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April 15, 2021

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

We have reviewed the audit report of the Tell City Housing Authority, which was opined upon by Audit Solutions, LLC, Independent Public Accountant, for the period July 1, 2019 to June 30, 2020. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Tell City Housing Authority as of June 30, 2020, 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 TELL CITY
TELL CITY, INDIANA**

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2020

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	i-vii
Basic Financial Statements:	
Statement of Net Position	3-4
Statement of Revenue, Expenses and Changes in Net Position	5
Statement of Cash Flows	6-7
Notes to the Basic Financial Statements	8-18
SUPPLEMENTAL INFORMATION	
PHA's Statement of Certification of Actual Modernization Costs	19
Financial Data Schedule	20-24
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26
Independent Auditor's Report on Applying Agreed-Upon Procedures	27-28
Current Findings, Recommendations and Replies	29

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities of the Housing Authority of the City of Tell City (Authority), Indiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying PHA's Statement of Certification of Actual Modernization Costs and the accompanying Financial Data Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying PHA's Statement of Certification of Actual Modernization Costs and the accompanying Financial Data Schedule are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying PHA's Statement of Certification of Actual Modernization Costs and the 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*, I have also issued my report dated March 26, 2021, on my consideration of the Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Authority's internal control over financial reporting and compliance.

Audit Solutions, LLC

Chesterfield, Missouri

March 26, 2021

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2020

This section of the Housing Authority of the City of Tell City, Indiana's annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on June 30, 2020. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

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

FINANCIAL HIGHLIGHTS

- The term "net position" refers to the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The Authority's total net position as of June 30, 2020 was \$1,776,005. The net position increased by \$137,804, an increase of 8.4% over the prior year.
- Revenues for the Authority were \$1,516,816 for the year ended June 30, 2020. This was a decrease of \$176,573 or 10.4% from the prior year.
- Expenses for the Authority were \$1,379,012 for the year ended June 30, 2020. This was a decrease of \$83,687 or 5.7% from the prior year.
- Rental revenue for the Authority was \$783,696 for the year ended June 30, 2020, an increase of \$34,329 or 4.6% over the prior year. HUD operating grants awarded to the Authority were \$563,920 for the year ended June 30, 2020, a decrease of \$268,218 or 32.2% from the prior year. Capital contributions received by the Authority were \$159,999 for the year ended June 30, 2020, an increase of \$57,259 or 55.7% over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Financial Statements

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

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)

June 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Required Financial Statements – (Continued)

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

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

Notes to the Financial Statements

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

Supplemental Information

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information Required by HUD*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2020 and is required to be included in the audit reporting package.

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of an agency's financial position. As stated in the table on the following page, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,776,005 at the close of the year ended June 30, 2020 up from \$1,638,201 in fiscal year 2019. The increase in net position of \$137,804 was due the reasons noted below.

- Current assets include cash, investments, receivables, prepaid expenses, and materials inventory. Of the \$14,982 decrease in this category, cash and investments increased \$87,852, receivables decreased \$105,459, prepaid expenses decreased \$534, and materials inventory increased \$3,159.
- Capital assets increased \$187,141 because current year capital asset additions exceeded current year depreciation expense. Change in capital assets is explained in section titled "Capital Asset" of this analysis.
- Current liabilities increased \$34,355 mainly due to a \$28,322 increase in unearned revenue. The Authority received \$27,342 in CARES Act Funds which had not been fully expended as of fiscal year end. The Authority also had an increase in accrual for compensated absences of \$13,196, an increase in accrued wages and payroll taxes payable of \$7,137, and an increase in tenant security deposits of \$4,839. This was partially offset by a decrease in accounts payable/accrued utilities/other current payable of \$20,029.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
June 30, 2020

FINANCIAL ANALYSIS (CONTINUED)

CONDENSED STATEMENTS OF NET POSITION
JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current assets	\$ 929,754	\$ 944,736	\$ (14,982)	-1.6%
Capital assets	1,055,718	868,577	187,141	21.5%
Total Assets	<u>\$ 1,985,472</u>	<u>\$ 1,813,313</u>	<u>\$ 172,159</u>	9.5%
Current liabilities	\$ 209,467	\$ 175,112	\$ 34,355	19.6%
Total Liabilities	<u>209,467</u>	<u>175,112</u>	<u>34,355</u>	19.6%
Net Position				
Net investment in capital assets	1,055,718	868,577	187,141	21.5%
Restricted	-	1,617	(1,617)	-100.0%
Unrestricted	<u>720,287</u>	<u>768,007</u>	<u>(47,720)</u>	-6.2%
Total Net Position	<u>\$ 1,776,005</u>	<u>\$ 1,638,201</u>	<u>\$ 137,804</u>	8.4%

The unrestricted net position was \$720,287 as of June 30, 2020. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays for nine months. The Authority did not have any net position classified as restricted that is subject to external restrictions on how they may be used. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

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

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
June 30, 2020

FINANCIAL ANALYSIS (CONTINUED)

