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February 19, 2020

Board of Commissioners  
Housing Authority of the City of Terre Haute  
2001 North 19<sup>th</sup> Street  
Terre Haute, IN 47804

We have reviewed the audit report of the Housing Authority of the City of Terre Haute, which was opined upon by Novogradac & Company LLP, Independent Public Accountants, for the period October 1, 2018 to September 30, 2019. Per the *Report of Independent Auditors*, the financial statements included in the report present fairly the financial condition of Housing Authority of the City of Terre Haute as of September 30, 2019, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The audit report is filed with this letter in our office as a matter of public record.

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

Paul D. Joyce, CPA  
State Examiner

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2019**

**WITH  
REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
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**YEAR ENDED SEPTEMBER 30, 2019**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of the  
Housing Authority of the City of Terre Haute:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities (primary government) and the aggregate discretely presented component units of the Housing Authority of the City of Terre Haute (the "Authority") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, as listed in the accompanying 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 an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit (Warren Village, L.P.), which statements reflect total assets, net position, and operating revenues of 93.6%, 94.1% and 100.0%, respectively of the discretely presented component unit totals. Those statements were audited by an other auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Warren Village, L.P. is based solely on the report of the other auditor. 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. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the business-type activities (primary government) and the discretely presented component units of the Authority as of September 30, 2019, and the changes in their net position and, where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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.

*Novogrodac & Company LLP*

January 24, 2020  
Toms River, New Jersey

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**SEPTEMBER 30, 2019**

The management of the Terre Haute Housing Authority (the "Housing Authority") offers this narrative overview and analysis of its audited financial statements for the fiscal year ended September 30, 2019. The goal is for the reader to better understand the Housing Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Housing Authority's financial statements.

Financial reporting is based on the accounting principles for government enterprise funds, which are similar to the accounting principles as established by the Governmental Accounting Standards Board (GASB). Since these are business-type activities the standards of the Financial Accounting Standards Board (FASB) must also be followed except where there is conflict with GASB.

**ECONOMIC FACTORS**

Significant economic factors affecting the Housing Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Inflationary pressure on utility rates and other costs
- Local inflationary, recessionary and employment trends, which can affect resident income, and therefore, the amount of rental income

**HIGHLIGHTS**

- The Housing Authority through its not for profit affiliate Low Income Housing Development Corporation successfully completed two new construction projects. The first comprises of ten 2 bedroom single family homes. The second includes twenty 3 bedroom single family homes and a twenty 1 bedroom unit apartment complex. The total for the two projects exceeds \$9,000,000 in new affordable housing for the Housing Authority service area. By the end of calendar 2019, all of the new construction was fully occupied.
- During Fiscal Year 2019 the three, six and nine-month LIHDC and THHADCD CDs earned total interest of \$55,158.
- The Housing Authority completed a number of smaller construction projects, consisting of roof repairs and replacements.
- The assets of the Housing Authority exceed its liabilities as of September 30, 2019 by 28,839,451 (Net Position).
- The Housing Authority's net investment in capital assets as of September 30, 2019 was \$21,186,961, which is consistent with the prior year.
- The Housing Authority's total operating revenues for the fiscal year end September 30, 2019 was \$10,994,910.
- The Housing Authority's total operating expenses for the fiscal year end September 30, 2019 were \$11,197,526.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**SEPTEMBER 30, 2019**

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

The following financial statements are included in this report:

- Statements of Net Position - reports the Housing Authority's current financial resources: its cash and other current assets, current and non-current liabilities and comparing those two elements, the resulting net position of the Housing Authority. A comparison between this year and the preceding year is also provided.
- Statements of Revenues, Expenses and Changes in Net Position - reports the Housing Authority's various revenue and expenses and provides a comparison between this year and the preceding year.

**ANALYSIS OF FINANCIAL STATEMENTS:**

**Statements of Net Position**

	<u>SEPTEMBER 30</u>		
	<u>2019</u>	<u>2018</u>	<u>Change</u>
Cash and investments	\$ 7,097,471	\$ 6,750,436	\$ 347,035
Other current assets	842,026	588,640	253,386
Net capital assets	22,127,198	21,810,874	316,324
Other noncurrent assets	1,966,206	701,900	1,264,306
<b>Total Assets</b>	<b><u>\$ 32,032,901</u></b>	<b><u>\$ 29,851,850</u></b>	<b><u>\$ 2,181,051</u></b>
Current liabilities	\$ 700,031	\$ 551,826	\$ 148,205
Non-current liabilities	2,493,419	966,291	1,527,128
<b>Total Liabilities</b>	<b><u>\$ 3,193,450</u></b>	<b><u>\$ 1,518,117</u></b>	<b><u>\$ 1,675,333</u></b>
<b>Net Position</b>			
Net investment in capital assets	\$ 21,186,961	\$ 21,447,496	\$ (260,535)
Restricted	270,603	1,604	268,999
Unrestricted	7,381,887	6,884,663	497,224
<b>Total Net Position</b>	<b><u>\$ 28,839,451</u></b>	<b><u>\$ 28,333,733</u></b>	<b><u>\$ 505,718</u></b>

Cash and investments increase by 5.14%, result primarily from the free cash flow of THHADC and LIHDC.

The 43.04% increase of the other current assets category is a combination of increases in several categories such as tenant security deposits which increased by 12.59% and tenant accounts receivable by 26.90%. Prepaid expenses also increased, which is attributable to the higher insurance premiums for fiscal 2019.

The significant increase in non-current liabilities relates to the loan for the construction of the ten new houses (LIHDC).

The net investments in capital assets are lower due to the accumulated depreciation for the year.

For the calendar year 2019, the administrative fee reimbursement rate is based on the number of units leased as of the last day of each month, extended by the per unit rate established by HUD, and by the HUD pro-ration to equate expenditures to the total appropriated funds.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**SEPTEMBER 30, 2019**

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

	YEAR ENDED		Change
	SEPTEMBER 30		
	2019	2018	
<b><u>Revenues and Expenses</u></b>			
<b>Operating Revenues</b>			
Dwelling rental revenue	\$ 2,355,087	\$ 2,577,259	\$ (222,172)
Operating grants	8,329,156	7,867,434	461,722
Other income	310,667	731,666	(420,999)
<b>Total Operating Revenue</b>	<b><u>\$ 10,994,910</u></b>	<b><u>\$ 11,176,359</u></b>	<b><u>\$ (181,449)</u></b>
<b>Operating Expenses</b>			
Administrative expenses	\$ 1,518,602	\$ 1,551,006	\$ (32,404)
Tenant services	62,014	290,016	(228,002)
Utilities	1,130,957	1,193,874	(62,917)
Maintenance and operations	2,181,312	2,156,622	24,690
General expenses	326,462	381,700	(55,238)
Protective services	213,699	207,170	6,529
Insurance expenses	429,369	415,093	14,276
Housing assistance payments	3,638,561	4,030,989	197,275
Depreciation	1,696,550	1,539,747	156,803
<b>Total Operating Expense</b>	<b><u>\$ 11,197,526</u></b>	<b><u>\$ 11,766,217</u></b>	<b><u>\$ (581,691)</u></b>
<b><u>Nonoperating Revenue and Expenses</u></b>			
Interest Income	\$ 107,369	\$ 27,134	\$ 80,235
Casualty losses, non-capitalized	(3,676)	-	(3,676)
Gain on disposition	85,500	1,250	84,250
Capital grants	519,141	376,679	142,462
<b>Total Nonoperating Revenue</b>	<b><u>\$ 708,334</u></b>	<b><u>\$ 405,063</u></b>	<b><u>\$ 303,271</u></b>
<b>Change in Net Position</b>	<b><u>\$ 505,718</u></b>	<b><u>\$ 1,589,358</u></b>	<b><u>\$ (1,083,640)</u></b>

