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September 29, 2021

Board of Commissioners
Housing Authority of the City of Terre Haute
2001 North 19th 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, 2019 to September 30, 2020. 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, 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 TERRE HAUTE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED SEPTEMBER 30, 2020

**WITH
REPORT OF INDEPENDENT AUDITORS**

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
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YEAR ENDED SEPTEMBER 30, 2020

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners 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, 2020, 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 units (Warren Village, L.P. and Warren Village II, L.P.). Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Warren Village, L.P. and Warren Village II, L.P. is based solely on the reports of the other auditors. 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, based on our audit and the reports of other auditors, 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, 2020, 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 27, 2021 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.

Novogradac & Company LLP

January 27, 2021
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, 2020

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, 2020. 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 major event that impacted the operations of the Housing Authority during fiscal year 2020 was the COVID pandemic. The Housing authority was closed for two weeks at the end of March 2020. The eviction ban associated with the pandemic affected negatively several categories in the financial statements, mostly accounts receivable. However, the Housing Authority managed to take advantage of the additional funding by HUD and utilize its resources in the best possible way and maintain stable financial position. We foresee ramifications most probably in the next fiscal years associated with the maintenance charges and write offs.
- Another event that adversely impacted the Housing Authority was a significant fire in the Lockport location. A fourplex was badly damaged. Housing Authority received \$287,807 in insurance proceeds. The reconstruction will begin in fiscal year 2021.
- Housing Authority launched a major reconstruction project for the exterior renovations of 80 Turnkey Houses, located on scattered sites in Terre Haute. The project consists of three packages: roof and siding replacement, window and door replacement and sidewalk and stoop replacement. The estimated cost of the overall project is \$1,155,000.
- It was the first year for the tax intercept program started by the collection officer. It was a very successful beginning as \$8,474.53 was recovered from the outstanding balances.
- During Fiscal Year 2020 the three, six and nine-month LIHDC and THHADCDs earned total interest of \$52,054.58
- The assets of the Housing Authority exceed its liabilities as of September 30, 2020 by \$30,170,141 (Net Position).

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2020

- The Housing Authority's net investment in capital assets as of September 30, 2020 was \$20,194,253 which is on par with the prior year.
- The Housing Authority's total operating revenue and contributions for the fiscal year end September 30, 2020 was \$11,543,815
- The Housing Authority's total operating expenses for the fiscal year end September 30, 2020 were \$11,326,575.

OVERVIEW OF THE FINANCIAL STATEMENTS:

The following financial statements are included in this report:

- Statement 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.
- Statement of Revenue and Expenses and Change 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:

Statement of Net Position

	SEPTEMBER 30		Change
	2020	2019	
Cash and investments	\$ 10,198,450	\$ 7,097,471	\$ 3,100,979
Other current assets	713,158	842,026	(128,868)
Net capital assets	21,074,017	22,127,198	(1,053,181)
Other non-current assets	1,557,109	1,966,206	(409,097)
Total Assets	\$ 33,542,734	\$ 32,032,901	\$ 1,509,833
Current liabilities	\$ 922,128	\$ 700,031	\$ 222,097
Non-current liabilities	2,450,465	2,493,419	(42,954)
Total Liabilities	\$ 3,372,593	\$ 3,193,450	\$ 179,143
Net investment in capital assets	\$ 20,194,253	\$ 21,186,961	\$ (992,708)
Restricted	246,519	270,603	(24,084)
Unrestricted	9,729,369	7,381,887	2,347,482
Total Net Position	\$ 30,170,141	\$ 28,839,451	\$ 1,330,690

The significant increase in cash and investments is a result from several factors:

- The free cash flow from the outstanding performance of THHADDC and LIHDC.
- The insurance proceeds for \$287,807,
- CARES ACT funds for Public Housing – \$262,000 and Section 8 - \$181,355.,
- Proceeds from a legal settlement of \$127,500.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2020

There is an increase in the public housing tenant accounts receivable due to COVID 19, however it is offset by decrease in the accounts receivable in the blended component unit.

The increase in the current liabilities is a result of the higher unearned revenue, which is used to classify the drawn but not currently expended CARE Act funds.

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

For the calendar year 2020, 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-ratio to equate expenditures to the total appropriated funds.

Statement of Revenues, Expenses, and Changes in Net Position

	SEPTEMBER 30		Change
	2020	2019	
Dwelling rental revenue	\$ 2,511,863	\$ 2,355,087	\$ 156,776
HUD operating grants	8,258,930	8,329,156	(70,226)
Other revenue	773,022	310,667	462,355
Total Operating Revenue	\$ 11,543,815	\$ 10,994,910	\$ 548,905
Administrative expenses	\$ 1,537,092	\$ 1,518,602	\$ 18,490
Tenant services	225,446	62,014	163,432
Utilities	1,060,659	1,130,957	(70,298)
Maintenance and repairs	2,193,500	2,181,312	12,188
General expenses	303,955	326,462	(22,507)
Protective services	216,889	213,699	3,190
Insurance expenses	463,646	429,369	34,277
Housing assistance payments	3,468,731	3,638,561	(169,830)
Depreciation	1,856,757	1,696,550	160,207
Total Operating Expenses	\$ 11,326,675	\$ 11,197,526	\$ 129,149
Investment income	\$ 109,156	\$ 107,369	\$ 1,787
Casualty losses, non-capitalized	(10,187)	(3,676)	(6,511)
Gain on insurance proceeds received	293,067	85,500	207,567
Capital grants	721,514	519,141	202,373
Total Non-Operating Revenues (Expenses)	\$ 1,113,550	\$ 708,334	\$ 405,216
Change in Net Position	\$ 1,330,690	\$ 505,718	\$ 824,972

Housing Authority retained a very strong financial position though there was a significant decrease in operating subsidy. This decrease was partially offset by the Care Act funds.

Tenant services expenses increased dramatically due to HUD requirements to categorize Care Act expenses strictly under the tenant services FDS line.

General expenses decreased as there were fewer write offs in some AMPs.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2020

The Increase in administrative expenses is primarily due to the overall increase of the salary level in order to be able to recruit and retain more qualified employees as well as to meet the nationwide increase in the cost of living.

Capital grants expenditures increased by 28%. 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.

The major change in the net position is caused by the insurance proceeds that have not been expended yet.