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

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

	2020	2019	Dollar Change	Percent Change
Revenues and Contributions				
Operating - non-operating - capital contributions:				
Rental revenue	\$ 783,696	\$ 749,367	\$ 34,329	4.6%
HUD operating grants	563,920	832,138	(268,218)	-32.2%
Interest income	3,903	3,952	(49)	-1.2%
Capital contributions	159,999	102,740	57,259	55.7%
Other income	5,298	5,192	106	2.0%
Total Revenues & Contributions	1,516,816	1,693,389	(176,573)	-10.4%
Expenses				
Administrative	190,640	179,349	11,291	6.3%
Tenant services	4,946	1,969	2,977	151.2%
Utilities	213,683	222,635	(8,952)	-4.0%
Ordinary maintenance and operations	469,948	464,997	4,951	1.1%
Protective services	9,203	9,115	88	1.0%
Insurance	63,757	59,853	3,904	6.5%
General	67,782	47,821	19,961	41.7%
Non routine maintenance	2,800	11,480	(8,680)	-75.6%
Housing assistance payments	213,885	233,355	(19,470)	-8.3%
Depreciation	142,368	232,125	(89,757)	-38.7%
Total Expenses	1,379,012	1,462,699	(83,687)	-5.7%
Change in net position	137,804	230,690	(92,886)	
Total net position - beginning of year	1,638,201	1,407,511	230,690	
Total net position - end of year	\$ 1,776,005	\$ 1,638,201	\$ 137,804	

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
June 30, 2020

FINANCIAL ANALYSIS (CONTINUED)

As can be seen in the table on the previous page, total revenues decreased \$176,573 due to the reasons noted below.

- Rental revenue increased \$34,329 or 4.6% primarily due to an increase in the average rental charge per dwelling unit of \$14.02 or 5.0%. The average rental charge was \$294.30 in FY 2020, up from \$280.27 in FY 2019.
- HUD operating grants decreased \$268,218 or 32.2% from FY 2019 due to a decrease of \$283,204 in capital fund grants used for operating expenditures and a decrease of \$22,051 in housing choice voucher program assistance. This was partially offset an increase in public housing operating subsidy of \$32,485 or 12.8% and funding received from HUD for CARES Act of \$4,552.
- Interest income decreased \$49 or 1.2% from FY 2019.
- Capital contributions increased \$57,259 from FY 2019. The Agency is allocated capital fund grants each year as determined by HUD and the amount remains relatively consistent from year to year. Capital contributions during the year will depend upon timing of projects as outlined in the HUD approved capital grant budget.
- Other income increased \$106 or 2.0% from FY 2019.

Total expenses decreased by \$83,687 due to the reasons noted below.

- Administrative expenses increased \$11,291 or 6.3% from FY 2019 primarily due to an increase in administrative wages and benefits of \$12,393 or 9.1%.
- Tenant services increased \$2,977 from FY 2019.
- Of the \$8,952 decrease in utilities, water increased \$250 or 0.8%, electricity decreased \$4,452 or 4.7%, gas decreased \$3,854 or 13.3%, and sewer decreased \$896 or 1.4%.
- Ordinary maintenance and operations increased \$4,951 or 1.1% from FY 2019 mainly due to an increase in services contracted for maintenance and repair of \$7,614 or 5.2% and an increase in maintenance materials purchased during the year of \$1,333 or 3.3%. This was partially offset by a decrease in maintenance wages and benefits of \$3,996 or 1.4%.
- Protective services increased \$88 or 1.0% from FY 2019.
- Insurance increased \$3,904 or 6.5% from FY 2019 mostly due to a \$1,575 increase in liability insurance and a \$1,393 increase in other insurance.
- General expenses increased \$19,961 or 41.7% from FY 2019 due to an increase in expense for compensated absences of \$15,483 and an increase in payments in lieu of taxes of \$4,478.
- The Authority had non-routine maintenance of \$2,800 in FY 2020 for tree removal and \$11,480 in FY 2019 for painting interior doors at Twilight Towers.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
June 30, 2020

FINANCIAL ANALYSIS (CONTINUED)

- Housing assistance payments decreased \$19,470 or 8.3% from FY 2019 due to a decrease in average housing assistance payment per unit of \$39.72 or 11.5%. Average housing assistance payment was \$305.99 in FY 2020, down from \$345.71 in FY 2019. This was partially offset by a 3.6% increase in lease-up rate for the Housing Choice Voucher program
- The Authority had a \$89,757 or 38.7% decrease in Depreciation, which is the write-off of capital assets over their estimated useful life.

The Public Housing occupancy rate for fiscal year ending June 30, 2020 was 98.7%, up slightly from 98.2% in FY 2019.

The Authority is authorized to assist 67 households with the Housing Choice Voucher Rental Assistance Program. The Section 8 lease-up rate for FY 2020 was 86.9%, up from 84.0% in FY 2019.

