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August 20, 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, 2018 to December 31, 2018. 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, 2018, 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, 2018**

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

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Year Ended December 31, 2018

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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, 2018, 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 four of the Authority's discretely presented component units (Vision 1505, L.P., EHA RAD I, L.P., EHA RAD II, L.P. and EHA RAD IV, 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 material 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 I, L.P., EHA RAD II, L.P. and EHA RAD IV, L.P. were audited in accordance with *Government Auditing Standards*. The financial statements for Vision 1505, L.P. were not audited in accordance with *Government Auditing Standards*. We conducted our audit in accordance with auditing standards generally accepted in the United States 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.

MCM CPAs & Advisors LLP

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## **Independent Auditor's Report (Continued)**

### **Auditors' Responsibility (Continued)**

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.

### **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., EHA RAD II, L.P and EHA RAD IV, 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, 2018, 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 4 to 10 and the Schedules of the Authority's Proportionate Share of the Net Pension Liability and of the Authority's Contributions on pages 44 and 45 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 (CFR) 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.

**Independent Auditor's Report (Continued)**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2019, 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.

*MCM CPAs & Advisors LLP*

Lexington, Kentucky

August 6, 2019

**The Housing Authority of the City of Evansville, Indiana  
Management's Discussion and Analysis  
Year Ended December 31, 2018**

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, 2018. 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, 2018**

**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 \$3.2 million during 2018 and increased by approximately \$8.2 million during 2017.
- Operating revenues increased by approximately \$16.0 million from 2017 to 2018 and were approximately \$31.4 million for 2018 and \$15.4 million for 2017.
- Total operating expenses for the Authority's programs increased by approximately \$14.2 million from 2017 to 2018. Total operating expenses were approximately \$28.7 million for 2018 and \$14.5 million for 2017.
- Net nonoperating income (expense), capital grants and other special items for the Authority decreased by approximately \$6.9 million from 2017 to 2018. Total net nonoperating income and capital grants was approximately \$0.5 million in income for 2018 and a \$7.4 million income for 2017. The decrease from 2017 to 2018 was a lack of a sale of property and equipment to any partnership. All of the previous low rent property was converted to RAD in 2017. No sale of real property to partnerships occurred in 2018.

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 135 units in 2018 for 10 months. 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 all 135 of these units to the RAD program in October 2018, resulting in 0 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, 2018**

**Housing Choice Voucher Program**

Under the Housing Choice Voucher Program, the Authority provides rental housing assistance subsidies in support of 2,288 housing units in 2018. 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, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Assets</b>				
Current assets	\$ 11,964,894	\$ 7,005,170	\$ 4,959,724	70.8%
Capital assets, net	6,113,788	6,321,090	(207,302)	-3.3%
Notes receivable, net	21,055,500	21,059,750	(4,250)	0.0%
Other assets	-	102,000	(102,000)	-100.0%
<b>Total Assets</b>	<b>39,134,182</b>	<b>34,488,010</b>	<b>4,646,172</b>	<b>13.5%</b>
<b>Deferred Outflows of Resources</b>	<b>80,737</b>	<b>264,928</b>	<b>(184,191)</b>	<b>-69.5%</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>39,214,919</b>	<b>34,752,938</b>	<b>4,461,981</b>	<b>12.8%</b>
<b>Liabilities</b>				
Current liabilities	2,280,696	571,548	1,709,148	299.0%
Noncurrent liabilities	1,560,156	1,909,281	(349,125)	-18.3%
<b>Total Liabilities</b>	<b>3,840,852</b>	<b>2,480,829</b>	<b>1,360,023</b>	<b>54.8%</b>
<b>Deferred Inflows of Resources</b>	<b>328,056</b>	<b>434,318</b>	<b>(106,262)</b>	<b>-24.5%</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>4,168,908</b>	<b>2,915,147</b>	<b>1,253,761</b>	<b>43.0%</b>
<b>Net Position</b>				
Net investment in capital assets	6,113,788	6,321,090	(207,302)	-3.3%
Restricted	365	1,728,247	(1,727,882)	-100.0%
Unrestricted	28,931,858	23,788,454	5,143,404	21.6%
<b>Total Net Position</b>	<b>\$ 35,046,011</b>	<b>\$ 31,837,791</b>	<b>\$ 3,208,220</b>	<b>10.1%</b>

**The Housing Authority of the City of Evansville, Indiana  
Management's Discussion and Analysis (Continued)  
Year Ended December 31, 2018**

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

Total assets of the Authority as of December 31, 2018 and 2017 amounted to \$39,134,182 and \$34,488,010, respectively. Current assets primarily consist of cash and receivables 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, 2017 to December 31, 2018 was due an increase in cash of \$2,232,854 which resulted from operations, increase in accounts and notes receivables of \$1,595,028 and prepaid expenses of \$818,290.

Total liabilities of the Authority are \$3,840,852 and \$2,480,829 as of December 31, 2018 and 2017, 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 increased by \$1,709,148 primarily due to the timing of construction payables and accounts payable retention in 2018. Noncurrent liabilities have decreased by \$349,125, primarily due to a decrease in the accrued pension obligation and increased FSS Escrow accrued in 2018.

Deferred outflows of resources are \$80,737 and \$264,928 as of December 31, 2018 and 2017, respectively. Deferred inflows of resources are \$328,056 and \$434,318 as of December 31, 2018 and 2017, 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 2018.

**The Housing Authority of the City of Evansville, Indiana  
Management's Discussion and Analysis (Continued)  
Year Ended December 31, 2018**

**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, 2018 and 2017.

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Operating Revenues</b>				
Tenant revenue	\$ 465,687	\$ 733,740	\$ (268,053)	-36.5%
HUD PHA operating grants	13,473,540	14,009,684	(536,144)	-3.8%
Other government grants	239,778	87,849	151,929	172.9%
Fraud recovery income	17,946	7,714	10,232	132.6%
Other revenue	<u>17,237,931</u>	<u>564,929</u>	<u>16,673,002</u>	<u>2951.3%</u>
<b>Total Operating Revenues</b>	<b>31,434,882</b>	<b>15,403,916</b>	<b>16,030,966</b>	<b>104.1%</b>
<b>Operating Expenses</b>				
Administration	1,957,997	2,007,291	(49,294)	-2.5%
Tenant services	132,216	103,614	28,602	27.6%
Utilities	104,872	316,099	(211,227)	-66.8%
Ordinary maintenance and operations	582,409	443,052	139,357	31.5%
Protective Services	195	20	175	875.0%
Insurance	232,934	163,834	69,100	42.2%
Other general expenses	13,554,060	405,829	13,148,231	3239.8%
Housing assistance payments	11,621,626	10,391,826	1,229,800	11.8%
Depreciation expense	<u>509,807</u>	<u>698,970</u>	<u>(189,163)</u>	<u>-27.1%</u>
<b>Total Operating Expenses</b>	<b><u>28,696,116</u></b>	<b><u>14,530,535</u></b>	<b><u>14,165,581</u></b>	<b><u>97.5%</u></b>
<b>Operating Income (Expense)</b>	<b>2,738,766</b>	<b>873,381</b>	<b>1,865,385</b>	<b>213.6%</b>
<b>Nonoperating Income (Expense), net</b>				
Capital Grants - hard costs	413,214	1,462,637	(1,049,423)	-71.7%
Other Special Items	56,240	304,164	(247,924)	-81.5%
	<u>-</u>	<u>5,598,273</u>	<u>(5,598,273)</u>	<u>-100.0%</u>
<b>Change in Net Position</b>	<b><u>\$ 3,208,220</u></b>	<b><u>\$ 8,238,455</u></b>	<b><u>\$ (5,030,235)</u></b>	<b><u>-61.1%</u></b>

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

During 2018, the Authority's net operating income was approximately \$2.7 million. Net nonoperating income, capital grants and other special items resulted in approximately \$.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 2017, the Authority's net 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 on the sale of property to the RAD IV partnership plus interest earned on related notes.

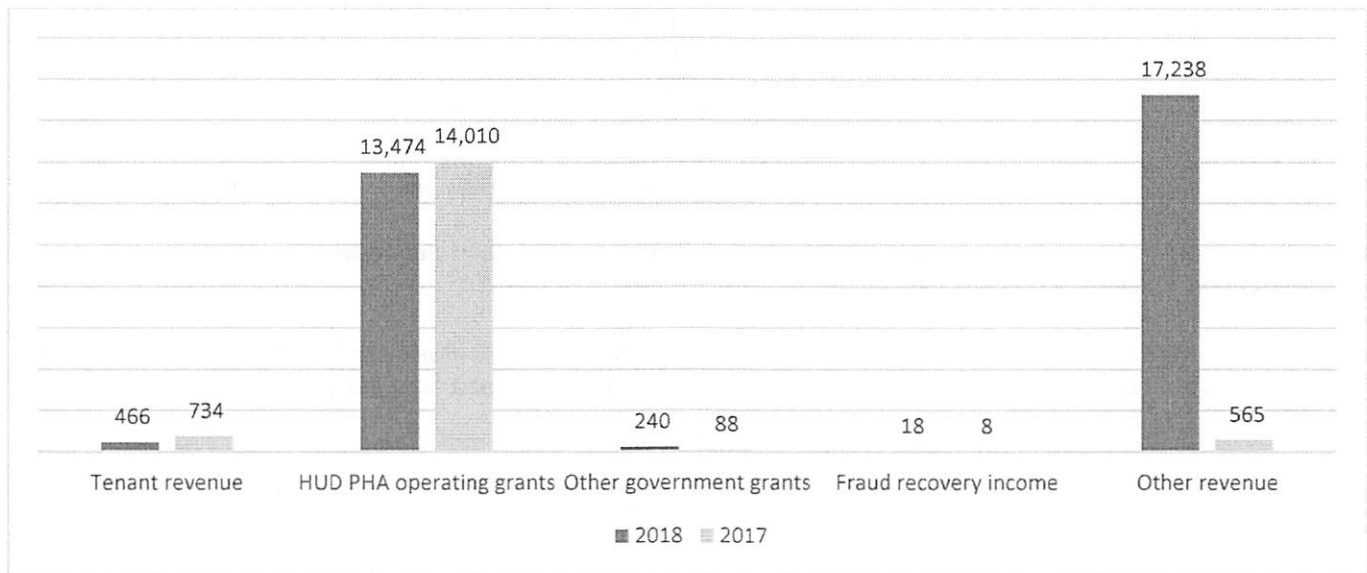
**The Housing Authority of the City of Evansville, Indiana  
Management's Discussion and Analysis (Continued)  
Year Ended December 31, 2018**