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

Capital Assets

	SEPTEMBER 30		Change
	2020	2019	
Land	\$ 972,873	\$ 964,873	\$ 8,000
Buildings and improvements	57,095,885	57,043,539	52,346
Furniture, equipment, and machinery	1,315,641	1,239,322	76,319
Accumulated depreciation	(38,977,293)	(37,120,536)	(1,856,757)
Construction in progress	666,911	-	666,911
Capital Assets, Net	<u>\$ 21,074,017</u>	<u>\$ 22,127,198</u>	<u>\$ (1,053,181)</u>

- Capital Assets - The Housing Authority's capital assets, as of September 30, 2020, totals \$21,047,017 (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 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		Change
	2020	2019	
Accrued compensated absences	\$ 109,679	\$ 93,139	\$ 16,540
Notes payable	2,379,764	2,440,237	(60,473)
Family Self-Sufficiency escrows	105,652	91,763	13,889
Unclaimed tenant refunds	5,543	5,125	418
Total Long-Term Debt	<u>\$ 2,600,638</u>	<u>\$ 2,630,264</u>	<u>\$ (29,626)</u>

- The increase in tenant escrow is a result of adding new people to the program.
- Additional information regarding long-term debt can be found at Note 9 of the notes to the financial statements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
SEPTEMBER 30, 2020

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. 19th Street
Terre Haute, IN 47804

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	ASSETS		
	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current assets:			
Cash and cash equivalents	\$ 9,030,447	\$ 388,814	\$ 9,419,261
Tenant security deposits	317,346	38,530	355,876
Accounts receivable, net	261,386	48,344	309,730
Prepaid expenses	385,978	30,324	416,302
Inventories, net	65,794	-	65,794
Total current assets	10,060,951	506,012	10,566,963
Non-current assets:			
Restricted cash	850,657	398,368	1,249,025
Notes receivable, non-current	1,485,000	-	1,485,000
Accrued interest receivable	72,109	-	72,109
Other assets	-	122,563	122,563
Capital assets, net	21,074,017	18,501,637	39,575,654
Total non-current assets	23,481,783	19,022,568	42,504,351
Total assets	\$ 33,542,734	\$ 19,528,580	\$ 53,071,314

See accompanying notes to financial statements

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2020

LIABILITIES

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Current liabilities:			
Accounts payable	\$ 130,641	\$ 827,983	\$ 958,624
Accrued expenses	79,004	3,717	82,721
Tenant security deposits	317,346	38,530	355,876
Prepaid rent	24,020	1,400	25,420
Unearned revenues	210,679	-	210,679
Accrued compensated absences, current	89,699	2,267	91,966
Notes payable, current	60,474	2,420,010	2,480,484
Accrued interest payable	-	151,028	151,028
Other current liabilities	<u>10,265</u>	<u>270,349</u>	<u>280,614</u>
Total current liabilities	<u>922,128</u>	<u>3,715,284</u>	<u>4,637,412</u>
Non-current liabilities:			
Accrued compensated absences, non-current	19,980	-	19,980
Notes payable, non-current	2,319,290	2,614,161	4,933,451
Other non-current liabilities	<u>111,195</u>	<u>-</u>	<u>111,195</u>
Total non-current liabilities	<u>2,450,465</u>	<u>2,614,161</u>	<u>5,064,626</u>
Total liabilities	<u>3,372,593</u>	<u>6,329,445</u>	<u>9,702,038</u>

NET POSITION

Net position:			
Net investment in capital assets	20,194,253	13,467,466	33,661,719
Restricted	246,519	398,368	644,887
Unrestricted	<u>9,729,369</u>	<u>(666,699)</u>	<u>9,062,670</u>
Total net position	<u>\$ 30,170,141</u>	<u>\$ 13,199,135</u>	<u>\$ 43,369,276</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Operating revenues:			
Tenant revenue	\$ 2,511,863	\$ 397,774	\$ 2,909,637
HUD operating grants	8,258,930	-	8,258,930
Other government grants	60,474	614,713	675,187
Other revenues	<u>712,548</u>	<u>48,080</u>	<u>760,628</u>
 Total operating revenues	 <u>11,543,815</u>	 <u>1,060,567</u>	 <u>12,604,382</u>
Operating expenses:			
Administrative	1,537,092	416,713	1,953,805
Tenant services	225,446	19,168	244,614
Utilities	1,060,659	181,824	1,242,483
Ordinary repairs and maintenance	2,193,500	141,919	2,335,419
Protective services	216,889	19,602	236,491
Insurance	463,646	43,669	507,315
General	303,955	69,509	373,464
Housing assistance payments	3,468,731	-	3,468,731
Depreciation	<u>1,856,757</u>	<u>549,885</u>	<u>2,406,642</u>
 Total operating expenses	 <u>11,326,675</u>	 <u>1,442,289</u>	 <u>12,768,964</u>
 Operating income (loss)	 <u>217,140</u>	 <u>(381,722)</u>	 <u>(164,582)</u>
Non-operating revenues (expenses):			
Investment income	109,156	360	109,516
Interest expense	-	(168,084)	(168,084)
Casualty losses, non-capitalized	(10,187)	-	(10,187)
Gain from insurance proceeds received	<u>293,067</u>	<u>-</u>	<u>293,067</u>
 Net non-operating revenues (expenses)	 <u>392,036</u>	 <u>(167,724)</u>	 <u>224,312</u>
 Income (loss) before capital grants and contributions	 609,176	 (549,446)	 59,730
Capital grants	721,514	-	721,514
Capital contributions	<u>-</u>	<u>2,388,047</u>	<u>2,388,047</u>
 Change in net position	 1,330,690	 1,838,601	 3,169,291
Total net position, beginning of year	<u>28,839,451</u>	<u>11,360,534</u>	<u>40,199,985</u>
Total net position, end of year	<u>\$ 30,170,141</u>	<u>\$ 13,199,135</u>	<u>\$ 43,369,276</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, 2020**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash received from tenants and others	\$ 3,310,922
Cash received from grantors	9,148,300
Cash paid to employees	(1,537,330)
Cash paid to vendors and suppliers	<u>(8,776,157)</u>
Net cash provided by operating activities	<u>2,145,735</u>
Cash Flows from Noncapital Financing Activities:	
Casualty losses	<u>(10,187)</u>
Net cash used in noncapital financing activities	<u>(10,187)</u>
Cash Flows from Capital and Related Financing Activities:	
Principal payments on notes payable	(60,473)
Proceeds from capital grants	721,514
Purchase of capital assets	(803,576)
Insurance proceeds received	<u>293,067</u>
Net cash used in capital and related financing activities	<u>150,532</u>
Cash Flows from Investing Activities:	
Investment income	71,422
Collection of notes receivable	<u>84,465</u>
Net cash provided by investing activities	<u>155,887</u>
Net increase in cash and cash equivalents and restricted cash	2,441,967
Cash and cash equivalents and restricted cash, beginning of year	<u>7,756,483</u>
Cash and cash equivalents and restricted cash, end of year	<u>\$ 10,198,450</u>
 Reconciliation of cash and cash equivalents and restricted cash to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 9,030,447
Tenant security deposits	317,346
Restricted cash	<u>850,657</u>
Total cash and cash equivalents and restricted cash	<u>\$ 10,198,450</u>