- Tenant rental revenue decreased by 8.62%, which is due to the lower occupancy rates compared to the previous fiscal year and to the overall decrease in tenants' household income, which resulted in lower rent charges.
- Tenant services expenses decreased dramatically as a result of discontinuing the contract with cable internet provider.
- The other income decreased drastically, as well. This is a combination of removal of the internet cable service, almost nonexistent insurance claims.
- General expenses decreased as there were fewer write offs in some AMPs.
- The decrease in administrative expenses is primarily due to the introduction of tighter spending policy on office expenses, elimination of extra printing costs and the \$78,324 decrease in legal fees. This a result of the work of the collection officer hired the previous year.
- Capital grants expenditures increased by 38%. This is due to the HUD regulations for the CFP. CFP program is an expenditure driven grant program. The revenue recognition occurs when an eligible CFP expense is incurred by the PHA. During fiscal 2019, Capital fund 2016 was completely exhausted for the additional Dreiser roofs and other capital expenses.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**SEPTEMBER 30, 2019**

**CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY DURING THE YEAR:**

**Capital Assets**

	SEPTEMBER 30		Change
	2019	2018	
Land	\$ 964,873	\$ 990,076	\$ (25,203)
Buildings & improvements	57,043,539	55,068,252	1,975,287
Furniture, equipment & machinery	1,239,322	1,190,700	48,622
Accumulated depreciation	(37,120,536)	(35,463,154)	(1,657,382)
Construction in progress	-	-	-
<b>Capital Assets, net</b>	<b><u>\$ 22,127,198</u></b>	<b><u>\$ 21,785,874</u></b>	<b><u>\$ 341,324</u></b>

- Capital Assets - The Housing Authority's capital assets, as of September 30, 2019, totals \$22,127,198 (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment, and construction in progress.
- The increase in Accumulated Depreciation is a result of transferring capital funds 2016 to AMPs books.
- Additional information regarding capital assets can be found at Note 5 of the notes to the financial statements.

**Long-Term Debt**

	SEPTEMBER 30	
	2019	2018
Compensated absences	\$ 93,139	\$ 85,707
Notes payable	2,440,237	863,378
Tenant FSS escrow	91,763	117,588
Unclaimed tenant refunds	5,125	4,211
<b>Long-Term Debt</b>	<b><u>\$ 2,630,264</u></b>	<b><u>\$ 1,070,884</u></b>

- The notes payable increase is due to the loans for the building of the LIHDC houses and building of WV II.
- The decrease in tenant escrow is a result of graduations and forfeitures during the year.
- Additional information regarding long-term debt can be found at Note 9 of the notes to the financial statements.

**CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT:**

This financial report is designed to provide a general overview of the Housing Authority's finances for all interested parties. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Executive Director:

Mr. Jeff Stewart  
 2001 N. 19<sup>th</sup> Street  
 Terre Haute, IN 47804

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	ASSETS		
	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current assets:			
Cash and cash equivalents	\$ 7,097,471	\$ 426,558	\$ 7,524,029
Tenant security deposits	296,646	24,621	321,267
Accounts receivable, net	139,846	17,038	156,884
Prepaid expenses	347,436	28,595	376,031
Inventories, net	58,098	-	58,098
Total current assets	7,939,497	496,812	8,436,309
Non-current assets:			
Restricted cash	362,366	360,328	722,694
Notes receivable, non-current	1,569,465	-	1,569,465
Accrued interest receivable	34,375	-	34,375
Other assets	-	77,611	77,611
Capital assets, net	22,127,198	12,758,654	34,885,852
Total non-current assets	24,093,404	13,196,593	37,289,997
Total assets	32,032,901	13,693,405	45,726,306
LIABILITIES			
Current liabilities:			
Accounts payable	111,985	151,506	263,491
Accrued expenses	79,242	3,795	83,037
Tenant security deposits	296,646	24,621	321,267
Prepaid rent	17,084	1,326	18,410
Accrued compensated absences, current	76,371	-	76,371
Notes payable, current	60,474	133,953	194,427
Accrued interest payable	-	126,028	126,028
Other current liabilities	58,229	4,109	62,338
Total current liabilities	700,031	445,338	1,145,369
Non-current liabilities:			
Accrued compensated absences, non-current	16,768	-	16,768
Notes payable, non-current	2,379,763	1,887,533	4,267,296
Other non-current liabilities	96,888	-	96,888
Total non-current liabilities	2,493,419	1,887,533	4,380,952
Total liabilities	3,193,450	2,332,871	5,526,321
NET POSITION			
Net position:			
Net investment in capital assets	21,186,961	10,737,168	31,924,129
Restricted	270,603	360,328	630,931
Unrestricted	7,381,887	263,038	7,644,925
Total net position	\$ 28,839,451	\$ 11,360,534	\$ 40,199,985

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Tenant revenue	\$ 2,355,087	\$ 374,352	\$ 2,729,439
HUD operating grants	8,329,156	595,720	8,924,876
Other revenues	<u>310,667</u>	<u>23,429</u>	<u>334,096</u>
Total operating revenues	<u>10,994,910</u>	<u>993,501</u>	<u>11,988,411</u>
Operating expenses:			
Administrative	1,518,602	239,670	1,758,272
Tenant services	62,014	36,283	98,297
Utilities	1,130,957	172,114	1,303,071
Ordinary repairs and maintenance	2,181,312	121,808	2,303,120
Protective services	213,699	25,490	239,189
Insurance	429,369	41,751	471,120
General	326,462	63,700	390,162
Housing assistance payments	3,638,561	-	3,638,561
Depreciation	<u>1,696,550</u>	<u>446,125</u>	<u>2,142,675</u>
Total operating expenses	<u>11,197,526</u>	<u>1,146,941</u>	<u>12,344,467</u>
Operating loss	<u>(202,616)</u>	<u>(153,440)</u>	<u>(356,056)</u>
Non-operating revenues (expenses):			
Investment income	107,369	338	107,707
Interest expense	-	(99,460)	(99,460)
Casualty losses, non-capitalized	(3,676)	-	(3,676)
Gain on sale of fixed assets	<u>85,500</u>	<u>-</u>	<u>85,500</u>
Net non-operating revenues (expenses)	<u>189,193</u>	<u>(99,122)</u>	<u>90,071</u>
Loss before capital grants and contributions	(13,423)	(252,562)	(265,985)
Capital grants	519,141	-	519,141
Capital contributions	<u>-</u>	<u>657,187</u>	<u>657,187</u>
Change in net position	505,718	404,625	910,343
Total net position, beginning of year	<u>28,333,733</u>	<u>10,955,909</u>	<u>39,289,642</u>
Total net position, end of year	<u>\$ 28,839,451</u>	<u>\$ 11,360,534</u>	<u>\$ 40,199,985</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 2,709,141
Cash received from grantors	8,364,444
Cash paid to employees	(1,544,275)
Cash paid to vendors and suppliers	<u>(7,956,783)</u>
Net cash provided by operating activities	<u>1,572,527</u>
Cash Flows from Noncapital Financing Activities:	
Casualty losses	<u>(3,676)</u>
Net cash used in noncapital financing activities	<u>(3,676)</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from issuance of notes	1,640,000
Proceeds from capital grants	519,141
Purchase of capital assets	(2,063,077)
Proceeds from sale of capital assets	<u>135,703</u>
Net cash provided by capital and related financing activities	<u>231,767</u>
Cash Flow from Investing Activities:	
Investment income	72,994
Issuance of notes receivable	<u>(867,565)</u>
Net cash used in investing activities	<u>(794,571)</u>
Net increase in cash and cash equivalents	1,006,047
Cash and cash equivalents, beginning of year	<u>6,750,436</u>
Cash and cash equivalents, end of year	<u>\$ 7,756,483</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 7,097,471
Tenant security deposits	296,646
Restricted cash	<u>362,366</u>
Total cash and cash equivalents	<u>\$ 7,756,483</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**STATEMENT OF CASH FLOWS (continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Primary Government</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (202,616)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	1,696,550
Bad debt expense	143,447
Forgiveness of debt income	(63,141)
Changes in operating assets and liabilities:	
Accounts receivable, net	(78,223)
Prepaid expenses	(19,804)
Inventory, net	(2,160)
Accounts payable	37,059
Accrued expenses	(25,673)
Tenant security deposits liability	35,868
Prepaid rent	6,259
Accrued compensated absences	7,432
Other liabilities	<u>37,529</u>
Net cash provided by operating activities	<u>\$ 1,572,527</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**SEPTEMBER 30, 2019**

