Corporation (FDIC) generally insures deposits up to \$250,000 per bank. In addition, the State of Indiana's Public Deposit Insurance Fund (PDIF) insures public funds deposited in approved financial institutions which exceed the limits of coverage provided by any federal deposit insurance. At December 31, 2017, all of the Authority's cash was insured by FDIC or PDIF.
- B. Interest Rate Risk - Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. The Authority's investment policy limits investments to provide the optimum return on the investment consistent with the cash management program of the Authority.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note C - Cash, Cash Equivalents, and Investments (Continued)

- B. Interest Rate Risk (Continued): Investments are made based upon prevailing market conditions at the time of the transaction. The Authority reviews its cash and investment needs in order to maintain adequate liquidity to meet its cash flow needs. Investments will typically be limited to securities maturing in periods of up to one year, or such lesser period that coincides with expected disbursements by the Authority.
- C. Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the 'prudent investor' standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely and (c) reasonable action is taken to control any adverse developments. The Authority's investment policy requires investments to be made in accordance with HUD Financial Handbook, 7475.1 Chapter 4.
- D. Concentration of Credit Risk - The Authority's investment policy does not limit the amount it may invest with one financial institution as long as all funds are secured by the FDIC or identifiable United States government securities.
- E. Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect fair value of an investment or deposit. All of the Authority's deposits and investments are denominated in United States currency.

The carrying value of cash and cash equivalents owned at December 31, 2017, was \$3,310,543. The bank balance of cash and cash equivalents owned at December 31, 2017, was \$3,432,380.

Investments are carried at fair value. The financial statements reflect the accounting standard related to fair value measurements, which provides a comprehensive framework for measuring fair value and expands required disclosures concerning fair value measurements. Specifically, the standard sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value inputs.

The standard defines levels with the hierarchy of inputs as follows:

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 - Quoted prices for similar assets and liabilities in active markets (other than those included in Level 1) which are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Authority's investments consist of certificates of deposit which are level valued at the face amount plus any interest accrued. Fair values of the Authority's investments at December 31, 2017, are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	<u>\$ 1,063,194</u>	<u>\$ 1,063,194</u>	<u>\$ -</u>	<u>\$ -</u>

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note C - Cash, Cash Equivalents, and Investments (Continued)

Discretely Presented Component Unit Deposits

As of December 31, 2017, the carrying value of cash and cash equivalents held by the discretely presented component units was \$17,545,056. At times, the bank balances held with financial institutions may exceed federally insured limits. However, there have been no losses in such accounts and management believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Regulations of HUD require that security deposits be segregated from cash. Accordingly, the discretely presented component units hold all security deposits in a separate account. At December 31, 2017, amounts held for security deposits totaled \$62,475.

Regulations of HUD also require that deposits for modernization and development activities be classified as restricted. As of December 31, 2016, deposits for development related obligations totaled \$4,193,980.

Pursuant to various agreements, the discretely presented component units must hold amounts in reserves for restricted use. The following is a summary of activity in the reserve accounts for the year ended December 31, 2017:

	Operating Reserve	Expense Coverage Reserve	Subsidy Reserve	Replacement Reserve	Bond Service Reserve	Latent Defect Escrow	Total
Balance - January 1, 2017	\$ 100,068	\$ 200,000	\$ 250,169	\$ 20,592	\$ 16,600,000	\$ -	\$ 17,170,829
Additions	4,357	-	317	27,658	-	95,474	127,806
Withdrawals	(29,638)	-	-	(25,093)	(4,400,000)	-	(4,454,731)
Balance - December 31, 2017	<u>\$ 74,787</u>	<u>\$ 200,000</u>	<u>\$ 250,486</u>	<u>\$ 23,157</u>	<u>\$ 12,200,000</u>	<u>\$ 95,474</u>	<u>\$ 12,843,904</u>

Note D - Capital Assets

The following is a summary of changes in the capital assets of the primary government for the year ended December 31, 2017:

	Balance December 31, 2016	Additions	Disposals	Transfers	Balance December 31, 2017
Land	\$ 1,386,198	\$ -	\$ (158,654)	\$ -	\$ 1,227,544
Buildings and improvements	24,129,530	359,967	(8,508,038)	(414,585)	15,566,874
Furniture, equipment and machinery	924,741	38,398	(712,104)	479,116	730,151
Construction in progress	64,531	-	-	(64,531)	-
	<u>26,505,000</u>	<u>398,365</u>	<u>(9,378,796)</u>	<u>-</u>	<u>17,524,569</u>
Accumulated depreciation	<u>(18,169,352)</u>	<u>(698,970)</u>	<u>7,664,843</u>	<u>-</u>	<u>(11,203,479)</u>
Total Capital Assets	<u>\$ 8,335,648</u>	<u>\$ (300,605)</u>	<u>\$ (1,713,953)</u>	<u>\$ -</u>	<u>\$ 6,321,090</u>

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note D - Capital Assets (Continued)

Total depreciation expense for the year ended December 31, 2017 was \$698,970. Additionally, during 2017, the Authority sold a significant amount of property and equipment to RAD IV through the assumption of a note receivable totaling \$6,890,000. This transaction resulted in a net gain of \$5,598,273 which is recorded as part of other special items on the statement of revenues, expenses and changes in net position.

The following is a summary of changes in the capital assets of the discretely presented component units for the year ended December 31, 2017:

	Balance December 31, 2016	Additions	Disposals	Transfers	Balance December 31, 2017
Land	\$ 756,000	\$ -	\$ -	\$ -	\$ 756,000
Buildings and improvements	17,328,409	7,285,000	-	25,791,099	50,404,508
Furniture, equipment and machinery	533,473	601,009	-	-	1,134,482
Construction in progress	8,885,195	19,342,816	-	(25,791,099)	2,436,912
	<u>27,503,077</u>	<u>27,228,825</u>	-	-	<u>54,731,902</u>
Accumulated depreciation	(1,049,674)	(700,592)	-	-	(1,750,266)
Total Capital Assets	<u>\$ 26,453,403</u>	<u>\$ 26,528,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,981,636</u>

Note E - Notes Receivable

Notes receivable, including related accrued interest, for the primary government consisted of the following as of December 31, 2017:

EHA RAD I, L.P. - Sellers Note Receivable	\$ 6,690,000
EHA RAD I, L.P. - ADC Note Receivable	800,000
EHA RAD I, L.P. - Note Receivable	3,250,000
EHA RAD II, L.P. - Note Receivable	3,400,000
EHA RAD IV, L.P. - Note Receivable	6,890,000
EHA RAD IV, L.P. - Construction Note Receivable	2,000,000
Memorial Community Development Corporation	<u>68,000</u>
Total Notes Receivable	23,098,000
Less allowance for doubtful accounts	(34,000)
Less current portion	<u>(2,004,250)</u>
Notes Receivable - less current portion	<u>\$ 21,059,750</u>

EHA RAD I, L.P. - Sellers Note Receivable - On May 1, 2016, the Authority sold 4 public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of \$6,690,000. The loan is secured by a 5th mortgage and a security agreement against the property. Interest accrues at an annual rate of 6% commencing February 1, 2018. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note E - Notes Receivable (Continued)

EHA RAD I, L.P. - ADC Note Receivable - On May 1, 2016, the Authority sold 4 public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of \$800,000. The loan is secured by a 4th mortgage and a security agreement against the property. Interest accrues at an annual rate of 6% commencing February 1, 2018. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

EHA RAD I, L.P. - Note Receivable - On May 1, 2016, the Authority sold 4 public housing properties consisting of a combined 438 units, to EHA RAD I, L.P. Permanent financing was provided by the Authority under a loan commitment of \$3,250,000. The loan is secured by a 6th mortgage and a security agreement against the property. Interest accrues at an annual rate of 6% commencing February 1, 2018. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

EHA RAD II, L.P. - Note Receivable - On May 1, 2016, the Authority sold public housing property consisting of 129 units, to EHA RAD II, L.P. Permanent financing was provided by the Authority under a loan commitment of \$3,400,000. The loan is secured by a 3rd mortgage and a security agreement against the property. Interest accrues at an annual rate of 6% commencing February 1, 2018. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2058.

EHA RAD IV, L.P. - Note Receivable - On December 22, 2017, the Authority sold public housing properties consisting of 194 units, to EHA RAD IV, L.P. Permanent financing was provided by the Authority under a loan commitment of \$6,890,000. The loan is secured by a 1st mortgage and a security agreement against the property. Interest accrues at an annual rate of 6% commencing February 1, 2019. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2059.

EHA RAD IV, L.P. - Construction Note Receivable - On December 22, 2017, the Authority sold public housing properties consisting of 194 units, to EHA RAD IV, L.P. A loan in the amount of \$2,000,000 was provided by the Authority to EHA RAD IV, L.P. for the construction and development of the property. Interest accrues at an annual rate of 6% commencing February 1, 2018. The entire principal balance, as well as accrued and unpaid interest, is due and payable at the end of the construction period, which is expected to be on or before December 31, 2018.

Memorial Community Development Corporation - Note Receivable - On August 18, 2015, the Authority issued an \$85,000 note receivable to the Memorial Community Development Corporation (MCDC). The note is between Advantix and MCDC for \$85,000 interest free, to be repaid over a 10 year time period until maturity on August 1, 2025. The loan is to be repaid in the form of student sponsorships through the Youth Build Program. For each \$531.25 student sponsorship, Advantix will forgive \$531.25 of the note and credit the note for an additional \$531.25 cash payment, as required by the promissory note. As of December 31, 2017, the balance of the note receivable was \$68,000, of which \$4,250 is classified as current.