See accompanying notes to financial statements

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 217,140
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,856,757
Bad debt expense	92,909
Changes in operating assets and liabilities:	
Accounts receivable, net	(214,449)
Prepaid expenses	(38,542)
Inventory, net	(7,696)
Accounts payable	18,656
Accrued expenses	(238)
Tenant security deposits liability	20,700
Prepaid rent	6,936
Unearned revenues	210,679
Accrued compensated absences	16,540
Other liabilities	<u>(33,657)</u>
Net cash provided by operating activities	<u>\$ 2,145,735</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2020**

ASSETS			
	Warren <u>Village, LP</u>	Warren <u>Village II, LP</u>	Total Discretely Presented <u>Component Units</u>
Current assets:			
Cash and cash equivalents	\$ 181,310	\$ 207,504	\$ 388,814
Tenant security deposits	25,852	12,678	38,530
Accounts receivable, net	36,740	11,604	48,344
Prepaid expenses	<u>30,324</u>	<u>-</u>	<u>30,324</u>
Total current assets	<u>274,226</u>	<u>231,786</u>	<u>506,012</u>
Non-current assets:			
Restricted cash	398,368	-	398,368
Other assets	70,278	52,285	122,563
Capital assets, net	<u>11,643,448</u>	<u>6,858,189</u>	<u>18,501,637</u>
Total non-current assets	<u>12,112,094</u>	<u>6,910,474</u>	<u>19,022,568</u>
Total assets	<u>12,386,320</u>	<u>7,142,260</u>	<u>19,528,580</u>
LIABILITIES			
Current liabilities:			
Accounts payable	11,600	816,383	827,983
Accrued expenses	3,717	-	3,717
Tenant security deposits	25,852	12,678	38,530
Prepaid rent	1,052	348	1,400
Accrued compensated absences, current	2,267	-	2,267
Notes payable, current	138,203	2,281,807	2,420,010
Accrued interest payable	151,028	-	151,028
Other current liabilities	<u>57,349</u>	<u>213,000</u>	<u>270,349</u>
Total current liabilities	<u>391,068</u>	<u>3,324,216</u>	<u>3,715,284</u>
Non-current liabilities:			
Notes payable, non-current	<u>1,544,796</u>	<u>1,069,365</u>	<u>2,614,161</u>
Total non-current liabilities	<u>1,544,796</u>	<u>1,069,365</u>	<u>2,614,161</u>
Total liabilities	<u>1,935,864</u>	<u>4,393,581</u>	<u>6,329,445</u>
NET POSITION			
Net position:			
Net investment in capital assets	9,960,449	3,507,017	13,467,466
Restricted	398,368	-	398,368
Unrestricted	<u>91,639</u>	<u>(758,338)</u>	<u>(666,699)</u>
Total net position	<u>\$ 10,450,456</u>	<u>\$ 2,748,679</u>	<u>\$ 13,199,135</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, 2020**

	Warren <u>Village, LP</u>	Warren <u>Village II, LP</u>	Total Discretely Presented Component Units
Operating revenues:			
Tenant revenue	\$ 366,345	\$ 31,429	\$ 397,774
Other government grants	593,228	21,485	614,713
Other revenues	<u>48,080</u>	<u>-</u>	<u>48,080</u>
Total operating revenues	<u>1,007,653</u>	<u>52,914</u>	<u>1,060,567</u>
Operating expenses:			
Administrative	234,793	181,920	416,713
Tenant services	19,168	-	19,168
Utilities	178,403	3,421	181,824
Ordinary repairs and maintenance	141,374	545	141,919
Protective services	19,602	-	19,602
Insurance	43,669	-	43,669
General	68,994	515	69,509
Depreciation	<u>449,084</u>	<u>100,801</u>	<u>549,885</u>
Total operating expenses	<u>1,155,087</u>	<u>287,202</u>	<u>1,442,289</u>
Operating loss	<u>(147,434)</u>	<u>(234,288)</u>	<u>(381,722)</u>
Non-operating revenues (expenses):			
Investment income	360	-	360
Interest expense	<u>(94,911)</u>	<u>(73,173)</u>	<u>(168,084)</u>
Net non-operating revenues (expenses)	<u>(94,551)</u>	<u>(73,173)</u>	<u>(167,724)</u>
Loss before capital contributions	(241,985)	(307,461)	(549,446)
Capital contributions	<u>-</u>	<u>2,388,047</u>	<u>2,388,047</u>
Change in net position	(241,985)	2,080,586	1,838,601
Total net position, beginning of year	<u>10,692,441</u>	<u>668,093</u>	<u>11,360,534</u>
Total net position, end of year	<u>\$ 10,450,456</u>	<u>\$ 2,748,679</u>	<u>\$ 13,199,135</u>

See accompanying notes to financial statements

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.

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.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

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, LP

Warren Village, LP consists of one hundred eleven housing units. The Authority is financially accountable, but does not have full ownership of the entity.

Warren Village II, LP

Warren Village II, LP consists of forty housing units. The Authority is financially accountable, but does not have full ownership of the entity.

The discretely presented component units' issue their own separate audited financial statements which are presented as of and for the year ended December 31, 2019 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.

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.

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 Section 8 Housing Choice Vouchers 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.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

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 is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the Central Office Cost Center 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.

CARES Act Funding Programs

During the year ended September 30, 2020, the Authority was awarded CARES Act funding as part of the Public and Indian Housing and Section 8 Housing Choice Vouchers programs. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Authority maintain normal operations during the period impacted by COVID-19.

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.

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 HUD requirements.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital Assets, Net (continued)

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, 2020, 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 Central Office Cost Center 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, inter-program 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.

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.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 Vouchers 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.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

W. 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.

X. 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, 2020, the Authority estimates that no material liabilities will result from such audits.

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

As of September 30, 2020, the Authority had funds on deposit in checking, savings, and certificates of deposits. The carrying amount of the primary government's cash and cash equivalents (including restricted cash) was \$10,198,450, and the bank balances approximated \$10,389,619.

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 9,030,447	\$ 388,814	\$ 9,419,261
Tenant security deposits	317,346	38,530	355,876
Restricted	<u>850,657</u>	<u>398,368</u>	<u>1,249,025</u>
Total cash and cash equivalents	<u>\$ 10,198,450</u>	<u>\$ 825,712</u>	<u>\$ 11,024,162</u>

Of the bank balances, \$500,000 was covered by federal depository insurance and the remaining \$9,889,619 was collateralized with the pledging financial institutions as of September 30, 2020.