ASSETS			
	Warren Village, LP	Warren Village II, LP	Total Discretely Presented Component Units
Current assets:			
Cash and cash equivalents	\$ 240,070	\$ 186,488	\$ 426,558
Tenant security deposits	24,621	-	24,621
Accounts receivable, net	17,038	-	17,038
Prepaid expenses	<u>28,595</u>	<u>-</u>	<u>28,595</u>
Total current assets	<u>310,324</u>	<u>186,488</u>	<u>496,812</u>
Non-current assets:			
Restricted cash	360,328	-	360,328
Other assets	77,611	-	77,611
Capital assets, net	<u>12,072,584</u>	<u>686,070</u>	<u>12,758,654</u>
Total non-current assets	<u>12,510,523</u>	<u>686,070</u>	<u>13,196,593</u>
Total assets	<u>12,820,847</u>	<u>872,558</u>	<u>13,693,405</u>
LIABILITIES			
Current liabilities:			
Accounts payable	151,506	-	151,506
Accrued expenses	3,795	-	3,795
Tenant security deposits	24,621	-	24,621
Prepaid rent	1,326	-	1,326
Notes payable, current	133,953	-	133,953
Accrued interest payable	126,028	-	126,028
Other current liabilities	<u>4,109</u>	<u>-</u>	<u>4,109</u>
Total current liabilities	<u>445,338</u>	<u>-</u>	<u>445,338</u>
Non-current liabilities:			
Notes payable, non-current	<u>1,683,068</u>	<u>204,465</u>	<u>1,887,533</u>
Total non-current liabilities	<u>1,683,068</u>	<u>204,465</u>	<u>1,887,533</u>
Total liabilities	<u>2,128,406</u>	<u>204,465</u>	<u>2,332,871</u>
NET POSITION			
Net position:			
Net investment in capital assets	10,255,563	481,605	10,737,168
Restricted	360,328	-	360,328
Unrestricted	<u>76,550</u>	<u>186,488</u>	<u>263,038</u>
Total net position	<u>\$ 10,692,441</u>	<u>\$ 668,093</u>	<u>\$ 11,360,534</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION -  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Warren <u>Village, LP</u>	Warren <u>Village II, LP</u>	Total Discretely Presented <u>Component Units</u>
Operating revenues:			
Tenant revenue	\$ 374,352	\$ -	\$ 374,352
HUD operating grants	595,720	-	595,720
Other revenues	<u>23,429</u>	<u>-</u>	<u>23,429</u>
Total operating revenues	<u>993,501</u>	<u>-</u>	<u>993,501</u>
Operating expenses:			
Administrative	239,670	-	239,670
Tenant services	36,283	-	36,283
Utilities	172,114	-	172,114
Ordinary repairs and maintenance	121,808	-	121,808
Protective services	25,490	-	25,490
Insurance	41,751	-	41,751
General	63,700	-	63,700
Depreciation	<u>446,125</u>	<u>-</u>	<u>446,125</u>
Total operating expenses	<u>1,146,941</u>	<u>-</u>	<u>1,146,941</u>
Operating loss	<u>(153,440)</u>	<u>-</u>	<u>(153,440)</u>
Non-operating revenues (expenses):			
Investment income	338	-	338
Interest expense	<u>(99,460)</u>	<u>-</u>	<u>(99,460)</u>
Net non-operating revenues (expenses)	<u>(99,122)</u>	<u>-</u>	<u>(99,122)</u>
Loss before capital grants and contributions	(252,562)	-	(252,562)
Capital contributions	<u>657,187</u>	<u>-</u>	<u>657,187</u>
Change in net position	404,625	-	404,625
Total net position, beginning of year	<u>10,287,816</u>	<u>668,093</u>	<u>10,955,909</u>
Total net position, end of year	<u>\$ 10,692,441</u>	<u>\$ 668,093</u>	<u>\$ 11,360,534</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Housing Authority of the City of Terre Haute (the "Authority") is a governmental, public organization created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the City of Terre Haute (the "City"). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners which is essentially autonomous, but is responsible to HUD. An executive director is appointed by the Authority's board of commissioners to manage the day-to-day operations of the Authority.

**B. Basis of Accounting / Financial Statement Presentation**

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Accounting / Financial Statement Presentation (continued)**

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based upon the application of these criteria, this report includes the following blended component units. The blended component units are, although legally separate entities, in substance part of the Authority's operations and so data from these units are combined with data of the primary government and reflected in the "Primary Government" column on the financial statements.

**Low Income Housing Development Corporation**

Low Income Housing Development Corporation ("LIHDC") was established on September 8, 2009 to develop, finance, construct, and/or operate four housing projects known as Garfield Gardens, Warren Village, Warren Village II and Thirty-Eight Homes through Neighborhood Stabilization Program grants. LIHDC is a wholly owned not-for-profit subsidiary of the Authority and the Board of Directors of LIHDC is identical to the Authority's Board of Commissioners.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Reporting Entity (continued)**

**Terre Haute Housing Development Corporation**

Terre Haute Housing Development Corporation ("THHDC") was established by the Authority in 1975 to provide low-rent housing for qualified individuals. THHDC is a wholly owned not-for-profit subsidiary of the Authority and the Board of Directors of THHDC is identical to the Authority's Board of Commissioners.

Based upon the application of these criteria, this report includes the following discretely presented component units. The discretely presented component units are reported in a separate column to emphasize that they are legally separate from the primary government.

**Warren Village**

Warren Village consists of one hundred and eleven housing units. The Authority is financially accountable, but does not have full ownership of the entity. The discretely presented component unit issues its own separate audited financial statements which are presented as of and for the year ended December 31, 2018 and can be obtained by writing to the Executive Director, Housing Authority of the City of Terre Haute, 2001 N 19th Street., Terre Haute, IN 47804.

**Warren Village II**

Warren Village II consists of forty housing units. The Authority is financially accountable, but does not have full ownership of the entity. The discretely presented component unit's project is currently under construction and its financial statements are presented as of and for the year ended December 31, 2018.

For financial reporting purposes, the Authority's reporting entity includes all financial activities that are controlled or dependent upon the actions taken by the Authority's board.

**D. Description of Programs**

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

**Section 8 Housing Choice Vouchers**

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income households under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

**Public and Indian Housing Program**

The Public and Indian Housing Program is designed to provide low-cost housing within the City. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Description of Programs (continued)**

Public Housing Capital Fund Program

The purpose of the Public Housing Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Family Self-Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Resident Opportunity and Supportive Services - Service Coordinators

The purpose of the Resident Opportunity and Supportive Services - Service Coordinators Program is to address the needs of Public Housing residents by providing service coordinator positions to coordinate supportive services, resident empowerment activities, and/or assisting residents in becoming economically self-sufficient or age-in-place.