CAPITAL ASSETS

The Housing Authority of the City of Tell City, Indiana's net investment in capital assets as of June 30, 2020 amounts to \$1,055,718. This investment in capital assets includes land, buildings, improvements, equipment and construction in progress, net of accumulated depreciation.

Capital Assets – The total increase in the Authority's investment in capital assets for the current fiscal year was 21.5% in terms of net book value. Actual expenditures to purchase or construct capital assets from revenues and contributions were \$329,509 for the year. The Authority has various contract commitments with contractors for the implementation of the HUD capital grants as outlined by the HUD approved Capital Grant Budget. Depreciation charges for the year totaled \$142,368. The Authority has \$65,144 available in in capital funds to draw down and spend in the future. Additional information on the Authority's capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Disposals	Ending
Capital assets	\$868,577	\$329,509	\$(142,368)	\$(0)	\$1,055,718

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners and Management of the Housing Authority considered many factors when approving the fiscal year 2021 Public Housing budget. The user charges are based on a tenant's income as established by HUD guidelines and are adjustable. Operating subsidy is based on occupied units and approved vacancies, utility consumption and rates, approved add-ons, formula income, and transition funding. The amount of funding is also established and approved by HUD. Formula income is based on rental income from the Authority's rent roll records for the period specified by HUD. Operating expenses are expected to increase by the economy's inflation rate.

The Authority receives annual budget authority from HUD based on prior year leasing and HAP utilization. In addition to annual budget authority, the Authority also has \$59,826 in HUD-Held Program Reserves available for housing assistance payments. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2021 and adjusted for pro-ration which is currently at 80.0%.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - (Continued)
June 30, 2020

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Donna Nance
Executive Director
Housing Authority of the City of Tell City
1648 10th Street
Tell City, Indiana 47586

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

STATEMENT OF NET POSITION
June 30, 2020

ASSETS

Current Assets:

Cash and cash equivalents	\$	342,032
Cash - restricted		61,960
Investments		192,965
Receivables - net of allowances		273,293
Inventory - net of allowances		25,027
Prepaid expenses		<u>34,477</u>

Total Current Assets 929,754

Non-current Assets:

Capital assets:

Land and construction in progress		222,531
Other capital assets, net of depreciation		<u>833,187</u>

Total capital assets - net 1,055,718

Total Non-current Assets 1,055,718

Total Assets and Deferred Outflow of Resources \$ 1,985,472

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

STATEMENT OF NET POSITION - (Continued)

June 30, 2020

LIABILITIES

Current Liabilities:

Accounts payable	\$	103,303
Accrued salaries and benefits		16,734
Tenant security deposit liability		34,618
Accrued compensated absences		14,603
Unearned revenues		<u>40,209</u>

Total Current Liabilities 209,467

Total Liabilities 209,467

NET POSITION

Net investment in capital assets		1,055,718
Unrestricted		<u>720,287</u>

Total Net Position 1,776,005

Total Liabilities, Deferred Inflows of Resources and Net Position \$ 1,985,472

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2020

OPERATING REVENUES	
Tenant revenue	\$ 783,696
Governmental grants and subsidy	563,920
Miscellaneous	<u>5,298</u>
Total operating revenue	<u>1,352,914</u>
OPERATING EXPENSES	
Administrative	190,640
Tenant services	4,946
Utilities	213,683
Ordinary maintenance and operations	469,948
Protective services	9,203
Insurance	63,757
General	67,782
Non routine maintenance	2,800
Housing assistance payment	213,885
Depreciation expense	<u>142,368</u>
Total operating expenses	<u>1,379,012</u>
Operating income (loss)	<u>(26,098)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	<u>3,903</u>
Net non-operating revenues (expenses)	<u>3,903</u>
Income (loss) before contributions and transfers	<u>(22,195)</u>
Capital contributions	<u>159,999</u>
Change in net position	137,804
Total net position - beginning of year	<u>1,638,201</u>
Total net position - end of year	<u>\$ <u>1,776,005</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from tenants	\$ 786,909
Received from governmental grants and subsidy	695,409
Received from other operating activities	5,298
Payments for goods and services	(523,170)
Payments to employees	(436,391)
Payment in lieu of taxes	(43,697)
Payment for housing assistance	<u>(213,885)</u>
Net cash provided by (used in) operating activities	<u>270,473</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital contributions	159,999
Purchases of capital assets	<u>(346,492)</u>
Net cash provided by (used in) capital and related financing activities	<u>(186,493)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds (payments) from sale (purchase) of investments	(3,801)
Receipts of interest and dividends	<u>3,872</u>
Net cash provided by (used in) investing activities	<u>71</u>
Net increase (decrease) in cash and cash equivalents	84,051
Cash and cash equivalents at beginning of year	<u>319,941</u>
Cash and cash equivalents at end of year	\$ <u><u>403,992</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