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

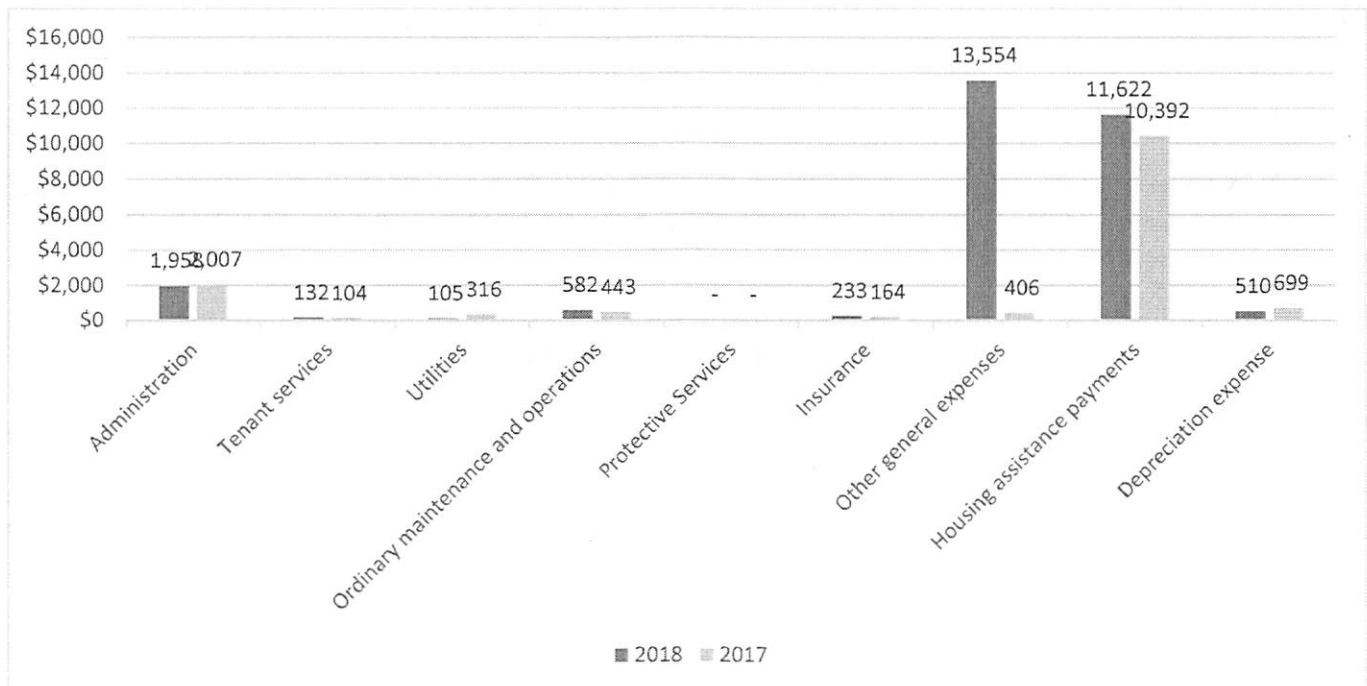
As seen in the charts below, the most important factors affecting the change in the Authority's operating income in 2018 were the decreases in tenant revenue and HUD operating grants which was partially offset by decreases in other various operating expenses in 2018 compared to 2017, mostly as a result of the RAD conversion in those years.

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

Operating Revenue - 2018 and 2017 (Dollars in Thousands)



Operating Expenses - 2018 and 2017 (Dollars in Thousands)



**The Housing Authority of the City of Evansville, Indiana  
Management's Discussion and Analysis (Continued)  
Year Ended December 31, 2018**

**Capital Assets**

As of December 31, 2018 and 2017, the Authority had approximately \$6.1 and \$6.3 million, respectively, invested in a variety of capital assets as reflected in the following table:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,352,080	\$ 1,227,544
Buildings and improvements	15,670,134	15,566,874
Furniture, equipment and machinery	768,248	730,151
Construction in progress	36,612	-
Accumulated depreciation	<u>(11,713,286)</u>	<u>(11,203,479)</u>
Capital Assets, net	<u>\$ 6,113,788</u>	<u>\$ 6,321,090</u>

In 2018, the Authority had capital expenditures of approximately \$264 thousand while recognizing depreciation expense of approximately \$510 thousand.

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

See Note D in the *Notes to Financial Statements* for additional disclosures regarding changes in capital assets during the year ended December 31, 2018.

**Long-term Debt**

Long-term debt outstanding totaled \$1.6 million and \$1.9 million at December 31, 2018 and 2017, respectively. The decrease in long-term debt was due to an approximate \$0.3 million decrease in the net pension liability during 2018.

**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, 2018

	Primary Government	Discretely Presented Component Units
<b>Current Assets</b>		
Cash and cash equivalents - unrestricted	\$ 5,306,103	\$ 828,359
Cash and cash equivalents - restricted for modernization and development	-	2,740
Cash and cash equivalents - other restricted	143,957	2,385,571
Cash and cash equivalents - tenant security deposits	16,885	91,140
Cash and cash equivalents - restricted for payment of current liabilities	76,454	-
Certificates of deposit	1,069,920	-
Accounts receivable - HUD	36,386	-
Accounts receivable - tenants	2,238	93,018
Accounts receivable - other government	13,205	-
Accounts receivable - development costs	1,952,060	-
Accounts receivable - other	242,704	82,440
Accrued interest receivable, current	44,450	-
Notes receivable - current	2,000,000	-
Prepaid expense and other current assets	1,060,532	368,132
<b>Total Current Assets</b>	<b>11,964,894</b>	<b>3,851,400</b>
<b>Noncurrent Assets</b>		
Capital assets, at cost, less accumulated depreciation	6,113,788	70,583,157
Notes receivable, net	21,055,500	-
<b>Total Noncurrent Assets</b>	<b>27,169,288</b>	<b>70,583,157</b>
<b>Total Assets</b>	<b>39,134,182</b>	<b>74,434,557</b>
<b>Deferred Outflows of Resources</b>		
Deferred pension costs	80,737	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>39,214,919</b>	<b>74,434,557</b>
<b>Current Liabilities</b>		
Accounts payable	1,351,159	2,607,718
Tenant security deposits	16,885	75,268
Unearned revenue	27,460	23,672
Accrued compensated absences - current portion	54,289	-
Accrued wages and payroll taxes	81,552	-
Accrued expenses and other current liabilities	672,897	1,177,928
Current portion of long-term debt	76,454	8,661,916
<b>Total Current Liabilities</b>	<b>2,280,696</b>	<b>12,546,502</b>
<b>Noncurrent Liabilities</b>		
Other liabilities	143,592	6,464,335
Accrued compensated absences, net of current portion	28,558	-
Accrued pension obligation	731,044	-
Mortgage and other notes payable, net of current portion	656,962	34,561,780
<b>Total Noncurrent Liabilities</b>	<b>1,560,156</b>	<b>41,026,115</b>
<b>Total Liabilities</b>	<b>3,840,852</b>	<b>53,572,617</b>
<b>Deferred Inflows of Resources</b>		
Deferred pension revenue	328,056	-
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>4,168,908</b>	<b>53,572,617</b>
<b>Net Position</b>		
Net investment in capital assets	6,113,788	27,359,461
Restricted	365	-
Unrestricted	28,931,858	(6,497,521)
<b>Total Net Position</b>	<b>\$ 35,046,011</b>	<b>\$ 20,861,940</b>

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, 2018**

	Primary Government	Discretely Presented Component Units
Operating Revenues		
Tenant revenue	\$ 465,687	\$ 4,650,069
HUD PHA operating grants	13,473,540	-
Other government grants	239,778	-
Fraud recovery income	17,946	-
Other revenue	17,237,931	-
Total Operating Revenues	31,434,882	4,650,069
Operating Expenses		
Administration	1,957,997	1,007,075
Tenant services	132,216	-
Utilities	104,872	1,226,091
Ordinary maintenance and operations	582,409	1,087,416
Protective Services	195	68,912
Insurance	232,934	215,412
Other general expenses	13,554,060	144,451
Housing assistance payments	11,621,626	-
Depreciation expense	509,807	1,425,630
Total Operating Expenses	28,696,116	5,174,987
Net Operating Income (Loss)	2,738,766	(524,918)
Nonoperating Income (Expense)		
Investment income - unrestricted	452,635	1,615
Interest expense and amortization cost	(39,421)	(1,420,549)
Syndication costs	-	(135,000)
Total Nonoperating Income (Expense)	413,214	(1,553,934)
Change in Net Position Before Capital Grants and Other Special Items	3,151,980	(2,078,852)
Capital Grants - hard costs	56,240	-
Total Capital Fund Grant and Other Special Items	56,240	-
Changes in Net Position	3,208,220	(2,078,852)
Net Position, beginning of year	31,837,791	17,052,148
Capital Contributions	-	5,888,644
Net Position, end of year	<u>\$ 35,046,011</u>	<u>\$ 20,861,940</u>

See accompanying notes.