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, 2020, the Authority's bank balances were not exposed to custodial credit risk.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following as of September 30, 2020:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - HUD	\$ 88,928	\$ -	\$ 88,928
Accounts receivable - tenants, net	111,807	9,009	120,816
Accounts receivable - PHA projects	1,469	-	1,469
Accounts receivable - fraud recovery, net	59,182	-	59,182
Accounts receivable - miscellaneous	<u>-</u>	<u>39,335</u>	<u>39,335</u>
 Total accounts receivable, net	 <u>\$ 261,386</u>	 <u>\$ 48,344</u>	 <u>\$ 309,730</u>

Accounts Receivable - HUD

As of September 30, 2020, accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under the Public Housing Capital Fund, Family Self-Sufficiency, and 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.

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 \$13,424.

Accounts Receivable - PHA Projects

Accounts receivable - PHA projects represents amounts owed to the Authority for housing assistance payments under the portability provisions of the Section 8 Housing Choice Vouchers program. 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 \$230,797.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed for the reimbursement of expenses from affiliate entities. 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, 2020

NOTE 4. RESTRICTED DEPOSITS

As of September 30, 2020, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Housing assistance payment reserve	\$ 38,563	\$ -	\$ 38,563
Family Self-Sufficiency program escrows	105,652	-	105,652
Replacement reserves	207,956	177,251	385,207
Operating deficit escrows	-	221,117	221,117
CARES Act funds	210,679	-	210,679
Insurance proceeds	287,807	-	287,807
Tenant security deposits	<u>317,346</u>	<u>38,530</u>	<u>355,876</u>
Total restricted deposits	<u>\$ 1,168,003</u>	<u>\$ 436,898</u>	<u>\$ 1,604,901</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 program escrows are restricted for use in the Section 8 Housing Choice Vouchers and Public and Indian Housing programs by program participants.

Replacement reserves represents funds that are restricted for repairs and replacement of building components and equipment.

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

CARES Act funds are restricted to be used on expenditures directly related to COVID-19. These funds are to be used to prevent, prepare for, and respond to COVID-19, as well as help the Authority maintain normal operations during the period impacted by COVID-19.

Insurance proceeds represent funds paid out by an insurance policy as a result of damage to the projects. These funds are restricted for the repairs of buildings that were damaged.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the Authority, 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, 2020

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, 2020:

Description	September 30, 2019	Additions	Dispositions	Transfers	September 30, 2020
<u>Non-depreciable:</u>					
Land	\$ 964,873	\$ 8,000	\$ -	\$ -	\$ 972,873
Construction in progress	<u>-</u>	<u>666,911</u>	<u>-</u>	<u>-</u>	<u>666,911</u>
Subtotal	<u>964,873</u>	<u>674,911</u>	<u>-</u>	<u>-</u>	<u>1,639,784</u>
<u>Depreciable:</u>					
Buildings and improvements	57,043,539	52,346	-	-	57,095,885
Furniture and equipment	<u>1,239,322</u>	<u>76,319</u>	<u>-</u>	<u>-</u>	<u>1,315,641</u>
Subtotal	<u>58,282,861</u>	<u>128,665</u>	<u>-</u>	<u>-</u>	<u>58,411,526</u>
Less: accumulated depreciation	<u>37,120,536</u>	<u>1,856,757</u>	<u>-</u>	<u>-</u>	<u>38,977,293</u>
Net capital assets	<u>\$ 22,127,198</u>	<u>\$ (1,053,181)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,074,017</u>

Depreciation expense for the primary government for the year ended September 30, 2020 amounted to \$1,856,757.

The following is a summary of the discretely presented component units' changes in capital assets during the year ended September 30, 2020:

Description	September 30, 2019	Additions	Dispositions	Transfers	September 30, 2020
<u>Non-depreciable:</u>					
Land	\$ 54,156	\$ -	\$ -	\$ 90,535	\$ 144,691
Construction in progress	<u>686,070</u>	<u>-</u>	<u>-</u>	<u>(686,070)</u>	<u>-</u>
Subtotal	<u>740,226</u>	<u>-</u>	<u>-</u>	<u>(595,535)</u>	<u>144,691</u>
<u>Depreciable:</u>					
Buildings and improvements	12,964,435	6,400,190	-	335,564	19,700,189
Furniture and equipment	<u>960,799</u>	<u>-</u>	<u>-</u>	<u>259,971</u>	<u>1,220,770</u>
Subtotal	<u>13,925,234</u>	<u>6,400,190</u>	<u>-</u>	<u>595,535</u>	<u>20,920,959</u>
Less: accumulated depreciation	<u>2,014,128</u>	<u>549,885</u>	<u>-</u>	<u>-</u>	<u>2,564,013</u>
Net capital assets	<u>\$ 12,651,332</u>	<u>\$ 5,850,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,501,637</u>

Depreciation expense for the discretely presented component units for the year ended September 30, 2020 amounted to \$549,885.

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020**

NOTE 6. NOTES RECEIVABLE

Outstanding notes receivable as of September 30, 2020 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 \$169,778.	\$ 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 \$22,109.	500,000
On December 12 2018, LIHDC agreed to loan Warren Village II for costs incurred during construction in the amount of \$569,365. The loan accrues interest at 3.00% 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.	<u>485,000</u>
Total notes receivable	<u>\$ 1,485,000</u>

As of September 30, 2020, accrued interest on the aforementioned notes receivable amounted to \$191,887 and is shown net of an allowance for doubtful accounts in the amount of \$119,778.

NOTE 7. ACCOUNTS PAYABLE

As of September 30, 2020, accounts payable consisted of the following:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts payable - vendors	\$ 55,137	\$ 827,983	\$ 883,120
Accounts payable - other governments	<u>75,504</u>	<u>-</u>	<u>75,504</u>
Total accounts payable	<u>\$ 130,641</u>	<u>\$ 827,983</u>	<u>\$ 958,624</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, 2020**

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, 2020, the primary government and the discretely presented component units incurred PILOT expense in the amounts of \$75,721 and \$56,556, respectively.

NOTE 9. NOTES PAYABLE

Notes payable of the primary government consisted of the following as of September 30, 2020:

<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.	\$ 306,430
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
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.	<u>573,334</u>
Total notes payable	2,379,764
Less: current portion	<u>60,474</u>
Notes payable, net of current portion	<u><u>\$ 2,319,290</u></u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020**

NOTE 9. NOTES PAYABLE (continued)

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>	<u>Interest</u>	<u>Total</u>
2021	\$ 60,474	\$ -	\$ 60,474
2022	60,474	-	60,474
2023	60,474	-	60,474
2024	60,474	-	60,474
2025	60,474	-	60,474
2026-2030	716,563	-	716,563
2031-2035	1,210,164	-	1,210,164
2036-2038	<u>150,667</u>	<u>-</u>	<u>150,667</u>
	<u>\$ 2,379,764</u>	<u>\$ -</u>	<u>\$ 2,379,764</u>

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 Affordable Housing Program Loan with LIHDC	500,000
Warren Village II, LP Construction Loan with LIHDC	<u>569,365</u>
Total primary government loans to discretely presented component units	<u>1,569,365</u>

<u>Notes payable to other lenders:</u>	<u>Amount</u>
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 \$151,028.	957,803
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.	225,196

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

NOTE 9. NOTES PAYABLE (continued)

On December 12, 2018, Warren Village II, LP entered into a construction loan agreement with First Financial Bank in the maximum amount of \$3,000,000. The loan accrues interest at a rate of 4.75% and matures on December 12, 2020, at which time the remaining principal and interest will be due in full. The loan is secured by a Multifamily Apartment Complex.