Note F - Compensated Absences

Authority employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave is not vested and is not paid to an employee upon separation. Vested or accumulated vacation is recorded as an expense and liability as the benefits accrue to employees. Sick leave is recorded as an expense as the employee utilizes it. A liability has been recorded for compensated absences totaling \$95,037 at December 31, 2017, of which \$61,589 is considered current.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note G - Long-term Debt and Other Long-term Obligations

Primary Government

On November 23, 2011, the Authority entered into a financing agreement to purchase energy efficient equipment for \$1,079,391. This equipment was sold to EHA RAD IV, L.P. during the year ending December 31, 2017, but the note payable remains on the Authority's books. Effective July 15, 2012, the Authority began making monthly payments of \$7,533, which include principal and interest. The loan bears interest at 4.70% annually and matures on November 15, 2026. As of December 31, 2017, the balance of the loan was \$809,358, of which \$69,750 is considered current.

Debt service requirements of the Primary Government as of December 31, 2017 are as follows:

	<u>Principal</u>	<u>Interest</u>
Payable In:		
2018	\$ 69,750	\$ 36,618
2019	76,360	33,199
2020	82,531	29,469
2021	87,344	25,477
2022	91,539	21,282
2023 - 2026	<u>401,834</u>	<u>39,005</u>
Total Requirements	<u>\$ 809,358</u>	<u>\$ 185,050</u>

A summary of changes in long-term debt and other long-term obligations of the primary government for the year ended December 31, 2017 is presented below:

	<u>Balance at January 1, 2017</u>	<u>Additions/ Transfers</u>	<u>Retirements</u>	<u>Balance at December 31, 2017</u>	<u>Due within One Year</u>
Other liabilities - noncurrent	\$ 87,024	\$ 44,994	\$ (55,410)	\$ 76,608	\$ -
Accrued compensated absences	94,348	58,414	(57,725)	95,037	61,589
Loan payable to bank	872,157	-	(62,799)	809,358	69,750
Total Long Term Obligations	<u>\$ 1,053,529</u>	<u>\$ 103,408</u>	<u>\$ (175,934)</u>	<u>\$ 981,003</u>	<u>\$ 131,339</u>

Due to the nature of net pension liability, which cannot be classified into amounts due within one year and thereafter, the related balance is excluded from the above maturity table.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note G - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units

Vision LP

In October 2011, Vision LP obtained a loan from the Indiana Housing and Community Development Authority (IHCDA), in the amount of \$500,000. The loan originally bore interest at 3% and required annual payments of \$25,510 beginning on September 1, 2014. However, the loan converted and was amended on December 18, 2014, prior to any required principal payments. Interest accrues at 4.167% per annum with an annual principal and interest payment of the lessor of \$29,504 or 100% of net cash flow, as defined. The loan matures on January 1, 2030. The loan is secured by a mortgage on certain real estate. At December 31, 2017, the note had an outstanding balance of \$500,000.

EHA RAD I, LP

On May 1, 2016, RAD I obtained a loan from P/R Mortgage & Investment, Corp in the amount of \$5,022,700. The loan bears an annual interest rate of 3.65%. The loan requires monthly interest only through December 1, 2017. Monthly payments of \$19,912 begin January 1, 2018 or at the end of construction. The note matures on December 1, 2057. The loan is secured by a mortgage, security agreement, and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2017, decreasing by 1% each year thereafter. As of December 31, 2017, funds totaling \$3,663,781 have been disbursed to the partnership.

On May 1, 2016, RAD I obtained a construction loan from the City of Evansville, Indiana in the amount of \$3,400,000 backed by Series B bonds. The interest rate is determined by the LIBOR and adjusted monthly. The note matured on November 1, 2017 but was extended until the end of construction. As of December 31, 2017, funds totaling \$2,460,846 have been disbursed to the partnership.

On May 1, 2016, RAD I obtained two loans from Indiana Housing and Community Development Authority in the amount of \$500,000 each for a total of \$1,000,000. The notes bear an annual interest rate of 3% and a maturity date of November 30, 2058. Annual payments for each loan in the amount of \$21,631 are to be made subject to surplus cash as defined by HUD. The loans stipulate payments are to be no greater than 75% of available surplus cash as defined by the regulatory agreement. The loans are secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2017, funds totaling \$1,000,000 have been disbursed to the partnership.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of \$800,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. The loan is secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2017, \$800,000 remains outstanding.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of \$6,690,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. The loan is secured by a security instrument. As of December 31, 2017, \$6,690,000 remains outstanding.

On May 1, 2016, RAD I obtained a loan from The Housing Authority of the City of Evansville in the amount of \$3,250,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. Payments are to be made annually commencing February 1, 2018 from surplus cash as defined by the regulatory agreement, but in no event greater than 75% of the total amount of surplus cash. The loan is secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2017, \$3,250,000 remains outstanding.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note G - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

On May 1, 2016, RAD I obtained a loan from the City of Evansville backed by tax-exempt bonds in the amount of \$12,200,000. The maturity date of the bonds is June 1, 2018, first coupon date is December 1, 2016, and the bonds are subject to mandatory tender on December 31, 2017. The tax-exempt bond interest rate is 0.90%, sold at par. The Partnership is responsible for repayment of the bonds and has established a bond reserve for that purpose. The loan is secured by a mortgage, security agreement, and assignment of rents. The Partnership does not anticipate a shortfall in the reserve. The bonds were repaid on July 1, 2018.

EHA RAD II, LP

On May 1, 2016, RAD II obtained a loan from HUD through P/R Mortgage & Investment, Corp in the amount of \$2,319,400. The loan bears an annual interest rate of 3.65%. The loan requires monthly interest only payments through August 1, 2017. Monthly principal and interest payments of \$9,195 begin September 1, 2017. The note matures on August 1, 2057. The loan is secured by a mortgage, security agreement, and assignment of rents and is insured by HUD under Section 221(d)4 of the National Housing Act. The note is subject to a prepayment penalty of 10% in 2017, decreasing by 1% each year thereafter. As of December 31, 2017, \$2,310,800 is outstanding.

On May 1, 2016, RAD II obtained a loan from the City of Evansville, Indiana in the amount of \$1,200,000 backed by Series C bonds. The interest rate is determined by the LIBOR and adjusted monthly. The note matured on November 1, 2017 and was repaid.

On May 1, 2016, RAD II obtained a loan from the City of Evansville backed by tax-exempt bonds in the amount of \$4,400,000. The maturity date of the bonds is June 1, 2018, first coupon date of December 1, 2016. The bonds are subject to mandatory tender on December 31, 2017. The tax-exempt bond interest rate is .90%, sold at par. The Partnership is responsible for repayment of the bonds and has established a bond reserve for that purpose. The Partnership does not anticipate a shortfall in the reserve. The full amount of the loan was repaid at the completion of construction in 2017.

On May 31, 2016, RAD II obtained a loan from Indiana Housing and Community Development Authority in the amount of \$500,000. The note bears an annual interest rate of 3% and a maturity date of November 30, 2058. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage, security agreement, and assignment of rents. No payments are due until maturity. As of December 31, 2017, \$500,000 remains outstanding.

In May 2016, RAD II obtained a loan from The Housing Authority of the City of Evansville in the amount of \$3,400,000. The note bears an annual interest rate of 6% and a maturity date of February 1, 2058. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. No payments are due until maturity. The loan is secured by a security instrument. As of December 31, 2017, \$3,400,000 remains outstanding.

EHA RAD IV, LP

On December 22, 2017, RAD IV obtained a surplus cash loan from The Housing Authority of the City of Evansville in the amount of \$6,890,000. Interest accrues at an annual rate of 6% commencing February 1, 2019. The entire principal balance, as well as accrued and unpaid interest, is due and payable on February 1, 2059. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage and a security agreement against the property. As of December 31, 2017, \$6,890,000 remains outstanding.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note G - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

On December 22, 2017, RAD IV obtained a loan from The Housing Authority of the City of Evansville in the amount of \$2,000,000 for the construction and development of the property. Interest accrues at an annual rate of 6% commencing February 1, 2018. The entire principal balance, as well as accrued and unpaid interest, is due and payable at the end of the construction period, which is expected to be on or before December 31, 2018. The loan is secured by a security agreement. As of December 31, 2017, \$2,000,000 remains outstanding.

On December 1, 2017, RAD IV obtained a loan from the City of Evansville from the proceeds of Series A bonds in the amount of \$7,400,000. The loan bears interest at a rate of 1.85% per annum. Semi-annual interest payments are due commencing June 1, 2018. The maturity date of the bonds is June 1, 2020. The bonds are subject to mandatory tender on December 1, 2019. No draws have been made on the loan as of December 31, 2017.

On December 1, 2017, RAD IV obtained a loan from the City of Evansville, Indiana in the amount of \$1,500,000 from the proceeds of Series B bonds. The loan matures on July 1, 2019 and is anticipated to be repaid with the proceeds of capital contributions from the investor limited partner. The outstanding balance on the loan at December 31, 2017 is \$50,000. The interest rate is determined by the LIBOR and adjusted monthly.

On December 22, 2017, RAD IV obtained a Development Fund loan from IHCDA in the amount of \$727,476. The note bears an annual interest rate of 3% and a maturity date of December 31, 2058. The loan stipulates payments are to be made only from 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage and security agreement. No draws have been made on the loan as of December 31, 2017.

CSSL

On December 28, 2017, CSSL obtained a construction loan in the amount of \$6,250,000 from Merchants Bank of Indiana with a floating interest rate of 30-day LIBOR plus 265 basis points. The construction loan will mature on June 1, 2020 and will be paid down with tax credit equity proceeds. No draws had been made on the loan as of December 31, 2017.