STATEMENT OF CASH FLOWS - (Continued)
For the Year Ended June 30, 2020

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

Operating income (loss)	\$	(26,098)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		142,368
Change in assets and liabilities:		
Receivables, net		105,490
Inventories, net		(3,159)
Prepaid expenses		534
Accounts and other payables		4,324
Tenant security deposit		890
Unearned revenues		28,322
Compensated absences		13,196
Accrued expenses		<u>4,606</u>
Net cash provided by (used) by operating activities	\$	<u><u>270,473</u></u>

Supplemental schedule of non-cash investing, capital and financing activities:

The Authority purchased fixed assets during FY 2020 in the amount of 329,509. In conjunction with the acquisition, liabilities were assumed as follows:

Fair value of capital assets acquired	\$	329,509
Add: prior year liabilities		26,390
Cash paid for the capital assets		<u>(346,492)</u>
Liabilities assumed	\$	<u><u>9,407</u></u>

See accompanying notes to the basic financial statements

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of the City of Tell City (Authority) is a public body and a body corporate and politic organized under the laws of the State of Indiana that is legally separate, fiscally independent and governed by a Board of Commissioners. The Authority was established to provide Low-Rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development (HUD) and other applicable federal agencies. Additionally, HUD has entered into Annual Contributions Contract with the Authority for the purpose of administering housing and housing relating programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

The financial statements of the Authority have been prepared in conformity with Generally Accepted Accounting Principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1A. Financial Reporting Entity

The Authority's financial reporting entity comprises the following:

Primary Government: Housing Authority

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 14 as amended by GASB No. 39 and No. 61, "The Financial Reporting Entity," and includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. On the basis of the application of these criteria, there are no component units which are required to be included in the Authority's financial statements.

1B. Basis of Presentation

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. The operations of each fund are reported as a separate set of self-balancing accounts that are comprised of each fund's assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds consist of three major categories: governmental, proprietary and fiduciary. Funds within each major category are grouped by fund type in the combined financial statements. The Authority uses the following fund:

Proprietary Fund Types - This fund is used to account for the Authority's ongoing activities that are similar to those often found in the private sector. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position. Proprietary fund equity is segregated into net investment in capital assets and restricted and unrestricted net position. The following are the Authority's proprietary fund types:

Enterprise Fund - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes all of the Authority's programs as an enterprise fund.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1B. Basis of Presentation - (Continued)

The Authority operates the following programs in the enterprise fund:

Public and Indian Housing - The objective of the program is to provide decent, safe and sanitary housing and related facilities for eligible low-income individuals.

Public Housing Capital Fund - The purpose of this program is to provide funds annually to housing authorities for the modernization of the housing development and for management improvements.

Section 8 Housing Choice Vouchers - The objective of the program is to help low-income families obtain decent, safe, and sanitary housing through a system of rental assistance. HUD reimburses the Authority for the rental supplements paid to private landlords and the administrative costs of managing the program.

Public Housing and HCV CARES Act - The CARES Act provides funding to prevent, prepare for, and respond to COVID-19, and to maintain normal operations and take other necessary actions during the period the program is impacted by the pandemic.

1C. Measurement Focus and Basis of Accounting

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

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

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

1D. Budgets

Budgets are prepared for regulatory purposes in accordance with the Authority’s contract with HUD on an annual basis for all operating programs and on a project length basis for capital projects funds which are approved by the Board of Commissioners and submitted to HUD for their approval, if required.

1E. Estimates and assumptions

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities and Equity

Cash and Investments

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

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

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur within individual funds that may result in amounts owed between funds. Inter-fund receivables and payables between funds are eliminated for financial statement presentation.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances consist of HUD, tenants account and accrued interest receivable.

Inventories

Inventories are valued at lower of cost or market on an average cost basis. Inventories consist primarily of maintenance materials and supplies held for consumption. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as assets when purchased and expenses when used.

Fixed Assets

Fixed assets in the proprietary fund types are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. It is the policy of the Authority to capitalize all assets with a cost of \$1,000 or greater. The cost of maintenance and repairs are charged to operations as incurred. Costs of major additions, improvements, and betterments are capitalized.

Depreciation of all exhaustible fixed assets is charged as an expense against operations and is recorded in the Statement of Revenues, Expenses and Changes in Net Position with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	10-25 years
Leasehold Improvements	3-15 years
Furniture, equipment and machinery - dwelling	3-10 years
Furniture, equipment and machinery - administrative	3-10 years

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1F. Assets, Liabilities and Equity - (Continued)

Restricted Assets

Restricted assets include cash of the proprietary fund that are legally restricted as to their use. The primary restricted asset is related to the security deposit fund under the Public and Indian Housing program and restricted Cares funding under Public and Indian and HCV Cares program.

Compensated Absences

The Authority's policies regarding vacation time permits employees to carry forward unused vacation leave till Dec 31st each year. Hence, the liability for these compensated absences is recorded all as short-term liabilities.

Equity Classifications

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

- 1) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position - Consists of net position with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; (ii) law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted are available, the Authority's policy is to apply restricted assets to fund restricted costs and then unrestricted as they are needed.