	<u>2,281,807</u>
Total notes payable to other lenders	<u>3,464,806</u>
Total notes payable	5,034,171
Less: current portion of notes payable	<u>2,420,010</u>
Total notes payable, net of current portion	<u>\$ 2,614,161</u>

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

Year	Principal	Interest	Total
2020	\$ 2,420,010	\$ 168,800	\$ 2,588,810
2021	143,167	130,409	273,576
2022	155,077	120,330	275,407
2023	79,335	113,490	192,825
2024	84,114	105,806	189,920
Thereafter	<u>2,152,468</u>	<u>847,474</u>	<u>2,999,942</u>
	<u>\$ 5,034,171</u>	<u>\$ 1,486,309</u>	<u>\$ 6,330,560</u>

Interest expense for the year ended September 30, 2020 totaled \$168,084 for the discretely presented component units.

NOTE 10. NON-CURRENT LIABILITIES

Non-current liabilities of the primary government as of September 30, 2020 consisted of the following:

Description	September 30, 2019	Additions	Reductions/ Payments	September 30, 2020	Amounts due within one Year
Accrued compensated absences	\$ 93,139	\$ 26,824	\$ (10,284)	\$ 109,679	\$ 89,699
Notes payable	2,440,237	-	(60,473)	2,379,764	60,474
Family Self-Sufficiency escrows	91,763	60,821	(46,932)	105,652	-
Unclaimed tenant refunds	<u>5,125</u>	<u>418</u>	<u>-</u>	<u>5,543</u>	<u>-</u>
Total non-current liabilities	<u>\$ 2,630,264</u>	<u>\$ 88,063</u>	<u>\$ (117,689)</u>	<u>\$ 2,600,638</u>	<u>\$ 150,173</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020**

NOTE 10. NON-CURRENT LIABILITIES (continued)

Non-current liabilities of the discretely presented component units as of September 30, 2020 consisted of the following:

Description	September 30, 2019	Additions	Payments	September 30, 2020	Amounts due within one Year
Notes payable	\$ <u>2,021,486</u>	\$ <u>3,146,707</u>	\$ <u>(134,022)</u>	\$ <u>5,034,171</u>	\$ <u>2,420,010</u>

NOTE 11. RESTRICTED NET POSITION

Restricted net position consists of the following as of September 30, 2020:

Description	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Housing assistance payments reserves	\$ 38,563	\$ -	\$ 38,563
Replacement reserves	207,956	177,251	385,207
Operating deficit escrows	<u>-</u>	<u>221,117</u>	<u>221,117</u>
Total restricted net position	\$ <u>246,519</u>	\$ <u>398,368</u>	\$ <u>644,887</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 replacement of building components and equipment.

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

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, 2020, approximated \$1,848,402. The Authority's contributions for the year ended September 30, 2020 totaled \$107,359 and have been charged to the employee fringe benefit account.

HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2020

NOTE 13. CONDENSED FINANCIAL INFORMATION OF THE BLENDED COMPONENT UNITS

	<u>LIHDC</u>	<u>THHDC</u>	<u>Total Blended Component Units</u>
Assets:			
Current assets	\$ 3,880,441	\$ 1,507,261	\$ 5,387,702
Other assets	1,650,884	114,181	1,765,065
Capital assets, net	<u>4,712,950</u>	<u>2,499,416</u>	<u>7,212,366</u>
Total assets	<u>10,244,275</u>	<u>4,120,858</u>	<u>14,365,133</u>
Liabilities:			
Current liabilities	80,154	97,251	177,405
Non-current liabilities	<u>2,043,519</u>	<u>278,097</u>	<u>2,321,616</u>
Total liabilities	<u>2,123,673</u>	<u>375,348</u>	<u>2,499,021</u>
Net Position:			
Net investment in capital assets	4,139,617	2,192,985	6,332,602
Restricted	93,775	114,181	207,956
Unrestricted	<u>3,887,210</u>	<u>1,438,344</u>	<u>5,325,554</u>
Net position	<u>\$ 8,120,602</u>	<u>\$ 3,745,510</u>	<u>\$ 11,866,112</u>
Operating revenues:			
Tenant revenue	\$ 351,380	\$ 355,729	\$ 707,109
Other governmental grants	444,806	517,114	961,920
Other revenues	<u>311,603</u>	<u>314</u>	<u>311,917</u>
Total operating revenues	<u>1,107,789</u>	<u>873,157</u>	<u>1,980,946</u>
Operating expenses:			
Administrative, utilities, maintenance, etc.	581,387	597,988	1,179,375
Depreciation	<u>181,310</u>	<u>265,175</u>	<u>446,485</u>
Total operating expenses	<u>762,697</u>	<u>863,163</u>	<u>1,625,860</u>
Non-operating revenues (expenses)	<u>99,052</u>	<u>9,984</u>	<u>109,036</u>
Change in net position	<u>\$ 444,144</u>	<u>\$ 19,978</u>	<u>\$ 464,122</u>

NOTE 14. VULNERABILITY - IMPACT OF COVID-19

The severity of the impact of COVID-19 on the Authority's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Authority's tenants and borrowers, all of which are uncertain and cannot be predicted. The Authority's future results could be adversely impacted by delays in rent and loan payment collections. Management is unable to predict with absolutely certainty the impact of COVID-19 on its financial condition, results of operations or cash flows

NOTE 15. 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. Subsequent events have been evaluated through January 27, 2021, which is 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 Commissioners 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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated January 27, 2021. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units of the Authority as described in our report on the Authority's financial statements. 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) as a basis for designing 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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Novogradac & Company LLP

January 27, 2021
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 Commissioners 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, 2020. 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, 2020.