On December 28, 2017, CSSL obtained a HOME loan from IHCDA in the amount of \$400,000 that bears interest at 1% per annum with annual payments to be made from available cash flow. The loan is secured by a mortgage. No draws have been made on the loan as of December 31, 2017.

On December 28, 2017, CSSL obtained a Development Fund loan from IHCDA in the amount of \$500,000 that bears interest at 3% per annum with annual payments to be made from available cash flow. The loan is secured by a mortgage and security agreement. No draws have been made on the loan as of December 31, 2017.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note G - Long-term Debt and Other Long-term Obligations (Continued)

Discretely Presented Component Units (Continued)

Debt service requirements of the discretely presented component units as of December 31, 2017 are estimated as follows based on annual net cash flow:

	<u>Principal</u>
Payable In:	
2018	\$ 16,742,021
2019	84,236
2020	87,415
2021	90,714
2022	94,137
Thereafter	<u>28,616,904</u>
 Total Requirements	 <u><u>\$ 45,715,427</u></u>

A summary of changes in long-term debt and other long-term obligations of the discretely presented component units for the year ended December 31, 2017 is presented below:

	<u>Balance at January 1, 2017</u>	<u>Additions/ Transfers</u>	<u>Retirements</u>	<u>Balance at December 31, 2017</u>	<u>Due within One Year</u>
Other liabilities - noncurrent	\$ 1,457,204	\$ 4,939,432	\$ -	\$ 6,396,636	\$ -
Long-term debt	<u>33,619,814</u>	<u>17,592,119</u>	<u>(5,496,506)</u>	<u>45,715,427</u>	<u>16,742,021</u>
 Total Long Term Obligations	 <u><u>\$ 35,077,018</u></u>	 <u><u>\$ 22,531,551</u></u>	 <u><u>\$ (5,496,506)</u></u>	 <u><u>\$ 52,112,063</u></u>	 <u><u>\$ 16,742,021</u></u>

Note H - Retirement Plan

Plan Description

The Authority contributed to the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS) as a cost-sharing, multiple-employer defined benefit plan. PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. There are two tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice: Retirement Savings Plan for Public Employees (My Choice), formerly known as the Public Employees' Annuity Savings Account Only Plan.

There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the annuity savings account (ASA) that supplements the defined benefit at retirement. The My Choice plan is funded by an employer and a member for the use of the member, or the member's beneficiaries or survivors, after the member's retirement.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note H - Retirement Plan (Continued)

Members are required to participate in the ASA. The ASA consists of the member's contributions, set by statute at three percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

Investments in the members' ASA are individually directed and controlled by plan participants who direct the investment of their account balances among eight investment options, with varying degrees of risk and return potential. All contributions made to a member's account (member contribution subaccount and employer contribution subaccount) are invested as a combined total according to the member's investment elections. Members may make changes to their investment directions daily and investments are reported at fair value.

Retirement Benefits - Defined Benefit Pension

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's ASA. Pension benefits (non-ASA) vest after 10 years of creditable service. The vesting period is eight years for certain elected officials. Members are immediately vested in their ASA. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's ASA, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their ASA and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the ASA. A non-vested member who terminates employment prior to retirement may withdraw his/her ASA after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six months in a covered position may reclaim his/her forfeited creditable service.

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 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. The same calendar quarter may not be included in two different groups.

For PERF members who serve as an elected official, the highest one year (total of four consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

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

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

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note H - Retirement Plan (Continued)

Retirement Benefits - Defined Benefit Pension (Continued)

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 for the year ended June 30, 2017; however, eligible members received a one-time check (a.k.a. 13th check) in September 2016.

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

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

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

Significant Actuarial Assumptions

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

Asset valuation date:	June 30, 2017
Liability valuation date and method:	Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.
Actuarial cost method:	Entry age normal - level percent of payroll
Experience study date:	Period of 4 years ended June 30, 2014
Investment rate of return:	6.75%

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note H - Retirement Plan (Continued)

Significant Actuarial Assumptions (Continued)

COLA:	1.0%
Future salary increases, including inflation:	2.50% - 4.25%
Inflation:	2.25%

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

	Target Allocation	Geometric Basis Long-term Expected Real Rate of Return
Public Equity	22.0%	4.9%
Private Markets	14.0%	5.7%
Fixed income - Ex inflation-linked	20.0%	2.3%
Fixed income - Inflation-linked	7.0%	0.6%
Commodities	8.0%	2.2%
Real Estate	7.0%	3.7%
Absolute Return	10.0%	3.9%
Risk Parity	12.0%	5.1%

Total pension liability for the Plan was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on those assumptions, the Plan's fiduciary net position were projected to be available to make all projected future benefit payments of current Plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the Plan.

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the Plan calculated using the discount rate of 6.75 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current Discount Rate</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
\$ 1,545,408	\$ 1,059,617	\$ 655,789

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note H - Retirement Plan (Continued)

Investment Valuation and Benefit Payment Policies

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

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

Funding Policy

The State is obligated by statute to make contributions to the PERF Hybrid Plan or the PERF ASA Only Plan. Any political subdivision that elects to participate in the PERF Hybrid Plan is obligated by statute to make contributions to the Plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal year 2017, all participating employers were required to contribute 11.2 percent of covered payroll for members employed by the State. For political subdivisions, an average contribution rate of 5.4 percent was required from employers during the period of July 1 through December 31, 2016, and an average contribution rate of 7.2 percent was required for the period of January 1 through June 30, 2017. For the ASA Only Plan, all participating employers were also required to contribute 11.2 percent of covered payroll. In accordance with IC 5-10.3-12-24, the amount credited from the employer's contribution rate to the member's account shall not be less than 3 percent and not be greater than the normal cost of the fund which was 3.03 percent for the year ended June 30, 2017 and any amount not credited to the member's account shall be applied to the pooled assets of the PERF Hybrid Plan.

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

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

At December 31, 2017, the Authority reported a liability of \$1,059,617 for its proportionate share of the net pension liability. The Authority's proportionate share of the net pension liability was based on the Authority's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2017 measurement date was 0.0002375.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note H - Retirement Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2017, the Authority recognized pension income of \$98,302, which is net of income from the net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$307,751. At December 31, 2017, the Authority reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 20,123	\$ 822
Net differences between project and actual earnings on pension plan investments	167,613	53,126
Changes of assumptions	17,013	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	<u>-</u>	<u>380,370</u>
Total that will be recognized in pension expense (income) based on table below	204,749	434,318
Pension contribution subsequent to measurement date	<u>60,179</u>	<u>-</u>
Total	<u><u>\$ 264,928</u></u>	<u><u>\$ 434,318</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ (173,484)
2019	(61,628)
2020	11,243
2021	<u>(5,700)</u>
	<u><u>\$ (229,569)</u></u>

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note I - Concentrations

The Authority is substantially funded by federal awards. The Authority received 90% of its total revenue from a single Federal Agency during the year ended December 31, 2017. Management is in the process of implementing HUD's Rental Assistance Demonstration Program for certain properties which will alter funding and delivery of services in future years.

A portion of the labor costs of the Authority are attributable to employees under a collective bargaining agreement. Consequently, the Authority is subject to this agreement with respect to wages and other labor-related matters. Approximately 34% of the employees of the Authority and its blended component unit, combined, are subject to the terms of the collective bargaining agreement.

Note J - Risk Management and Contingencies

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

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

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

Discretely Presented Component Units

Operating Deficit Guaranty

Vision LP

Pursuant to Vision LP's operating deficit guaranty, upon reduction of the operating reserve to zero, the general partner, special limited partner B and the specified guarantors, are obligated to provide funds to Vision LP to cover operating deficits during the operating deficit guaranty period. The operating deficit guaranty period begins with the stabilization of operations and ends on the fifth anniversary of the stabilization date provided, however, that a minimum debt service coverage of 1.20 to 1.00 to be achieved for the 12 month period immediately preceding the expiration of the guaranty period and the operating reserve is fully funded. Advances are to be treated as non-interest bearing loans to Vision LP. No funds have been advanced as of December 31, 2017.

EHA RAD I, LP

Operating deficits for the period prior to the expiration of five years from the date RAD I achieves rental achievement, which has yet to be met as of December 31, 2017, are to be paid from the operating deficit reserve account. The general partner is to advance funds to RAD I if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed \$1,010,000 and are to be treated as unsecured loans bearing interest at an annual rate equal to the prime rate. No funds have been advanced as of December 31, 2017.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note J - Risk Management and Contingencies (Continued)

EHA RAD II, LP

Operating deficits for the period prior to the expiration of five years from the date RAD II achieves rental achievement, which has yet to be met as of December 31, 2017, are to be paid from the operating deficit reserve account. The general partner is to advance funds to RAD II if the operating deficit reserve account is not sufficient to cover the deficits. Such advances are not to exceed \$365,000 and are to be treated as unsecured loans bearing interest at an annual rate equal to the prime rate. No funds have been advanced as of December 31, 2017.

EHA RAD IV, LP

The general partner is obligated to fund operating deficits incurred by RAD IV during the operating deficit guaranty period, which is the period expiring five years from the date RAD IV achieves rental achievement, which has yet to be met as of December 31, 2017. Such advances are not to exceed \$571,438. No funds have been advanced as of December 31, 2017. The general partner will also be required to maintain an operating deficit reserve equal to the greater of \$571,438 or an amount equal to 6 months of operating reserves, required debt service payments and required reserve payments. The operating deficit reserve was not required to be funded as of December 31, 2017.

CSSL

The general partner is obligated to fund operating deficits incurred by CSSL during the operating deficit guaranty period, which is the period expiring five years from the date CSSL achieves rental achievement, which has yet to be met as of December 31, 2017. Such advances are not to exceed \$124,087. No funds have been advanced as of December 31, 2017. If the partnership has insufficient funds, the general partner will also be required to fund the operating reserve in the amount of \$80,000. The operating deficit reserve was not required to be funded as of December 31, 2017.