**The Housing Authority of the City of Evansville, Indiana**  
**Statement of Cash Flows**  
**Year Ended December 31, 2018**

	<u>Primary Government</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from tenants	\$ 486,648
Cash received from HUD grants	13,424,885
Cash received from other governmental grants	226,573
Cash received from other sources	15,447,976
Cash payments to employees for services	(1,423,344)
Cash payments for employee benefits	(213,955)
Cash payments to participants in the Housing Choice Voucher Program	(11,621,626)
Cash payments to other suppliers for goods and services	<u>(14,366,848)</u>
Net Cash Provided by Operating Activities	1,960,309
<b>Cash Flows from Capital and Related Financing Activities</b>	
Capital fund grant	56,240
Purchases of capital assets	(302,505)
Repayment of loan payable	(75,942)
Payments received on notes receivable	8,500
Interest paid	<u>(39,421)</u>
Net Cash Used by Capital and Related Financing Activities	(353,128)
<b>Cash Flows from Investing Activities</b>	
Purchases of certificates of deposit	(6,726)
Interest received	<u>632,401</u>
Net Cash Provided by Investing Activities	<u>625,675</u>
Increase in Cash	2,232,856
<b>Cash and Cash Equivalents</b>	
Beginning of year	<u>3,310,543</u>
End of Year	<u>\$ 5,543,399</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>	
Cash and cash equivalents - unrestricted	\$ 5,306,103
Cash and cash equivalents - other restricted	143,957
Cash and cash equivalents - tenant security deposits	16,885
Cash and cash equivalents - restricted for payment of current liabilities	<u>76,454</u>
Total Cash and Equivalents	<u>\$ 5,543,399</u>

See accompanying notes.

**The Housing Authority of the City of Evansville, Indiana**  
**Statement of Cash Flows (Continued)**  
**Year Ended December 31, 2018**

	<u>Primary Government</u>
Operating Activities Net Operating Income	\$ 2,738,766
Adjustments to reconcile net operating income to net cash provided (used) by operating activities	
Depreciation expense	509,807
Bad debt expense - tenant rents	51,123
Decrease (increase) in assets	
Accounts receivable - HUD	(27,258)
Accounts receivable - tenants	(49,494)
Accounts receivable - other government	(13,205)
Accounts receivable - development costs	(1,708,789)
Accounts receivable - other	(72,666)
Prepaid expenses and other current assets	(981,869)
Deferred outflows of resources	184,191
Increase (decrease) in liabilities	
Accounts payable	1,181,204
Tenant security deposits	1,700
Unearned revenue	(30,211)
Accrued wages and payroll taxes	(12,010)
Accrued expenses and other current liabilities	569,061
Accrued compensated absences	(12,190)
Other liabilities	66,984
Accrued pension obligation	(328,573)
Deferred inflows of resources	<u>(106,262)</u>
 Net Cash Provided by Operating Activities	 <u><u>\$ 1,960,309</u></u>

See accompanying notes.

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements**  
**Year Ended December 31, 2018**

**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 owned and operated 135 public housing units through October 31, 2018, at which time all public housing units were disposed of through the Rental Assistance Demonstration Program. The Authority also administers 2,064 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 for ten months. 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 2,064 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, 2018**

**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 K.

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, 2018**

**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, 2018, management has determined the allowance for doubtful accounts to be \$25,500 for notes receivable and \$950,400 for accrued interest 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, 2018**

**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, 2018**

**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, 2018.

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, 2018, capital contributions totaling \$10,926,623 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, 2018, capital contributions totaling \$3,628,092 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, 2018, 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, 2018, 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, 2018, 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:

1. 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, 2018, all of the Authority's cash was insured by FDIC or PDIF.
2. 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, 2018**

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

2. **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.
3. **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.
4. **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.
5. **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, 2018, was \$5,543,399. The bank balance of cash and cash equivalents owned at December 31, 2018, was \$5,889,046.

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, 2018, 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>\$ 1,069,920</u>	<u>\$ 1,069,920</u>	<u>\$ -</u>	<u>\$ -</u>

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

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

Discretely Presented Component Unit Deposits

As of December 31, 2018, the carrying value of cash and cash equivalents held by the discretely presented component units was \$3,307,810. 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, 2018, amounts held for security deposits totaled \$91,140.

Regulations of HUD also require that deposits for modernization and development activities be classified as restricted. As of December 31, 2018, deposits for development related obligations totaled \$2,740.

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, 2018:

	Operating Reserve	Expense Coverage Reserve	Subsidy Reserve	Replacement Reserve	Bond Service Reserve	Latent Defect Escrow	Mortgage Escrow Reserve	Total
Balance - January 1, 2018	\$ 74,787	\$ 200,000	\$ 250,486	\$ 23,157	\$ 12,200,000	\$ 95,474	\$ -	\$ 12,843,904
Additions	1,541,679	-	206	210,604	-	10,062	87,169	1,849,720
Withdrawals	(151)	(100,000)	-	(7,902)	(12,200,000)	-	-	(12,308,053)
Balance - December 31, 2018	<u>\$ 1,616,315</u>	<u>\$ 100,000</u>	<u>\$ 250,692</u>	<u>\$ 225,859</u>	<u>\$ -</u>	<u>\$ 105,536</u>	<u>\$ 87,169</u>	<u>\$ 2,385,571</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, 2018:

	Balance December 31, 2017	Additions	Disposals	Transfers	Balance December 31, 2018
Land	\$ 1,227,544	\$ 124,536	\$ -	\$ -	\$ 1,352,080
Buildings and improvements	15,566,874	71,704	-	31,556	15,670,134
Furniture, equipment and machinery	730,151	69,653	-	(31,556)	768,248
Construction in progress	-	36,612	-	-	36,612
	17,524,569	302,505	-	-	17,827,074
Accumulated depreciation	(11,203,479)	(509,807)	-	-	(11,713,286)
Total Capital Assets	<u>\$ 6,321,090</u>	<u>\$ (207,302)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,113,788</u>

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

**Note D - Capital Assets (Continued)**

Total depreciation expense for the year ended December 31, 2018 was \$509,807.

The following is a summary of changes in the capital assets of the discretely presented component units for the year ended December 31, 2018:

	Balance December 31, 2017	Additions	Disposals	Transfers	Balance December 31, 2018
Land	\$ 756,000	\$ 413,000	\$ -	\$ -	\$ 1,169,000
Buildings and improvements	50,404,508	9,453,524	-	1,213,856	61,071,888
Furniture, equipment and machinery	1,134,482	224,549	-	-	1,359,031
Construction in progress	2,436,912	8,936,078	-	(1,213,856)	10,159,134
	54,731,902	19,027,151	-	-	73,759,053
Accumulated depreciation	(1,750,266)	(1,425,630)	-	-	(3,175,896)
Total Capital Assets	<u>\$ 52,981,636</u>	<u>\$ 17,601,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,583,157</u>

**Note E - Notes Receivable**

Notes receivable, including related accrued interest, for the primary government consisted of the following as of December 31, 2018:

	<u>2018</u>
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>51,000</u>
Total Notes Receivable	23,081,000
Less allowance for doubtful accounts	(25,500)
Less current portion	<u>(2,000,000)</u>
Notes Receivable - less current portion	<u>\$ 21,055,500</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 5<sup>th</sup> mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2018 an allowance has been provided for accrued interest totaling \$401,400. 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, 2018**

**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 4<sup>th</sup> mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2018 an allowance has been provided for accrued interest totaling \$48,000. 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 6<sup>th</sup> mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing February 1, 2018. At December 31, 2018 an allowance has been provided for accrued interest totaling \$195,000. 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 3<sup>rd</sup> mortgage and a security agreement against the property. Interest began accruing at an annual rate of 6% commencing July 1, 2017. At December 31, 2018 an allowance has been provided for accrued interest totaling \$306,000. 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 1<sup>st</sup> 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. Accrued interest at December 31, 2018 totaled \$34,450.

*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%. 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, 2019. Accrued interest at December 31, 2018 totaled \$10,000.

*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, 2018, the balance of the note receivable was \$51,000. No portion of the note is classified as current at December 31, 2018, because payments due during 2019 were paid during the year ended December 31, 2018.

**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 \$82,847 at December 31, 2018, of which \$54,289 is considered current.

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

**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, 2018, the balance of the loan was \$733,416, of which \$76,454 is considered current.

Debt service requirements of the Primary Government as of December 31, 2018 are as follows:

	<u>Principal</u>	<u>Interest</u>
Payable in		
2019	\$ 76,454	\$ 33,199
2020	82,531	29,469
2021	87,344	25,477
2022	91,539	21,282
2023	95,936	16,886
2024 - 2026	<u>299,612</u>	<u>22,119</u>
<b>Total Requirements</b>	<b><u>\$ 733,416</u></b>	<b><u>\$ 148,432</u></b>

A summary of changes in long-term debt and other long-term obligations of the primary government for the year ended December 31, 2018 is presented below:

	<u>Balance at January 1, 2018</u>	<u>Additions/ Transfers</u>	<u>Retirements</u>	<u>Balance at December 31, 2018</u>	<u>Due within One Year</u>
Other liabilities - noncurrent	\$ 76,608	\$ 96,809	\$ (29,825)	\$ 143,592	\$ -
Accrued compensated absences	95,037	92,555	(104,745)	82,847	54,289
Loan payable to bank	<u>809,358</u>	<u>-</u>	<u>(75,942)</u>	<u>733,416</u>	<u>76,454</u>
<b>Total Long-term Obligations</b>	<b><u>\$ 981,003</u></b>	<b><u>\$ 189,364</u></b>	<b><u>\$ (210,512)</u></b>	<b><u>\$ 959,855</u></b>	<b><u>\$ 130,743</u></b>

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.

*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, 2018, the note had an outstanding balance of \$500,000.

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

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

*Discretely Presented Component Units (Continued)*

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 began September 1, 2018. 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, 2018, the note had an outstanding balance of \$4,966,146.

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 was repaid in 2018.

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. No surplus cash was available for payments in 2018. As of December 31, 2018, the notes had an outstanding balance of \$1,000,000.

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. No surplus cash was available for payments in 2018. The loan is secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2018, \$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, 2018, \$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. No cash was available for payments in 2018. The loan is secured by a mortgage, security agreement, and assignment of rents. As of December 31, 2018, \$3,250,000 remains outstanding.

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

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

*Discretely Presented Component Units (Continued)*

EHA RAD I, LP (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, 2018, \$2,284,365 is outstanding.

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, 2018, \$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, 2018, \$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. The notes bears interest at an annual interest rate of 6%. 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, 2018, \$6,890,000 remains outstanding.