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 27, 2021
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, 2020**

<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	\$ 4,826,173
Section 8 Housing Choice Vouchers CARES Act	14.HCC	<u>20,203</u>
Total Housing Voucher Cluster		4,846,376
Public and Indian Housing Program	14.850	3,266,052
Public and Indian Housing CARES Act	14.PHC	212,379
Public Housing Capital Fund Program	14.872	721,514
Resident Opportunity and Supportive Services - Service Coordinators	14.870	58,969
Family Self-Sufficiency Program	14.896	<u>102,097</u>
Total Expenditures of Federal Awards		<u>\$ 9,207,387</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, 2020**

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, 2020. 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, 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 minimis 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, 2020 are provided herein:

	<u>501-17</u>
<u>Budget</u>	\$ <u>1,752,260</u>
<u>Advances:</u>	
Cumulative through 9/30/2019	\$ 65,379
Current Year	<u>659,593</u>
Cumulative through 9/30/2020	<u>724,972</u>
<u>Costs:</u>	
Cumulative through 9/30/2019	65,379
Current Year	<u>721,514</u>
Cumulative through 9/30/2020	<u>786,893</u>
Excess / (Deficiency)	\$ <u>(61,921)</u>

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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? | None Reported |
| 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? | None Reported |
| 2. | Type of auditors' report on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

4. Identification of major programs:

CFDA Number

Name of Federal Program

Housing Voucher Cluster:

14.871

Section 8 Housing Choice Vouchers

14.HCC

Section 8 Housing Choice Vouchers CARES Act

- | | | |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$750,000 |
| 6. | Auditee qualified as low-risk Auditee? | No |

**HOUSING AUTHORITY OF THE CITY OF TERRE HAUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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)

Terre Haute, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2020

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14,896 PIH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	14,870 Resident Opportunity and Supportive Services	14,PHC Public Housing CARES Act Funding	14,HCC HCV CARES Act Funding	COCC	ELIM	Total
111 Cash - Unrestricted	\$2,575,713	\$388,814	\$5,187,692		\$100,488				\$1,166,554		\$9,419,261
112 Cash - Restricted - Modernization and Development	\$287,807										\$287,807
113 Cash - Other Restricted	\$52,495	\$398,368	\$207,956		\$91,720		\$49,527	\$161,152			\$961,218
114 Cash - Tenant Security Deposits	\$230,308	\$38,530	\$87,038								\$355,876
115 Cash - Restricted for Payment of Current Liabilities											
100 Total Cash	\$3,146,323	\$825,712	\$5,482,686	\$0	\$192,208	\$0	\$49,527	\$161,152	\$1,166,554	\$0	\$11,024,162
121 Accounts Receivable - PHA Projects											
122 Accounts Receivable - HUD Other Projects	\$61,921	\$0		\$20,178		\$6,829					\$88,928
124 Accounts Receivable - Other Government					\$1,469						\$1,469
125 Accounts Receivable - Miscellaneous		\$39,335									\$39,335
126 Accounts Receivable - Tenants	\$93,825	\$10,010	\$26,124		\$4,281						\$134,240
126.1 Allowance for Doubtful Accounts - Tenants	-\$9,383	-\$1,001	-\$2,612		\$0	\$0	\$0				-\$12,996
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	-\$428	\$0	\$0				-\$428
127 Notes, Loans, & Mortgages Receivable - Current											
128 Fraud Recovery					\$289,979						\$289,979
128.1 Allowance for Doubtful Accounts - Fraud					-\$230,797						-\$230,797
129 Accrued Interest Receivable											
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$146,363	\$48,344	\$23,512	\$20,178	\$64,504	\$6,829	\$0	\$0	\$0	\$0	\$309,730
131 Investments - Unrestricted											
132 Investments - Restricted											
135 Investments - Restricted for Payment of Current Liability											
142 Prepaid Expenses and Other Assets	\$290,644	\$30,324	\$79,294		\$2,921				\$13,119		\$416,302
143 Inventories	\$25,117								\$40,677		\$65,794
143.1 Allowance for Obsolete Inventories	\$0	\$0		\$0		\$0	\$0		\$0		\$0
144 Inter Program Due From		\$0	\$10,166						\$64,273	-\$74,439	\$0
145 Assets Held for Sale											
150 Total Current Assets	\$3,608,447	\$904,380	\$5,595,658	\$20,178	\$259,633	\$6,829	\$49,527	\$161,152	\$1,284,623	-\$74,439	\$11,815,988
161 Land	\$589,452	\$144,691	\$370,396						\$13,025		\$1,117,564
162 Buildings	\$40,755,265	\$19,700,189	\$14,871,174						\$1,469,446		\$76,796,074
163 Furniture, Equipment & Machinery - Dwellings	\$523,909	\$960,799	\$56,885						\$27,740		\$1,569,333
164 Furniture, Equipment & Machinery - Administration	\$426,780	\$259,971	\$18,503		\$21,940				\$239,884		\$967,078
165 Leasehold Improvements											
166 Accumulated Depreciation	-\$29,866,100	-\$2,564,013	-\$8,104,592		-\$21,940				-\$984,661		-\$41,541,306
167 Construction in Progress	\$666,911										\$666,911
168 Infrastructure											
160 Total Capital Assets, Net of Accumulated Depreciation	\$13,096,217	\$18,501,637	\$7,212,366	\$0	\$0	\$0	\$0	\$0	\$765,434	\$0	\$39,575,654
171 Notes, Loans and Mortgages Receivable - Non-Current			\$1,485,000								\$1,485,000
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due											
173 Grants Receivable - Non Current											
174 Other Assets		\$122,563	\$72,109								\$194,672
176 Investments in Joint Ventures											
180 Total Non-Current Assets	\$13,096,217	\$18,624,200	\$8,769,475	\$0	\$0	\$0	\$0	\$0	\$765,434	\$0	\$41,255,326
200 Deferred Outflow of Resources											
290 Total Assets and Deferred Outflow of Resources	\$16,704,664	\$19,528,580	\$14,365,133	\$20,178	\$259,633	\$6,829	\$49,527	\$161,152	\$2,050,057	-\$74,439	\$53,071,314