Note K - Related Party Information

Discretely Presented Component Units

Vision LP

City Real Estate Advisors, Inc. (CREA) is entitled to receive an annual asset management fee in the amount of \$4,000. The fee is payable out of an escrow deposit fund in the original amount of \$60,000 held by CREA. The balance in the escrow fund totaled \$35,000 at December 31, 2017. Vision LP owes CREA \$1,688 for legal fees which is included in accounts payable at December 31, 2017.

The general partner is entitled to receive an annual incentive partnership management fee of 85% of remaining cash flow, not to exceed 12% of the gross revenues of the Partnership on a noncumulative basis. No fee was earned in 2017.

The Authority, its blended component unit Advantix Development, Inc., and Flaherty & Collins Development, LLC served as co-developers for the project. As compensation for their services, the developers are to receive \$1,200,000, which is to be paid at various times, as specified in the development agreement. If any developer fee remains outstanding as of December 31, 2027, the general partner is to make a capital contribution in the amount of the unpaid fee in order for Vision LP to pay the entire unpaid amount. As of December 31, 2017, \$589,766 remains unpaid.

EHA RAD I, LP

The investor limited partner is entitled to an annual asset management fee of \$3,750, increasing 3% per year of available cash flow as defined. If there is no available cash flow, the fee accrues without interest. The fee earned for 2017 of \$3,750 is included in accounts payable at December 31, 2017.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note K - Related Party Information (Continued)

Discretely Presented Component Units (Continued)

EHA RAD I, LP (Continued)

Advantix Development Corp serves as developer for the project. As compensation for their services, the developer is to receive \$3,843,000, which is to be paid at various times, as specified in the development agreement. As of December 31, 2017, the full amount has been earned and a total of \$3,523,573 is outstanding.

Flaherty & Collins Inc. serves as the property manager. The property management fee is calculated as 5% of gross rental receipts. Fees totaling \$76,229 were earned for the year ended December 31, 2017.

EHA RAD II, LP

The investor limited partner is entitled to an annual asset management fee of \$3,750 once completion occurs, increasing 3% per year out of available cash flow as defined. If there is no available cash flow, the fee accrues without interest. The fee earned for 2017 of \$3,750 is included in accounts payable at December 31, 2017.

Advantix Development Corporation served as the developer for the project. As compensation for their services, the developer is to receive \$1,361,000, which is to be paid at various times, as specified in the development agreement. As of December 31, 2017, the full amount has been earned and \$1,262,288 remained outstanding.

Flaherty & Collins Properties serves as the property manager. The property management fee is calculated as 5% of gross rental receipts. Fees totaling \$33,402 were earned for the period ended December 31, 2017.

The lender P/R Mortgage & Investments Corporation required a latent defect escrow to be established. Flaherty & Collins Development, Inc., an affiliate of the property manager, provided the funds to establish the escrow and will be repaid the amount once the release is approved by the lender. As of December 31, 2017, \$80,191 is included in accounts payable.

EHA RAD IV, LP

The Authority's blended component unit, Advantix Development, Inc. served as the developer for the project. As compensation for its services, the developer is to receive \$1,876,500, which is to be paid at various times, as specified in the development agreement. As of December 31, 2017, \$1,671,460 remains unpaid.

CSSL

The Authority's blended component unit Advantix Development, Inc., and Myszak & Palmer Development, LLC served as co-developers for the project. As compensation for their services, the developers are to receive \$710,000, which is to be paid at various times, as specified in the development agreement. If any developer fee remains outstanding as of the rental achievement date, which has yet to be met as of December 31, 2017, the general partner is to make a capital contribution in the amount of the unpaid fee in order for CSSL to pay the entire unpaid amount. As of December 31, 2017, \$685,197 remains unpaid.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note L - Rental Assistance Demonstration Program

The Authority applied for participation in HUD's Rental Assistance Demonstration (the RAD) Program for some of its public housing properties, which was approved May 31, 2016. The RAD program was created to allow public housing authorities to leverage public and private debt and equity in order to provide financing to preserve and improve public housing properties. The Authority continues working closely with HUD throughout the process to ensure the requirements for participation are met. The conversion of the public housing properties includes selling the buildings to various partnerships established as part of this process, establishing a land lease owned by Advantix Development, Inc., and securing financing.

On May 31, 2016, RAD I secured external financing totaling approximately \$17,700,000 to acquire, renovate and operate four properties through the RAD program. The financing is to be funded through debt and equity investor contributions. Alliant Tax Credit Fund 83, Ltd., the Investor Limited Partner of RAD I, committed to contribute approximately \$11,300,000. Debt financing includes a mortgage note payable totaling \$5,022,700 from a private lender payable and insured by the Federal Housing Authority. The mortgage is expected to commence in January 2018 and will be payable in monthly installments of \$19,912, including interest computed at 3.65% and mortgage premium insurance computed at 0.45% through maturity in December 2057. In addition, debt financing includes two secondary mortgage notes payable totaling \$1,000,000 from the Indiana Housing and Community Development Authority. The mortgages is payable in annual installments of \$43,262 limited to surplus cash, as defined, accruing interest at 3.00% through maturity in November 2058, at which time all unpaid principal and interest is due. RAD I anticipates receiving approximately \$400,000 in Federal Energy Tax Credits which will also be used to fund the acquisition and renovation of the properties.

The City of Evansville, Indiana also funded loans through the issuance of bonds and the loans are secured by assignment of the assets and contracts of RAD I and guaranteed by Advantix Development, Inc. The loans allow for borrowings up to \$4,400,000 and mature February 1, 2058.

On May 31, 2016, RAD II secured financing totaling approximately \$6,600,000 to acquire, renovate and operate a property through the RAD program. The financing is to be funded through debt and equity investor contributions. Alliant Tax Credit Fund 83, Ltd., the Investor Limited Partner of RAD II, committed to contribute approximately \$3,800,000. Debt financing includes a mortgage note payable totaling \$2,319,400 from a private lender and insured by the Federal Housing Authority. The mortgage is payable in monthly installments of \$9,195, including interest computed at 3.80% and mortgage premium insurance computed at 0.45%, through maturity in December 2057. In addition, debt financing includes a \$500,000 secondary mortgage note payable from the Indiana Housing and Community Development Authority. The mortgage commenced in May 2016 and is payable in annual installments of \$21,631 limited to surplus cash, as defined, accruing interest at 3.00% through maturity in November 2058, at which time all unpaid principal and interest is due. Financing during the construction period was provided through two short-term construction loans from the City of Evansville, Indiana. The loans were repaid during 2017.

On December 22, 2017, RAD IV secured financing totaling approximately \$25,000,000 to acquire, renovate and operate a property through the RAD program. The financing is to be funded through debt and equity investor contributions. Alliant Tax Credit Fund 89, Ltd., the Investor Limited Partner of RAD IV, committed to contribute approximately \$6,400,000. Debt financing includes notes payable totaling \$8,890,000 from the Authority and \$8,900,000 from the City of Evansville. In addition, debt financing includes a \$727,476 note payable from the Indiana Housing and Community Development Authority.

On December 28, 2017, CSSL secured financing totaling approximately \$16,700,000 to acquire, renovate and operate a property through the RAD program. The financing is to be funded through debt and equity investor contributions. R4 CSL Acquisition, LLC., the Investor Limited Partner of CSSL, committed to contribute approximately \$9,500,000. Debt financing includes a note payable totaling \$6,250,000 from a private lender. In addition, debt financing includes \$900,000 from 2 notes payable from the Indiana Housing and Community Development Authority.

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note M - Condensed Financial Statements - Blended Component Units

Statement of Net Position
December 31, 2017

	Primary	Blended Component Units			Total
	Government Housing Authority of the City of Evansville	Advantix Development Inc.	Lincoln Estates Redevelopment, Inc.	Eliminations	
Assets					
Current assets	\$ 4,523,454	\$ 2,481,716	\$ -	\$ -	\$ 7,005,170
Capital assets, net	5,442,250	878,840	-	-	6,321,090
Noncurrent assets	21,132,000	29,750	-	-	21,161,750
Total Assets	31,097,704	3,390,306	-	-	34,488,010
Deferred Outflows of Resources	264,928	-	-	-	264,928
Total Assets and Deferred Outflows of Resources	31,362,632	3,390,306	-	-	34,752,938
Liabilities					
Current liabilities	439,381	98,877	33,290	-	571,548
Noncurrent liabilities	1,909,281	-	-	-	1,909,281
Total Liabilities	2,348,662	98,877	33,290	-	2,480,829
Deferred Inflows of Resources	434,318	-	-	-	434,318
Total Liabilities and Deferred Inflows of Resources	2,782,980	98,877	33,290	-	2,915,147
Net Position					
Net investment in capital assets	5,442,250	878,840	-	-	6,321,090
Restricted net position	747,870	980,377	-	-	1,728,247
Unrestricted net position	22,389,532	1,432,212	(33,290)	-	23,788,454
Total Net Position	\$ 28,579,652	\$ 3,291,429	\$ (33,290)	\$ -	\$ 31,837,791

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note M - Condensed Financial Statements - Blended Component Units (Continued)