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%. The entire principal balance, as well as accrued and unpaid interest, is due and payable at maturity, which is ten days after the payment of the limited partner's fourth equity installment. The loan is secured by a security agreement. As of December 31, 2018, \$2,000,000 remains outstanding.

On December 1, 2017, RAD IV obtained a loan through Merchants Capital (Formerly P/R Mortgage & Investment Corp) in the amount of \$4,100,000. The loan bears an annual interest rate of 3.77%. The loan requires monthly interest only payments through May 1, 2019. Monthly principal and interest payments of \$17,135 are to begin June 1, 2019.

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

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

*Discretely Presented Component Units (Continued)*

EHA RAD IV, LP (Continued)

The note matures on June 1, 2059. 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 2019, decreasing by 1% each year thereafter. The outstanding balance on the loan at December 31, 2018 is \$3,179,490.

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, 2018 is \$1,500,000. 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 is to convert to a permanent loan no later than December 31, 2019. Commencing on the first day of the twelfth month following conversion, annual payments for the loan in the amount of \$21,631 are to be made subject to surplus cash as defined by HUD. The loan stipulates payments are to be no greater than 75% of available surplus cash as defined by the regulatory agreement. The loan is secured by a mortgage and security agreement. The outstanding balance on the loan at December 31, 2018 is \$727,476.

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. The outstanding balance on the loan at December 31, 2018 is \$5,036,219.

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, 2018.

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. The outstanding balance on the loan at December 31, 2018 is \$500,000.

Debt service requirements of the discretely presented component units as of December 31, 2018 are estimated as follows based on annual net cash flow:

	<u>Principal</u>
Payable in	
2019	\$ 8,661,916
2020	152,021
2021	157,780
2022	163,760
2023	169,964
Thereafter	<u>33,918,255</u>
Total Requirements	<u>\$ 43,223,696</u>

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

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

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, 2018 is presented below:

	Balance at January 1, 2018	Additions/ Transfers	Retirements	Balance at December 31, 2018	Due within One Year
Other liabilities - noncurrent	\$ 6,396,636	\$ 1,335,648	\$ (1,267,949)	\$ 6,464,335	\$ -
Long-term debt	45,715,427	12,762,411	(15,254,142)	43,223,696	8,661,916
<b>Total Long-term Obligations</b>	<b>\$ 52,112,063</b>	<b>\$ 14,098,059</b>	<b>\$ (16,522,091)</b>	<b>\$ 49,688,031</b>	<b>\$ 8,661,916</b>

**Note H - Retirement Plan**

Plan Description

The Authority contributed to the Public Employees' Defined Benefit Account (PERF DB) which is administered by the Indiana Public Retirement System (INPRS) as a cost-sharing, multiple-employer defined benefit plan. The account provides retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions that elect to participate in the retirement fund.

New employees hired by EHA participate in the My Choice: Retirement Savings Plan for Public Employees (My Choice) which is a defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component. The PERF Hybrid option is grandfathered to employees hired before July 1, 2016.

Effective January 1, 2018, funds previously known as annuity savings accounts (which had been reported within defined benefit funds) were recategorized as defined contribution funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 ad PLR-110249-18. Defined contribution member balances previously reported within PERF DB were transferred to the appropriate defined contribution fund as of January 1, 2018.

Retirement Benefits - Defined Benefit Pension

Pension benefits vest after 10 years of 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.

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.

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

**Note H - Retirement Plan (Continued)**

**Retirement Benefits - Defined Benefit Pension (Continued)**

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. The early retirement benefit is the accrued retirement benefit determined as of the early retirement date and payable commencing at the normal retirement date. A member may elect to have the benefit commence prior to normal retirement provided the benefit is reduced by 1/10% for each of the first 60 months and by 5/12% for each of the next 120 months that the benefit commencement date precedes the normal retirement date. The minimum monthly benefit is \$180 if the member has at least 10 years of credible service.

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 will only be provided by legislative action. A "13<sup>th</sup> check" was paid to each member in pay status during fiscal year 2018. The amount of the 13<sup>th</sup> check varied based on the years of creditable service the member had earned prior to retirement. Legislation passed in the 2018 legislative session creates a funding mechanism to provide for future benefit increases of 13<sup>th</sup> checks. The INPRS Board has the authority to have employers contribute up to 1% of member pay into the fund. Increases or payments are made upon passed legislation subject to the availability of funds to provide the benefit.

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and qualified for Social Security disability benefits or federal Civil Service disability benefits may retire. The disability benefit is the accrued retirement benefit determined as of the disability date and payable commencing the month following disability date without reduction for early commencement. 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 the spouse or dependent beneficiary is entitled to receive the monthly life benefit under the assumption that the member retired on the later of age 50 or the date before the date of death and elected the join and full survivor option. The minimum monthly benefit is \$180 if the member has at least 10 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/>.

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

**Note H - Retirement Plan (Continued)**

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, 2018
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 total pension liability 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%, includes inflation and net of investment expenses
COLA:	In lieu of a 1% COLA, the COLA was replaced by a 13 <sup>th</sup> check for 2019-2020. The COLA assumption thereafter, would be 0.4% 2021-2032; 0.5% 2033-2037; and 0.6% for 2038 and thereon.
Future salary increases, including inflation:	2.50% - 4.25%
Inflation:	2.25%

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

**Note H - Retirement Plan (Continued)**

Significant Actuarial Assumptions (Continued)

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.

	<u>Target Allocation</u>	<u>Geometric Basis Long-term Expected Real Rate of Return</u>
Public Equity	22.0%	4.4%
Private Markets	14.0%	5.4%
Fixed income - Ex inflation-linked	20.0%	2.2%
Fixed income - Inflation-linked	7.0%	0.8%
Commodities	8.0%	2.3%
Real Estate	7.0%	6.5%
Absolute Return	10.0%	2.7%
Risk Parity	12.0%	5.2%

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:

1% Decrease	Current Discount Rate	1% Increase
\$ 1,150,781	\$ 731,044	\$ 381,029

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

**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. 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 2018, all participating employers were required to contribute 11.2 percent of covered payroll for members employed by the State.

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

At December 31, 2018, the Authority reported a liability of \$731,044 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, 2018 measurement date was 0.0002152.

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

**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, 2018, the Authority recognized pension income of \$141,817, 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 \$256,440. At December 31, 2018, 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	\$ 9,561	\$ 50
Net differences between project and actual earnings on pension plan investments	21,651	-
Changes of assumptions	1,742	117,379
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	<u>-</u>	<u>210,627</u>
 Total that will be Recognized in Pension Expense (Income) Based on Table Below	 32,954	 328,056
 Pension contribution subsequent to measurement date	 <u>47,783</u>	 <u>-</u>
 Total	 <u>\$ 80,737</u>	 <u>\$ 328,056</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>
2019	\$ (142,338)
2020	(64,959)
2021	(74,859)
2022	<u>(12,946)</u>
	<u>\$ (295,102)</u>

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

**Note H - Retirement Plan (Continued)**

Public Employees Defined Contribution Account (PERF DC)

PERF DC is a multiple-employer defined contribution fund that provides supplemental retirement benefits to PERF DB members and serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members.

PERF DC consists of two tiers:

- The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined contribution component of the Public Employees' Hybrid Plan. The PERF DB is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at 3% of compensation, and the employer may choose to make contributions on behalf of the member. Members are 100% vested in their account balance, which includes all contributions and earnings.
- My Choice: Retirement Savings Plan for Public Employees (My Choice) is for members who are full-time employees of the State of Indiana or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at 3% of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account. Members are 100% vested in all member contributions and are vested in employer contributions based on years of service.

Retirement, Disability and Survivor Benefits

Members may withdraw their account balance upon retirement, termination, disability, or death.

Retirement & Termination Benefit - After a 30-day separation from employment, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

Disability Benefit - Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

Survivor Benefit - The beneficiary is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

DC Investment Options

Investments are self-directed, members may make changes daily, and investments are reported at fair value. Market risk is assumed by the member, and the member may choose among eight investment options with varying degrees of risk and return potential.

**Note I - Concentrations**

The Authority is substantially funded by federal awards. The Authority received 42% of its total revenue from a single Federal Agency during the year ended December 31, 2018. 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.

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

**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, 2018.

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 was met on November 29, 2018, 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, 2018.

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 was June 28, 2018, 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, 2018.

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

**Note J - Risk Management and Contingencies (Continued)**

*Discretely Presented Component Units (Continued)*

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, 2018. Such advances are not to exceed \$571,438. No funds have been advanced as of December 31, 2018. 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, 2018.

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, 2018. Such advances are not to exceed \$124,087. No funds have been advanced as of December 31, 2018. 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, 2018.

**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 \$31,000 at December 31, 2018. Asset management fees of \$4,000 were paid during 2018.

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 2018.

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, 2018, \$542,795 remains unpaid.

**The Housing Authority of the City of Evansville, Indiana  
Notes to Financial Statements (Continued)  
Year Ended December 31, 2018**

**Note K - Related Party Information (Continued)**

*Discretely Presented Component Units (Continued)*

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 2018 of \$3,863 is included in accounts payable at December 31, 2018. Total asset management fees included in accounts payable at December 31, 2018 is \$7,613.

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, 2018, the full amount has been earned and a total of \$2,583,457 is outstanding.

Flaherty & Collins Inc. serves as the property manager. The property management fee is calculated as 5% of gross rental receipts. Fees totaling \$117,223 were earned for the year ended December 31, 2018.

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 2018 is \$3,863, of which \$1,932 is included in accounts payable at December 31, 2018.

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, 2018, the full amount has been earned and \$981,426 remains outstanding.

Flaherty & Collins Properties serves as the property manager. The property management fee is calculated as 5% of gross rental receipts. Fees totaling \$43,147 were earned for the period ended December 31, 2018.

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. Funds were released in January 2019 by the lender and funds were repaid.

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, 2018, \$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, 2018, 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, 2018, \$685,197 remains unpaid.