Central Office Cost Center

The Central Office Cost Center ("COCC") is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

**E. Use of Management 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 certain reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses, depreciable lives of properties and equipment, and contingencies. Actual results could differ significantly from these estimates.

**F. Cash and Cash Equivalents**

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Cash and Cash Equivalents (continued)**

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and treasury investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

**G. Accounts Receivable, Net**

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and due from vacated tenants. An allowance for doubtful accounts is established to provide for accounts which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also, included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts earned and billed but not received and for amounts unbilled, but earned as of year end.

**H. Allowance for Doubtful Accounts**

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

**I. Notes Receivable**

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Prepaid Expenses**

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

**K. Inventories, Net**

Inventory consists of miscellaneous supplies and appliances and are valued at cost using the First-In First-Out method. If inventory falls below cost due to damage, deterioration, or obsolescence, the Authority writes down inventory to its net realizable value through the establishment of an allowance for obsolete inventory.

**L. Capital Assets, Net**

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- |   |                            |             |
|---|----------------------------|-------------|
| • | Buildings and Improvements | 10-40 Years |
| • | Furniture and Equipment    | 3-10 Years  |

The Authority has established a capitalization threshold of \$2,000.

**M. Impairment of Long Lived Assets**

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. For the year ended September 30, 2019, there were no impairment losses incurred.

**N. Inter-program Receivables and Payables**

Inter-program receivables and payables are current, and are the result of the use of the COCC fund as the common paymaster for shared costs of the Authority. Cash settlements are made periodically, and all inter-program balances net to zero. In accordance with GASB 34, interprogram receivables and payables are eliminated for financial statement purposes.

**O. Accounts Payable and Accrued Liabilities**

The Authority recognizes a liability for goods and services received but not paid for as of year-end. The Authority recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**P. Compensated Absences**

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event take place.

**Q. Prepaid Rent**

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

**R. Equity Classifications**

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

Net investment in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position — Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position — All other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

**S. Operating Revenues and Expenses**

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**T. Budgets and Budgetary Accounting**

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

**U. Taxes**

The Authority is a unit of local government under the State of Indiana law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

**V. Economic Dependency**

The Section 8 Housing Choice Voucher and Public and Indian Housing programs of the Authority are economically dependent on grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

**W. Fair Value**

The carrying amount of the Authority's financial instruments including cash and cash equivalents, accounts receivable, notes receivable and certain investments closely approximates their fair value.

**X. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

**Y. Contingencies**

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of September 30, 2019, the Authority estimates that no material liabilities will result from such audits.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of September 30, 2019, the Authority had funds on deposit in checking, savings, and certificates of deposits. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$8,567,990, and the bank balances approximated \$8,528,884.

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Unrestricted	\$ 7,097,471	\$ 426,558	\$ 7,524,029
Tenant security deposits	296,646	24,621	321,267
Restricted	<u>362,366</u>	<u>360,328</u>	<u>722,694</u>
 Total cash and cash equivalents	 <u>\$ 7,756,483</u>	 <u>\$ 811,507</u>	 <u>\$ 8,567,990</u>

Of the bank balances, \$750,000 was covered by federal depository insurance and the remaining \$7,778,884 was collateralized with the pledging financial institutions as of September 30, 2019.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of September 30, 2019, the Authority's bank balances were not exposed to custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net consists of the following as of September 30, 2019:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Accounts receivable - HUD	\$ 27,368	\$ -	\$ 27,368
Accounts receivable - tenants, net	54,162	1,300	55,462
Accounts receivable - other government	384	15,738	16,122
Accounts receivable - fraud recovery, net	<u>57,932</u>	<u>-</u>	<u>57,932</u>
 Total accounts receivable, net	 <u>\$ 139,846</u>	 <u>\$ 17,038</u>	 <u>\$ 156,884</u>

Accounts Receivable - HUD

As of September 30, 2019, accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under the Public and Indian Housing Program, Family Self-Sufficiency, and the Resident Opportunity and Supportive Services Programs that have not yet been received. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)**

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$5,821.

Accounts Receivable - Other Government

Accounts receivable - other government represents amounts owed to the Authority by other federal agencies and state and local governments. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Fraud Recovery, Net

Accounts receivable - fraud recovery, net represents amounts owed from tenants or other program participants who committed fraud or misrepresentation and now owe additional rent or retroactive rent. The amount is shown net of an allowance for doubtful accounts of \$221,056.

**NOTE 4. RESTRICTED DEPOSITS**

As of September 30, 2019, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Housing assistance payment reserve	\$ 66,174	\$ -	\$ 66,174
Family Self-Sufficiency program escrows	91,763	-	91,763
Replacement reserves	204,429	139,476	343,905
Operating deficit escrows	-	220,852	220,852
Tenant security deposits	<u>296,646</u>	<u>24,621</u>	<u>321,267</u>
Total restricted deposits	<u>\$ 659,012</u>	<u>\$ 384,949</u>	<u>\$ 1,043,961</u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

Family Self-Sufficiency ("FSS") program escrows are restricted for use in the Section 8 Housing Choice Vouchers and Public and Indian Housing Programs by FSS program participants.

Replacement reserves represents funds that are restricted for repairs and replacements of buildings and equipment.

Operating deficit escrows represents funds that are restricted in the case that the discretely presented component units encounter an operating deficit.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the program, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 5. CAPITAL ASSETS, NET**

The following is a summary of the primary government's changes in capital assets during the year ended September 30, 2019:

Description	September 30, 2018	Additions	Dispositions	Transfers	September 30, 2019
<u>Non-depreciable:</u>					
Land	\$ 990,076	\$ -	\$ (50,203)	25,000	\$ 964,873
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>990,076</u>	<u>-</u>	<u>(50,203)</u>	<u>25,000</u>	<u>964,873</u>
<u>Depreciable:</u>					
Buildings and improvements	55,093,252	1,975,287	-	(25,000)	57,043,539
Furniture and equipment	<u>1,190,700</u>	<u>87,790</u>	<u>(39,168)</u>	<u>-</u>	<u>1,239,322</u>
Subtotal	<u>56,283,952</u>	<u>2,063,077</u>	<u>(39,168)</u>	<u>(25,000)</u>	<u>58,282,861</u>
Less: accumulated depreciation	<u>35,463,154</u>	<u>1,696,550</u>	<u>(39,168)</u>	<u>-</u>	<u>37,120,536</u>
Net capital assets	<u>\$ 21,810,874</u>	<u>\$ 366,527</u>	<u>\$ (50,203)</u>	<u>-</u>	<u>\$ 22,127,198</u>

Depreciation expense for the year ended September 30, 2019 amounted to \$1,696,550.

