



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

January 24, 2023

Board of Directors
Housing Authority of Cannelton
PO Box 336
Tell City, IN 47586

We have reviewed the audit report of the Housing Authority of Cannelton, which was opined upon by Barnes, Dennig & Co., Ltd., Independent Public Accountant, for the period April 1, 2020 to March 31, 2021. Per the *Independent Auditors' Report*, the financial statements included in the report present fairly the financial condition of the Housing Authority of Cannelton, as of March 31, 2021 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

Housing Authority of Cannelton Cannelton, Indiana

**Financial Statements and Supplementary Information
March 31, 2021, and
Independent Auditors' Report**

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana
March 31, 2021

Contents

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Management Discussion and Analysis	3 - 6
Financial Statements:	
Statement of Net Position	7
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 13
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14 - 15
Supplemental Information Required by HUD	
Financial Data Submission	16 - 19

Independent Auditors' Report

Board of Directors
Housing Authority of Cannelton
Cannelton, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Housing Authority of Cannelton, (the Authority), as of and for the year ended March 31, 2021, and related notes to the financial statements, which collectively comprise the Authorities basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective statement of net position of the Housing Authority of Cannelton, as of March 31, 2021, and the respective statements of revenues, expenses, and changes in net position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Independent Auditors' Report
(Continued)**

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of Cannelton's basic financial statements. The accompanying supplementary information section containing the Financial Data Submission is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information containing the Financial Data Submission is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information containing the Financial Data Submission is 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 December 8, 2021, on our consideration of the Housing Authority of Cannelton'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 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 Housing Authority of Cannelton's internal control over financial reporting and compliance.



December 8, 2021
Indianapolis, Indiana

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

Independent Auditors' Report
(Continued)
MANAGEMENT DISCUSSION AND ANALYSIS
Year Ended March 31, 2021

As management of the Housing Authority of Cannelton (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

- Net position increased by \$7,385 as of March 31, 2021.
- Operating revenue of the Authority increased by \$5,914 from prior year results.
- The Authority's cash balance at March 31, 2021 was \$31,161, representing an increase of \$8,335 from March 31, 2020.

OVERVIEW OF THE AUTHORITY

The Housing Authority of Cannelton is organized under the laws of the State of Indiana for the purpose of providing rent assistance for the elderly and low-income families. The Authority receives funds from HUD under Annual Contribution Contract C-2041 Cannelton, Indiana, and administers 179 Section 8 Housing Choice Voucher units.

A seven (7)-member board governs the Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's financial statements consist of two parts – management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include the Authority-wide financial statements and notes to the financial statements.

- The Authority-wide financial statements provide information about the Authority's overall financial position and results of operations. These statements, which are presented on the accrual basis, consist of the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.
- The basic financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the Authority-wide statements.

The Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows report information about the Authority as a whole and about its activities in a format that helps the reader assess the result of operations. Each statement is a condensed presentation of sources of funding and major activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

MANAGEMENT DISCUSSION AND ANALYSIS--Continued
Year Ended March 31, 2021

AN OVERVIEW OF THE AUTHORITY—WIDE FINANCIAL POSITION AND OPERATIONS

The Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior financial statements.

Housing Authority of Cannelton
Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current assets	\$ 33,414	\$ 26,029	28.4%
Total assets	<u>33,414</u>	<u>26,029</u>	<u>28.4%</u>
Current liabilities	<u>-</u>	<u>-</u>	<u>0.0%</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>0.0%</u>
Net position			
Unrestricted	16,457	11,086	48.4%
Restricted	<u>16,957</u>	<u>14,943</u>	<u>100.0%</u>
Total net position	<u>\$ 33,414</u>	<u>\$ 26,029</u>	<u>28.4%</u>

Cash

Total cash increased by \$8,335 or 36.5% as of March 31, 2021 compared to March 31, 2020.

Accounts receivable

Accounts receivable decreased by \$950 as of March 31, 2021. As of March 31, 2021, the Authority had \$2,253 in fraud recovery receivables and \$0 in HUD receivables.