1G. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Inter-fund Transfers

Permanent reallocation of resources between programs of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Revenues, Expenses and Change in Net Position, all inter-fund transfers between individual programs, if any, have been eliminated.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

2A. Program Accounting Requirements

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

<u>Program</u>	<u>Required By</u>
Public and Indian Housing	U.S. Department of Housing and Urban Development
Public Housing Capital Fund	U.S. Department of Housing and Urban Development
Section 8 Housing Choice Vouchers	U.S. Department of Housing and Urban Development
Public Housing CARES Act	U.S. Department of Housing and Urban Development
HCV CARES Act	U.S. Department of Housing and Urban Development

2B. Deposits and Investments Laws and Regulations

It is the Authority’s policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. As reflected in Note 3A, all deposits were fully insured or collateralized.

Investing is performed in accordance with HUD regulations and State Statutes. Funds may be invested in the following type of investments:

- Direct obligations of the U.S. Government pledged by its full faith and credit.
- Demand, savings, money-market and certificates of deposit at commercial banks, mutual savings banks, savings and loan associations and credit unions provided that the entire deposit be insured by the FDIC and any deposits in excess of insured amounts are adequately collateralized.

2C. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Public Housing Capital Fund	Modernization
Section 8 Housing Choice Vouchers	Housing assistance payment
Public Housing and HCV CARES Act	COVID related expenses

For the year ended June 30, 2020, the Authority complied, in all material respects, with these revenue restrictions.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

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

3A. Cash and Investments

As of June 30, 2020, the Authority had the following cash deposits:

Cash deposits	\$	403,392
Petty cash / Change fund		600
Certificate of deposit		<u>192,965</u>
Total	\$	<u><u>596,957</u></u>

Following is a reconciliation of the Authority's deposit balances as of June 30, 2020:

Cash and cash equivalents	\$	342,032
Restricted assets		61,960
Investments		<u>192,965</u>
Total	\$	<u><u>596,957</u></u>

Deposits

Custodial Credit Risk - Deposits

The custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2020, the Authority's bank balances of \$404,308 were entirely covered by FDIC insurance or by the Public Deposit Insurance Fund (PDIF) which was created in 1937 to protect the public funds of the state and its political subdivisions deposited in approved financial institutions in the state of Indiana. The PDIF insures those public funds deposited in approved financial institutions which exceed the limits of coverage provided by federal deposit insurance. The fund is administered by the Indiana Board for Depositories.

Investments

Custodial Credit Risk - Investments

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2020, the Authority's investment balance of \$192,965 was entirely covered by FDIC or PDIF insurance.

Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investment in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organization. As the Authority's investments consist entirely of certificate of deposits, credit risk is not applicable to the Housing Authority.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3A. Cash and Investments - (Continued)

Deposits – (Continued)

Concentration of Credit Risk

The Authority places no limit on the amount the Authority may invest in any one issuer. At June 30, 2020, the concentration of the Authority's investment (excluding cash deposits) was as follows:

<u>Type of Investment</u>	<u>Market Value</u>	<u>Maturity Date</u>
Certificate of Deposit	\$ 55,954	10/1/2020
Certificate of Deposit	18,429	12/9/2020
Certificate of Deposit	<u>118,582</u>	8/22/2021
Total	<u>\$ 192,965</u>	

3B. Restricted Assets

Restricted assets at June 30, 2020 consist of the following:

<u>Type of Restricted Assets</u>	<u>Cash Including Time Deposits</u>	<u>Investments</u>	<u>Accrued Interest</u>	<u>Total</u>
Security deposit	\$ 34,618	----	----	\$ 34,618
PH-Cares	21,326	----	----	21,326
HCV-Cares	<u>6,016</u>	<u>----</u>	<u>----</u>	<u>6,016</u>
Total	<u>\$ 61,960</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 61,960</u>

3C. Accounts Receivable

Receivables at June 30, 2020 consist of the following:

Tenant account receivable	\$ 1,802
HUD	270,795
Accrued interest	<u>696</u>
Total Accounts Receivable	<u>\$ 273,293</u>

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3D. Inventory

Inventory at June 30, 2020 comprised of the following:

Inventory	\$ 25,280
Less: Allowance for obsolete inventory	<u>(253)</u>
Inventory - net of allowance	<u>\$ 25,027</u>

3E. Capital Assets

A summary of capital asset activity for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	(Retirement)	Reclass/ Transfers in (out)	Balance June 30, 2020
Non-depreciable assets:					
Land	\$ 222,531	\$ -	\$ -	\$ -	\$ 222,531
Construction in progress	<u>6,882</u>	-	-	<u>(6,882)</u>	-
Total non-depreciable assets	<u>229,413</u>	-	-	<u>(6,882)</u>	<u>222,531</u>
Depreciable assets:					
Building	10,530,939	245,672	-	6,882	10,783,493
Equipment - dwelling	39,848	-	-	-	39,848
Equipment - administration	154,889	32,591	-	-	187,480
Leasehold improvements	<u>25,637</u>	<u>51,246</u>	-	-	<u>76,883</u>
Total depreciable assets	10,751,313	329,509	-	6,882	11,087,704
Accumulated depreciation	<u>(10,112,149)</u>	<u>(142,368)</u>	-	-	<u>(10,254,517)</u>
Total depreciable assets, net	<u>639,164</u>	<u>187,141</u>	-	<u>6,882</u>	<u>833,187</u>
Capital assets, net	<u>\$ 868,577</u>	<u>\$ 187,141</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,718</u>