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2017

	Primary	Blended Component Units			Total
	Government Housing Authority of the City of Evansville	Advantix Development Inc.	Lincoln Estates Redevelopment, Inc.	Eliminations	
Operating Revenues					
Tenant revenue	\$ 675,623	\$ 58,117	\$ -	\$ -	\$ 733,740
HUD PHA operating grants	14,009,684	-	-	-	14,009,684
Other government grants	87,849	-	-	-	87,849
Fraud recovery income	7,714	-	-	-	7,714
Other revenue	268,954	1,236,875	-	(940,900)	564,929
Total Operating Revenues	15,049,824	1,294,992	-	(940,900)	15,403,916
Operating Expenses					
Administration	1,536,913	470,378	-	-	2,007,291
Tenant services	103,614	-	-	-	103,614
Utilities	297,756	18,343	-	-	316,099
Ordinary maintenance and operations	401,016	42,036	-	-	443,052
Protective Services	-	20	-	-	20
Insurance	153,172	10,662	-	-	163,834
Other general expenses	1,206,517	106,922	33,290	(940,900)	405,829
Housing assistance payments	10,391,826	-	-	-	10,391,826
Depreciation expense	573,575	125,395	-	-	698,970
Total Operating Expenses	14,664,389	773,756	33,290	(940,900)	14,530,535
Total Operating Income (Expense)	385,435	521,236	(33,290)	-	873,381
Nonoperating Income (Expense)					
Investment income - unrestricted	864,289	5,170	-	-	869,459
Interest expense and amortization cost	(40,472)	-	-	-	(40,472)
Net gain on disposal of capital assets	-	633,650	-	-	633,650
Total Nonoperating Income	823,817	638,820	-	-	1,462,637
Change in net position before capital grants and other special items	1,209,252	1,160,056	(33,290)	-	2,336,018
Capital grants - hard costs	304,164	-	-	-	304,164
Other special items	5,602,513	(4,240)	-	-	5,598,273
Changes in Net Position	7,115,929	1,155,816	(33,290)	-	8,238,455
Net Position (Deficit), Beginning of Year	21,463,723	2,135,613	-	-	23,599,336
Net Position, End of Year	\$ 28,579,652	\$ 3,291,429	\$ (33,290)	\$ -	\$ 31,837,791

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note M - Condensed Financial Statements - Blended Component Units (Continued)

Statement of Cash Flows
Year Ended December 31, 2017

	Primary Government	Blended Component Units			Total
	Housing Authority of the City of Evansville	Advantix Development Inc.	Lincoln Estates Redevelopment, Inc.	Eliminations	
Net Cash Provided (Used) by Operating Activities	\$ (159,148)	\$ 294,169	\$ -	\$ -	\$ 135,021
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,845,265)	707,919	-	-	(1,137,346)
Net Cash Provided (Used) by Investing Activities	<u>709,761</u>	<u>(578,830)</u>	<u>-</u>	<u>-</u>	<u>130,931</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,294,652)	423,258	-	-	(871,394)
Cash and Cash Equivalents, Beginning of Year	<u>3,132,439</u>	<u>1,049,498</u>	<u>-</u>	<u>-</u>	<u>4,181,937</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,837,787</u>	<u>\$ 1,472,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,310,543</u>

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note N - Condensed Financial Statements - Discretely Presented Component Units

Statement of Net Position
December 31, 2017

	Discretely Presented Component Units					Total
	Vision 1505, L.P.	EHA RAD I, L.P.	EHA RAD II, L.P.	EHA RAD IV	CSSL L.P.	
Assets						
Current assets	\$ 624,312	\$ 12,875,763	\$ 479,997	\$ 2,235,998	\$ 1,748,374	\$ 17,964,444
Capital assets, net	6,274,473	27,218,736	9,766,515	8,103,856	1,618,056	52,981,636
Noncurrent assets	-	-	-	-	-	-
Total Assets	6,898,785	40,094,499	10,246,512	10,339,854	3,366,430	70,946,080
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	6,898,785	40,094,499	10,246,512	10,339,854	3,366,430	70,946,080
Liabilities						
Current liabilities	185,259	15,973,388	365,243	2,000,000	-	18,523,890
Noncurrent liabilities	1,080,503	18,881,877	7,446,653	7,372,863	588,146	35,370,042
Total Liabilities	1,265,762	34,855,265	7,811,896	9,372,863	588,146	53,893,932
Deferred Inflows of Resources	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	1,265,762	34,855,265	7,811,896	9,372,863	588,146	53,893,932
Net Position						
Net investment in capital assets	5,774,473	(2,845,891)	3,555,715	(836,144)	1,618,056	7,266,209
Restricted net position	-	-	-	-	-	-
Unrestricted net position (deficit)	(141,450)	8,085,125	(1,121,099)	1,803,135	1,160,228	9,785,939
Total Net Position	\$ 5,633,023	\$ 5,239,234	\$ 2,434,616	\$ 966,991	\$ 2,778,284	\$ 17,052,148

The Housing Authority of the City of Evansville, Indiana
Notes to Financial Statements (Continued)
Year Ended December 31, 2017

Note N - Condensed Financial Statements - Discretely Presented Component Units (Continued)

Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2017

	Discretely Presented Component Units					Total
	Vision 1505, L.P.	EHA RAD I, L.P.	EHA RAD II, L.P.	EHA RAD IV	CSSL L.P.	
Operating Revenues						
Tenant revenue	\$ 302,345	\$ 2,053,305	\$ 765,613	\$ -	\$ -	\$ 3,121,263
Other revenue	24,434	-	8,645	-	-	33,079
Total Operating Revenues	326,779	2,053,305	774,258	-	-	3,154,342
Operating Expenses						
Administration	91,074	567,771	246,680	-	-	905,525
Utilities	93,556	601,747	188,060	-	-	883,363
Ordinary maintenance and operations	64,415	534,262	159,323	-	-	758,000
Protective services	-	28,306	14,791	-	-	43,097
Insurance	14,334	29,000	7,832	-	-	51,166
Other general expenses	10,275	12,895	37,391	325,678	88,616	474,855
Depreciation expense	230,443	264,442	205,707	-	-	700,592
Total Operating Expenses	504,097	2,038,423	859,784	325,678	88,616	3,816,598
Net Operating Loss	(177,318)	14,882	(85,526)	(325,678)	(88,616)	(662,256)
Nonoperating Income (Expense)						
Investment income - unrestricted	275	21	13	-	-	309
Interest expense and amortization cost	(24,451)	(146,790)	(317,729)	-	-	(488,970)
Syndication costs	-	-	(15,000)	-	-	(15,000)
Total Nonoperating Income (Expense)	(24,176)	(146,769)	(332,716)	-	-	(503,661)
Changes in Net Position	(201,494)	(131,887)	(418,242)	(325,678)	(88,616)	(1,165,917)
Net Position, Beginning of Year	5,834,517	1,995,216	573,110	-	-	8,402,843
Capital Contributions	-	3,375,905	2,279,748	1,292,669	2,866,900	9,815,222
Net Position, End of Year	\$ 5,633,023	\$ 5,239,234	\$ 2,434,616	\$ 966,991	\$ 2,778,284	\$ 17,052,148

Required Supplementary Information

The Housing Authority of the City of Evansville, Indiana
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Public Employee's Retirement Fund
Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's proportion of the net position liability	0.02375%	0.03484%	0.03905%	0.04691%	0.05236%
Authority's proportionate share of the net pension liability	\$ 1,059,617	\$ 1,581,195	\$ 1,590,468	\$ 1,232,760	\$ 1,793,371
Authority's covered-employee payroll	\$ 1,178,339	\$ 1,669,728	\$ 1,870,301	\$ 2,290,295	\$ 2,514,014
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	89.9%	94.7%	85.0%	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	76.6%	75.3%	77.3%	84.3%	78.8%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The Housing Authority of the City of Evansville, Indiana
Schedule of the Authority's Contributions
Public Employee's Retirement Fund
Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 131,573	\$ 185,291	\$ 191,630	\$ 198,731	\$ 181,661
Contributions in relation to the contractually required contribution	<u>\$ 131,573</u>	<u>\$ 185,291</u>	<u>\$ 191,630</u>	<u>\$ 198,731</u>	<u>\$ 181,661</u>
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 1,178,339	\$ 1,669,728	\$ 1,870,301	\$ 2,290,295	\$ 2,514,014
Contributions as a percentage of covered-employee payroll	11.2%	11.1%	10.2%	8.7%	7.2%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The Housing Authority of the City of Evansville, Indiana
Notes to the Required Supplementary Information
Year Ended December 31, 2017

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal - level percent of payroll
Asset valuation method	Five-year smoothed market
Inflation	2.25% per year
Projected salary increases	2.5% - 4.25%
Investment rate of return	6.75% (net of administrative and investment expenses)

Amortization Method - For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 20-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 20-year period (gain or loss bases established prior to June 30, 2017 were amortized over 30 years and will continue to be amortized over 30 -year period). However, when the plan is at or above 100% funded (based on Actuarial Value of Assets), the past amortization bases are considered fully amortized and a single amortization base equal to the surplus is amortized over a 30-year period with level payments each year. The purpose of the method is to give a smooth progression of the costs from year to year and, at the same time, provide for an orderly funding of the unfunded liabilities

Supplementary Information

**The Housing Authority of the City of Evansville, Indiana
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017**

<u>Federal Grantor / Pass Through Entity</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed-through to Subrecipients</u>
U.S. Department of Housing and Urban Development				
Direct Awards:				
Public and Indian Housing	14.850	-	\$ 706,338	\$ -
Housing Voucher Cluster: Section 8 Housing Choice Vouchers	14.871	-	11,539,351	-
Public Housing Capital Fund	14.872	-	1,964,545	-
Family Self-Sufficiency Program	14.896	-	103,614	-
			<u>14,313,848</u>	<u>-</u>
Passed through the City of Evansville:				
Home Investment Partnerships Program	14.239	M-17-MC-18-0201	9,680	-
Community Development Block Grants/States Program	14.228	B-17-MC-18-0002	78,169	-
Total Expenditures of Federal Awards			<u>\$ 14,401,697</u>	<u>\$ -</u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B - Indirect Cost Rate

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

Note C - Procurement Policy

The Authority adopted the procurement requirements specified in the Uniform Guidance during the year ended December 31, 2017.