Accounts payable

There were no payables at March 31, 2021.

Long-term debt

The Authority does not have any long-term liabilities at this time.

Net Position

Net Position increased by \$7,385 as of March 31, 2021. Unrestricted net position increased by \$5,371 and the restricted net position increased by \$2,014 in fiscal 2021.

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

MANAGEMENT DISCUSSION AND ANALYSIS--Continued
Year Ended March 31, 2021

**AN OVERVIEW OF THE AUTHORITY—WIDE FINANCIAL POSITION AND OPERATIONS –
Continued**

The results of operations for the Authority are presented below:

Housing Authority of Cannelton
Statement of Revenue, Expenses, and Changes in Net Position

	2021	2020	Increase/Decrease	
			Amount	Percentage
Revenues				
HUD PHA grants	\$ 663,077	\$ 655,065	\$ 8,012	1.2%
Fraud recovery	-	2,098	(2,098)	-100.0%
Total revenue	<u>663,077</u>	<u>657,163</u>	<u>5,914</u>	<u>0.9%</u>
Expenses				
Administrative	106,068	68,029	38,039	55.9%
Housing assistance payments	549,644	570,617	(20,973)	-3.7%
HAP portability-out	-	185	(185)	-100.0%
Total expenses	<u>655,712</u>	<u>638,831</u>	<u>16,881</u>	<u>2.6%</u>
Operating income/(loss)	<u>7,365</u>	<u>18,332</u>	<u>(10,967)</u>	<u>-60%</u>
Nonoperating revenue				
Interest and investment revenue	<u>20</u>	<u>12</u>	<u>8</u>	<u>66.7%</u>
Total nonoperating revenue	<u>20</u>	<u>12</u>	<u>8</u>	<u>66.7%</u>
Excess of revenues over expenses	<u>\$ 7,385</u>	<u>\$ 18,344</u>	<u>\$ (10,959)</u>	<u>-60%</u>

The details of the changes are explained in the Results of Operations section.

RESULTS OF OPERATIONS

Net position increased by \$7,385 during the year ended March 31, 2021.

Operating revenues of the Authority's activities are generated principally from HUD annual contributions. During the year ended March 31, 2021, the Authority's operating revenues for its activities totaled \$663,077. Of this total, \$663,077, or 100% is from HUD annual contributions. Operating expenses of the Authority's activities consist primarily of housing assistance payments. Operating expenses totaled \$655,712 of which \$549,644, or 83.8%, were housing assistance payments. A lag between expenditures and an increase in funding for those expenditures exists.

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

MANAGEMENT DISCUSSION AND ANALYSIS--Continued
Year Ended March 31, 2021

CAPITAL ASSETS

The Authority had no capital assets as of March 31, 2021.

ECONOMIC FACTORS AFFECTING THE AUTHORITY'S FUTURE

All of the Authority's funding comes from the U.S. Department of Housing and Urban Development (HUD) in the form of Section 8 housing choice voucher payments. Over the past several years, congress and the federal government have continued to cut housing subsidies due to the changes in budget priorities. Funding reductions continue to have an impact on the Authority's economic position because the federal subsidiaries make up all of the Authority's revenue and there is still significant uncertainty about future funding levels.

As we look forward, near-term forecast for low-income housing programs continues to be unchanged, requiring the Authority to operate with less federal funding while continuing to provide high quality, affordable housing that promotes safe and vibrant communities. Plans are being made to begin advertising to persuade more landlords to participate in the housing choice voucher program.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report should be addressed to the following address:

Housing Authority of Cannelton
c/o Lincoln Hills Development Corporation
Attn: Executive Director
P.O. Box 336
Tell City, IN 47586

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

Statement of Net Position
March 31, 2021

Assets	
Cash - unrestricted	\$ 14,204
Cash - restricted	16,957
Fraud recovery receivable	<u>2,253</u>
Total current assets	<u>33,414</u>
Total assets	<u>33,414</u>
 Liabilities and Net Position	
Liabilities	<u>-</u>
Net position	
Unrestricted	16,457
Restricted	<u>16,957</u>
Total net position	<u><u>\$ 33,414</u></u>