Depreciation expense is charged to programs as follows:

<u>Business-type Activities</u>	
Public and Indian Housing	\$ 138,478
Section 8 - HCV	<u>3,890</u>
Total depreciation expense	<u>\$ 142,368</u>

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS - (Continued)

3F. Accounts Payable

Accounts payable at June 30, 2020 consist of the following:

Vendors & contractors	\$ 5,873
Other current liabilities	9,407
Accrued utilities	17,458
PILOT	<u>70,565</u>
 Total	 <u>\$ 103,303</u>

3G. Inter-program Transactions and Balances

Operating Transfers

Transfers are used to move revenues from one program to the other program in accordance with the budgetary authorizations.

	<u>Transfers In</u>	<u>Transfers Out</u>
Public and Indian Housing	\$ 9,403	\$ -
Public Housing Capital Fund	<u>-</u>	<u>(9,403)</u>
	<u>\$ 9,403</u>	<u>\$ (9,403)</u>

NOTE 4 – OTHER NOTES

4A. Employee Pension Plan

The Authority provides pension benefits for all of its full-time employees through a defined contribution plan with Metropolitan Life. The Plan administrator has complete control of the administration of the plan, including complete discretions to interpret or construe the provisions of the Plan and under which contributions are established or may be amended.

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan requires the Authority to contribute 7% of covered wages. Benefits are fully vested at the end of 5 years of service.

The following information related to the defined contribution plan at June 30, 2020:

Total payroll	\$ 332,098
Payroll for covered employees	\$ 217,386
Employer contributions made	\$ 15,217

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 4 – OTHER NOTES – (Continued)

4B. Contingencies

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

4C. Commitments - Construction

At June 30, 2020, the Authority had the following pending Capital Fund project in progress:

		Funds Approved		Funds Expended - Project to Date
CFP 501-17	\$	212,579	\$	212,579
CFP 501-18		329,492		264,348
PH-Cares		44,555		4,552
HCV-Cares		13,564		---
		600,190		481,479
Total	\$	600,190	\$	481,479

4D. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee’s health and life; and natural disasters. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The Authority manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>
a. Torts, errors and omissions	Purchased insurance with Indiana Farm Bureau Co.
b. Injuries to employees (workers' compensation)	Purchased insurance with Indiana Farm Bureau Insurance Co. Claims are administered by the same company.
c. Physical property loss and natural disasters	Purchased commercial insurance with \$10,000 deductible.

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

4E. Financial Data Schedule

The Authority prepares its Financial Data Schedule (FDS) in accordance with HUD requirements in a prescribed format which differs from the presentation of the basic financial statements. The FDS format excludes extraordinary maintenance, depreciation and HAP expense and includes investment income and capital contributions in operating activities, which differs from the presentation of basic financial statements.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

NOTES TO THE BASIC FINANCIAL STATEMENTS - (Continued)
June 30, 2020

NOTE 4 – OTHER NOTES - (Continued)

4F. Subsequent Events

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenants ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.

Management evaluated the activity of the Authority through March 26, 2021 and concluded that no additional subsequent events have occurred that would require adjustment to or disclosures within these financial statements except for the one noted above.

4G. Economic Dependency

The Authority is primarily dependent upon HUD for the funding of operations; therefore, the Authority is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2021 federal budget.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

PHA'S STATEMENT OF CERTIFICATION OF ACTUAL MODERNIZATION COST
June 30, 2020

1. Actual Capital Fund Program costs are as follows:

	<u>501-16</u>
Funds approved	\$ 204,886
Funds expended	<u>204,886</u>
Excess of Funds Approved	<u>\$ ---</u>
Funds advanced	\$ 204,886
Funds expended	<u>204,886</u>
Excess (deficiency) of Funds Advanced	<u>\$ ---</u>

2. The costs as shown on the Actual Cost Certificate dated August 19, 2020 submitted to HUD for approval is in agreement with the Authority's records as of June 30, 2020.
3. All costs have been paid and all related liabilities have been discharged through payments.