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 09/30/2020

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14,896 PIH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	14,870 Resident Opportunity and Supportive Services	14,PHC Public Housing CARES Act Funding	14,HCC HCV CARES Act Funding	COCC	ELIM	Total
311 Bank Overdraft											
312 Accounts Payable <= 90 Days	\$17,168	\$827,983	\$1,086	\$155	\$341				\$36,387		\$883,120
313 Accounts Payable >90 Days Past Due											
321 Accrued Wage/Payroll Taxes Payable	\$33,699	\$3,717	\$10,223	\$3,415	\$8,057	\$1,770			\$21,840		\$82,721
322 Accrued Compensated Absences - Current Portion	\$27,940	\$2,267	\$10,372	\$1,996	\$5,514	\$976			\$42,901		\$91,966
324 Accrued Contingency Liability											
325 Accrued Interest Payable		\$151,028									\$151,028
331 Accounts Payable - HUD PHA Programs											
332 Account Payable - PHA Projects											
333 Accounts Payable - Other Government	\$75,120				\$384						\$75,504
341 Tenant Security Deposits	\$230,308	\$38,530	\$87,038								\$355,876
342 Unearned Revenue	\$18,779	\$1,400	\$5,241				\$49,527	\$161,152			\$236,099
344 Current Portion of Long-term Debt - Operating Borrowings		\$2,420,010	\$60,474								\$2,480,484
344 Current Portion of Long-term Debt - Operating Borrowings											
345 Other Current Liabilities		\$266,876									\$266,876
346 Accrued Liabilities - Other	\$8,041	\$3,473	\$1,057						\$1,167		\$13,738
347 Inter Program - Due To			\$1,914	\$14,612	\$43,664	\$4,083			\$10,166	-\$74,439	\$0
348 Loan Liability - Current											
310 Total Current Liabilities	\$411,055	\$3,715,284	\$177,405	\$20,178	\$57,960	\$6,829	\$49,527	\$161,152	\$112,461	-\$74,439	\$4,637,412
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$2,614,161	\$819,290								\$3,433,451
352 Long-term Debt, Net of Current - Operating Borrowings			\$1,500,000								\$1,500,000
353 Non-current Liabilities - Other	\$52,495				\$53,157				\$5,543		\$111,195
354 Accrued Compensated Absences - Non Current	\$10,587		\$2,326		\$2,280				\$4,787		\$19,960
355 Loan Liability - Non Current											
356 FASB 5 Liabilities											
357 Accrued Pension and OPEB Liabilities											
350 Total Non-Current Liabilities	\$63,082	\$2,614,161	\$2,321,616	\$0	\$55,437	\$0	\$0	\$0	\$10,330	\$0	\$5,064,626
300 Total Liabilities	\$474,137	\$6,329,445	\$2,499,021	\$20,178	\$113,397	\$6,829	\$49,527	\$161,152	\$122,791	-\$74,439	\$9,702,038
400 Deferred Inflow of Resources											
508,4 Net Investment in Capital Assets	\$13,096,217	\$13,467,466	\$6,332,602	\$0			\$0		\$765,434		\$33,661,719
511,4 Restricted Net Position		\$398,368	\$207,956	\$0	\$38,563	\$0					\$644,887
512,4 Unrestricted Net Position	\$3,134,310	-\$666,699	\$5,325,554	\$0	\$107,673	\$0	\$0	\$0	\$1,161,832		\$9,062,670
513 Total Equity - Net Assets / Position	\$16,230,527	\$13,199,135	\$11,866,112	\$0	\$146,236	\$0	\$0	\$0	\$1,927,266	\$0	\$43,369,276
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$16,704,664	\$19,528,580	\$14,365,133	\$20,178	\$259,633	\$6,829	\$49,527	\$161,152	\$2,050,057	-\$74,439	\$53,071,314

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2020

Entity Wide Revenue and Expense Summary

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.PHC Public Housing CARES Act Funding	14.HCC HCV CARES Act Funding	COCC	ELIM	Total
70300 Net Tenant Rental Revenue	\$1,654,904	\$376,152	\$692,788								\$2,723,844
70400 Tenant Revenue - Other	\$139,550	\$21,622	\$14,321						\$10,300		\$185,793
70500 Total Tenant Revenue	\$1,794,454	\$397,774	\$707,109	\$0	\$0	\$0	\$0	\$0	\$10,300	\$0	\$2,909,637
70600 HUD PHA Operating Grants	\$3,266,052			\$102,097	\$4,599,230	\$58,969	\$212,379	\$20,203			\$8,258,930
70610 Capital Grants	\$721,514										\$721,514
70710 Management Fee									\$1,142,896	-\$1,123,443	\$19,453
70720 Asset Management Fee									\$103,200	-\$103,200	\$0
70730 Book Keeping Fee									\$143,888	-\$143,888	\$0
70740 Front Line Service Fee											
70750 Other Fees											
70700 Total Fee Revenue									\$1,389,984	-\$1,370,531	\$19,453
70800 Other Government Grants		\$614,713	\$961,920							-\$901,446	\$675,187
71100 Investment Income - Unrestricted		\$360	\$109,036		\$120						\$109,516
71200 Mortgage Interest Income											
71300 Proceeds from Disposition of Assets Held for Sale											
71310 Cost of Sale of Assets											
71400 Fraud Recovery					\$19,936						\$19,936
71500 Other Revenue	\$139,856	\$48,080	\$311,917		\$216,528				\$4,858		\$721,239
71600 Gain or Loss on Sale of Capital Assets											
72000 Investment Income - Restricted											
70000 Total Revenue	\$5,921,876	\$1,060,927	\$2,089,982	\$102,097	\$4,835,814	\$58,969	\$212,379	\$20,203	\$1,405,142	-\$2,271,977	\$13,435,412
91100 Administrative Salaries	\$177,345	\$63,303	\$47,656	\$74,106	\$129,551	\$40,501		\$14,223	\$454,735		\$1,001,420
91200 Auditing Fees	\$18,063	\$6,900	\$8,938		\$3,250				\$6,650		\$43,801
91300 Management Fee	\$598,839	\$61,692	\$351,361		\$111,540					-\$1,123,442	-\$10
91310 Book-keeping Fee	\$74,177				\$69,712					-\$143,889	\$0
91400 Advertising and Marketing	\$1,963	\$1,053			\$134				\$816		\$3,966
91500 Employee Benefit contributions - Administrative	\$55,556	\$9,954	\$15,685	\$19,840	\$42,464	\$6,041		\$3,311	\$118,029		\$270,880
91600 Office Expenses	\$56,709	\$108,443	\$11,526	\$4,751	\$9,851	\$10,000			\$224,597		\$425,877
91700 Legal Expense	\$25,390	\$52,589	\$1,832		\$784				\$5,077		\$85,672
91800 Travel	\$994	\$5,084	\$43						\$1,439		\$7,560
91810 Allocated Overhead											
91900 Other		\$99,169							\$6,944		\$106,113
91000 Total Operating - Administrative	\$1,009,036	\$408,187	\$437,041	\$98,697	\$367,286	\$56,542	\$0	\$17,534	\$818,287	-\$1,267,331	\$1,945,279
92000 Asset Management Fee	\$103,200	\$8,526								-\$103,200	\$8,526
92100 Tenant Services - Salaries							\$90,065				\$90,065
92200 Relocation Costs											
92300 Employee Benefit Contributions - Tenant Services							\$16,365				\$16,365
92400 Tenant Services - Other	\$7,597	\$19,168	\$674				\$105,949	\$2,669	\$2,127		\$138,184
92500 Total Tenant Services	\$7,597	\$19,168	\$674	\$0	\$0	\$0	\$212,379	\$2,669	\$2,127	\$0	\$244,614