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

**Note L - Condensed Financial Statements - Blended Component Units**

**Statement of Net Position**  
**December 31, 2018**

	Primary	Blended Component Units			Total
	Government Housing Authority of the City of Evansville	Advantix Development Inc.	Lincoln Estates Redevelopment, Inc.	Eliminations	
<b>Assets</b>					
Current assets	\$ 3,160,742	\$ 8,804,152	\$ -	\$ -	\$ 11,964,894
Capital assets, net	968,388	5,145,400	-	-	6,113,788
Noncurrent assets	21,030,000	25,500	-	-	21,055,500
<b>Total Assets</b>	<b>25,159,130</b>	<b>13,975,052</b>	<b>-</b>	<b>-</b>	<b>39,134,182</b>
Deferred Outflows of Resources	80,737	-	-	-	80,737
<b>Total Assets and Deferred Outflows of Resources</b>	<b>25,239,867</b>	<b>13,975,052</b>	<b>-</b>	<b>-</b>	<b>39,214,919</b>
<b>Liabilities</b>					
Current liabilities	280,601	1,985,862	14,233	-	2,280,696
Noncurrent liabilities	1,558,375	1,781	-	-	1,560,156
<b>Total Liabilities</b>	<b>1,838,976</b>	<b>1,987,643</b>	<b>14,233</b>	<b>-</b>	<b>3,840,852</b>
Deferred Inflows of Resources	328,056	-	-	-	328,056
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,167,032</b>	<b>1,987,643</b>	<b>14,233</b>	<b>-</b>	<b>4,168,908</b>
<b>Net Position</b>					
Net investment in capital assets	968,388	5,145,400	-	-	6,113,788
Restricted net position	365	-	-	-	365
Unrestricted net position	22,104,082	6,842,009	(14,233)	-	28,931,858
<b>Total Net Position</b>	<b>\$ 23,072,835</b>	<b>\$ 11,987,409</b>	<b>\$ (14,233)</b>	<b>\$ -</b>	<b>\$ 35,046,011</b>

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

**Note L - Condensed Financial Statements - Blended Component Units (Continued)**

**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended December 31, 2018**

	Primary	Blended Component Units			Total
	Government Housing Authority of the City of Evansville	Advantix Development Inc.	Lincoln Estates Redevelopment, Inc.	Eliminations	
<b>Operating Revenues</b>					
Tenant revenue	\$ 280,841	\$ 184,846	\$ -	\$ -	\$ 465,687
HUD PHA operating grants	13,473,540	-	-	-	13,473,540
Other government grants	44,196	195,582	-	-	239,778
Fraud recovery income	17,946	-	-	-	17,946
Other revenue	589,807	17,062,282	19,057	(433,215)	17,237,931
<b>Total Operating Revenues</b>	<b>14,406,330</b>	<b>17,442,710</b>	<b>19,057</b>	<b>(433,215)</b>	<b>31,434,882</b>
<b>Operating Expenses</b>					
Administration	1,301,724	1,089,488	-	(433,215)	1,957,997
Tenant services	132,216	-	-	-	132,216
Utilities	70,999	33,873	-	-	104,872
Ordinary maintenance and operations	350,957	231,452	-	-	582,409
Protective Services	-	195	-	-	195
Insurance	101,493	131,441	-	-	232,934
Other general expenses	37,007	13,517,053	-	-	13,554,060
Housing assistance payments	11,621,626	-	-	-	11,621,626
Depreciation expense	356,913	152,894	-	-	509,807
<b>Total Operating Expenses</b>	<b>13,972,935</b>	<b>15,156,396</b>	<b>-</b>	<b>(433,215)</b>	<b>28,696,116</b>
<b>Total Operating Income (Expense)</b>	<b>433,395</b>	<b>2,286,314</b>	<b>19,057</b>	<b>-</b>	<b>2,738,766</b>
<b>Nonoperating Income (Expense)</b>					
Investment income - unrestricted	440,084	12,551	-	-	452,635
Interest expense and amortization cost	(39,421)	-	-	-	(39,421)
Net gain on disposal of capital assets	-	-	-	-	-
<b>Total Nonoperating Income</b>	<b>400,663</b>	<b>12,551</b>	<b>-</b>	<b>-</b>	<b>413,214</b>
<b>Change in Net Position Before Capital Grants and Other Special Items</b>	<b>834,058</b>	<b>2,298,865</b>	<b>19,057</b>	<b>-</b>	<b>3,151,980</b>
Capital Grants - hard costs	56,240	-	-	-	56,240
Other Special Items	(5,752,115)	5,752,115	-	-	-
Transfers to/from Component Unit	(645,000)	645,000	-	-	-
<b>Changes in Net Position</b>	<b>(5,506,817)</b>	<b>8,695,980</b>	<b>19,057</b>	<b>-</b>	<b>3,208,220</b>
<b>Net Position (Deficit), beginning of year</b>	<b>28,579,652</b>	<b>3,291,429</b>	<b>(33,290)</b>	<b>-</b>	<b>31,837,791</b>
<b>Net Position (Deficit), end of year</b>	<b>\$ 23,072,835</b>	<b>\$ 11,987,409</b>	<b>\$ (14,233)</b>	<b>\$ -</b>	<b>\$ 35,046,011</b>

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

**Note L - Condensed Financial Statements - Blended Component Units (Continued)**

Statement of Cash Flows  
Year Ended December 31, 2018

	Primary Government Housing Authority of the City of Evansville	Blended Component Units			Total
	Advantix Development Inc.	Lincoln Estates Redevelopment, Inc.	Eliminations		
Net Cash Provided (used) by Operating Activities	\$ 368,374	\$ 1,591,935	\$ -	\$ -	\$ 1,960,309
Net Cash Provided (used) by Capital and Related Financing Activities	(1,693,910)	1,340,782	-	-	(353,128)
Net Cash Provided (used) by Investing Activities	618,400	7,275	-	-	625,675
Net Increase (Decrease) in Cash and Cash Equivalents	(707,136)	2,939,992	-	-	2,232,856
Cash and Cash Equivalents, beginning of year	1,837,787	1,472,756	-	-	3,310,543
Cash and Cash Equivalents, end of year	\$ 1,130,651	\$ 4,412,748	\$ -	\$ -	\$ 5,543,399

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

**Note M - Condensed Financial Statements - Discretely Presented Component Units**

**Statement of Net Position**  
**December 31, 2018**

	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.	
<b>Assets</b>						
Current assets	\$ 524,871	\$ 2,050,885	\$ 664,809	\$ 527,779	\$ 83,056	\$ 3,851,400
Capital assets, net	6,044,030	27,413,856	9,486,375	17,083,186	10,555,710	70,583,157
Noncurrent assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>6,568,901</b>	<b>29,464,741</b>	<b>10,151,184</b>	<b>17,610,965</b>	<b>10,638,766</b>	<b>74,434,557</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>6,568,901</b>	<b>29,464,741</b>	<b>10,151,184</b>	<b>17,610,965</b>	<b>10,638,766</b>	<b>74,434,557</b>
<b>Liabilities</b>						
Current liabilities	153,827	1,020,810	454,936	4,163,399	6,753,530	12,546,502
Noncurrent liabilities	1,033,532	19,230,950	7,138,375	12,438,061	1,185,197	41,026,115
<b>Total Liabilities</b>	<b>1,187,359</b>	<b>20,251,760</b>	<b>7,593,311</b>	<b>16,601,460</b>	<b>7,938,727</b>	<b>53,572,617</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,187,359</b>	<b>20,251,760</b>	<b>7,593,311</b>	<b>16,601,460</b>	<b>7,938,727</b>	<b>53,572,617</b>
<b>Net Position</b>						
Net investment in capital assets	5,544,030	10,707,710	3,302,010	2,786,220	5,019,491	27,359,461
Restricted net position	-	-	-	-	-	-
Unrestricted net position (deficit)	(162,488)	(1,494,729)	(744,137)	(1,776,715)	(2,319,452)	(6,497,521)
<b>Total Net Position</b>	<b>\$ 5,381,542</b>	<b>\$ 9,212,981</b>	<b>\$ 2,557,873</b>	<b>\$ 1,009,505</b>	<b>\$ 2,700,039</b>	<b>\$ 20,861,940</b>

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

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

**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended December 31, 2018**

	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	\$ 305,342	\$ 2,460,168	\$ 873,248	\$ 1,011,311	\$ -	\$ 4,650,069
Other revenue	-	-	-	-	-	-
Total Operating Revenues	305,342	2,460,168	873,248	1,011,311	-	4,650,069
Operating Expenses						
Administration	86,913	534,089	210,744	175,329	-	1,007,075
Utilities	98,411	676,108	265,767	185,805	-	1,226,091
Ordinary maintenance and operations	92,862	628,496	177,459	188,599	-	1,087,416
Protective services	-	54,950	13,962	-	-	68,912
Insurance	12,234	114,052	71,761	17,365	-	215,412
Other general expenses	11,772	95,817	5,470	18,701	12,691	144,451
Depreciation expense	230,443	791,398	280,140	123,649	-	1,425,630
Total Operating Expenses	532,635	2,894,910	1,025,303	709,448	12,691	5,174,987
Net Operating Loss	(227,293)	(434,742)	(152,055)	301,863	(12,691)	(524,918)
Nonoperating Income (Expense)						
Investment income - unrestricted	263	584	760	8	-	1,615
Interest expense and amortization cost	(24,451)	(877,211)	(313,976)	(184,357)	(20,554)	(1,420,549)
Syndication costs	-	(15,000)	-	(75,000)	(45,000)	(135,000)
Total Nonoperating Income (Expense)	(24,188)	(891,627)	(313,216)	(259,349)	(65,554)	(1,553,934)
Changes in Net Position	(251,481)	(1,326,369)	(465,271)	42,514	(78,245)	(2,078,852)
Net Position, beginning of year	5,633,023	5,239,234	2,434,616	966,991	2,778,284	17,052,148
Capital Contributions	-	5,300,116	588,528	-	-	5,888,644
Net Position, end of year	\$ 5,381,542	\$ 9,212,981	\$ 2,557,873	\$ 1,009,505	\$ 2,700,039	\$ 20,861,940

**The Housing Authority of the City of Evansville, Indiana**  
**Notes to Financial Statements (Continued)**  
**Year Ended December 31, 2018**

**Note N - Subsequent Events**

Subsequent to year end, the Housing Authority closed on Trailside Townhomes, a tax credit partnership, and construction began on this project.