See accompanying notes to financial statements

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

Statement of Revenues, Expenses, and Changes in Net Position
Year Ended March 31, 2021

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues			
HAP income	\$ 111,419	\$ 551,658	\$ 663,077
Investment income	20	-	20
	<u>111,439</u>	<u>551,658</u>	<u>663,097</u>
Total revenue			
Net position released from restrictions	<u>549,644</u>	<u>(549,644)</u>	<u>-</u>
Total revenue and support	<u>661,083</u>	<u>2,014</u>	<u>663,097</u>
Expenses			
Auditing fees	5,750	-	5,750
Management fee	100,318	-	100,318
Total administrative	<u>106,068</u>	<u>-</u>	<u>106,068</u>
Total operating expenses	106,068	-	106,068
Housing assistance payments	<u>549,644</u>	<u>-</u>	<u>549,644</u>
Total expenses	<u>655,712</u>	<u>-</u>	<u>655,712</u>
Change in net position	5,371	2,014	7,385
Net position - beginning of year	<u>11,086</u>	<u>14,943</u>	<u>26,029</u>
Net position - end of year	<u>\$ 16,457</u>	<u>\$ 16,957</u>	<u>\$ 33,414</u>

See accompanying notes to financial statements

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

Statement of Cash Flows
Year Ended March 31, 2021

Cash Flows From Operating Activities

Cash received from HAP income	\$ 664,027
Other cash received	20
Cash payments for housing assistance	(549,644)
Cash paid to management agent	(100,318)
Cash paid to other vendors	<u>(5,750)</u>
Net cash provided by operating activities	<u>8,335</u>
Change in cash	8,335
Cash - beginning of year	<u>22,826</u>
Cash - end of year	<u><u>\$ 31,161</u></u>

Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities

Change in net position	\$ 7,385
Adjustments to reconcile change in net position to net cash provided by operations:	
Change in accounts receivable	<u>950</u>
Net cash provided by operating activities	<u><u>\$ 8,335</u></u>

See accompanying notes to financial statements

HOUSING AUTHORITY OF CANNELTON

Notes to Financial Statements

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Nature of the Organization

The Authority is organized under the laws of the State of Indiana for the purpose of providing rent assistance for the elderly and low-income families. The Authority administers 179 Section B housing Choice Voucher units under Annual Contribution Contract C-2041 in Cannelton, Indiana. The funds are disbursed to various landlords to provide tenant assistance. The Authority does not own the housing facilities.

Reporting Entity

In evaluating the Authority as a reporting entity, management has addressed its relationship with the City of Cannelton and concluded that the City does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the City, is responsible for the activities of the Authority. The Authority recruits and employs its executive staff and has substantial legal authority to control its affairs without requiring approval of the City government. Debt incurred by the Authority is not an obligation of the City; the City does not review or approve the Authority's budget; is not entitled to any surplus funds generated by the Authority's operations, and is not responsible for any deficits incurred by the Authority. Consequently, in accordance with the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Housing Authority of Cannelton is a separate reporting entity.

Basis of Presentation

The Authority's program is accounted for as an enterprise fund. Enterprise designations are used to account for activities (a) which are financed with debt that is solely secured by pledge of the net revenues from fees and charges of the activity; (b) which are governed by laws or regulations that required that the activity's costs of providing services be recovered with fees and charges, rather than taxes or similar revenues; or (c) that the pricing policies of the activity establish fees and charges designated to recover its costs.

In accordance with Governmental Accounting Standards Board (GASB) Statement 62, *Codification of Accounting and Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority's proprietary fund follows all GASB pronouncements and those Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins, except those that conflict with or contradict a GASB pronouncement.

Basis of Accounting

The financial statements of the Authority have been prepared on the accrual basis of accounting in accordance with US generally accepted accounting principles.