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
The Housing Authority of the City of Evansville, 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 business-type activities and aggregate discretely presented component units of the Housing Authority of the City of Evansville, Indiana (the "Authority") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 18, 2018.

Internal Control Over Financial Reporting

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

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

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards* (Continued)**

Compliance and Other Matters

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

Purpose of this Report

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

MCM CPAs & Advisors LLP

Jeffersonville, Indiana
September 18, 2018



Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Evansville, Indiana's (the "Authority'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 Authority's major federal programs for the year ended December 31, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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 Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance (Continued)

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we 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 our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Jeffersonville, Indiana
September 18, 2018

**The Housing Authority of the City of Evansville, Indiana
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2017**

Section I -Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? yes x no
 Significant deficiency(ies) identified not considered to
 be material weaknesses? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? yes x no
 Significant deficiency(ies) identified not considered to
 be material weaknesses? yes x none reported

Type of auditor's report issued on compliance for
 major 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 programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.871	Section 8 Housing Choice Vouchers	\$ 11,539,351
14.872	Public Housing Capital Fund Program	\$ 1,964,545

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

Section II -Findings -Financial Statement Audit

None.

Section III -Findings -Major Federal Award Programs Audit

None.

**The Housing Authority of the City of Evansville, Indiana
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2017**

None.



Independent Accountant's Report on Applying Agreed-Upon Procedure

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

We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of Evansville, Indiana (the "Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center ("REAC"), solely to assist them in determining whether the electronic submission of certain information agrees with related hard copy documents included within the Uniform Guidance reporting package. The Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Document(s)" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged to perform an audit in accordance with 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), for the Authority as of and for the year ended December 31, 2017, and have issued our reports thereon dated September 18, 2018. The information in the "Hard Copy Document(s)" column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated September 18, 2018, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the financial statement package required by the Uniform Guidance, which includes the auditor's reports, is available in its entirety from the Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "MCM CPAs & Advisors LLP". The signature is stylized and cursive.

Jeffersonville, Indiana
September 18, 2018

-52-

Kentucky
Indiana
Ohio

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**Attachment to Independent Accountant's Report
on Applying Agreed-Upon Procedure**

				DOES NOT AGREE
PROCEDURE	UFRS RULE INFORMATION	HARD COPY DOCUMENT(S)	AGREES	
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's	X	
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	X	
4	Audit Findings Narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	X	
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	Uniform Guidance Data Collection Form	X	
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and Uniform Guidance Data Collection Form	X	
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and Uniform Guidance Data Collection Form	X	
8	Type of Compliance Requirement (G4200-020 & G4000-030)	Uniform Guidance Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	17.274 YouthBuild Program	2 State/Local	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	721,483			204,079	444,697	1,074,154		-	411,354		16,958	120,071	2,992,796		2,992,796
112 Cash - Restricted - Modernization and Development				-	4,193,980	396,377							4,590,357		4,590,357
113 Cash - Other Restricted				268,741	12,843,904	-							13,112,645		13,112,645
114 Cash - Tenant Security Deposits	12,960				62,475	2,225							77,660		77,660
115 Cash - Restricted for Payment of Current Liabilities				82,141	-	-							82,141		82,141
100 Total Cash	734,443	-		554,961	17,545,056	1,472,756	-	-	411,354	-	16,958	120,071	20,855,599	-	20,855,599
121 Accounts Receivable - PHA Projects															
122 Accounts Receivable - HUD Other Projects		9,128			43,111								52,239		52,239
124 Accounts Receivable - Other Government															
125 Accounts Receivable - Miscellaneous					28,546	333,154			69,230			10,925	441,855		441,855
126 Accounts Receivable - Tenants	4,743	-			18,694	308			3,071				26,816		26,816
126.1 Allowance for Doubtful Accounts - Tenants	(4,255)	-			-	-			-				(4,255)		(4,255)
126.2 Allowance for Doubtful Accounts - Other		-			-	-			-				-		-
127 Notes, Loans, & Mortgages Receivable - Current						4,250			2,000,000				2,004,250		2,004,250
128 Fraud Recovery															
128.1 Allowance for Doubtful Accounts - Fraud															
129 Accrued Interest Receivable									122,216				122,216		122,216
120 Total Receivables, Net of Allowances for Doubtful Accounts	488	9,128	-	-	90,351	337,712	-	-	2,194,517	-	-	10,925	2,643,121	-	2,643,121
131 Investments - Unrestricted															
132 Investments - Restricted						584,000			352,939		126,255		1,063,194		1,063,194
135 Investments - Restricted for Payment of Current Liability															
142 Prepaid Expenses and Other Assets					329,037	12,096			3,940			62,627	407,700		407,700
143 Inventories															
143.1 Allowance for Obsolete Inventories															
144 Inter Program Due From						75,152							75,152	(75,152)	-
145 Assets Held for Sale															
150 Total Current Assets	734,931	9,128	-	554,961	17,964,444	2,481,716	-	-	2,962,750	-	143,213	193,623	25,044,766	(75,152)	24,969,614
161 Land	165,632				756,000	99,377			962,535				1,983,544		1,983,544
162 Buildings	13,677,484				50,404,508	1,860,191							65,942,183		65,942,183
163 Furniture, Equipment & Machinery - Dwellings	182,378				1,134,482	234,362							1,551,222		1,551,222
164 Furniture, Equipment & Machinery - Administration	181,326			43,973	-	38,399						49,713	313,411		313,411
165 Leasehold Improvements												29,199	29,199		29,199
166 Accumulated Depreciation	(9,739,975)			(43,878)	(1,750,266)	(1,353,489)						(66,137)	(12,953,745)		(12,953,745)
167 Construction in Progress					2,436,912								2,436,912		2,436,912
168 Infrastructure															
160 Total Capital Assets, Net of Accumulated Depreciation	4,466,845	-	-	95	52,981,636	878,840	-	-	962,535	-	-	12,775	59,302,726	-	59,302,726
171 Notes, Loans and Mortgages Receivable - Non-Current						29,750			21,030,000				21,059,750		21,059,750
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due															
173 Grants Receivable - Non Current															
174 Other Assets									102,000				102,000		102,000
176 Investments in Joint Ventures															
180 Total Non-Current Assets	4,466,845	-	-	95	52,981,636	908,590	-	-	22,094,535	-	-	12,775	80,464,476	-	80,464,476
200 Deferred Outflow of Resources	16,765			36,336					137,460			74,367	264,928		264,928
290 Total Assets and Deferred Outflow of Resources	5,218,541	9,128	-	591,392	70,946,080	3,390,306	-	-	25,194,745	-	143,213	280,765	105,774,170	(75,152)	105,699,018

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	17.274 YouthBuild Program	2 State/Local	COCC	Subtotal	ELIM	Total
311 Bank Overdraft	-												-		-
312 Accounts Payable <= 90 Days	23,423		2,975	62,994	1,396,123	40,114			32,620	822		7,007	1,566,078		1,566,078
313 Accounts Payable >90 Days Past Due					-										
321 Accrued Wage/Payroll Taxes Payable	7,073	4,270	888	18,924	-	14,911			26,404	1,748		19,344	93,562		93,562
322 Accrued Compensated Absences - Current Portion	570			25,945	-	4,811						30,263	61,589		61,589
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	12,960				50,282	2,225							65,467		65,467
342 Unearned Revenue	1,864			21,397	21,387	34,410							79,058		79,058
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					16,742,021				69,750				16,811,771		16,811,771
344 Current Portion of Long-term Debt - Operating Borrowings					-										
345 Other Current Liabilities		4,858			314,077								318,935		318,935
346 Accrued Liabilities - Other	28,598		16	23,431	-	35,696			7,201			4,036	98,978		98,978
347 Inter Program - Due To			40,304		-		29,128			5,720			75,152	(75,152)	-
348 Loan Liability - Current					-								-		-
310 Total Current Liabilities	74,488	9,128	44,183	152,691	18,523,890	132,167	29,128	-	135,975	8,290	-	60,650	19,170,590	(75,152)	19,095,438
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue					28,973,406	-			739,608				29,713,014		29,713,014
352 Long-term Debt, Net of Current - Operating Borrowings					-										
353 Non-current Liabilities - Other				76,608	6,396,636								6,473,244		6,473,244
354 Accrued Compensated Absences - Non Current	1,453			16,630	-							15,365	33,448		33,448
355 Loan Liability - Non Current					-										
356 FASB 5 Liabilities					-										
357 Accrued Pension and OPEB Liabilities	74,228			147,012	-				523,982			314,395	1,059,617		1,059,617
350 Total Non-Current Liabilities	75,681	-	-	240,250	35,370,042	-	-	-	1,263,590	-	-	329,760	37,279,323	-	37,279,323
300 Total Liabilities	150,169	9,128	44,183	392,941	53,893,932	132,167	29,128	-	1,399,565	8,290	-	390,410	56,449,913	(75,152)	56,374,761
400 Deferred Inflow of Resources	31,919			56,541	-				218,697			127,161	434,318		434,318
508.4 Net Investment in Capital Assets	4,466,845			95	7,266,209	878,840		-	962,535			12,775	13,587,299		13,587,299
511.4 Restricted Net Position				268,677	-	980,377		-	352,938		126,255	-	1,728,247		1,728,247
512.4 Unrestricted Net Position	569,608	-	(44,183)	(126,862)	9,785,939	1,398,922	(29,128)	-	22,261,010	(8,290)	16,958	(249,581)	33,574,393		33,574,393
513 Total Equity - Net Assets / Position	5,036,453	-	(44,183)	141,910	17,052,148	3,258,139	(29,128)	-	23,576,483	(8,290)	143,213	(236,806)	48,889,939	-	48,889,939
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	5,218,541	9,128	-	591,392	70,946,080	3,390,306	-	-	25,194,745	-	143,213	280,765	105,774,170	(75,152)	105,699,018