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2020

Entity Wide Revenue and Expense Summary

	Project Total	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.PHC Public Housing CARES Act Funding	14.HCC HCV CARES Act Funding	COCC	ELIM	Total
93100 Water	\$141,574	\$13,124	\$13,527						\$1,890		\$170,115
93200 Electricity	\$329,725	\$140,476	\$51,784						\$16,999		\$538,984
93300 Gas	\$101,221		\$4,658						\$5,542		\$111,421
93400 Fuel											
93500 Labor											
93600 Sewer	\$365,014	\$28,224	\$27,441						\$1,284		\$421,963
93700 Employee Benefit Contributions - Utilities											
93800 Other Utilities Expense											
93000 Total Utilities	\$937,534	\$181,824	\$97,410	\$0	\$0	\$0	\$0	\$0	\$25,715	\$0	\$1,242,483
94100 Ordinary Maintenance and Operations - Labor	\$609,458	\$50,807	\$189,647		\$43,343				\$21,140		\$914,395
94200 Ordinary Maintenance and Operations - Materials and Other	\$578,963	\$27,130	\$198,322		\$1,028				\$4,748		\$810,191
94300 Ordinary Maintenance and Operations Contracts	\$278,457	\$54,160	\$69,041		\$10,650				\$27,803		\$440,111
94500 Employee Benefit Contributions - Ordinary Maintenance	\$108,701	\$9,822	\$38,877		\$7,290				\$6,032		\$170,722
94000 Total Maintenance	\$1,575,579	\$141,919	\$495,887	\$0	\$62,311	\$0	\$0	\$0	\$59,723	\$0	\$2,335,419
95100 Protective Services - Labor											
95200 Protective Services - Other Contract Costs	\$191,731	\$19,602	\$25,009						\$149		\$236,491
95300 Protective Services - Other											
95500 Employee Benefit Contributions - Protective Services											
95000 Total Protective Services	\$191,731	\$19,602	\$25,009	\$0	\$0	\$0	\$0	\$0	\$149	\$0	\$236,491
96110 Property Insurance	\$203,634		\$60,157						\$4,495		\$268,286
96120 Liability Insurance	\$73,203		\$31,160						\$2,909		\$107,272
96130 Workmen's Compensation	\$16,202	\$1,860	\$576		\$2,834				\$7,048		\$28,520
96140 All Other Insurance	\$27,330	\$41,809	\$10,347		\$3,085				\$20,666		\$103,237
96100 Total Insurance Premiums	\$320,369	\$43,669	\$102,240	\$0	\$5,919	\$0	\$0	\$0	\$35,118	\$0	\$507,315
96200 Other General Expenses	\$26,324	\$4,734									\$31,058
96210 Compensated Absences	\$38,719	\$5,489	\$11,308	\$3,400	\$10,652	\$2,427			\$37,537		\$109,532
96300 Payments in Lieu of Taxes	\$75,120	\$56,556	\$601								\$132,277
96400 Bad debt - Tenant Rents	\$78,834	\$2,730	\$9,205								\$90,769
96500 Bad debt - Mortgages											
96600 Bad debt - Other					\$4,870						\$4,870
96800 Severance Expense											
96000 Total Other General Expenses	\$218,997	\$69,509	\$21,114	\$3,400	\$15,522	\$2,427	\$0	\$0	\$37,537	\$0	\$368,506
96710 Interest of Mortgage (or Bonds) Payable		\$157,016									\$157,016
96720 Interest on Notes Payable (Short and Long Term)											
96730 Amortization of Bond Issue Costs		\$11,068									\$11,068
96700 Total Interest Expense and Amortization Cost	\$0	\$168,084	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$168,084
96900 Total Operating Expenses	\$4,364,043	\$1,060,488	\$1,179,375	\$102,097	\$451,038	\$58,969	\$212,379	\$20,203	\$978,656	-\$1,370,531	\$7,056,717

Housing Authority of the City of Terre Haute (IN021)

Terre Haute, IN

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2020

Entity Wide Revenue and Expense Summary

	Project Total	6.1 Component Unit - Discreetly Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.PHC Public Housing CARES Act Funding	14.HCC HCV CARES Act Funding	COCC	ELIM	Total
97000 Excess of Operating Revenue over Operating Expenses	\$1,557,833	\$439	\$910,607	\$0	\$4,384,776	\$0	\$0	\$0	\$426,486	-\$901,446	\$6,378,695
97100 Extraordinary Maintenance											
97200 Casualty Losses - Non-capitalized	\$10,187										\$10,187
97300 Housing Assistance Payments					\$4,210,737					-\$901,446	\$3,309,291
97350 HAP Portability-In					\$159,440						\$159,440
97400 Depreciation Expense	\$1,356,003	\$549,885	\$446,485						\$54,269		\$2,406,642
97500 Fraud Losses					\$4,958						\$4,958
97600 Capital Outlays - Governmental Funds											
97700 Debt Principal Payment - Governmental Funds											
97800 Dwelling Units Rent Expense											
90000 Total Expenses	\$5,730,233	\$1,610,373	\$1,625,860	\$102,097	\$4,826,173	\$58,969	\$212,379	\$20,203	\$1,032,925	-\$2,271,977	\$12,947,235
10010 Operating Transfer In											
10020 Operating transfer Out											
10030 Operating Transfers from/to Primary Government											
10040 Operating Transfers from/to Component Unit											
10050 Proceeds from Notes, Loans and Bonds											
10060 Proceeds from Property Sales											
10070 Extraordinary Items, Net Gain/Loss	\$5,260										\$5,260
10080 Special Items (Net Gain/Loss)	\$287,807	\$2,388,047									\$2,675,854
10091 Inter Project Excess Cash Transfer In	\$450,000									-\$450,000	\$0
10092 Inter Project Excess Cash Transfer Out	-\$450,000									\$450,000	\$0
10093 Transfers between Program and Project - In											
10094 Transfers between Project and Program - Out											
10100 Total Other financing Sources (Uses)	\$293,067	\$2,388,047	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,681,114
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$484,710	\$1,838,601	\$464,122	\$0	\$9,641	\$0	\$0	\$0	\$372,217	\$0	\$3,169,291
11020 Required Annual Debt Principal Payments	\$0	\$136,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$136,800
11030 Beginning Equity	\$15,745,817	\$11,360,534	\$11,401,990	\$0	\$136,595	\$0	\$0	\$0	\$1,555,049		\$40,199,985
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0								\$0
11050 Changes in Compensated Absence Balance											
11060 Changes in Contingent Liability Balance											
11070 Changes in Unrecognized Pension Transition Liability											
11080 Changes in Special Term/Severance Benefits Liability											
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents											
11100 Changes in Allowance for Doubtful Accounts - Other											
11170 Administrative Fee Equity					\$107,673						\$107,673
11180 Housing Assistance Payments Equity					\$38,563						\$38,563
11190 Unit Months Available	10320	1452	2700		10992						25464
11210 Number of Unit Months Leased	9890	1437	2616		9295						23238