HOUSING AUTHORITY OF CANNELTON

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance for Doubtful Accounts

The Authority uses the allowance for bad debts method of valuing uncollectable accounts receivable which is based on historical experience, coupled with a review of the current status of existing receivables. Management has determined that no allowance for uncollectable accounts was required at March 31, 2021.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use through restriction imposed by grantors or laws or regulations of other governments.

Revenue and Expenses

GASB 34 paragraph 102 requires governments to establish a policy that defines operating revenues and expenses. The Authority uses the criteria prescribed in GASB 9 paragraphs 17 and 18 for cash flows to determine operating revenues and expenses. Operating revenue includes Section 8 grant revenue. Operating expenses include housing assistance payments, administrative expenses and all other expenses relating to the providing of safe, decent and affordable housing services that do not result from transactions defined as capital and related financing, non-capital and related financing or investing activities. Revenue is recorded as earned and expenses are charged against such revenue as incurred with regard to the date of receipt or payment of cash.

Subsequent Events

The Authority has evaluated events and transactions for potential recognition or disclosure through December 8, 2021, which represents the date the financial statements were available for issuance. Subsequent events after that date have not been evaluated.

NOTE 2 CASH DEPOSITS AND INVESTMENTS

The carrying value of cash owned at March 31, 2021 was \$31,161. The bank balance of cash owned at March 31, 2021 was \$31,206.

A. Custodial Credit Risk

Custodial credit risk for deposits and investments is the risk that, in the event of failure by a financial institution, the Authority may not be able to recover the value of its deposits and investments or collateral securities that are in the possession of the financial institution.

HOUSING AUTHORITY OF CANNELTON

Notes to Financial Statements (Continued)

NOTE 2 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Custodial Credit Risk (Continued)

Statutes authorize the Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities. All cash and investments are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company of depository financial institutions.

B. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the 'prudent investor' standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely, and (c) reasonable action is taken to control any adverse developments. The Authority requires investment in instruments authorized by HUD Notice PIH 95-27.

C. Concentration of Credit Risk

The Authority's management considers diversification of the overall portfolio to eliminate the risk of loss resulting from an over-concentration of assets in a specific maturity, a specific issuer and/or a specific class of securities.

NOTE 3 RESTRICTED NET POSITION

In accordance with guidelines established by HUD, any housing assistance payment (HAP) budget authority provided to a housing Authority in excess of actual program expenses for the same period must be maintained as restricted net position to be used only for HAP payments incurred in the running of the Housing Choice Voucher program. The Authority has a balance of \$16,957 in restricted net position at March 31, 2021.

NOTE 4 ADMINISTRATIVE FEE

The Authority receives an "Administrative Fee" as part of the Annual Contribution Contract with HUD to cover the costs (including overhead) of administering the Section 8 program. The Authority entered into an annual agreement with Lincoln Hills Development Corporation (LHDC) whereby LHDC would administer the Section 8 Housing Choice Voucher Program in the County of Perry, Indiana, exclusive of the area in the corporate limits of the city of Tell City, Indiana. LHDC may earn up to \$53.46 per month for each unit leased during the year ended March 31, 2021, limited by the amount of non-HAP revenue received during the same period. The total amount charged to expense under this agreement during the year ended March 31, 2021 was \$100,318 which is included as part of "Administrative" expense in the Statement of Revenues, Expenses, and Changes in Net Position.

HOUSING AUTHORITY OF CANNELTON

Notes to Financial Statements (Continued)

NOTE 5 INCOME TAXES

The Authority is a tax-exempt organization for income tax purposes and, accordingly, there is no provision in the financial statements for federal or state income taxes. Management believes that the Authority has adequately addressed all relevant tax positions and that there are no unrecorded income tax liabilities.

NOTE 6 MAJOR FUNDING SOURCE

The Authority is substantially funded by Federal Awards. Management does not anticipate any material change in funding.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
Housing Authority of Cannelton
Cannelton, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the aggregate fund information of Housing Authority of Cannelton (the Authority) as of and for the year ended March 31, 2021, and related notes to the financial statements, which collectively comprise the Authorities basic financial statements, and have issued our report thereon dated December 8, 2021.

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 the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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

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

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

Purpose of this Report

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

Burner, Denning & Co., Ltd.