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Authority's proportion of the net position liability	0.02152%	0.02375%	0.03484%	0.03905%	0.04691%	0.05236%
Authority's proportionate share of the net pension liability	\$ 731,044	\$ 1,059,617	\$ 1,581,195	\$ 1,590,468	\$ 1,232,760	\$ 1,793,371
Authority's covered-employee payroll	\$ 1,098,000	\$ 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	66.6%	89.9%	94.7%	85.0%	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	78.9%	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 121,223	\$ 131,573	\$ 185,291	\$ 191,630	\$ 198,731	\$ 181,661
Contributions in relation to the contractually required contribution	<u>121,223</u>	<u>131,573</u>	<u>185,291</u>	<u>191,630</u>	<u>198,731</u>	<u>181,661</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 1,098,000	\$ 1,178,339	\$ 1,669,728	\$ 1,870,301	\$ 2,290,295	\$ 2,514,014
Contributions as a percentage of covered-employee payroll	11.0%	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, 2018**

Actuarial valuation date	June 30, 2018
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, 2016 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. Effective June 30, 2018 the bases are calculated without regards to the COLA provision. 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, 2018**

<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>
<b>U.S. Department of Housing and Urban Development</b>				
<b>Direct Awards:</b>				
Public and Indian Housing	14.850	-	\$ 880,305	\$ -
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	-	11,499,323	-
Public Housing Capital Fund	14.872	-	1,017,944	-
Family Self-Sufficiency Program	14.896	-	132,208	-
			<u>13,529,780</u>	<u>-</u>
<b>Passed through the City of Evansville:</b>				
Community Development Block Grants/States Program	14.228	B-17-MC-18-0002	62,977	-
<b>Total U.S. Department of Housing and Urban Development</b>			<u>13,592,757</u>	<u>-</u>
<b>U.S. Department of Labor</b>				
<b>Direct Awards:</b>				
YouthBuild	17.274		176,801	-
<b>Total U.S. Department of Labor</b>			<u>176,801</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 13,769,558</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.



**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, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 6, 2019.

**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*

Lexington, Kentucky  
August 6, 2019



**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, 2018. 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.

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**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, 2018.

**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.



Lexington, Kentucky  
August 6, 2019

**The Housing Authority of the City of Evansville, Indiana  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2018**

**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>	
	<b>Housing Voucher Cluster</b>	
14.871	Section 8 Housing Choice Vouchers	\$ 11,499,323
14.850	Public and Indian Housing	\$ 880,305
Dollar threshold used to distinguish between Type A and Type B programs:		\$ 750,000

Auditee qualified as low-risk auditee? X yes \_ 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, 2018**

None.

## Independent Accountant's Report on Applying Agreed-Upon Procedure

Board of Commissioners

### The Housing Authority of the City of Evansville, Indiana

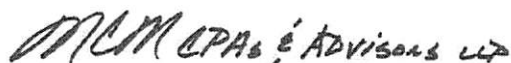
We have performed the procedure described in the second paragraph, which was agreed to by the Housing Authority of the City of Evansville, Indiana (the "Authority") and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center ("REAC"), solely to assist them in determining whether 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, 2018, and have issued our reports thereon dated August 6, 2019. 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.



Lexington, Kentucky

August 6, 2019

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

	<b>UFRS RULE</b>	<b>HARD COPY</b>		<b>DOES</b>
<b>PROCEDURE</b>	<b>INFORMATION</b>	<b>DOCUMENT(S)</b>	<b>AGREES</b>	<b>NOT</b>
				<b>AGREE</b>
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

and Single Audit

Fiscal Year End: 12/31/2018

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.228 Community Development Block Grants/State's Program	17.274 YouthBuild 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	2 State/Local	1 Business Activities	COCC	Subtotal
	\$0				\$83,037	\$828,359	\$5,035,774			\$16,979	\$41,865	\$133,464	\$6,139,478
						\$2,740							\$2,740
					\$143,957	\$2,385,571							\$2,529,528
						\$91,140	\$16,885						\$108,025
					\$0						\$76,454		\$76,454
	\$0	\$0	\$0	\$0	\$226,994	\$3,307,810	\$5,052,659	\$0	\$0	\$16,979	\$118,319	\$133,464	\$8,856,225
		\$14,761			\$21,625								\$36,386
		\$0	\$3,509	\$9,696									\$13,205
						\$82,440	\$2,154,841				\$0	\$39,652	\$2,276,933
			\$0	\$0		\$93,018					\$2,238		\$95,256
		\$0				\$0					\$0		\$0
		\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0	\$0
					\$0						\$2,000,000		\$2,000,000
											\$44,450		\$44,450
Assets	\$0	\$14,761	\$3,509	\$9,696	\$21,625	\$175,458	\$2,154,841	\$0	\$0	\$0	\$2,046,688	\$39,652	\$4,466,230
							\$589,276			\$126,824	\$353,820		\$1,069,920
							\$0						\$0
						\$368,132	\$1,007,376					\$53,156	\$1,428,664
	\$0	\$14,761	\$3,509	\$9,696	\$248,619	\$3,851,400	\$8,804,152	\$0	\$0	\$143,803	\$2,518,827	\$226,272	\$15,821,039
						\$1,169,000	\$389,545				\$962,535		\$2,521,080
						\$61,071,888	\$15,640,935					\$29,189	\$76,742,022
						\$1,359,031	\$409,843						\$1,768,874
					\$43,974		\$49,416					\$265,015	\$358,405
											\$0		\$0
					-\$43,974	-\$3,175,896	-\$11,380,573					-\$288,739	-\$14,889,182
						\$10,159,134	\$36,234	\$378					\$10,195,746
	\$0	\$0	\$0	\$0	\$0	\$70,583,157	\$5,145,400	\$378	\$0	\$0	\$962,535	\$5,475	\$76,696,945
							\$25,500				\$21,030,000		\$21,055,500
Liabilities							\$0				\$0		\$0
	\$0	\$0	\$0	\$0	\$0	\$70,583,157	\$5,170,900	\$378	\$0	\$0	\$21,992,535	\$5,475	\$97,752,445

			\$275	\$67	\$4,485	\$2,607,718	\$1,344,419				\$1,571	\$342	\$3,958,877
		\$6,503			\$25,632		\$22,892					\$26,525	\$81,552
					\$16,423		\$8,267					\$29,599	\$54,289
						\$75,268	\$16,885						\$92,153
					\$0	\$23,672	\$27,460						\$51,132
Page Revenue						\$8,661,916					\$76,454		\$8,738,370
					\$34,748	\$1,177,928	\$580,172				\$32,504	\$9,097	\$1,834,449
					\$0		\$0				\$0	\$0	\$0
								\$0					\$0
	\$0	\$14,761	\$3,509	\$9,696	\$81,288	\$12,546,502	\$2,000,095	\$0	\$0	\$0	\$110,529	\$65,563	\$14,831,943
Page Revenue						\$34,561,780					\$656,962		\$35,218,742
					\$143,592	\$6,464,335							\$6,607,927
					\$11,754		\$1,781					\$15,023	\$28,558
	\$0				\$147,012						\$269,637	\$314,395	\$731,044
	\$0	\$0	\$0	\$0	\$302,358	\$41,026,115	\$1,781	\$0	\$0	\$0	\$926,599	\$329,418	\$42,586,271
	\$0	\$14,761	\$3,509	\$9,696	\$383,646	\$53,572,617	\$2,001,876	\$0	\$0	\$0	\$1,037,128	\$394,981	\$57,418,214
					\$56,540						\$144,354	\$127,162	\$328,056
	\$0				\$0	\$27,359,461	\$5,145,400	\$378			\$962,535	\$5,475	\$33,473,249
	\$0	\$0			\$365			\$0					\$365
	\$0	\$0	\$0	\$0	-\$163,159	-\$6,497,521	\$6,827,776	\$0	\$0	\$143,803	\$22,367,345	-\$243,907	\$22,434,337
	\$0	\$0	\$0	\$0	-\$162,794	\$20,861,940	\$11,973,176	\$378	\$0	\$143,803	\$23,329,880	-\$238,432	\$55,907,951
Year - Net	\$0	\$14,761	\$3,509	\$9,696	\$277,392	\$74,434,557	\$13,975,052	\$378	\$0	\$143,803	\$24,511,362	\$283,711	\$113,654,221