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	17.274 YouthBuild Program	2 State/Local	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	599,970				3,121,263	56,337			-				3,777,570		3,777,570
70400 Tenant Revenue - Other	75,653				-	1,780							77,433		77,433
70500 Total Tenant Revenue	675,623	-	-	-	3,121,263	58,117	-	-	-	-	-	-	3,855,003	-	3,855,003
70600 HUD PHA Operating Grants	2,366,719	103,614		11,539,351	-								14,009,684		14,009,684
70610 Capital Grants	304,164				-								304,164		304,164
70710 Management Fee					-							294,130	294,130	(294,130)	-
70720 Asset Management Fee					-							39,480	39,480	(39,480)	-
70730 Book Keeping Fee					-							119,885	119,885	(119,885)	-
70740 Front Line Service Fee					-										
70750 Other Fees					-										
70700 Total Fee Revenue					-							453,495	453,495	(453,495)	-
70800 Other Government Grants			78,169		-		9,680						87,849		87,849
71100 Investment Income - Unrestricted				64	309	5,170		331	863,894				869,768		869,768
71200 Mortgage Interest Income					-										
71300 Proceeds from Disposition of Assets Held for Sale					-										
71310 Cost of Sale of Assets					-										
71400 Fraud Recovery				7,714	-								7,714		7,714
71500 Other Revenue	8,901		400	14,651	33,079	295,975			9,989			235,013	598,008		598,008
71600 Gain or Loss on Sale of Capital Assets					-	633,650							633,650		633,650
72000 Investment Income - Restricted					-	-		-	-				-		-
70000 Total Revenue	3,355,407	103,614	78,569	11,561,780	3,154,651	992,912	9,680	331	873,883	-	-	688,508	20,819,335	(453,495)	20,365,840
91100 Administrative Salaries	29,389		6,407	328,130	293,358	59,986			23,814	4,996		386,261	1,132,341		1,132,341
91200 Auditing Fees	4,558			31,394	-	3,602			3,602			6,018	49,174		49,174
91300 Management Fee	174,391			119,739	130,703								424,833	(294,130)	130,703
91310 Book-keeping Fee	22,335			97,550	-								119,885	(119,885)	-
91400 Advertising and Marketing				330	8,496	704						509	10,039		10,039
91500 Employee Benefit contributions - Administrative	17,971		126	151,309	93,145	3,514			(63,989)	248		39,075	241,399		241,399
91600 Office Expenses	137,148		23,341	141,620	299,755	48,807			41,284			108,391	800,346		800,346
91700 Legal Expense	5,004			52	-	26,620			21,040			8,089	60,805		60,805
91800 Travel				28	21,980	3,820			2,280	3,046		17,676	48,830		48,830
91810 Allocated Overhead				-									-		-
91900 Other	4,236		53,530		58,088	323,325							439,179		439,179
91000 Total Operating - Administrative	395,032	-	83,404	870,152	905,525	470,378	-	-	28,031	8,290	-	566,019	3,326,831	(414,015)	2,912,816
92000 Asset Management Fee	39,480				-								39,480	(39,480)	-
92100 Tenant Services - Salaries		80,653			-								80,653		80,653
92200 Relocation Costs					-										
92300 Employee Benefit Contributions - Tenant Services		22,961			-								22,961		22,961
92400 Tenant Services - Other					-										
92500 Total Tenant Services	-	103,614	-	-	-	-	-	-	-	-	-	-	103,614	-	103,614
93100 Water	78,894				92,633	1,656							173,183		173,183
93200 Electricity	162,608				502,236	8,920			4,648				678,412		678,412
93300 Gas	47,573				88,295	7,767			4,033				147,668		147,668
93400 Fuel					-										
93500 Labor					-										
93600 Sewer					200,199								200,199		200,199
93700 Employee Benefit Contributions - Utilities					-										
93800 Other Utilities Expense					-										
93000 Total Utilities	289,075	-	-	-	883,363	18,343	-	-	8,681	-	-	-	1,199,462	-	1,199,462

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	17.274 YouthBuild Program	2 State/Local	COCC	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	89,815				284,126	7,184							381,125		381,125
94200 Ordinary Maintenance and Operations - Materials and Other	34,740		3,802	3,678	111,862	8,081			11,703			4,141	178,007		178,007
94300 Ordinary Maintenance and Operations Contracts	140,624		2,610	22,000	362,012	26,771			19,490			18,027	591,534		591,534
94500 Employee Benefit Contributions - Ordinary Maintenance	50,386				-								50,386		50,386
94000 Total Maintenance	315,565	-	6,412	25,678	758,000	42,036	-	-	31,193	-	-	22,168	1,201,052	-	1,201,052
95100 Protective Services - Labor					-										
95200 Protective Services - Other Contract Costs	-				-	20							20		20
95300 Protective Services - Other					43,097								43,097		43,097
95500 Employee Benefit Contributions - Protective Services					-										
95000 Total Protective Services	-	-	-	-	43,097	20	-	-	-	-	-	-	43,117	-	43,117
96110 Property Insurance	105,967			-	51,166	9,718						16,233	183,084		183,084
96120 Liability Insurance				2,964	-				170				3,134		3,134
96130 Workmen's Compensation	5,126			11,099	-	944						11,613	28,782		28,782
96140 All Other Insurance					-										
96100 Total insurance Premiums	111,093	-	-	14,063	51,166	10,662	-	-	170	-	-	27,846	215,000	-	215,000
96200 Other General Expenses	55,516			2,798	489,855	96,631							644,800		644,800
96210 Compensated Absences	31,534			63,068	-	48,355			4,389			49,520	196,866		196,866
96300 Payments in Lieu of Taxes	42,689				-	(7,227)			(7,921)				27,541		27,541
96400 Bad debt - Tenant Rents	16,013				-	2,453							18,466		18,466
96500 Bad debt - Mortgages					-										
96600 Bad debt - Other				8,011	-								8,011		8,011
96800 Severance Expense					-										
96000 Total Other General Expenses	145,752	-	-	73,877	489,855	140,212	-	-	(3,532)	-	-	49,520	895,684	-	895,684
96710 Interest of Mortgage (or Bonds) Payable	4,304				483,658				36,168				524,130		524,130
96720 Interest on Notes Payable (Short and Long Term)					-										
96730 Amortization of Bond Issue Costs					5,312								5,312		5,312
96700 Total Interest Expense and Amortization Cost	4,304	-	-	-	488,970	-	-	-	36,168	-	-	-	529,442	-	529,442
96900 Total Operating Expenses	1,300,301	103,614	89,816	983,770	3,619,976	681,651	-	-	100,711	8,290	-	665,553	7,553,682	(453,495)	7,100,187
97000 Excess of Operating Revenue over Operating Expenses	2,055,106	-	(11,247)	10,578,010	(465,325)	311,261	9,680	331	773,172	(8,290)	-	22,955	13,265,653	-	13,265,653
97100 Extraordinary Maintenance					-										
97200 Casualty Losses - Non-capitalized					-										
97300 Housing Assistance Payments				10,391,826	-								10,391,826		10,391,826
97350 HAP Portability-In					-										
97400 Depreciation Expense	565,894			382	700,592	125,395						7,299	1,399,562		1,399,562
97500 Fraud Losses					-										
97600 Capital Outlays - Governmental Funds					-										
97700 Debt Principal Payment - Governmental Funds					-										
97800 Dwelling Units Rent Expense					-										
90000 Total Expenses	1,866,195	103,614	89,816	11,375,978	4,320,568	807,046	-	-	100,711	8,290	-	672,852	19,345,070	(453,495)	18,891,575
10010 Operating Transfer In	30,000				-							4,000	34,000	(34,000)	-
10020 Operating transfer Out	(30,000)				-				(4,000)				(34,000)	34,000	-
10030 Operating Transfers from/to Primary Government					-										
10040 Operating Transfers from/to Component Unit	(191,231)		(81,861)		-	940,900	(38,808)		(629,000)				-		-
10050 Proceeds from Notes, Loans and Bonds					-										

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.228 Community Development Block Grants/State's Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	8 Other Federal Program 1	1 Business Activities	17.274 YouthBuild Program	2 State/Local	COCC	Subtotal	ELIM	Total
10060 Proceeds from Property Sales					-										
10070 Extraordinary Items, Net Gain/Loss	-				-								-		-
10080 Special Items (Net Gain/Loss)	(1,577,881)				9,815,222	(4,240)			7,180,394				15,413,495		15,413,495
10091 Inter Project Excess Cash Transfer In	88,826				-								88,826		88,826
10092 Inter Project Excess Cash Transfer Out	(88,826)				-								(88,826)		(88,826)
10093 Transfers between Program and Project - In	304,164				-								304,164		304,164
10094 Transfers between Project and Program - Out	(304,164)				-								(304,164)		(304,164)
10100 Total Other financing Sources (Uses)	(1,769,112)	-	(81,861)	-	9,815,222	936,660	(38,808)	-	6,547,394	-	-	4,000	15,413,495	-	15,413,495
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	(279,900)	-	(93,108)	185,802	8,649,305	1,122,526	(29,128)	331	7,320,566	(8,290)	-	19,656	16,887,760	-	16,887,760
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	106,368	-	-	-	106,368		106,368
11030 Beginning Equity	7,268,135	-	48,925	(43,892)	8,402,843	2,135,613	-	142,882	14,304,135	-	-	(256,462)	32,002,179		32,002,179
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(1,951,782)				-			(143,213)	1,951,782		143,213		-		-
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				(126,767)									(126,767)		(126,767)
11180 Housing Assistance Payments Equity				268,677									268,677		268,677
11190 Unit Months Available	3,948			29,952	7,092	228		-					41,220		41,220
11210 Number of Unit Months Leased	3,882			22,285	4,664	100		-					30,931		30,931
11270 Excess Cash	556,496												556,496		556,496
11610 Land Purchases	-												-		-
11620 Building Purchases	304,164												304,164		304,164
11630 Furniture & Equipment - Dwelling Purchases	-												-		-
11640 Furniture & Equipment - Administrative Purchases	-												-		-
11650 Leasehold Improvements Purchases	-												-		-
11660 Infrastructure Purchases	-												-		-
13510 CFFP Debt Service Payments	-												-		-
13901 Replacement Housing Factor Funds	-												-		-