December 8, 2021
Indianapolis, Indiana

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

Program Balance Sheet Summary
March 31, 2021

		14.871 Housing Choice Vouchers	Total
Assets			
Cash - unrestricted	111	\$ 14,204	\$ 14,204
Cash - restricted	113	16,957	16,957
Total cash	100	31,161	31,161
Fraud recovery	128	2,253	2,253
Allowance for doubtful accounts - fraud	128.1	-	-
Total receivables, (net of allowance for doubtful accounts)	120	2,253	2,253
Total current assets	150	33,414	33,414
Total assets and deferred outflows of resources	290	\$ 33,414	\$ 33,414
Liabilities and Net Position			
Liabilities			
Other current liabilities	345	\$ -	\$ -
Total current liabilities	310	-	-
Total non-current liabilities	350	-	-
Total liabilities	300	-	-
Net position			
Restricted	511.4	16,957	16,957
Unrestricted	512.4	16,457	16,457
Total net position	513	33,414	33,414
Total liabilities, deferred		\$ 33,414	\$ 33,414

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

Program Revenue and Expense Summary
Year Ended March 31, 2021

		<u>14.871 Housing Choice Vouchers</u>	<u>Total</u>
Revenues			
HAP Income	70600	\$ 663,077	\$ 663,077
Investment income	71100	<u>20</u>	<u>20</u>
Total revenue	70000	663,097	663,097
Net position released from restrictions		<u>-</u>	<u>-</u>
Total revenue and support		<u>663,097</u>	<u>663,097</u>
Expenses			
Auditing Fees	91900	5,750	5,750
Management Fee	91300-020	<u>100,318</u>	<u>100,318</u>
Total administrative	91000	<u>106,068</u>	<u>106,068</u>
Total operating expenses	96900	<u>106,068</u>	<u>106,068</u>
Excess of operating revenue over operating expenses	97000	<u>557,029</u>	<u>557,029</u>
Housing Assistance Payments	97300	<u>549,644</u>	<u>549,644</u>
Total expenses	90000	<u>655,712</u>	<u>655,712</u>
Excess (deficiency) of total revenue over total expenses	10000	7,385	7,385
		26,029	26,029
		16,457	16,457
		16,957	16,957

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

Administrative Fee Equity
Year Ended March 31, 2021

Administrative Fee Equity - Beginning Balance	11170-001	\$ 11,086
Administrative Fee Revenue	11170-010	111,419
Hard to House Fee Revenue	11170-020	-
Audit Costs	11170-030	-
Interest Income	11170-040	20
Fraud Recovery Revenue	11170-045	-
Other Revenue	11170-050	<u>-</u>
Total Admin Fee Revenues	11170-060	<u>111,439</u>
Total Operating Expenses	11170-080	<u>106,068</u>
Depreciation	11170-090	-
Housing Assistance Payment Portability In	11170-095	-
Other Expenses	11170-100	<u>-</u>
Total Expenses	11170-110	<u>106,068</u>
Net Administrative Fee	11170-002	<u>5,371</u>
Administrative Fee Equity - Ending Balance	11170-003	<u><u>\$ 16,457</u></u>

HOUSING AUTHORITY OF CANNELTON
Cannelton, Indiana

Housing Assistance Payments Equity
Year Ended March 31, 2021

Housing Assistance Pymts Equity - Beg Balance	11180-001	\$ 14,943
Housing Assistance Payments Revenues	11180-010	551,658
Fraud Recovery Revenue	1180-015	-
Other Revenue	11180-020	-
Interest Income	11180-025	<u>-</u>
Total Housing Assistance Payments Revenue	11180-030	<u>551,658</u>
Housing Assistance Payments	11180-080	549,644
Other Expenses	11180-090	<u>-</u>
Total Housing Assistance Payments Expenses	11180-100	<u>549,644</u>
Net Housing Assistance Payments	11180-002	<u>2,014</u>
Housing Assistance Pymts Equity - End Balance	11180-003	<u><u>\$ 16,957</u></u>