Housing Authority of the City of Evansville (IN016)  
Evansville, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	Project Total	14.806 PH Family Self-Sufficiency Program	14.228 Community Development Block Grants/State's Program	17.274 YouthBuild Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.239 HOME Investment Partnerships Program	6 Other Federal Program 1	2 State/Local	1 Business Activities	COCC	SubTotal	ELIM	Total
7030 Net Tenant Rental Revenue	\$264,668					\$4,590,832	\$180,823				\$0		\$5,036,343		\$5,036,343
7040 Tenant Revenue - Other	\$15,958					\$59,237	\$4,023				\$195		\$79,413		\$79,413
7050 Total Tenant Revenue	\$280,648	\$0	\$0	\$0	\$0	\$4,650,069	\$184,846	\$0	\$0	\$0	\$195	\$0	\$5,115,756	\$0	\$5,115,756
7060 HUD PHA Operating Grants	\$1,842,008	\$132,209			\$11,499,323								\$13,473,540		\$13,473,540
70610 Capital Grants	\$56,240												\$56,240		\$56,240
70710 Management Fee												\$219,287	\$219,287	-\$219,287	\$0
70720 Asset Management Fee												\$13,500	\$13,500	-\$13,500	\$0
70730 Book Keeping Fee												\$130,495	\$130,495	-\$130,495	\$0
70740 Front Line Service Fee												\$0	\$0		\$0
70750 Other Fees												\$0	\$0		\$0
70700 Total Fee Revenue												\$363,292	\$363,292	-\$363,292	\$0
70800 Other Government Grants			\$62,977	\$178,801						\$500	\$439,455		\$239,778		\$239,778
71100 Investment Income - Unrestricted	\$1				\$38	\$1,615	\$12,551						\$454,250		\$454,250
71200 Mortgage Interest Income															
71300 Proceeds from Disposition of Assets Held for Sale															
71310 Cost of Sale of Assets															
71400 Fraud Recovery					\$17,946								\$17,946		\$17,946
71500 Other Revenue	\$1,892				\$15,612	\$0	\$17,081,339				\$117,951	\$454,352	\$17,671,146	-\$433,215	\$17,237,931
71600 Gain or Loss on Sale of Capital Assets															
72000 Investment Income - Restricted															
70000 Total Revenue	\$2,180,787	\$132,209	\$62,977	\$178,801	\$11,532,919	\$4,651,684	\$17,278,736	\$0	\$0	\$500	\$557,601	\$817,644	\$37,391,848	-\$796,507	\$36,595,441
91100 Administrative Salaries	\$30		\$33,736	\$90,126	\$332,707	\$310,738	\$248,512				\$27,475	\$410,493	\$1,453,826		\$1,453,826
91200 Auditing Fees					\$23,828		\$13,238				\$2,647	\$13,238	\$52,951		\$52,951
91300 Management Fee	\$79,321			\$26,265	\$130,978	\$192,691							\$438,553	-\$219,287	\$219,256
91310 Book-keeping Fee	\$9,825				\$120,870								\$130,495	-\$130,495	\$0
91400 Advertising and Marketing					\$34	\$4,952	\$1,457					\$27	\$6,470		\$6,470
91500 Employee Benefit Contributions - Administrative	\$19		\$1,371	\$9,691	\$178,600	\$45,633	\$45,543				-\$246,129	\$148,920	\$182,136		\$182,136
91600 Office Expenses	\$15,252		\$12,972	\$18,859	\$123,263	\$137,401	\$93,281				\$43,908	\$113,212	\$557,148		\$557,148
91700 Legal Expense	\$15,346				\$7		\$11,055				\$57,256	\$3,969	\$87,633		\$87,633
91800 Travel				\$4,672	\$35		\$24,962					\$1,551	\$31,250		\$31,250
91810 Allocated Overhead															
91900 Other						\$315,160	\$492,457						\$807,617	-\$433,215	\$374,402
91000 Total Operating - Administrative	\$119,802	\$0	\$48,079	\$149,813	\$917,410	\$1,007,075	\$930,535	\$0	\$0	\$0	-\$115,845	\$691,410	\$3,748,079	-\$783,007	\$2,965,072
92000 Asset Management Fee	\$13,500												\$13,500	-\$13,500	\$0
92100 Tenant Services - Salaries		\$100,648									\$7		\$100,655		\$100,655
92200 Relocation Costs															
92300 Employee Benefit Contributions - Tenant Services		\$31,361											\$31,361		\$31,361
92400 Tenant Services - Other												\$0	\$0		\$0
92500 Total Tenant Services	\$0	\$132,209	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7	\$0	\$132,216	\$0	\$132,216
93100 Water	\$17,108					\$372,002	\$5,810				\$2,334		\$397,254		\$397,254
93200 Electricity	\$43,714					\$953,803	\$18,543						\$756,060		\$756,060
93300 Gas	\$8,687					\$160,286	\$9,520				-\$844		\$177,649		\$177,649
93400 Fuel															
93500 Labor															
93600 Sewer															
93700 Employee Benefit Contributions - Utilities															
93800 Other Utilities Expense															
93000 Total Utilities	\$69,509	\$0	\$0	\$0	\$0	\$1,228,091	\$33,873	\$0	\$0	\$0	\$1,490	\$0	\$1,330,963	\$0	\$1,330,963
94100 Ordinary Maintenance and Operations - Labor	\$25,187					\$445,718	-\$22,519						\$448,366		\$448,366
94200 Ordinary Maintenance and Operations - Materials and Other	\$71,178		\$1,309	\$115	\$3,159	\$48,361	\$115,104				\$26,784	\$244	\$268,254		\$268,254
94300 Ordinary Maintenance and Operations Contracts	\$114,091		\$3,136	\$14,866	\$54,475	\$593,337	\$114,391				\$22,348	\$13,668	\$931,180		\$931,180
94500 Employee Benefit Contributions - Ordinary Maintenance	\$26,708						\$383				-\$2,283	-\$783	\$24,025		\$24,025
94000 Total Maintenance	\$238,014	\$0	\$4,445	\$14,981	\$57,634	\$1,087,416	\$207,359	\$0	\$0	\$0	\$46,847	\$13,129	\$1,669,825	\$0	\$1,669,825
95100 Protective Services - Labor							\$0						\$0		\$0
95200 Protective Services - Other Contract Costs						\$68,912	\$195						\$69,107		\$69,107

95300 Protective Services - Other																
95500 Employee Benefit Contributions - Protective Services																
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$68,912	\$195	\$0	\$0	\$0	\$0	\$0	\$69,107	\$0	\$69,107	
96110 Property Insurance	\$34,029				\$3,734	\$215,412	\$116,859				\$6,194	\$10,420	\$396,645		\$396,645	
96120 Liability Insurance												\$669	\$669		\$669	
96130 Workmen's Compensation			\$30		\$17,680		\$14,562					\$17,707	\$49,979		\$49,979	
96140 All Other Insurance							\$11,050						\$11,050		\$11,050	
96100 Total Insurance Premiums	\$34,029	\$0	\$30	\$0	\$21,394	\$215,412	\$142,491	\$0	\$0	\$0	\$6,194	\$28,796	\$448,346	\$0	\$448,346	
96200 Other General Expenses	\$7,068			\$6,575	\$2,783	\$144,451	\$13,424,976				\$25	\$26,065	\$13,612,521		\$13,612,521	
96210 Compensated Absences						\$57,365	\$2,567						\$50,932		\$50,932	
96300 Payments in Lieu of Taxes	\$21,303										\$1,272		\$22,575		\$22,575	
96400 Bad debt - Tenant Rents	\$2,680												\$2,680		\$2,680	
96500 Bad debt - Mortgages																
96500 Bad debt - Other						\$294	\$0					\$500	\$803		\$803	
96800 Severance Expense																
96000 Total Other General Expenses	\$31,649	\$0	\$0	\$6,575	\$60,422	\$144,451	\$13,427,543	\$0	\$0	\$0	\$1,806	\$26,065	\$13,696,511	\$0	\$13,696,511	
96710 Interest of Mortgage (or Bonds) Payable							\$1,420,549	\$0					\$39,421		\$1,459,970	
96720 Interest on Notes Payable (Short and Long Term)																
96730 Amortization of Bond Issue Costs																
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$1,420,549	\$0	\$0	\$0	\$0	\$39,421	\$0	\$1,459,970	\$0	\$1,459,970	
96900 Total Operating Expenses	\$506,503	\$132,200	\$52,254	\$171,199	\$1,056,860	\$5,169,806	\$14,741,996	\$0	\$0	\$0	-\$20,080	\$769,400	\$22,570,517	-\$790,507	\$21,774,010	
97000 Excess of Operating Revenue over Operating Expenses	\$1,674,284	\$0	\$10,423	\$5,632	\$10,478,059	-\$518,222	\$2,536,740	\$0	\$0	\$590	\$577,681	\$58,244	\$14,821,431	\$0	\$14,821,431	
97100 Extraordinary Maintenance																
97200 Casualty Losses - Non-capitalized																
97300 Housing Assistance Payments	\$640,958					\$10,780,868							\$11,621,626		\$11,621,626	
97350 HAP Portability-In																
97400 Depreciation Expense	\$349,518				\$95	\$1,425,630	\$152,894					\$7,300	\$1,835,437		\$1,835,437	
97500 Fraud Losses																
97600 Capital Outlays - Governmental Funds																
97700 Debt Principal Payment - Governmental Funds																
97800 Dwelling Units Rent Expense																
98000 Total Expenses	\$1,066,079	\$132,200	\$52,554	\$171,199	\$11,837,623	\$6,595,536	\$14,894,890	\$0	\$0	\$0	-\$20,080	\$769,700	\$36,127,580	-\$790,507	\$35,331,073	
10010 Operating Transfer In							\$0						\$0		\$0	
10020 Operating Transfer Out							\$0						\$0		\$0	
10030 Operating Transfers from/to Primary Government	\$140,191												-\$140,191	\$0	\$0	
10040 Operating Transfers from/to Component Unit			\$0				\$645,000						-\$610,000	-\$35,000	\$0	
10050 Proceeds from Notes, Loans and Bonds																
10060 Proceeds from Property Sales																
10070 Extraordinary Items, Net Gain/Loss																
10080 Special Items (Net Gain/Loss)	-\$5,660,452		\$33,700	\$2,658		-\$135,000	\$5,686,191	\$29,508					-\$91,863	-\$135,000	-\$135,000	
10091 Inter Project Excess Cash Transfer In	\$1,170												\$1,170		\$1,170	
10092 Inter Project Excess Cash Transfer Out	-\$1,170												-\$1,170		-\$1,170	
10093 Transfers between Program and Project - In	\$973,078												\$17,570	-\$17,570	\$973,078	
10094 Transfers between Project and Program - Out	-\$973,078												\$0	-\$973,078	-\$973,078	
10100 Total Other financing Sources (Uses)	-\$5,520,261	\$0	\$33,700	\$2,658	\$0	-\$135,000	\$6,331,191	\$29,508	\$0	\$0	-\$824,284	-\$52,570	-\$135,000	\$0	-\$135,000	
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$5,036,453	\$0	\$44,183	\$9,290	-\$304,704	-\$2,078,852	\$9,715,037	\$29,508	\$0	\$590	-\$246,603	-\$1,826	\$1,129,366	\$0	\$1,129,366	
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$8,861,918	\$0	\$0	\$0	\$0	\$75,942	\$0	\$8,737,858		\$8,737,858	
11030 Beginning Equity	\$5,036,453	\$0	-\$44,183	-\$9,290	\$141,910	\$17,052,149	\$3,258,139	-\$29,128	\$0	\$143,213	\$23,576,483	-\$236,806	\$48,889,939		\$48,889,939	
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					\$0	\$5,888,644	\$0				\$0		\$5,888,644		\$5,888,644	
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						-\$163,159							-\$163,159		-\$163,159	
11180 Housing Assistance Payments Equity						\$365							\$365		\$365	
11190 Unit Months Available	3948				29952	9420	482				0		43782		43782	
11210 Number of Unit Months Leased	2428				24134	7821	320				0		34701		34701	
11270 Excess Cash	-\$42,208												-\$42,208		-\$42,208	
11610 Land Purchases	\$0											\$0	\$0		\$0	