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

FINANCIAL DATA SCHEDULE
Year Ended June 30, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$213,820		\$128,212		\$342,032		\$342,032
113 Cash - Other Restricted		\$21,326		\$6,016	\$27,342		\$27,342
114 Cash - Tenant Security Deposits	\$34,618				\$34,618		\$34,618
100 Total Cash	\$248,438	\$21,326	\$128,212	\$6,016	\$403,992	\$0	\$403,992
122 Accounts Receivable - HUD Other Projects	\$264,366		\$6,429		\$270,795		\$270,795
126 Accounts Receivable - Tenants	\$1,802				\$1,802		\$1,802
129 Accrued Interest Receivable	\$696				\$696		\$696
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$266,864	\$0	\$6,429	\$0	\$273,293	\$0	\$273,293
131 Investments - Unrestricted	\$192,965				\$192,965		\$192,965
142 Prepaid Expenses and Other Assets	\$34,477				\$34,477		\$34,477
143 Inventories	\$25,280				\$25,280		\$25,280
143.1 Allowance for Obsolete Inventories	-\$253				-\$253		-\$253
150 Total Current Assets	\$767,771	\$21,326	\$134,641	\$6,016	\$929,754	\$0	\$929,754
161 Land	\$222,531				\$222,531		\$222,531
162 Buildings	\$10,783,493				\$10,783,493		\$10,783,493
163 Furniture, Equipment & Machinery - Dwellings	\$39,848				\$39,848		\$39,848
164 Furniture, Equipment & Machinery - Administration	\$151,263		\$36,217		\$187,480		\$187,480
165 Leasehold Improvements	\$76,883				\$76,883		\$76,883
166 Accumulated Depreciation	-\$10,225,892		-\$28,625		-\$10,254,517		-\$10,254,517
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,048,126	\$0	\$7,592	\$0	\$1,055,718	\$0	\$1,055,718
180 Total Non-Current Assets	\$1,048,126	\$0	\$7,592	\$0	\$1,055,718	\$0	\$1,055,718
290 Total Assets and Deferred Outflow of Resources	\$1,815,897	\$21,326	\$142,233	\$6,016	\$1,985,472	\$0	\$1,985,472

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$5,873				\$5,873		\$5,873
321 Accrued Wage/Payroll Taxes Payable	\$16,734				\$16,734		\$16,734
322 Accrued Compensated Absences - Current Portion	\$14,603				\$14,603		\$14,603
333 Accounts Payable - Other Government	\$70,565				\$70,565		\$70,565
341 Tenant Security Deposits	\$34,618				\$34,618		\$34,618
342 Unearned Revenue	\$12,867	\$21,326		\$6,016	\$40,209		\$40,209
345 Other Current Liabilities	\$9,407				\$9,407		\$9,407
346 Accrued Liabilities - Other	\$17,458				\$17,458		\$17,458
310 Total Current Liabilities	\$182,125	\$21,326	\$0	\$6,016	\$209,467	\$0	\$209,467
300 Total Liabilities	\$182,125	\$21,326	\$0	\$6,016	\$209,467	\$0	\$209,467
508.4 Net Investment in Capital Assets	\$1,048,126		\$7,592		\$1,055,718		\$1,055,718
512.4 Unrestricted Net Position	\$585,646	\$0	\$134,641	\$0	\$720,287		\$720,287
513 Total Equity - Net Assets / Position	\$1,633,772	\$0	\$142,233	\$0	\$1,776,005	\$0	\$1,776,005
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,815,897	\$21,326	\$142,233	\$6,016	\$1,985,472	\$0	\$1,985,472

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$693,360				\$693,360		\$693,360
70400 Tenant Revenue - Other	\$90,336				\$90,336		\$90,336
70500 Total Tenant Revenue	\$783,696	\$0	\$0	\$0	\$783,696	\$0	\$783,696
70600 HUD PHA Operating Grants	\$317,051	\$4,552	\$242,317		\$563,920		\$563,920
70610 Capital Grants	\$159,999				\$159,999		\$159,999
71100 Investment Income - Unrestricted	\$3,888		\$15		\$3,903		\$3,903
71500 Other Revenue	\$5,298				\$5,298		\$5,298
70000 Total Revenue	\$1,269,932	\$4,552	\$242,332	\$0	\$1,516,816	\$0	\$1,516,816
91100 Administrative Salaries	\$107,271		\$8,000		\$115,271		\$115,271
91200 Auditing Fees	\$4,825		\$1,623		\$6,448		\$6,448
91400 Advertising and Marketing	\$214				\$214		\$214
91500 Employee Benefit contributions - Administrative	\$33,181				\$33,181		\$33,181
91600 Office Expenses	\$15,970		\$4,683		\$20,653		\$20,653
91700 Legal Expense	\$1,200				\$1,200		\$1,200
91900 Other	\$12,001		\$1,672		\$13,673		\$13,673
91000 Total Operating - Administrative	\$174,662	\$0	\$15,978	\$0	\$190,640	\$0	\$190,640
92100 Tenant Services - Salaries		\$4,000			\$4,000		\$4,000
92400 Tenant Services - Other	\$394	\$552			\$946		\$946
92500 Total Tenant Services	\$394	\$4,552	\$0	\$0	\$4,946	\$0	\$4,946
93100 Water	\$32,391				\$32,391		\$32,391
93200 Electricity	\$91,266				\$91,266		\$91,266
93300 Gas	\$25,190				\$25,190		\$25,190
93600 Sewer	\$64,836				\$64,836		\$64,836
93000 Total Utilities	\$213,683	\$0	\$0	\$0	\$213,683	\$0	\$213,683