The following is a summary of the discretely presented component units' changes in capital assets during the year ended September 30, 2019:

Description	September 30, 2018	Additions	Dispositions	Transfers	September 30, 2019
<u>Non-depreciable:</u>					
Land	\$ 54,156	\$ -	\$ -	-	\$ 54,156
Construction in progress	<u>-</u>	<u>686,070</u>	<u>-</u>	<u>-</u>	<u>686,070</u>
Subtotal	<u>54,156</u>	<u>686,070</u>	<u>-</u>	<u>-</u>	<u>740,226</u>
<u>Depreciable:</u>					
Buildings and improvements	12,964,435	107,323	-	-	13,071,758
Furniture and equipment	<u>960,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>960,799</u>
Subtotal	<u>13,925,234</u>	<u>107,323</u>	<u>-</u>	<u>-</u>	<u>14,032,557</u>
Less: accumulated depreciation	<u>1,568,004</u>	<u>446,125</u>	<u>-</u>	<u>-</u>	<u>2,014,129</u>
Net capital assets	<u>\$ 12,411,386</u>	<u>\$ 347,268</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 12,758,654</u>

Depreciation expense for the year ended September 30, 2019 amounted to \$446,125.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 6. NOTES RECEIVABLE**

Outstanding notes receivable as of September 30, 2019 consisted of the following:

On September 27, 2013, LIHDC entered into an Affordable Housing Program loan agreement with Warren Village in the amount of \$500,000. The loan accrues interest at 5.00% and matures on December 31, 2042, at which time the entire balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage on the property. Accrued interest on the loan totaled \$144,778. \$ 500,000

On December 12, 2018, LIHDC entered into an Affordable Housing Program loan agreement with Warren Village II in the amount of \$500,000. The loan accrues interest at 2.50% and matures on December 31, 2048, at which time the entire balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage on the property. Accrued interest on the loan totaled \$9,375. 500,000

In December 2018, LIHDC agreed to loan Warren Village II for costs incurred during construction. Once the construction has been completed, LIHDC will prepare an official loan agreement. As of September 30, 2019, \$569,465 has been funded for construction costs. 569,465

Total notes receivable \$ 1,569,465

As of September 30, 2019, accrued interest on the aforementioned notes receivable amounted to \$154,153 and is shown net of an allowance for doubtful accounts in the amount of \$119,778.

**NOTE 7. ACCOUNTS PAYABLE**

As of September 30, 2019, accounts payable consisted of the following:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Accounts payable - vendors	\$ 26,576	\$ 113,190	\$ 139,766
Accounts payable - other governments	<u>85,409</u>	<u>38,316</u>	<u>123,725</u>
Total accounts payable	<u>\$ 111,985</u>	<u>\$ 151,506</u>	<u>\$ 263,491</u>

Accounts Payable - Vendors

Accounts payable - vendors represents the amounts payable to contractors and vendors for materials received or services rendered.

Accounts Payable - Other Governments

Accounts payable - other governments represents amounts due and payable to the City for payment in lieu of taxes.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 8. PAYMENTS IN LIEU OF TAXES**

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended September 30, 2019, the primary government and the discretely presented component units incurred PILOT expense in the amount of \$53,011 and \$53,969, respectively.

**NOTE 9. NON-CURRENT LIABILITIES**

Non-current liabilities of the primary government as of September 30, 2019 consisted of the following:

Description	September 30, 2018	Additions	Reductions/ Payments	September 30, 2019	Amounts due within one Year
Compensated absences	\$ 85,707	\$ 18,659	\$ (11,227)	\$ 93,139	\$ 76,371
Notes payable	863,378	1,640,000	(63,141)	2,440,237	60,474
Family Self-Sufficiency escrows	117,588	51,821	(77,646)	91,763	-
Unclaimed tenant refunds	<u>4,211</u>	<u>1,243</u>	<u>(329)</u>	<u>5,125</u>	<u>-</u>
Total non-current liabilities	<u>\$ 1,070,884</u>	<u>\$ 1,711,723</u>	<u>\$ (152,343)</u>	<u>\$ 2,630,264</u>	<u>\$ 136,845</u>

**NOTE 10. NOTES PAYABLE**

Notes payable of the primary government consisted of the following as of September 30, 2019:

<u>Description</u>	<u>Amount</u>
On September 14, 2010, THHDC entered into multiple loan agreements with the City of Terre Haute Department of Redevelopment related to the rehabilitation of seven properties. The loans are unsecured, interest free and are forgivable over a 20-year period at 5% each year.	\$ 334,904
In August 2014, LIHDC entered into an Affordable Housing Program loan agreement through the Federal Home Loan Bank of Indianapolis in the amount of \$500,000. The loan is interest free and shall be forgiven after a 15 year compliance period ending in August 2029. The loan is secured by a mortgage with Warren Village.	500,000
In December 2018, LIHDC entered into an Affordable Housing Program loan agreement through the Federal Home Loan Bank of Indianapolis in the amount of \$500,000. The loan is interest free and shall be forgiven after a 15 year compliance period ending in December 2033. The loan is secured by a mortgage with Warren Village II.	500,000

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 10. NOTES PAYABLE (continued)**

In November 2018, LIHDC entered into an Affordable Housing Program loan agreement through the Federal Home Loan Bank of Indianapolis in the amount of \$500,000. The loan is interest free and shall be forgiven after a 15 year compliance period ending in November 2033. The loan is secured by properties known as Scattered Sites. 500,000

On August 28, 2018, LIHDC entered into a HOME Program loan agreement through the Federal Home Loan Bank of Indianapolis in the amount of \$640,000. The loan is interest free and is forgivable over a 20-year period at 5% each year. The loan is secured by properties known as Scattered Sites. 605,333

Total notes payable 2,440,237  
Less: current portion 60,474

Notes payable, net of current portion \$ 2,379,763

Annual debt service for principal over the next five years and in five-year increments thereafter is as follows:

<u>Year</u>	<u>Principal</u>
2020	\$ 60,474
2021	60,474
2022	60,474
2023	60,474
2024	60,474
2025-2029	777,036
2030-2034	1,210,164
2035-2038	<u>150,667</u>
	<u>\$ 2,440,237</u>

Interest expense for the year ended September 30, 2019 totaled \$(7,333) for the primary government.

A summary of the Authority's discretely presented component units' notes payable is as follows:

<u>Notes payable to the Authority as evidenced by a Note Receivable (see Note 6):</u>	<u>Amount</u>
Warren Village, LP Affordable Housing Program Loan with LIHDC	\$ 500,000
Warren Village II, LP Construction Loan with LIHDC	<u>204,465</u>
Total primary government loans to discretely presented component units	<u>704,465</u>

Notes payable to other lenders: Amount

On September 27, 2015, Warren Village, LP entered into a construction loan agreement with First Financial Bank in the maximum amount of \$12,000,000. The loan accrues interest at a rate of 6.00% and matures on September 30, 2030, at which time the remaining principal and interest will be due in full. The loan is secured by a Multifamily Apartment Complex. Accrued interest on the loan totaled \$126,028. 1,020,476

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 10. NOTES PAYABLE (continued)**

On April 1, 2016, Warren Village, LP entered into a loan agreement with the Indiana Housing and Community Development Authority in the amount of \$500,000. The loan accrues interest at a rate of 1.00% and matures on January 31, 2022, at which time the remaining principal and interest will be due in full. The loan is secured by a Multifamily Apartment Complex.

	<u>296,545</u>
Total notes payable to other lenders	<u>1,317,021</u>
Total notes payable	2,021,486
Less: current portion of notes payable	<u>133,953</u>
Total notes payable, net of current portion	<u><u>\$ 1,887,533</u></u>

Annual debt service for principal over the next five years and thereafter is as follows:

Year	Principal
2019	\$ 133,953
2020	138,203
2021	143,167
2022	155,076
2023	79,335
Thereafter	<u>1,371,752</u>
	<u><u>\$ 2,021,486</u></u>

Interest expense for the year ended September 30, 2019 totaled \$99,460 for the discretely presented component units.

**NOTE 11. RESTRICTED NET POSITION**

Restricted net position consists of the following as of September 30, 2019:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Housing assistance payments reserves	\$ 66,174	\$ -	\$ 66,174
Replacement reserves	204,429	139,476	343,905
Operating deficit escrows	<u>-</u>	<u>220,852</u>	<u>220,852</u>
Total restricted net position	<u><u>\$ 270,603</u></u>	<u><u>\$ 360,328</u></u>	<u><u>\$ 630,931</u></u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

Replacement reserves represents funds that are restricted for repairs and replacements of buildings and equipment.