11620 Building Purchases	\$56,240										\$0	\$56,240		\$56,240
11630 Furniture & Equipment - Dwelling Purchases	\$0										\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0										\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0										\$0	\$0		\$0
11660 Infrastructure Purchases	\$0										\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0										\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0										\$0	\$0		\$0

Housing Authority of the City of Evansville (IN016)

Evansville, IN

Project Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	IN016000001	IN016000002	IN016000003	IN016000024	IN016000025	IN016000067	IN016001011	OTHER PROJ	Total
111 Cash - Unrestricted	\$0								\$0
112 Cash - Restricted - Modernization and Development									
113 Cash - Other Restricted									
114 Cash - Tenant Security Deposits									
115 Cash - Restricted for Payment of Current Liabilities									
100 Total Cash	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects									
122 Accounts Receivable - HUD Other Projects									
124 Accounts Receivable - Other Government									
125 Accounts Receivable - Miscellaneous									
126 Accounts Receivable - Tenants									
126.1 Allowance for Doubtful Accounts - Tenants									
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
131 Investments - Unrestricted									
132 Investments - Restricted									
135 Investments - Restricted for Payment of Current Liability									
142 Prepaid Expenses and Other Assets									
143 Inventories									
143.1 Allowance for Obsolete Inventories									
144 Inter Program Due From									
145 Assets Held for Sale									
150 Total Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
161 Land									
162 Buildings									
163 Furniture, Equipment & Machinery - Dwellings									
164 Furniture, Equipment & Machinery - Administration									
165 Leasehold Improvements									
166 Accumulated Depreciation									
167 Construction in Progress									
168 Infrastructure									
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

171	Notes, Loans and Mortgages Receivable - Non-Current									
172	Notes, Loans, & Mortgages Receivable - Non Current - Past									
173	Grants Receivable - Non Current									
174	Other Assets									
176	Investments in Joint Ventures									
180	Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
200	Deferred Outflow of Resources									
290	Total Assets and Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
311	Bank Overdraft									
312	Accounts Payable <= 90 Days									
313	Accounts Payable - 90 Days Past Due									
321	Accrued Wage/Payroll Taxes Payable									
322	Accrued Compensated Absences - Current Portion									
324	Accrued Contingency Liability									
325	Accrued Interest Payable									
331	Accounts Payable - HUD PHA Programs									
332	Account Payable - PHA Projects									
333	Accounts Payable - Other Government									
341	Tenant Security Deposits									
342	Unearned Revenue									
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									
347	Inter Program - Due To									
348	Loan Liability - Current									
310	Total Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
351	Long-term Debt, Net of Current - Capital Projects/Mortgage									
352	Long-term Debt, Net of Current - Operating Borrowings									
353	Non-current Liabilities - Other									
354	Accrued Compensated Absences - Non Current									
355	Loan Liability - Non Current									
356	FASB 5 Liabilities									
357	Accrued Pension and OPEB Liabilities				\$0					\$0
350	Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300	Total Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
400	Deferred Inflow of Resources									
508.4	Net Investment in Capital Assets									

511.4 Restricted Net Position								\$0	\$0
512.4 Unrestricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Housing Authority of the City of Evansville (IN016)  
 Evansville, IN

Project Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2018

	IN016000001	IN016000002	IN016000003	IN016000024	IN016000025	IN016000067	IN016001011	OTHER PROJ	Total
70300 Net Tenant Rental Revenue	\$0				\$264,688				\$264,688
70400 Tenant Revenue - Other					\$15,958				\$15,958
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$280,646	\$0	\$0	\$0	\$280,646
70600 HUD PHA Operating Grants			\$652,621		\$1,189,387				\$1,842,008
70610 Capital Grants					\$56,240				\$56,240
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					\$1				\$1
71200 Mortgage Interest Income									
71300 Proceeds from Disposition of Assets Held for Sale									
71310 Cost of Sale of Assets									
71400 Fraud Recovery									
71500 Other Revenue			\$70		\$1,822				\$1,892
71600 Gain or Loss on Sale of Capital Assets									
72000 Investment Income - Restricted									
70000 Total Revenue	\$0	\$0	\$652,691	\$0	\$1,528,096	\$0	\$0	\$0	\$2,180,787
91100 Administrative Salaries					\$39				\$39
91200 Auditing Fees									
91300 Management Fee					\$79,321				\$79,321
91310 Book-keeping Fee					\$9,825				\$9,825
91400 Advertising and Marketing									
91500 Employee Benefit contributions - Administrative					\$19				\$19
91600 Office Expenses					\$15,252				\$15,252
91700 Legal Expense					\$15,348				\$15,348
91800 Travel									
91810 Allocated Overhead									
91900 Other									
91000 Total Operating - Administrative	\$0	\$0	\$0	\$0	\$119,802	\$0	\$0	\$0	\$119,802
92000 Asset Management Fee					\$13,500				\$13,500
92100 Tenant Services - Salaries									
92200 Relocation Costs									

92300 Employee Benefit Contributions - Tenant Services									
92400 Tenant Services - Other									
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93100 Water					\$17,108				\$17,108
93200 Electricity					\$43,714				\$43,714
93300 Gas					\$8,687				\$8,687
93400 Fuel									
93500 Labor									
93600 Sewer									
93700 Employee Benefit Contributions - Utilities									
93800 Other Utilities Expense									
93000 Total Utilities	\$0	\$0	\$0	\$0	\$69,509	\$0	\$0	\$0	\$69,509
94100 Ordinary Maintenance and Operations - Labor					\$25,167				\$25,167
94200 Ordinary Maintenance and Operations - Materials and					\$71,178				\$71,178
94300 Ordinary Maintenance and Operations Contracts					\$114,961				\$114,961
94500 Employee Benefit Contributions - Ordinary Maintenance					\$26,708				\$26,708
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$238,014	\$0	\$0	\$0	\$238,014
95100 Protective Services - Labor									
95200 Protective Services - Other Contract Costs									
95300 Protective Services - Other									
95500 Employee Benefit Contributions - Protective Services									
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance					\$34,029				\$34,029
96120 Liability Insurance									
96130 Workmen's Compensation									
96140 All Other Insurance									
96100 Total Insurance Premiums	\$0	\$0	\$0	\$0	\$34,029	\$0	\$0	\$0	\$34,029
96200 Other General Expenses					\$7,666				\$7,666
96210 Compensated Absences									
96300 Payments in Lieu of Taxes					\$21,303				\$21,303
96400 Bad debt - Tenant Rents					\$2,680				\$2,680
96500 Bad debt - Mortgages									
96600 Bad debt - Other									
96800 Severance Expense									
96000 Total Other General Expenses	\$0	\$0	\$0	\$0	\$31,649	\$0	\$0	\$0	\$31,649
96710 Interest of Mortgage (or Bonds) Payable									
96720 Interest on Notes Payable (Short and Long Term)									
96730 Amortization of Bond Issue Costs									
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$0	\$0	\$0	\$506,503	\$0	\$0	\$0	\$506,503

97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	\$652,691	\$0	\$1,021,593	\$0	\$0	\$0	\$1,674,284
97100 Extraordinary Maintenance									
97200 Casualty Losses - Non-capitalized									
97300 Housing Assistance Payments			\$794,267		\$46,691				\$840,958
97350 HAP Portability-In									
97400 Depreciation Expense					\$349,518				\$349,518
97500 Fraud Losses									
97600 Capital Outlays - Governmental Funds									
97700 Debt Principal Payment - Governmental Funds									
97800 Dwelling Units Rent Expense									
90000 Total Expenses	\$0	\$0	\$794,267	\$0	\$902,712	\$0	\$0	\$0	\$1,696,979
10010 Operating Transfer In									
10020 Operating Transfer Out									
10030 Operating Transfers from/to Primary Government			\$140,191				\$0		\$140,191
10040 Operating Transfers from/to Component Unit									
10050 Proceeds from Notes, Loans and Bonds									
10060 Proceeds from Property Sales									
10070 Extraordinary Items, Net Gain/Loss									
10080 Special Items (Net Gain/Loss)			\$0		-\$5,660,452				-\$5,660,452
10091 Inter Project Excess Cash Transfer In			\$1,170						\$1,170
10092 Inter Project Excess Cash Transfer Out					-\$1,170				-\$1,170
10093 Transfers between Program and Project - In			\$215		\$972,863				\$973,078
10094 Transfers between Project and Program - Out					-\$973,078				-\$973,078
10100 Total Other financing Sources (Uses)	\$0	\$0	\$141,576	\$0	-\$5,661,637	\$0	\$0	\$0	-\$5,520,261
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$0	\$0	\$0	-\$5,036,453	\$0	\$0	\$0	-\$5,036,453
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$0	\$0	\$0	\$5,036,453	\$0	\$0	\$0	\$5,036,453
11040 Prior Period Adjustments, Equity Transfers and Correction									
11050 Changes in Compensated Absence Balance									
11060 Changes in Contingent Liability Balance									
11070 Changes in Unrecognized Pension Transition Liability									
11080 Changes in Special Term/Severance Benefits Liability									
11090 Changes in Allowance for Doubtful Accounts - Dwelling									
11100 Changes in Allowance for Doubtful Accounts - Other									
11170 Administrative Fee Equity									
11180 Housing Assistance Payments Equity									
11190 Unit Months Available	0	0	2598	0	1350	0	0		3948
11210 Number of Unit Months Leased	0	0	1365	0	1061	0	0		2426
11270 Excess Cash	\$0	\$0	\$0	\$0	-\$42,208	\$0	\$0	\$0	-\$42,208
11610 Land Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0	\$0	\$56,240	\$0	\$0	\$0	\$56,240

11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0