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$196,712		\$4,000		\$200,712		\$200,712
94200 Ordinary Maintenance and Operations - Materials and Other	\$41,815				\$41,815		\$41,815
94300 Ordinary Maintenance and Operations Contracts	\$152,862				\$152,862		\$152,862
94500 Employee Benefit Contributions - Ordinary Maintenance	\$74,559				\$74,559		\$74,559
94000 Total Maintenance	\$465,948	\$0	\$4,000	\$0	\$469,948	\$0	\$469,948
95100 Protective Services - Labor	\$6,657				\$6,657		\$6,657
95500 Employee Benefit Contributions - Protective Services	\$2,546				\$2,546		\$2,546
95000 Total Protective Services	\$9,203	\$0	\$0	\$0	\$9,203	\$0	\$9,203
96110 Property Insurance	\$45,531				\$45,531		\$45,531
96120 Liability Insurance	\$8,261				\$8,261		\$8,261
96130 Workmen's Compensation	\$6,425				\$6,425		\$6,425
96140 All Other Insurance	\$3,540				\$3,540		\$3,540
96100 Total insurance Premiums	\$63,757	\$0	\$0	\$0	\$63,757	\$0	\$63,757
96210 Compensated Absences	\$19,246				\$19,246		\$19,246
96300 Payments in Lieu of Taxes	\$48,536				\$48,536		\$48,536
96000 Total Other General Expenses	\$67,782	\$0	\$0	\$0	\$67,782	\$0	\$67,782
96900 Total Operating Expenses	\$995,429	\$4,552	\$19,978	\$0	\$1,019,959	\$0	\$1,019,959
97000 Excess of Operating Revenue over Operating Expenses	\$274,503	\$0	\$222,354	\$0	\$496,857	\$0	\$496,857
97100 Extraordinary Maintenance	\$2,800				\$2,800		\$2,800
97300 Housing Assistance Payments			\$213,885		\$213,885		\$213,885
97400 Depreciation Expense	\$138,478		\$3,890		\$142,368		\$142,368
90000 Total Expenses	\$1,136,707	\$4,552	\$237,753	\$0	\$1,379,012	\$0	\$1,379,012

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

FINANCIAL DATA SCHEDULE - (Continued)
Year Ended June 30, 2020

	Project Total	14.PHC Public Housing CARES Act Funding	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	Subtotal	ELIM	Total
10010 Operating Transfer In	\$9,403				\$9,403	-\$9,403	\$0
10020 Operating transfer Out	-\$9,403				-\$9,403	\$9,403	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$133,225	\$0	\$4,579	\$0	\$137,804	\$0	\$137,804
11030 Beginning Equity	\$1,500,547	\$0	\$137,654	\$0	\$1,638,201		\$1,638,201
11170 Administrative Fee Equity			\$142,233		\$142,233		\$142,233
11190 Unit Months Available	2388		804		3192		3192
11210 Number of Unit Months Leased	2356		699		3055		3055
11270 Excess Cash	\$444,945				\$444,945		\$444,945
11620 Building Purchases	\$245,672				\$245,672		\$245,672
11640 Furniture & Equipment - Administrative Purchases	\$29,093				\$29,093		\$29,093
11650 Leasehold Improvements Purchases	\$51,246				\$51,246		\$51,246

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Tell City (Authority), Indiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued my report thereon dated March 26, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, I 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.

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

Compliance and Other Matters

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

Purpose of this Report

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

Audit Solutions, LLC

Chesterfield, Missouri

March 26, 2021

INDEPENDENT AUDITORS REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

I compared the electronic submission of the items listed in the "UFRS Rule Information" column with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of my agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the chart below.

I was engaged to perform an audit for the Authority as of and for the year ended June 30, 2020 and have issued my reports thereon dated March 26, 2021. The information in the "Hard Copy Documents" column was included within the scope or was a by-product of the audit. Further, my opinion on the fair presentation of the Authority's Financial Data Schedule (FDS) dated March 26, 2021, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the reporting package, which includes the auditor's report, is available in its entirety from the Authority. I have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, I take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

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

Audit Solutions, LLC

Chesterfield, Missouri
March 26, 2021

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

AGREED UPON PROCEDURES

June 30, 2020

Procedure	UFRS Rule Information	Hard Copy Document(s)	Agrees
1	Balance Sheet and Revenue Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDAs, if applicable	√
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	√
3	Type of opinion on FDS (data element G3100-040)	Auditor's Supplemental report on FDS	√
4	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	√

HOUSING AUTHORITY OF THE CITY OF TELL CITY
Tell City, Indiana

CURRENT FINDINGS, RECOMMENDATIONS AND REPLIES
June 30, 2020

The current audit report for the year ended June 30, 2020 disclosed no audit finding.