Operating deficit escrows represents funds that are restricted in the case that the discretely presented component units encounter an operating deficit.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 12. PENSION PLAN**

The Authority provides pension benefits for its full-time employees through a defined benefit contribution plan titled "Housing Authority of the City of Terre Haute Pension Trust" (the "Plan"), administered by One America. The Plan was established and may be amended under IRC Code Section 401(a). In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees who choose to participate can contribute some of their regular wages, on a tax-deferred basis, to their retirement account. Enrollment in the plan occurs once per year. New full time employees who are at least 20 and a half years old and have completed at least six months of service as of the enrollment date are eligible to be enrolled in the Plan.

Employees may contribute up to the maximum amount allowable by law to the Plan. The Authority will contribute an amount equal to 2.5% of the employees regular wages. Additionally, the Authority will match employee contributions up to 6%.

The Authority's total eligible payroll in the year ended September 30, 2019, approximated \$1,848,402. The Authority's contributions for the year ended September 30, 2019 totaled \$107,359 and have been charged to the employee fringe benefit account.

**NOTE 13. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNITS**

	<u>LIHDC</u>	<u>THHDC</u>	<u>Total Blended Component Units</u>
<b>Assets:</b>			
Current assets	\$ 3,285,951	\$ 1,227,728	\$ 4,513,679
Other assets	1,671,940	136,329	1,808,269
Capital assets, net	<u>4,869,905</u>	<u>2,764,591</u>	<u>7,634,496</u>
Total assets	<u>9,827,796</u>	<u>4,128,648</u>	<u>13,956,444</u>
<b>Liabilities:</b>			
Current liabilities	76,654	94,069	170,723
Non-current liabilities	<u>2,074,684</u>	<u>309,047</u>	<u>2,383,731</u>
Total liabilities	<u>2,151,338</u>	<u>403,116</u>	<u>2,554,454</u>
<b>Net Position:</b>			
Net investment in capital assets	4,236,098	2,458,161	6,694,259
Restricted	68,100	136,329	204,429
Unrestricted	<u>3,372,260</u>	<u>1,131,042</u>	<u>4,503,302</u>
Net position	<u>\$ 7,676,458</u>	<u>\$ 3,725,532</u>	<u>\$ 11,401,990</u>
<b>Operating revenues:</b>			
Tenant revenue	\$ 317,851	\$ 358,083	\$ 675,934
HUD operating and other governmental grants	397,946	449,814	847,760
Other revenues	<u>96,797</u>	<u>286</u>	<u>97,083</u>
Total operating revenues	<u>812,594</u>	<u>808,183</u>	<u>1,620,777</u>
<b>Operating expenses:</b>			
Administrative, utilities, maintenance, etc.	442,364	368,458	810,822
Depreciation	<u>155,282</u>	<u>265,434</u>	<u>420,716</u>
Total operating expenses	<u>597,646</u>	<u>633,892</u>	<u>1,231,538</u>
Non-operating revenues (expenses)	<u>167,682</u>	<u>13,087</u>	<u>180,769</u>
Change in net position	<u>\$ 382,630</u>	<u>\$ 187,378</u>	<u>\$ 570,008</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 14. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through January 24, 2020 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**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***

To the Board of Directors of the  
Housing Authority of the City of Terre Haute:

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 (primary government) and the discretely presented component units of the Housing Authority of the City of Terre Haute (the "Authority") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated January 24, 2020. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards* and accordingly do not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those entities..

**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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Novogradac & Company LLP*

January 24, 2020  
Toms River, New Jersey

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of the  
Housing Authority of the City of Terre Haute:

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

We have audited the Housing Authority of the City of Terre Haute's (the "Authority") 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 September 30, 2019. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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, Cost 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.

## **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 September 30, 2019.

## **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.

## **Purpose of this Report**

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.

*Novogradac & Company LLP*

January 24, 2020  
Toms River, New Jersey

**SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	\$ <u>4,675,285</u>
Total Housing Voucher Cluster		4,675,285
Section 8 Project Based Cluster		
Section 8 Housing Assistance Payments Program	14.195	<u>258,057</u>
Total Section 8 Project Based Cluster		258,057
Public and Indian Housing Program	14.850	3,373,269
Public Housing Capital Fund Program	14.872	519,141
Resident Opportunity and Supportive Services - Service Coordinators	14.870	52,643
Family Self-Sufficiency Program	14.896	<u>71,028</u>
Total Expenditures of Federal Awards		\$ <u><u>8,949,423</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance and OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3. INDIRECT COST RATE**

The Authority has not elected to use the ten percent de minimus indirect cost rate allowed under the Uniform Guidance.

**NOTE 4. SCHEDULE OF CAPITAL FUND COSTS AND ADVANCES**

The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended September 30, 2019 are provided herein:

	<u>501-16</u>	<u>501-17</u>	<u>Totals</u>
<u>Budget</u>	\$ <u>1,094,231</u>	\$ <u>1,752,260</u>	\$ <u>2,846,491</u>
<u>Advances:</u>			
Cumulative through 9/30/2018	\$ 640,469	\$ -	\$ 640,469
Current Year	<u>453,762</u>	<u>65,379</u>	<u>519,141</u>
Cumulative through 9/30/2019	<u>1,094,231</u>	<u>65,379</u>	<u>1,159,610</u>
<u>Costs:</u>			
Cumulative through 9/30/2018	640,469	-	640,469
Current Year	<u>453,762</u>	<u>65,379</u>	<u>519,141</u>
Cumulative through 9/30/2019	<u>1,094,231</u>	<u>65,379</u>	<u>1,159,610</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

I. Summary of Auditors' Results

Financial Statement Section

- |    |   |            |
|----|---|------------|
| 1. | Type of auditors' report issued:                    | Unmodified |
| 2. | Internal control over financial reporting           |            |
|    | a. Material weakness(es) identified?                | No         |
|    | b. Significant deficiency(ies) identified?          | No         |
| 3. | Noncompliance material to the financial statements? | No         |

Federal Awards Section

- |    |   |            |
|----|---|------------|
| 1. | Internal Control over compliance:   |            |
|    | a. Material weakness(es) identified?  | No         |
|    | b. Significant deficiency(ies) identified?  | No         |
| 2. | Type of auditors' report on compliance<br>for major programs:   | Unmodified |
| 3. | Any audit findings disclosed that are required<br>to be reported in accordance with 2 CFR 200.516(a)? | No         |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers

- |    |   |           |
|----|---|-----------|
| 5. | Dollar threshold used to distinguish between<br>Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee?                                      | Yes       |

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Federal Audit Findings

There were no findings or questioned costs in the prior year.