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	IN01600001	IN01600002	IN01600003	IN01600004	IN016000025	IN016000067	IN016001011	OTHER PROJ	Total
111 Cash - Unrestricted					721,483				721,483
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted									
114 Cash - Tenant Security Deposits					12,960				12,960
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	-	-	-	-	734,443	-	-	-	734,443
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects									
124 Accounts Receivable - Other Government									
125 Accounts Receivable - Miscellaneous									
126 Accounts Receivable - Tenants					4,743				4,743
126.1 Allowance for Doubtful Accounts -Tenants					(4,255)				(4,255)
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	-	-	-	-	488	-	-	-	488
131 Investments - Unrestricted									
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current Liability									
142 Prepaid Expenses and Other Assets									
143 Inventories									
143.1 Allowance for Obsolete Inventories									
144 Inter Program Due From									
145 Assets Held for Sale									
150 Total Current Assets	-	-	-	-	734,931	-	-	-	734,931
161 Land					165,632				165,632
162 Buildings					13,677,484				13,677,484
163 Furniture, Equipment & Machinery - Dwellings					182,378				182,378
164 Furniture, Equipment & Machinery - Administration					181,326				181,326
165 Leasehold Improvements									
166 Accumulated Depreciation					(9,739,975)				(9,739,975)
167 Construction in Progress									
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	-	-	-	-	4,466,845	-	-	-	4,466,845
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									

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	IN01600001	IN01600002	IN01600003	IN01600004	IN016000025	IN016000067	IN016001011	OTHER PROJ	Total
180 Total Non-Current Assets	-	-	-	-	4,466,845	-	-	-	4,466,845
200 Deferred Outflow of Resources					16,765				16,765
290 Total Assets and Deferred Outflow of Resources	-	-	-	-	5,218,541	-	-	-	5,218,541
311 Bank Overdraft					-				-
312 Accounts Payable <= 90 Days					23,423				23,423
313 Accounts Payable >90 Days Past Due									
321 Accrued Wage/Payroll Taxes Payable					7,073				7,073
322 Accrued Compensated Absences - Current Portion					570				570
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					12,960				12,960
342 Unearned Revenue					1,864				1,864
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					28,598				28,598
347 Inter Program - Due To									
348 Loan Liability - Current									
310 Total Current Liabilities	-	-	-	-	74,488	-	-	-	74,488
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					1,453				1,453
355 Loan Liability - Non Current									
356 FASB 5 Liabilities									
357 Accrued Pension and OPEB Liabilities					74,228			-	74,228
350 Total Non-Current Liabilities	-	-	-	-	75,681	-	-	-	75,681
300 Total Liabilities	-	-	-	-	150,169	-	-	-	150,169
400 Deferred Inflow of Resources					31,919				31,919
508.4 Net Investment in Capital Assets					4,466,845				4,466,845
511.4 Restricted Net Position									
512.4 Unrestricted Net Position	-	-	-	-	569,608	-	-	-	569,608
513 Total Equity - Net Assets / Position	-	-	-	-	5,036,453	-	-	-	5,036,453
600 Total Liabilities, Deferred Inflows of Resources and Equity -	-	-	-	-	5,218,541	-	-	-	5,218,541

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	IN016000001	IN016000002	IN016000003	IN016000024	IN016000025	IN016000067	IN016001011	OTHER PROJ	Total
70300 Net Tenant Rental Revenue			263,168		336,802				599,970
70400 Tenant Revenue - Other			52,475		23,178				75,653
70500 Total Tenant Revenue	-	-	315,643	-	359,980	-	-	-	675,623
70600 HUD PHA Operating Grants			2,093,659		273,060				2,366,719
70610 Capital Grants			188,961		115,203				304,164
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									
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	2,461		5,032		1,408				8,901
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted									
70000 Total Revenue	2,461	-	2,603,295	-	749,651	-	-	-	3,355,407
91100 Administrative Salaries			26,023		3,366				29,389
91200 Auditing Fees			2,688		1,870				4,558
91300 Management Fee			91,529		82,862				174,391
91310 Book-keeping Fee			11,722		10,613				22,335
91400 Advertising and Marketing									
91500 Employee Benefit contributions - Administrative			16,735		1,236				17,971
91600 Office Expenses			44,006		93,142				137,148
91700 Legal Expense	356		3,486		1,162				5,004
91800 Travel									
91810 Allocated Overhead									
91900 Other			4,236						4,236
91000 Total Operating - Administrative	356	-	200,425	-	194,251	-	-	-	395,032
92000 Asset Management Fee			23,280		16,200				39,480
92100 Tenant Services - Salaries									
92200 Relocation Costs									
92300 Employee Benefit Contributions - Tenant Services									
92400 Tenant Services - Other									
92500 Total Tenant Services	-	-	-	-	-	-	-	-	-

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	IN01600001	IN01600002	IN01600003	IN01600004	IN01600005	IN016000067	IN016001011	OTHER PROJ	Total
93100 Water			62,293		16,601				78,894
93200 Electricity			109,460		53,148				162,608
93300 Gas			36,739		10,834				47,573
93400 Fuel									
93500 Labor									
93600 Sewer									
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	-	-	208,492	-	80,583	-	-	-	289,075
94100 Ordinary Maintenance and Operations - Labor			48,556		41,259				89,815
94200 Ordinary Maintenance and Operations - Materials and			17,195		17,545				34,740
94300 Ordinary Maintenance and Operations Contracts	2,520		61,457		76,647				140,624
94500 Employee Benefit Contributions - Ordinary Maintenance			35,153		15,233				50,386
94000 Total Maintenance	2,520	-	162,361	-	150,684	-	-	-	315,565
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs			-						-
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	-	-	-	-	-	-	-	-	-
96110 Property Insurance	333		54,165		51,469				105,967
96120 Liability Insurance									
96130 Workmen's Compensation			4,030		1,096				5,126
96140 All Other Insurance									
96100 Total insurance Premiums	333	-	58,195	-	52,565	-	-	-	111,093
96200 Other General Expenses					55,516				55,516
96210 Compensated Absences			20,902		10,632				31,534
96300 Payments in Lieu of Taxes			15,264		27,425				42,689
96400 Bad debt - Tenant Rents			11,190		4,823				16,013
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	-	-	47,356	-	98,396	-	-	-	145,752
96710 Interest of Mortgage (or Bonds) Payable			4,304						4,304
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	-	-	4,304	-	-	-	-	-	4,304
96900 Total Operating Expenses	3,209	-	704,413	-	592,679	-	-	-	1,300,301

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	IN016000001	IN016000002	IN016000003	IN016000024	IN016000025	IN016000067	IN016001011	OTHER PROJ	Total
97000 Excess of Operating Revenue over Operating Expenses	(748)	-	1,898,882	-	156,972	-	-	-	2,055,106
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments									
97350 HAP Portability-In									
97400 Depreciation Expense			131,816		434,078				565,894
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	3,209	-	836,229	-	1,026,757	-	-	-	1,866,195
10010 Operating Transfer In					30,000				30,000
10020 Operating transfer Out					(30,000)				(30,000)
10030 Operating Transfers from/to Primary Government									
10040 Operating Transfers from/to Component Unit	(191,231)		-						(191,231)
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss			-						-
10080 Special Items (Net Gain/Loss)			(1,577,881)						(1,577,881)
10091 Inter Project Excess Cash Transfer In			-		88,826				88,826
10092 Inter Project Excess Cash Transfer Out	(914)		(87,912)						(88,826)
10093 Transfers between Program and Project - In			188,961		115,203				304,164
10094 Transfers between Project and Program - Out			(188,961)		(115,203)				(304,164)
10100 Total Other financing Sources (Uses)	(192,145)	-	(1,665,793)	-	88,826	-	-	-	(1,769,112)
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	(192,893)	-	101,273	-	(188,280)	-	-	-	(279,900)
11020 Required Annual Debt Principal Payments	-	-	-	-	-	-	-	-	-
11030 Beginning Equity	192,893	-	1,850,509	-	5,224,733	-	-	-	7,268,135
11040 Prior Period Adjustments, Equity Transfers and Correction	-		(1,951,782)		-				(1,951,782)
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity									
11180 Housing Assistance Payments Equity									
11190 Unit Months Available	-	-	2,328	-	1,620	-	-	-	3,948
11210 Number of Unit Months Leased	-	-	2,272	-	1,610	-	-	-	3,882
11270 Excess Cash	(267)	-	(58,666)	-	615,429	-	-	-	556,496

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2017

	IN01600001	IN01600002	IN01600003	IN01600004	IN01600005	IN01600006	IN01600101	OTHER PROJ	Total
11610 Land Purchases	-	-	-	-	-	-	-	-	-
11620 Building Purchases	-	-	188,961	-	115,203	-	-	-	304,164
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-	-	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-