Housing Authority of the City of Terre Haute										
IN021										
Financial Data Schedule (FDS)										
September 30, 2019										
Line Item #	Account Description	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.870 Resident Opportunity and Supportive Services	COCC	Elimination	TOTAL
<b>ASSETS:</b>										
<b>CURRENT ASSETS:</b>										
Cash:										
111	Cash - unrestricted	\$ 1,909,130	\$ -	\$ 21,213	\$ 426,558	\$ 4,348,919	\$ -	\$ 818,209	\$ -	\$ 7,524,029
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	46,469	-	111,468	360,328	204,429	-	-	-	722,694
114	Cash - tenant security deposits	215,796	-	-	24,621	80,850	-	-	-	321,267
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-	-
100	Total cash	2,171,395	-	132,681	811,507	4,634,198	-	818,209	-	8,567,990
Accounts and notes receivables:										
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	6,963	11,497	-	-	-	8,908	-	-	27,368
124	Accounts receivable - other government	-	-	384	15,738	-	-	-	-	16,122
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	-	-
126	Accounts receivable- tenants	42,399	-	3,403	1,444	14,377	-	-	-	61,623
126.1	Allowance for doubtful accounts - tenants	(4,240)	-	-	(144)	(1,437)	-	-	-	(5,821)
126.2	Allowance for doubtful accounts - other	-	-	(340)	-	-	-	-	-	(340)
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	278,988	-	-	-	-	-	278,988
128.1	Allowance for doubtful accounts - fraud	-	-	(221,056)	-	-	-	-	-	(221,056)
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	45,122	11,497	61,379	17,038	12,940	8,908	-	-	156,884
Current investments										
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	260,603	-	2,719	28,595	70,970	-	13,144	-	376,031
143	Inventories	23,836	-	-	-	-	-	34,262	-	58,098
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	15,125	(15,125)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	2,500,956	11,497	196,779	857,140	4,718,108	8,908	880,740	(15,125)	9,159,003
NONCURRENT ASSETS:										
Fixed assets:										
161	Land	589,452	-	-	54,156	362,396	-	13,025	-	1,019,029
162	Buildings	37,555,156	-	-	13,071,758	14,854,819	-	1,469,446	-	66,951,179
163	Furniture, equipment & machinery - dwellings	2,792,208	-	-	960,799	56,885	-	27,740	-	3,837,632
164	Furniture, equipment & machinery - administration	382,525	-	21,940	-	18,503	-	207,820	-	630,788
165	Leasehold improvements	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(28,510,097)	-	(21,940)	(2,014,129)	(7,658,107)	-	(930,392)	-	(39,134,665)
167	Construction in Progress	895,819	-	-	686,070	-	-	-	-	1,581,889
168	Infrastructure	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	13,705,063	-	-	12,758,654	7,634,496	-	787,639	-	34,885,852
Other non-current assets:										
171	Notes and mortgages receivable - non-current	-	-	-	-	1,569,465	-	-	-	1,569,465
174	Other assets	-	-	-	77,611	34,375	-	-	-	111,986
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	13,705,063	-	-	12,836,265	9,238,336	-	787,639	-	36,567,303
200	Deferred Outflow of Resources	-	-	-	-	-	-	-	-	-
290	TOTAL ASSETS	\$ 16,206,019	\$ 11,497	\$ 196,779	\$ 13,693,405	\$ 13,956,444	\$ 8,908	\$ 1,668,379	\$ (15,125)	\$ 45,726,306

Housing Authority of the City of Terre Haute										
IN021										
Financial Data Schedule (FDS)										
September 30, 2019										
Line Item #	Account Description	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.870 Resident Opportunity and Supportive Services	COCC	Elimination	TOTAL
<b>LIABILITIES AND EQUITY</b>										
<b>Liabilities:</b>										
<b>Current Liabilities:</b>										
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	12,888	-	452	113,190	1,196	-	12,040	-	139,766
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	35,201	1,444	7,288	3,795	10,770	1,899	22,640	-	83,037
322	Accrued compensated absences - current portion	22,643	272	4,680	-	9,744	1,665	37,367	-	76,371
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	126,028	-	-	-	-	126,028
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	53,011	-	384	38,316	-	-	32,014	-	123,725
341	Tenant security deposits	215,796	-	-	24,621	80,850	-	-	-	321,267
342	Prepaid rents	14,393	-	-	1,326	2,691	-	-	-	18,410
343	Current portion of L-T debt - capital projects	-	-	-	133,953	60,474	-	-	-	194,427
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	52,900	-	-	4,109	4,998	-	331	-	62,338
347	Interprogram - due to	-	9,781	-	-	-	5,344	-	(15,125)	-
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>406,832</b>	<b>11,497</b>	<b>12,804</b>	<b>445,338</b>	<b>170,723</b>	<b>8,908</b>	<b>104,392</b>	<b>(15,125)</b>	<b>1,145,369</b>
<b>NONCURRENT LIABILITIES:</b>										
351	Long-term debt, net of current - capital projects	-	-	-	1,887,533	879,763	-	-	-	2,767,296
352	Long-term debt, net of current - operating borrowings	-	-	-	-	1,500,000	-	-	-	1,500,000
353	Non-current liabilities- other	46,469	-	45,294	-	-	-	5,125	-	96,888
354	Accrued compensated absences - noncurrent	6,901	-	2,086	-	3,968	-	3,813	-	16,768
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-	-	-
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>53,370</b>	<b>-</b>	<b>47,380</b>	<b>1,887,533</b>	<b>2,383,731</b>	<b>-</b>	<b>8,938</b>	<b>-</b>	<b>4,380,952</b>
300	<b>TOTAL LIABILITIES</b>	<b>460,202</b>	<b>11,497</b>	<b>60,184</b>	<b>2,332,871</b>	<b>2,554,454</b>	<b>8,908</b>	<b>113,330</b>	<b>(15,125)</b>	<b>5,526,321</b>
400	Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
<b>EQUITY:</b>										
508.1	Invested in Capital Assets, Net of Related Debt	13,705,063	-	-	10,737,168	6,694,259	-	787,639	-	31,924,129
511.1	Restricted Net Assets	-	-	66,174	360,328	204,429	-	-	-	630,931
512.1	Unrestricted Net Assets	2,040,754	-	70,421	263,038	4,503,302	-	767,410	-	7,644,925
513	<b>TOTAL EQUITY</b>	<b>15,745,817</b>	<b>-</b>	<b>136,595</b>	<b>11,360,534</b>	<b>11,401,990</b>	<b>-</b>	<b>1,555,049</b>	<b>-</b>	<b>40,199,985</b>
600	<b>TOTAL LIABILITIES AND EQUITY, DEFERRED</b>	<b>\$ 16,206,019</b>	<b>\$ 11,497</b>	<b>\$ 196,779</b>	<b>\$ 13,693,405</b>	<b>\$ 13,956,444</b>	<b>\$ 8,908</b>	<b>\$ 1,668,379</b>	<b>\$ (15,125)</b>	<b>\$ 45,726,306</b>
<b>Proof of concept</b>										
		-	-	-	-	-	-	-	-	-

Housing Authority of the City of Terre Haute											
IN021											
Financial Data Schedule (FDS)											
September 30, 2019											
Line Item #	Account Description	Operating	Capital	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.870 Resident Opportunity and Supportive Services	COCC	Elimination	TOTAL
<b>REVENUE:</b>											
70300	Net tenant rental revenue	\$ 1,477,943	\$ -	\$ -	\$ -	\$ 339,862	\$ 660,489	\$ -	\$ -	\$ -	\$ 2,478,294
70400	Tenant revenue - other	\$ 179,775	\$ -	-	-	34,490	15,445	-	21,435	-	\$ 251,145
70500	Total tenant revenue	1,657,718	-	-	-	374,352	675,934	-	21,435	-	1,071,721
70600	HUD PHA grants	3,373,269	-	71,028	4,574,159	595,720	258,057	52,643	-	-	8,924,876
70610	Capital grants	-	519,141	-	-	-	-	-	-	-	519,141
70710	Management fee	-	-	-	-	-	-	-	775,814	(775,814)	-
70720	Asset management fee	-	-	-	-	-	-	-	103,200	(103,200)	-
70730	Book keeping fee	-	-	-	-	-	-	-	144,924	(144,924)	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	589,703	-	-	(589,703)	-
71100	Investment income - unrestricted	-	-	-	100	338	107,269	-	-	-	107,707
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	17,752	-	-	-	-	-	17,752
71500	Other revenue	17,755	-	-	173,436	23,429	97,083	-	4,641	-	316,344
71600	Gain or loss on sale of fixed assets	12,000	-	-	-	-	73,500	-	-	-	85,500
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-
70000	<b>TOTAL REVENUE</b>	5,060,742	519,141	71,028	4,765,447	993,839	1,801,546	52,643	1,050,014	(1,613,641)	11,043,041
<b>EXPENSES:</b>											
Administrative											
91100	Administrative salaries	186,104	-	51,982	112,530	40,953	48,518	34,576	470,139	-	944,802
91200	Auditing fees	17,949	-	-	3,200	9,600	4,451	-	6,700	-	41,900
91300	Outside management fees	606,771	-	-	111,624	57,713	-	-	-	(775,814)	294
91310	Book-keeping fee	75,159	-	-	69,765	-	-	-	-	(144,924)	-
91400	Advertising and marketing	938	-	-	-	-	679	-	4,958	-	6,575
91500	Employee benefit contributions- administrative	61,800	-	7,767	41,261	5,427	16,106	4,776	128,963	-	266,100
91600	Office expenses	61,715	-	9,332	16,530	17,051	17,205	10,565	207,342	-	339,740
91700	Legal expenses	27,762	-	365	784	2,466	4,746	-	1,149	-	37,272
91800	Travel	1,249	-	-	566	24	776	-	5,636	-	8,251
91810	Allocated overhead	-	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	98,159	-	-	6,902	-	105,061
	Total administrative	1,039,447	-	69,446	356,260	231,393	92,481	49,917	831,789	(920,738)	1,749,995
92000	Asset Management Fee	103,200	-	-	-	8,277	-	-	-	(103,200)	8,277
Tenant services											
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	51,326	-	-	-	36,283	8,654	-	2,034	-	98,297
	Total tenant services	51,326	-	-	-	36,283	8,654	-	2,034	-	98,297

Housing Authority of the City of Terre Haute											
IN021											
Financial Data Schedule (FDS)											
September 30, 2019											
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	Utilities										
93100	Water	146,823	-	-	-	11,241	12,429	-	1,825	-	172,318
93200	Electricity	350,252	-	-	-	138,432	54,553	-	16,017	-	559,254
93300	Gas	121,779	-	-	-	-	5,756	-	5,753	-	133,288
93400	Fuel	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-
93600	Sewer	386,535	-	-	-	22,441	28,089	-	1,146	-	438,211
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-
	Total utilities	1,005,389	-	-	-	172,114	100,827	-	24,741	-	1,303,071
	Ordinary maintenance & operation										
94100	Ordinary maintenance and operations - labor	585,575	-	-	43,614	54,942	190,120	-	11,753	-	886,004
94200	Ordinary maintenance and operations - materials & other	617,743	-	-	1,437	26,707	101,253	-	11,077	-	758,217
94300	Ordinary maintenance and operations - contract costs	284,087	-	-	10,850	32,532	123,158	-	39,113	-	489,740
94500	Employee benefit contributions- ordinary maintenance	105,261	-	-	7,374	7,627	45,023	-	3,874	-	169,159
	Total ordinary maintenance	1,592,666	-	-	63,275	121,808	459,554	-	65,817	-	2,303,120
	Protective services										
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	191,054	-	-	-	25,490	22,405	-	240	-	239,189
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-
	Total protective services	191,054	-	-	-	25,490	22,405	-	240	-	239,189
	General expenses										
96100	Insurance premiums	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	190,761	-	-	-	-	52,984	-	4,137	-	247,882
96120	Liability Insurance	75,969	-	-	-	-	28,147	-	2,833	-	106,949
96130	Workmen's Compensation	14,415	-	-	2,488	1,804	505	-	6,264	-	25,476
96140	All Other Insurance	26,520	-	-	3,240	39,947	8,835	-	12,271	-	90,813
96200	Other general expenses	28,091	-	-	-	3,393	-	-	-	-	31,484
96210	Compensated absences	34,748	-	1,582	9,436	4,145	12,455	2,726	38,128	-	103,220
96300	Payments in lieu of taxes	53,011	-	-	-	53,969	-	-	-	-	106,980
96400	Bad debt - tenant rents	112,107	-	-	-	2,193	23,975	-	-	-	138,275
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-
96600	Bad debt- other	-	-	-	5,172	-	-	-	-	-	5,172
96700	Interest expense	-	-	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or bonds) Payable	-	-	-	-	92,127	-	-	-	-	92,127
96730	Amortization of bond issue costs	-	-	-	-	7,333	-	-	-	-	7,333
96800	Severance expense	-	-	-	-	-	-	-	-	-	-
	Total general expenses	535,622	-	1,582	20,336	204,911	126,901	2,726	63,633	-	955,711
96900	<b>TOTAL OPERATING EXPENSES</b>	4,518,704	-	71,028	439,871	800,276	810,822	52,643	988,254	(1,023,938)	6,657,660
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	542,038	519,141	-	4,325,576	193,563	990,724	-	61,760	(589,703)	4,385,381
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	1,557	-	-	2,119	-	-	-	-	-	3,676
97300	Housing assistance payments	-	-	-	4,112,282	-	-	-	-	(589,703)	3,522,579
97350	HAP Portability - in	-	-	-	115,982	-	-	-	-	-	115,982
97400	Depreciation expense	1,182,514	39,520	-	2,194	446,125	420,716	-	51,606	-	2,142,675
97500	Fraud losses	-	-	-	5,031	-	-	-	-	-	5,031
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	5,702,775	39,520	71,028	4,677,479	1,246,401	1,231,538	52,643	1,039,860	(1,613,641)	12,447,603

Housing Authority of the City of Terre Haute											
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<b>OTHER FINANCING SOURCES (USES)</b>											
10010	Operating transfers in	-	-	-	-	-	1,313,000	-	-	(1,313,000)	-
10020	Operating transfers out	-	-	-	-	-	(1,313,000)	-	-	1,313,000	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	657,187	-	-	-	-	657,187
10091	Inter Project excess cash transfer in	160,000	-	-	-	-	-	-	-	(160,000)	-
10092	Inter Project excess cash transfer out	(160,000)	-	-	-	-	-	-	-	160,000	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-	-
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	657,187	-	-	-	-	657,187
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	(642,033)	479,621	-	87,968	404,625	570,008	-	10,154	-	(747,375)
<b>MEMO ACCOUNT INFORMATION:</b>											
11020	Required annual debt principal payments	-	-	-	-	133,953	-	-	-	-	133,953
11030	Beginning equity	15,908,229	-	-	48,627	10,955,909	10,831,982	-	1,544,895	-	39,289,642
11040	Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	70,421	-	-	-	-	-	70,421
11180	Housing assistance payments equity	-	-	-	66,174	-	-	-	-	-	66,174
11190	Unit months available	10,320	-	-	10,992	1,332	2,601	-	-	-	25,245
11210	Number of unit months leased	10,021	-	-	9,302	1,322	2,530	-	-	-	23,175
Equity Roll Forward Test:											
	Calculation from R/E Statement	\$ 15,745,817	\$ -	\$ -	\$ 136,595	\$ 11,360,534	\$ 11,401,990	\$ -	\$ 1,555,049	\$ -	\$ 40,199,985
	B/S Line 513	\$ 15,745,817	\$ -	\$ -	\$ 136,595	\$ 11,360,534	\$ 11,401,990	\$ -	\$ 1,555,049	\$ -	\$ 40,199,985
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -