

**Tlingit-Haida Regional  
Housing Authority**

**Financial Statements and  
Supplemental Material  
Year Ended December 31, 2018**

# Tlingit-Haida Regional Housing Authority

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December 31, 2018

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### **INDEPENDENT AUDITOR'S REPORT**

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Board of Commissioners  
Tlingit-Haida Regional Housing Authority  
Juneau, Alaska

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

We have audited the accompanying financial statements of the Tlingit-Haida Regional Housing Authority (the Housing Authority), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Juneau Affordable Rentals, LLC (JAR), Juneau Affordable Rentals 2, LLC (JAR2), or Ketchikan Affordable Rentals, (KAR) which represent 20%, .2%, and 7% of the assets, net position, and revenues of the Tlingit-Haida Regional Housing Authority. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for JAR, JAR2, and KAR, is based solely on the report 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. 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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tlingit-Haida Regional Housing Authority as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

In 2018 the Tlingit-Haida Regional Housing Authority adopted the new accounting guidance contained in the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. U.S. generally accepted accounting principles also require that the schedules of the Tlingit-Haida Regional Housing Authority's proportionate share of the net pension liability and contributions 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tlingit-Haida Regional Housing Authority's basic financial statements. The combining financial statements and the accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of State Financial Assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements, Schedule of Expenditures of Federal Awards, and the Schedule of State Financial Assistance are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2019 on our consideration of the Housing Authority's internal control over financial reporting and 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 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 Tlingit-Haida Regional Housing Authority's internal control over financial reporting and compliance.

*Barlow, Camara & Rowland*

September 26, 2019

# Tlingit-Haida Regional Housing Authority Management's Discussion and Analysis

*For the year ending December 31, 2018*

Our discussion and analysis of the Tlingit-Haida Regional Housing Authority's (THRHA) financial performance is designed to (a) assist the reader in focusing on significant financial changes, (b) provide an overview of THRHA's financial activities, and (c) identify changes in THRHA's financial position.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on current year's activities, resulting changes, and current known facts, please read it in conjunction with THRHA's financial statements beginning on page 8.

## **FINANCIAL HIGHLIGHTS**

Following are several highlights from the fiscal year ending December 31, 2018:

- 1.) THRHA expended \$9,188,571 in NAHASDA grant funds
- 2.) THRHA also expended other grant funds from various sources totaling \$3,315,652
- 3.) 14 units were conveyed in 2018 to homebuyers under the 1937 Housing Act
- 4.) Received a \$1 million Healthy Homes grant award from the HUD, which will be used for critical home repairs needed for the health and safety of youth and elders
- 5.) Continued use of the VASH demonstration program to help homeless veterans find housing and served a total of twenty veterans and their immediate families under that program
- 6.) Completed modernization and expansion of the Kake low-rent elderly building, which was funded with a combination of NAHASDA, ICDBG, and AHFC Supplemental funds
- 7.) Continued mold remediation work in the the communities of Wrangell, Angoon, Kake, and Yakutat using ICDBG funds, with anticipated close-out of those grants in 2019.
- 8.) Completed modernization of the Hoonah low-rent elderly building, which included new siding, roof and common area expansion, as well as artwork and security.
- 9.) Continued delivery of Home Buyer curriculum, which was developed in 2016 and expanded in 2017 to include 3 phases of financial literacy classes, along with homebuyer & home maintenance education and household energy efficiency education. A total of 84 households were served in 2018
- 10.) Assisted 3 homebuyers with downpayment assistance
- 11.) Continued use of AHFC Weatherization funds to improve durability of homes for families
- 12.) Assisted 891 families with utility and energy costs through the Low Income Heating and Energy Assistance Program
- 13.) Provided scholarships to 55 college students from our 12 Tribal Partner communities to assist with housing costs through the Student Housing Voucher program

# Tlingit-Haida Regional Housing Authority Management's Discussion and Analysis

*For the year ending December 31, 2018*

14.) Provided housing management and operations services for all NAHASDA-funded units on hand during 2018

## ANALYSIS OF CHANGES FROM PRIOR YEAR

### Statement of Net Position

- 1.) The decrease in cash and investments is a reflection of increased project activities in 2018
- 2.) The net change in Mutual Help housing units and capital assets is due to a combination of 2018 housing unit conveyances, construction activities, and depreciation recorded on existing property and equipment
- 3.) Pension -related activities and adjustments resulted in a net increase in liabilities of \$411,459 during 2018, which was more than offset by a \$695,501 increase in pension-related assets from 2017
- 4.) The change in net position is a reflection of the high costs involved in maintaining the Housing Authority's various facilities and programs, and the associated difficulties in obtaining sufficient funding sources

## FINANCIAL ANALYSIS OF THE AUTHORITY

The following table summarizes select financial information regarding the Authority's financial position as of December 31, 2018 and 2017.

<b>Assets</b>	<b>2018</b>	<b>2017</b>	<b>Variance</b>
Cash & investments	\$ 14,471,997	\$ 15,166,626	\$ (694,629)
Other assets	3,562,641	4,076,797	(514,156)
Mutual Help housing units	6,306,574	7,927,668	(1,621,094)
Capital assets	102,069,323	100,494,798	1,574,525
Accumulated depreciation	<u>(44,819,258)</u>	<u>(41,833,589)</u>	<u>(2,985,669)</u>
<b>Total assets</b>	<b>81,591,277</b>	<b>85,832,300</b>	<b>(4,241,023)</b>
Deferred outflows of resources	1,457,113	761,612	695,501
<b>Liabilities &amp; net position</b>			
Current liabilities	7,209,812	8,085,195	(875,383)
Non-current liabilities	<u>14,609,867</u>	<u>14,319,993</u>	<u>289,874</u>
<b>Total liabilities</b>	<b>21,819,679</b>	<b>22,405,188</b>	<b>(585,509)</b>
Deferred inflows of resources	621,442	499,857	121,585
<b>Net position</b>			
Net investment in capital assets	34,703,332	36,934,570	(2,231,238)
Reserved for MH housing	6,306,574	7,927,668	(1,621,094)
Nonexpendable restricted net pos.	(161,946)	227,270	(389,216)
Unrestricted	<u>19,759,309</u>	<u>18,599,358</u>	<u>1,159,951</u>
<b>Total net position</b>	<b>\$ <u>60,607,269</u></b>	<b>\$ <u>63,688,866</u></b>	<b>\$ <u>(3,081,597)</u></b>
<b>Operating revenues</b>			
Grant revenue	\$ 12,504,223	\$ 10,588,645	\$ 1,915,578
Other	<u>4,421,878</u>	<u>4,671,714</u>	<u>(249,836)</u>
<b>Total operating revenues</b>	<b>16,926,101</b>	<b>15,260,359</b>	<b>1,665,742</b>
<b>Operating expenses</b>			
Administrative	6,780,745	8,226,597	(1,445,852)
Other	10,568,838	7,461,178	3,107,660



# Tlingit-Haida Regional Housing Authority Management's Discussion and Analysis

*For the year ending December 31, 2018*

<b>Total operating expenses</b>	17,349,583	15,687,775	1,661,808
<b>Other</b>			
Interest (expense) /other income	(435,365)	(466,571)	(31,206)
Gain (loss) from sale of assets	(1,628,983)	69,190	1,698,173
Other	(731,517)	(1,342,650)	(611,133)
<b>Total other</b>	<b>(2,795,865)</b>	<b>(1,740,031)</b>	<b>1,055,834</b>
<b>Change in net position</b>	<b>\$ (3,219,347)</b>	<b>\$ (2,167,447)</b>	<b>\$ (1,051,900)</b>

## USING THIS ANNUAL REPORT

This annual report consists of the Statement of Net Position, the Statement of Revenue, Expenses and Change in Net Position, and the Statement of Cash Flows. The Housing Authority utilizes the enterprise fund accounting system in accordance with guidance issued by the Department of Housing and Urban Development and in accordance with Governmental Accounting Standards Board Statement 34.

## BUSINESS-TYPE ACTIVITIES

The Housing Authority is responsible for maintaining 187 low-income rental units, 68 New Mutual Help home-ownership units (including the 14 units that were conveyed in 2018), and 50 Home Ownership Assistance Program (HOAP) home-ownership units. Title to the home-ownership units will be conveyed to the tenant-homebuyers upon fulfilling the terms of their 25-year agreement. These houses were built in prior years under the 1937 Housing Act. An additional 153 units have been built and/or purchased utilizing NAHASDA grant funds (43 units) and federal tax credits (110 units). The 110 tax credit-funded units are operated and maintained by the Housing Authority, and will be sold to the tenants residing in the units 15 years after the respective developments were constructed and placed in service. The costs of constructing the tax credit units were subsidized by the federal government. Tlingit Haida Regional Housing Authority also owns and operates a 12-unit transitional housing facility, of which one unit is NAHASDA-assisted. The Housing Authority is also responsible for operating and maintaining Fireweed Place, which has 67 market rate senior apartments located in downtown Juneau, and also has 2 market rate senior apartments in the Kake senior apartment building. In total, Tlingit Haida Regional Housing Authority owned and operated 539 rental units in 2018.

## BUDGETARY HIGHLIGHTS

In accordance with the formula developed to allocate NAHASDA funds among the various tribes, the Tlingit-Haida Regional Housing Authority was granted \$7,816,015 for grant year 2018. This amount is subject to change in future years based on changes in the formula and federal funding of NAHASDA.

The following is a summary of grant activity for 2018:

Grant	Grant Funding Year	Funds Available 1/1/18	Remitted or Used 2018	Funds Available 12/31/18
Indian Housing Block Grant	2018	7,816,015	4,837,635	2,978,380
Indian Housing Block Grant	2017	4,350,936	4,350,936	-
IHBG - Fort Peck Settlement	2014	1,139,657	-	1,139,657
ROSS (CCTHITA Passthu)	2013	15,158	15,158	-

# Tlingit-Haida Regional Housing Authority Management's Discussion and Analysis

*For the year ending December 31, 2018*

HUD Healthy Homes	2018	1,000,000	14,901	985,099
HUD Healthy Homes (Passthru)	2018	1,000,000	15,628	984,372
VASH Veterans Housing Vouchers	2016	484,958	154,938	330,020
ICDBG Petersburg	2016	390,501	270,695	119,806
ICDBG Saxman	2016	188,204	60,142	128,062
ICDBG Angoon	2015	229,996	148,339	81,657
ICDBG Kake	2015	262,487	258,934	3,553
ICDBG Yakutat	2015	95,321	90,146	5,175
ICDBG Kake	2017	597,928	55,576	542,352
ICDBG Klawock	2017	597,019	49,508	547,511
ICDBG Wrangell	2017	597,389	29,650	567,739
LIHEAP	2018	844,344	293,016	551,328
LIHEAP	2016	23,930	23,930	-
LIHEAP	2017	799,634	799,634	-
USDA RD Saxman Apts	2016	46,021	46,021	-
USDA RD Haines	2016	49,850	99	49,751
AHFC Kasaan Teacher Housing	2018	372,500	131,667	240,833
AHFC Supplemental-Kasaan/Yakutat	2018	96,309	-	96,309
AHFC Supplemental Saxman	2018	299,926	32,035	267,891
AHFC Supplemental-Mold	2016	13,649	13,649	-
AHFC Supplemental-Craig Phase II	2017	124,970	-	124,970
AHFC Supplemental-Craig Tract 18	2015	59,242	-	59,242
AHFC Supplemental CAS	2016	260,467	192,069	68,398
AHFC Weatherization	2016	244,482	104,654	139,828
Designated Legislative Grant	2013	314,371	278,905	35,466
AEA Angoon District Heating	2016	210,779	210,779	-
DOL STEP Grant	2017	10,569	10,569	-
DOL STEP Grant	2018	40,000	1,977	38,023
Rasmuson Foundation	2018	18,000	2,801	15,199
Rasmuson Foundation	2015	9,447	9,447	-
Other		785	785	-
<b>Total</b>		<b>\$ 22,604,844</b>	<b>\$ 12,504,223</b>	<b>\$ 10,100,621</b>

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Housing Authority's capitalization policy capitalizes capital expenses in excess \$5,000. Expenditures of \$5,000 or less for non-consumable goods are included in current year expenses at the time of purchase. Low-income rental units and THRHA's office are depreciated over a period of 30 to 40 years. Equipment is depreciated over a period of 5 to 10 years. Buildings, net of accumulated depreciation, computer software, net of accumulated amortization, and equipment net of accumulated depreciation, as of December 31, 2018 were \$46,670,039, \$260,013, and \$342,239 respectively. Total property owned by the THRHA that is not being depreciated is \$9,977,774 at December 31, 2018.

# Tlingit-Haida Regional Housing Authority Management's Discussion and Analysis

*For the year ending December 31, 2018*

## **Debt**

The Housing Authority has several mortgages for apartment buildings and various loans for building improvements and monies loaned out through its low-income loan programs. As of December 31, 2018 the outstanding balance was \$8,699,935 (\$355,647 due within one year), excluding accrued interest. This is a net decrease of \$192,720 from 2017.

## **NEXT YEAR'S ACTIVITIES**

In 2019, THRHA will continue to maintain and operate the housing units constructed under the 1937 Housing Act. It will also function as the TDHE for 12 tribes in the Southeast Region of Alaska. In addition, specific projects for next year include the following:

- 1.) Continue to weatherize homes under the AHFC Lyman Weatherization Grant.
- 2.) NAHASDA funds will be used as leverage for Tribes to acquire two rental units
- 3.) Continued use of NAHASDA funding to finalize new construction for the Yakutat Tlingit Tribe and Organized Village of Kasaan, with expected close-out in 2019
- 4.) THRHA will implement a new planning tool with 12 tribal partners
- 5.) THRHA will promote various downpayment assistance programs to create new homeowners
- 6.) THRHA will create a comprehensive housing assessment in each community and compile 13 reports (12 community reports, and a regional report)
- 7.) Continue our emergency rehabilitation program
- 8.) NAHASDA funds will be used as ICDBG leverage by Wrangell Cooperative Association for twenty homes to receive energy rehabilitation in 2019
- 9.) NAHASDA funds will be used as ICDBG leverage by Tribes for a minimum of seventeen homes rehabbed from communities of Yakutat, Angoon, Klawock, Saxman, and Kake
- 10.) The student housing voucher scholarship program will continue
- 11.) Continued use of the VASH program to provide housing vouchers for up to twenty Veterans
- 12.) The Financial Cent\$ program will provide financial literacy training, home maintenance training, homeownership education, and homebuyer savings programs to Tribal members in all twelve partner communities
- 13.) Technical assistance, training, facilitation, housing needs assessments, and planning will be made available to Tribal partners to establish Tribe strategic and comprehensive community plans.
- 14.) Housing management and operations will be provided for 104 NAHASDA units. NAHASDA funding will continue to be provided for loan servicing for existing NAHASDA-eligible mortgages
- 15.) THRHA will manage the construction of Phase 2 of Juneau's Housing First project in summer 2019
- 16.) The recruitment and hiring of a new President & CEO will be completed in 2019.
- 17.) Implement a new homeownership loan program for moderate income tribal members
- 18.) Host the 2019 Southeast Housing Summit
- 19.) Hire new grants administrator and implement a new grant tracking process
- 20.) Hire new client service navigator and implement centralized home repair application
- 21.) Launch THRHA's new 3-year Strategic Plan
- 22.) Launch several new grant initiatives including the ROSS, FHLB, and Healthy Homes grants

# Tlingit-Haida Regional Housing Authority Management's Discussion and Analysis

*For the year ending December 31, 2018*

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## **CONTACTING THE HOUSING AUTHORITY FINANCIAL MANAGEMENT**

This financial report is designated to provide the tribe, participants and the federal government with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Housing Authority at 5446 Jenkins Drive, Juneau, AK 99801.

# Tlingit-Haida Regional Housing Authority

## Combined Statement of Net Position

December 31,	2018
<b>Assets</b>	
<b>Current assets</b>	
Cash & cash equivalents	\$ 3,751,424
Investments	1,310,626
Accounts receivable:	
Tenants, net of allowance for doubtful accounts	113,737
Grants receivable	459,294
Other receivables	6,294
Mortgages receivable-current portion	180,541
Inventory	45,075
Prepaid expenses	81,995
<b>Total current assets</b>	<b>5,948,986</b>
<b>Noncurrent assets</b>	
Restricted cash & cash equivalents	9,409,947
Mortgages receivable, net of current portion	2,589,628
Notes receivable	-
Deposits & other assets	86,077
Investment in component units	-
Property & equipment, net	57,250,065
Mutual help housing units, restricted	6,306,574
<b>Total noncurrent assets</b>	<b>75,642,291</b>
<b>Total assets</b>	<b>81,591,277</b>
Deferred outflows of resources	1,457,113
<b>Total assets and deferred outflows of resources</b>	<b>83,048,390</b>
<b>Liabilities &amp; Net Position</b>	
<b>Current liabilities</b>	
Accounts payable & accrued expenses	1,618,031
Tenants security deposits	241,050
Prepaid payments	37,430
Other current liabilities	264,115
Refundable grant advances	4,693,539
Loans payable - current portion	355,647
<b>Total current liabilities</b>	<b>7,209,812</b>
<b>Noncurrent liabilities</b>	
Loans payable & accrued interest of \$99,659	8,443,947
Less unamortized discount based on imputed interest rate of 5%	(205,169)
Net pension and OPEB liability	6,208,164
Homebuyer reserves	162,925
<b>Total noncurrent liabilities</b>	<b>14,609,867</b>
<b>Total liabilities</b>	<b>21,819,679</b>
Deferred inflows of resources	621,442
<b>Total liabilities and deferred inflows of resources</b>	<b>22,441,121</b>
<b>Net position</b>	
Reserved for NMH housing units	6,306,574
Net investment in capital assets	34,703,332
Nonexpendable restricted net position	(161,946)
Unrestricted	19,759,309
<b>Total net position</b>	<b>\$ 60,607,269</b>

*See accompanying independent auditor's report and notes to the financial statements.*

# Tlingit-Haida Regional Housing Authority

## Combined Statement of Revenues, Expenses & Changes in Net Position

Year ended December 31,	2018
<b>Operating revenues</b>	
Federal grants	\$ 11,514,886
State of Alaska grants	976,304
Other grants	13,033
Dwelling rental & administration fees	3,671,142
Sales & origination fees	263,997
Mortgage interest revenue	149,831
Transfers/Nahasda subsidies	-
PERS on behalf	132,433
Other revenue	204,475
<b>Total operating revenues</b>	<b>16,926,101</b>
<b>Operating expenses</b>	
Salaries & benefits	5,607,777
General and administrative	1,172,968
Tenant services & subsidies	1,442,954
Utilities	1,587,998
Maintenance	579,287
Insurance	346,437
Legal and accounting	200,540
Travel and training	539,467
Bad debts	74,674
Rehabilitation of housing units	859,815
Other operating expenses	1,932,898
Depreciation	3,004,768
<b>Total operating expenses</b>	<b>17,349,583</b>
<b>Operating income (loss)</b>	<b>(423,482)</b>
<b>Non-operating revenue (expenses)</b>	
Interest income	36,382
Interest expense	(471,747)
Gain (loss) on sale of property	(132,854)
Proceeds from the sale of NMH units	124,965
Cost of units conveyed	(1,621,094)
Forgiveness of indebtedness	(17,855)
Prior year adjustments	(713,662)
Other non-operating	-
<b>Total non-operating revenue (expenses)</b>	<b>(2,795,865)</b>
<b>Change in Net Position</b>	<b>(3,219,347)</b>
<b>Net Position, beginning of year</b>	63,688,866
Change from equity method for JAR1	137,750
<b>Net Position, end of year</b>	<b>\$ 60,607,269</b>

*See accompanying independent auditor's report and notes to the financial statements.*

# Tlingit-Haida Regional Housing Authority

## Combined Statement of Cash Flows

Year ended December 31,	2018
<b>Cash flows from operating activities</b>	
Cash received from tenants & other	\$ 4,033,162
Cash received from grants	11,274,331
Cash paid to employees	(6,232,832)
Cash paid to suppliers & vendors	(7,921,749)
<b>Net cash provided by (used in) operating activities</b>	<b>1,152,913</b>
<b>Cash flows from noncapital financing activities</b>	
Payment of interest	-
Additions to restricted cash	1,003,787
Repayment of loans	16,508
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>1,020,296</b>
<b>Cash flows from investing activities</b>	
Interest received	36,382
Purchase of investments	169,628
Sale of investments	-
<b>Net cash provided by (used in) investing activities</b>	<b>206,010</b>
<b>Cash flows from capital &amp; related financing activities</b>	
Additions of property & equipment	(1,574,307)
Additions to notes receivable	77,268
Proceeds from sales of units	3
Proceeds from investments by partners/issuance of debt	-
Principal repayments	8,755
Payment of interest	(452,819)
Additions to homebuyer's equity accounts	40,668
<b>Net cash provided by (used in) capital &amp; related financing activities</b>	<b>(1,900,432)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>478,786</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>3,272,638</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,751,424</b>

*See accompany independent auditor's report and notes to the financial statements.*

# Tlingit-Haida Regional Housing Authority

## Combined Statement of Cash Flows

<i>Year ended December 31,</i>	<b>2018</b>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ (423,482)
<b>Adjustments to reconcile operating income to net cash provided by (used in) operating activities:</b>	
Depreciation and amortization	3,004,768
PERS pension expense adjustment	(335,932)
Bad debts	61,522
<b>(Increase) decrease in assets</b>	
Tenant/homebuyer receivables	15,950
Grants receivable	(707,325)
Other receivables	(296,555)
Interfund receivables	126,192
Other assets	(215,846)
Mortgages and loans receivable	136,810
<b>Increase (decrease) in liabilities</b>	
Accounts payable and accrued expenses	210,421
Prepaid rents	(11,395)
Security deposits	4,395
Refundable grant advances/other liabilities	(416,609)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,152,913</b>

*See accompany independent auditor's report and notes to the financial statements.*



# Tlingit-Haida Regional Housing Authority

## Summary of Significant Accounting Policies

*Year Ending December 31, 2018*

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### **Description of the Reporting Entity**

The Tlingit-Haida Regional Housing Authority (Housing Authority) was established to administer Low Income Mutual Help Homeownership and Low Rent Housing programs funded by the Department of Housing and Urban Development. The programs are governed by the terms set forth in the Annual Contribution Contracts entered into with HUD. These contracts were replaced on October 1, 1997, the effective date of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). The Housing Authority was named the Tribally Designated Housing Entity (TDHE) by the following Indian Housing Block Grant recipients; the Angoon Community Association, the Organized Village of Kake, the Klawock Cooperative Association, the Craig Community Association, the Yakutat Indian Tribe, the Organized Village of Kasaan, the Petersburg Indian Association, the Organized Village of Saxman, the Central Council Tlingit-Haida Indian Tribes of Alaska, the Douglas Indian Association, the Skagway Traditional Council, and the Wrangell Cooperative Association.

During 2003, the Housing Authority changed from governmental accounting to enterprise accounting based on guidance from HUD.

The Housing Authority is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since the Housing Authority Board of Commissioners has decision-making authority, the responsibility to significantly influence operations and primary accountability for fiscal matters.

### Component Units

The Housing Authority has created other companies/entities that are fully controlled by the Housing Authority. All component units are fully incorporated in the financial statements of the Housing Authority.

On November 18, 1996 Haa Yakaawu Financial Corporation was incorporated in the State of Alaska as a Nonprofit Corporation. The purpose of this organization is to promote and provide lending services for Southeast Alaska. The Board of Directors of the Corporation is appointed by the Board of Commissioners of the Tlingit-Haida Regional Housing Authority. At the present time the two boards are identical. On January 8, 1998 a Cooperative Agreement was signed by the Corporation and the Housing Authority. Under this agreement the Housing Authority agrees to provide personnel, facilities, supplies and services to the Corporation for a fee. The fee will be determined on a percentage basis of the Housing Authority's total expenses by category. The term of the agreement is for 10 years and was renewed on May 29, 2009. The corporation has not applied for its 501c (3) classification from the Internal Revenue Service.

# **Tlingit-Haida Regional Housing Authority**

## **Summary of Significant Accounting Policies**

### ***Year Ending December 31, 2018***

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On October 14, 1999 Yakutat Affordable Rentals, LLC was recognized by the State of Alaska as a Limited Liability Company. The purpose of this organization is to build and operate a low-income rental housing project in the City of Yakutat financed in part by federal tax credits. The Housing Authority is the general partner of this organization. In December 2016 Wells Fargo Bank withdrew from the partnership. It is now 100% owned by the Housing Authority. Yakutat Affordable Rentals, LLC has a calendar year end.

On December 6, 1999 Juneau Affordable Housing, LLC was recognized by the State of Alaska as a Limited Liability Company. The purpose of this organization is to build and operate a low-income rental housing project in the City of Juneau financed in part by federal tax credits. The Housing Authority is the general partner of this organization. In December 2018 Wells Fargo Bank withdrew from the partnership. It is now 100% owned by the Housing Authority. Juneau Affordable Rentals, LLC has a calendar year end.

On April 20, 2004 Juneau Affordable Housing 2, LLC was recognized by the State of Alaska as a Limited Liability Company. The purpose of this organization is to build and operate a low-income rental housing project in the City of Juneau financed in part by federal tax credits. The Housing Authority is the general partner of this organization. In 2005 99.9% of this partnership was sold to the limited partner, Wells Fargo Bank. Juneau Affordable Housing 2, LLC has a calendar year end.

On February 2, 2006 Ketchikan Affordable Rentals, LLC was recognized by the State of Alaska as a Limited Liability Company. The purpose of this organization is to build and operate a low-income rental housing project in the City of Ketchikan financed in part by federal tax credits. The Housing Authority is the general partner of this organization. In 2009 99.9% of this partnership was sold to the limited partner, Wells Fargo Bank. Ketchikan Affordable Rentals, LLC has a calendar year end.

Since the Board of Commissioners of the Housing Authority presently serves as the Board of Directors of Haa Yakaawu Financial Corporation and since THRHA is the general partner of the partnerships, these organizations have been included in these financial statements as blended component units.

#### **Programs Administered by the Reporting Entity**

The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) became effective on October 1, 1997. The purpose of this law is to: (1) streamline the process of providing housing assistance to Native Americans, (2) facilitate, where possible, the development of private housing finance mechanisms, and (3) promote economic self-sufficiency and self-determination among Native Americans. Accordingly, it eliminates many of the compliance requirements under the U.S. Housing Act of 1937, as amended, as

# Tlingit-Haida Regional Housing Authority

## Summary of Significant Accounting Policies

*Year Ending December 31, 2018*

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well as the associated regulations, handbooks, and guidebooks that provided guidance in the past. While permitting the tribal entity greater latitude in establishing policies and procedures, it also created additional reporting and administrative requirements.

Under NAHASDA, block grants are awarded directly to tribal entities, and the amount of the block grant is determined by a formula based on the number of existing housing units managed by the TDHE and the un-met housing needs within the jurisdiction of the TDHE. Block grants are awarded only after an Indian Housing Plan (IHP) has been submitted to HUD. The purpose of the IHP is to demonstrate that the TDHE has made or will make adequate provision to comply with the objectives and stewardship requirements of NAHASDA. The IHP is composed of a one-year plan. The Housing Authority supplements NAHASDA with other federal, state or local funds to provide other homeownership assistance programs, manage and operate rental properties, provide housing assistance programs, and develop, modernize, and operate affordable housing in southeast Alaska.

### **Measurement Focus, Basis of Accounting, & Financial Statement Presentation**

The financial statements of the Housing Authority are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Housing Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements.

The Housing Authority uses the enterprise model for financial reporting purposes. Under this model the focus is on measuring economic resources utilizing the full accrual basis of accounting, wherein revenues are recognized when earned and expenses when incurred.

The financial statements report information on all of the activities of the reporting entity. The Housing Authority has elected to present all activity as one business-type activity.

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the affordable housing activities of the Housing Authority. Principal operating revenues of the Housing Authority are NAHASDA grant revenues, other federal grants, rental income and other income from operations. Operating expenses of the Housing Authority included standard categories of operating expenses, including salaries and benefits, professional services, insurance, repair and maintenance, program assistance and depreciation. Non-operating items include interest revenue and gain/loss on sales of fixed assets.

# Tlingit-Haida Regional Housing Authority

## Summary of Significant Accounting Policies

Year Ending December 31, 2018

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GASB issued various statements: No. 34, *Basic Financial Statements and Management's Discussion and Analysis*; No. 37, *Basic Financial Statements and Management's Discussion and Analysis: Omnibus and Amendment of GASB Statement 34* and No. 38, *Certain Financial Statement Note Disclosures*.

These statements established new financial reporting requirements for state and local governments. The Housing Authority adopted these statements in a previous year. Adoption of these statements required the Housing Authority to make several changes to the presentation of its basic financial statements and footnotes and requires presentation of a new section called Management's Discussion and Analysis (MD&A).

### **Cash and Cash Equivalents**

The Housing Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

### **Investments**

Investments are reported at fair value on the statement of net position, with changes in fair value recognized in the statement of revenues, expenses, and changes in net position. Fair value is determined by quoted market price, if available, otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale.

### **Accounts Receivable**

Tenant accounts receivable of \$191,485 is presented net of the allowance for doubtful accounts of \$77,748. All other receivables are considered fully collectible.

### **Prepaid Items and Deposits**

Prepaid balances are for payments made by the Housing Authority in the current year to provide services occurring in the subsequent fiscal year. Deposits are made up of a calculated portion of insurance on the housing units and held by Alaska National Insurance and Alaska Timber Insurance Exchange in the Housing Authority's name, as its member reserve account.

# Tlingit-Haida Regional Housing Authority

## Summary of Significant Accounting Policies

*Year Ending December 31, 2018*

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**Refundable Advances** Refundable advances are grant funds that have been awarded and have not yet been expended for grant eligible activities. At the time those funds are expended grant revenue will be recognized.

**Net Position** GASB statement No. 63 identifies net position as the residual of all elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is classified in the following categories:

Net investment in capital assets – consists of all capital assets, net accumulated depreciation and reduced by the outstanding balances of any bond or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consist of external constraints placed on the net position use by creditors, grantors, contributors, laws or regulations of other governments or constraints imposed by law through constitutional provisions or enable legislation.

Unrestricted net position – consists of all other items that are not included in the above categories.

Nonexpendable restricted net position – consists of the limited partner's capital in the 3 tax credit partnerships after blending and consolidating them in.

# Tlingit-Haida Regional Housing Authority

## Summary of Significant Accounting Policies

Year Ending December 31, 2018

### Property and Equipment

Property and equipment are stated at historical cost. Major outlays for capital assets and improvements are capitalized in Construction in Progress as project costs are incurred. Maintenance and repairs are charged to operations as incurred. Replacements that improve or extend the lives of property are capitalized. Donated assets are valued at their fair market value on the date donated. Assets are capitalized in accordance with the provisions of the Housing Authority's Capitalization Policy. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. The estimated useful lives are as follows:

Dwelling structures	30 years
Vehicles	5 years
Building improvements	40 years
Land improvements	15 years
Equipment	3-10 years

### Mutual Help Housing Units

Beginning in 1974 the Housing Authority began building homeownership units under HUD's New Mutual Help (NMH) housing program. At year end the Housing Authority still held title to 54 NMH housing units. The units are leased to the homebuyers for a period not to exceed 25 years. At the end of the lease title is transferred to the homebuyer. The terms of the lease are governed by the Mutual Help Occupancy Agreement (MHOA) between the homebuyer and the Housing Authority. HUD's Office of Native American Programs issued accounting guidance on May 23, 2003 stating, "the lease-to-own arrangement between the homebuyer and the THDE (the Housing Authority) can best be described as a *lay-away program*." In response to the question of how the units should be valued on the TDHE's financial books the guidance stated "the housing units are maintained on the financial books in an account until the unit is conveyed to the homebuyer. The value of the housing unit in the account would be the lower of cost or market. The MHOA would establish the unit's purchase price or market price." The value on the books of \$6,306,574 is the amount the units were leased to the homebuyers for on the date the lease was signed. The Mutual Help Housing Units are considered a non-current restricted asset due to the fact that the units are not available to help finance the Housing Authority's operations in the short term and cannot be mortgaged, sold or disposed of in any manner that would violate the terms of the MHOA.

# Tlingit-Haida Regional Housing Authority

## Summary of Significant Accounting Policies

*Year Ending December 31, 2018*

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**Conveyances** Proceeds from the sale of NMH housing units in the amount of \$124,965 were recorded in the current year. These proceeds reflect the amount transferred from homebuyer reserves (MEPA) to pay off the eligible units. The cost of units conveyed in the current year was \$1,621,094. As described in preceding subparagraph (l), this cost is the amount of the initial purchase price of the eligible units being deducted from the NMH housing units account.

**Grants Receivable** Grants receivable are funds that have been expended for grant eligible activities and have not yet been reimbursed by the grantor agency. At the time those funds are received grants receivable will be recognized.

**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 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.

**Bonds and Notes Payable** Bonds and notes payable are stated at their unpaid balance less any remaining premiums or discounts, plus any accrued interest.

**Payments in Lieu of Taxes & Property Taxes** The Housing Authority was created as a public corporation in accordance with Alaska state statutes and accordingly is exempt from tax and special assessments of municipalities for all properties owned by the Housing Authority. Instead of paying property taxes the Housing Authority makes Payment-In-Lieu-of-Taxes (PILOT) to the various participating municipalities for improvements and services equal to 10% of the "shelter rent" the Housing Authority actually collects during the year. "Shelter rent" is defined as gross rents less applicable utilities. PILOT is defined in the Cooperation Agreement between the Housing Authority and the various municipalities.

The Housing Authority is managing general partner of partnerships, which were formed for the exclusive purpose of developing, and operating rental properties with proceeds from IRS authorized low income housing tax credits.

# Tlingit-Haida Regional Housing Authority

## Summary of Significant Accounting Policies

### Year Ending December 31, 2018

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#### **Retirement Plans**

Effective October 1, 1998 the Housing Authority joined the Alaska Public Employees Retirement System (PERS). The PERS retirement plan is mandatory and available immediately to all regular and non-project based administrative employees. Effective May 1, 2001 the Housing Authority agreed to retroactively recognize up to 5-years past service for employees who worked prior to the adoption of the PERS retirement system.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Housing Authority has also made available a 403b Tax Deferred Annuity with Mutual of America Life Insurance Company. This program is voluntary. During the 2018 calendar year 14 employees participated and contributed a total of \$77,558. Additionally, there was a Roth IRA program provided by Mutual of America that had 4 participants who contributed a total of \$13,514.

#### **Deferred Outflows & Deferred Inflows of Resources**

GASB pronouncement No. 63 defines deferred outflows of resources as a consumption of net assets by the government that is applicable to a future reporting period. GASB pronouncement No. 63 defines deferred inflows of resources as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to asset, and deferred inflows of resources have a negative effect on net position, similar to liabilities.

Due to the implementation of GASB 68 and 75 the Housing Authority now has an item that qualifies for reporting in deferred outflows of resources.

Due to the implementation of GASB 68 and 75 the Housing Authority now has an item that qualifies for reporting in deferred inflows of resources.



# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

*Year Ending December 31, 2018*

**1. Income Tax Status**      The Authority, as a quasi-political subdivision of the State of Alaska is not subject to federal or state income taxes. Therefore, no provision for income taxes is reflected in the accompanying financial statements. The Housing Authority has received 501c (3) status from the IRS.

**2. Cash**      Under the terms of various contracts entered into with HUD, the Housing Authority may only deposit funds with financial institutions whose deposits or accounts are insured by either the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or, the National Credit Union Share Insurance Fund. Furthermore, all deposits are to be collateralized under the terms of a Depository Agreement executed between the Housing Authority and the financial institution. At year end, the carrying amount of the Housing Authority's deposits with financial institutions was \$3,751,424 and the bank balance was \$4,026,713. At year end, the carrying amount of the Housing Authority's restricted deposits with financial institutions was \$9,409,947 and the bank balance was \$9,449,308. The bank balances were covered by FDIC insurance or collateralized with securities held by the bank in the Housing Authority's name.

**3. Investments**      Investments, at fair value, consist of the following at:

Certificates of deposit	\$ 1,646,707
Other investments	0
	1,646,707
Less cash equivalents	(336,081)
	<b>\$1,310,626</b>

**4. Homeowners Reserves**      At the time of its conversion from the regulatory basis of accounting to GAAP the Housing Authority administered a Mutual Help Homeownership Program for HUD. This program allows qualified low-income Native Americans to achieve homeownership over a period of 12 1/2-25 years. At the beginning of the term a Mutual Help and Occupancy Agreement (MHOA) is executed between the homebuyer and the Housing Authority. This agreement governs the relationship between the parties for the term of the lease. The MHOA dictates that the title to the home will reside with the Housing Authority until the home is paid off. The homebuyer's monthly payment is based on income with a portion designated as administration fees (current income to the Housing Authority) and the balance as

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

Monthly Equity Payments Account (MEPA). MEPA is not income to the Housing Authority in the current period. It is held in the general fund as a liability (deferred credits), earning interest, subject to use by the homebuyer for capital improvements, and then only at the end of the lease, is taken into income by the Housing Authority. The accounting treatment mandated by the MHOA has been continued in these financial statements.

**5. Grants Receivable & Refundable Advances**

Grants receivable and refundable grant advances consist of the following:

	<b>Grant Receivable</b>	<b>Refundable Advances</b>
VASH Veteran Housing Vouchers	\$ 51,699	\$ 0
ICDBG Petersburg (passthru)	34,934	0
ICDBG Klawock (passthru)	20,010	0
ICDBG Wrangell (passthru)	3,534	0
ICDBG Saxman (passthru)	23,190	0
ICDBG Angoon (passthru)	28,145	0
ICDBG Kake (passthru)	51,063	3,553
ICDBG Yakutat (passthru)	14,396	0
USDA RD	55	0
Designated Legislative Grant	24,418	0
Indian Housing Block Grant	0	4,118,037
HUD Healthy Homes	30,529	0
HHS - LIHEAP	33,948	0
AHFC Supplemental	11,129	565,546
AHFC Weatherization	0	6,403
AHFC Kasaan Teacher Housing	130,267	0
STEP Grant	1,977	0
Other grants	0	0
	<b>\$ 459,294</b>	<b>4,693,539</b>

**6. Contingent Liabilities**

Under the terms of federal grants, funding agencies may perform periodic audits, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could require reimbursement to the grantor agencies. Also, in the normal course of its activities, the Housing Authority is involved in various claims and pending litigation.

**7. Pension and Post Employment Healthcare**

*Description of Plans*

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

As of June 30, 2016, all regular employees of the Housing Authority who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public

Employees' Retirement System Defined Benefit Retirement Plan (DB) which includes both pension and post-employment health care plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008, when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan. PERS also administers the State of Alaska Public Employees' Retirement System Defined Contribution Retirement Plan (DC) which includes both pension and post-employment healthcare plans for all employees hired on or after July 1, 2006. PERS is administered by the State. Benefits and contributions provisions are established by Chapter 35 of Alaska Statute Title 39, and may be amended only by state legislature. Amendments do not affect existing employees. PERS audited financial statements are available at <http://www.doa.alaska.gov/drb>

#### **Defined Benefit Pension and Post Employment Health Care Plans (Employees hired prior to July 1, 2006)**

##### Employee Benefits:

The Plan provides for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the DB pension plans, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other post-employment benefits (OPEB). A complete benefit comparison chart is available at the website noted above. This plan was closed to new entrants as of June 30, 2006. Employees hired after that date participate in the PERS Defined Contribution Plan described later in these notes.

##### Funding Policy:

Under State law, covered employees are required to contribute 6.75% of their annual covered salary to the pension plan and are not required to contribute to the Post Employment Healthcare Plan. Under State law the Authority is required to contribute 22% of annual covered salary. For fiscal year 2018, 17.12% of covered salary is for the pension plan and 4.88% of covered salary is for the Post Employment Healthcare Plan. Under AS39.35.255, the difference between the actuarial required contribution and the employer rate of 22% is funded by the State. Alaska Statute 39.35.280 requires the State, as a nonemployer contributing entity, contribute each July 1, or as soon after July 1 for the ensuing fiscal year, an amount that when combined with the total employer contributions is sufficient to pay the Plan's past service liability at the actuarially determined contribution rate adopted by the Board for that fiscal year.

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

Pension Liabilities:

At December 31, 2018, the Authority reported a liability for its proportionate share of the net pension liability. The amount recognized by the Authority as its proportionate share, the related state support, and the total portion of the net pension liability that was associated with the authority were as follows:

Authority's proportionate share of the net pension liability	\$ 5,154,480
State of Alaska proportionate share of the net pension liability	577,763
Total	\$5,732,243

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017.

Pension Expense:

For the year ended December 31, 2018, the Authority recognized pension expense (benefit) of \$(239,442) and PERS on-behalf revenue of \$132,432 for support provided by the State.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension:

At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0	\$ 129,367
Changes in assumptions	0	0
Difference between projected and actual investment earnings	113,839	0
Changes in proportion & differences between employer contributions	0	79,027
Employer contributions subsequent to the measurement date	982,463	0

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

<u>Total</u>	\$ 1,096,302	\$ 208,394
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A total of \$982,463 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2019	\$ (63,606)
2020	62,247
2021	(68,204)
2022	(4,991)
2023	0
Thereafter	0

<u>Total</u>	<u>\$ (74,554)</u>
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#### Other Post Employment Health Plans (OPEB)

As part of the Authority's participation in the PERS plan, the Authority participates in the three-following cost-sharing OPEB plans:

- **Alaska Retiree Healthcare Trust (ARHCT)**

The ARHCT is a self-funded and self-insured healthcare trust fund of the State, providing major medical coverage to retirees of the defined benefit plan. The ARHCT is closed to all new members effective July 1, 2006. Major medical benefits are provided to retirees and their surviving spouses at no premium cost for all Tier 1 members or disabled retirees. Tier 2 members, and their surviving spouses, must pay the full monthly premium if they are under age 60 and will receive benefits at no premium cost if they are over age 60. Tier 3 members must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for postemployment healthcare benefits. Tier 2 members who are receiving a conditional benefit and are age eligible are eligible for postemployment healthcare benefits.

- **Occupational Death and Disability Plan (ODD)**

ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS.

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

- **Retiree Medical Plan (RMP)**

RMP provides major medical coverage to retirees of the DCR Plan. The RMP is self-insured. Members are not eligible to use this plan until they either have 30 years of service or at least 10 years of service and are Medicare eligible.

The Authority's contributions to the defined benefit post-employment healthcare plan for the year ended December 31, 2018, totaled \$136,916.

Collective net OPEB Liabilities:

At December 31, 2018, the Authority reported a liability for its proportionate share of the net OPEB liability. The amount recognized by the Authority as its proportionate share, the related state support, and the total portion of the net OPEB liability that was associated with the authority were as follows:

	ARHTC	ODD	RMP	Total
Authority's proportionate share of the OPEB pension liability	\$1,064,765	\$(32,134)	\$21,053	\$1,053,684
State of Alaska proportionate share of the net pension liability	119,615	0	0	119,615
<b>Total</b>	<b>\$1,184,380</b>	<b>\$(32,134)</b>	<b>\$21,053</b>	<b>\$1,173,299</b>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

OPEB Expense:

For the year ended December 31, 2018, the Authority recognized OPEB expense (benefit) of \$102,229 and no support was provided by the State for fiscal years ended December 31, 2018.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At December 31, 2018, the Authority reported deferred outflows of resources and

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

deferred inflows of resources related to OPEB from the following sources:

ARHTC	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0	\$ 113,936
Changes in assumptions	161,536	0
Difference between projected and actual investment earnings	0	225,633
Changes in proportion & differences between employer contributions	0	55,725
Employer contributions subsequent to the measurement date	153,487	0
<b>Total</b>	<b>\$ 315,023</b>	<b>\$ 395,294</b>

ODD	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0	\$ 8,891
Changes in assumptions	0	0
Difference between projected and actual investment earnings	0	1,130
Changes in proportion & differences between employer contributions	1,867	1,848
Employer contributions subsequent to the measurement date	5,407	0
<b>Total</b>	<b>\$ 7,274</b>	<b>\$ 11,869</b>

RMP	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0	\$ 1,126
Changes in assumptions	9,754	0

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

Difference between projected and actual investment earnings	0	3,070
Changes in proportion & differences between employer contributions	757	1,689
Employer contributions subsequent to the measurement date	28,003	0
<b>Total</b>	<b>\$ 38,514</b>	<b>\$ 5,885</b>

A total of \$186,897 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	ARHTC	ODD	RMP	Total
2019	\$(100,296)	\$(1,448)	\$(110)	\$(101,854)
2020	(54,951)	(1,448)	(110)	(56,509)
2021	(73,562)	(1,448)	(110)	(75,120)
2022	(4,947)	(1,081)	938	(5,090)
2023	0	(1,073)	920	(153)
Thereafter	0	(3,505)	3,098	(407)
<b>Total</b>	<b>\$(233,756)</b>	<b>\$(10,003)</b>	<b>\$4,626</b>	<b>\$(239,133)</b>

Actuarial Assumptions:

The total pension and OPEB liability for June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation rate	3.12 %
Salary increases	Graded by age and service, from 8.55% to 4.34%
Investment rate of return	8.00%, net of pension plan investment expenses. This is based on average inflation rate of 3.12% and a real



# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

Year Ending December 31, 2018

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Healthcare cost and trend rates 8.8% grading down to 4.4% for Pre-65 medical, 5.8% grading down to 4.0% for Post-65 medical, and 5.4% grading down to 4.0% for prescription drugs

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Post-termination mortality rates were based on the mandated RP-2000 table, compiled by the Society of Actuaries in 2000, and rolled forward to 2018 using projection scale BB.

Pre-termination mortality rates were based upon 2010-2013 actual mortality experience, using 60% of the male and 65% of the female post-termination mortality rates.

The actuarial assumptions used in June 30, 2016 actuarial valuation were based on the results of an actuarial experience study for the period of July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflected expected future experience.

Long-term Expected Rate of Return:

The long-term expected rate of return on pension and OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class are summarized below:

Asset Class	Long-term expected real rate of return
Domestic equity	8.83%
Global ex-U.S. equity	7.79
Intermediate Treasuries	1.29
Opportunistic	4.76
Real assets	4.94
Absolute return	4.76
Private equity	12.02
Cash equivalents	0.63

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# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

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Discount rate:

The discount rate used to measure the total pension and OPEB liability was 8%. The projection of cash flows used to determine the discount rate assumed that employer and non-employer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

Sensitivity of the Authority's proportionate share of the net pension and OPEB liability to changes in the discount rate:

The following presents the Authority's proportionate share of the net pension and collective net OPEB liability of the plan as of June 30, 2018 using the discount rate of 8%, as well as what it would be if it were calculated using a discount rate that was 1% lower (7%) or 1% higher (9%).

	Proportional Share	1% Decrease (7%)	Current Discount rate (8%)	1% Increase (9%)
Pension	0.10373%	\$6,825,832	\$5,145,480	\$3,740,718
ARHCT	0.10375%	2,155,616	1,064,765	150,409
ODD	0.16545%	(30,176)	(32,134)	(33,745)
RMP	0.16545%	68,869	21,053	(11,563)

Sensitivity of the Authority's proportionate share of OPEB liability to changes in the healthcare cost trend rate:

The following presents the Authority's proportionate share of the collective net OPEB liability of the plan as of June 30, 2018 using the healthcare cost trend rate, as well as what it would be if it were calculated using a discount rate that was 1% lower or 1% higher.

**Tlingit-Haida Regional Housing Authority**  
**Notes to the Financial Statements**  
*Year Ending December 31, 2018*

	Proportional Share	1% Decrease	Current Healthcare Cost Trend	1% Increase
ARHCT	0.10375%	\$20,669	\$1,064,765	\$2,322
RMP	0.16545%	(17,900)	21,053	73,183

**Defined Contribution Pension and Post-Employment Health Care Plans  
(Employees hired on or after July 1, 2006):**

*Employee Benefits:*

There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employee's contribution plus 25% of the Authority's contribution after two years of service, 50% of the Authority's contribution after three years of service, 75% of the Authority's contribution after four years of service, and 100% of the Authority's contribution after 5 years of service. The plan pays a portion of the retiree medical plan premium if the retiree retires directly from the plan and is eligible for Medicare. The portion of premium paid by the plan is determined by years of service. Disability benefits are also provided.

*Funding Policy:*

Under State law, covered employees are required to contribute 8% of their annual covered salary. For fiscal year 2018, the Authority is required to contribute 5.16% of the annual covered salary to the pension plan. The contributions to the pension plan for the year ended December 31, 2018, by the employees totaled \$223,980 and by the Authority totaled \$139,988. Under State law, covered employees are not required to contribute to the postemployment healthcare plan. For fiscal year 2018, the Authority is required to contribute 1.03% of the annual covered salary plus an annual flat dollar amount of \$2,084.16 for each covered employee. The Authority contributed \$ 28,003 for retiree medical and \$96,310 for health reimbursement arrangement for the year ended December 31, 2018. If the total amount that the Authority has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll, the Authority must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability.

**Tlingit-Haida Regional Housing Authority**  
**Notes to the Financial Statements**  
*Year Ending December 31, 2018*

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For the year ended December 31, 2018 the Authority paid additional

contributions of \$345,443. These contributions equal \$264,677 for the defined benefit pension and \$80,766 for the defined benefit post-employment healthcare plans.

**8. Related Party Transactions**      The Housing Authority did not engage in any material related party transactions during the audit period.

**9. Supplemental Disclosure of Cash Flows Information**

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Cash paid during the year for interest	<b>\$ 452,819</b>
Cash paid during the year for income taxes	<b>0</b>

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**Tlingit-Haida Regional Housing Authority**  
**Notes to the Financial Statements**  
*Year Ending December 31, 2018*

**10. Property and Equipment**

Activity in the capital assets of the Authority is summarized below:

	Beginning of Year	Change	End of Year
<b>Capital assets at cost</b>			
Land & land improvements	\$ 8,169,554	\$	\$ 8,386,864
Increases in the current year		217,310	
Decreases in the current year			
Construction in progress	2,280,759		1,590,910
Increases in the current year		1,605,824	
Decreases in the current year		(2,295,673)	
<b>Total-not being depreciated</b>	10,450,313	(472,539)	9,977,774
Buildings & improvements	88,718,140		90,474,382
Increases in the current year		1,780,959	
Decreases in the current year		(24,717)	
Computer software	212,468		387,789
Increases in the current year		175,321	
Decreases in the current year			
Vehicles & equipment	1,113,877		1,229,378
Increases in the current year		139,379	
Decreases in the current year		(23,878)	
<b>Total being depreciated</b>	90,044,485	2,047,064	92,091,549
<b>Total capital assets at cost</b>	100,494,798	1,574,525	102,069,323
<b>Accumulated depreciation and amortization</b>			
Buildings & improvements	40,972,354		43,804,343
Increases in the current year		2,831,989	
Decreases in the current year			
Computer software	47,214		127,776
Increases in the current year		80,562	
Decreases in the current year			
Vehicles & equipment	814,021		887,139
Increases in the current year		92,217	
Decreases in the current year		(19,099)	
<b>Total accumulated depreciation</b>	41,833,589	2,985,669	44,819,258
<b>Capital assets, net</b>	\$ 58,661,209		\$ 57,250,065

Depreciation and amortization expense for the year ended December 31, 2018 was \$3,004,768.

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

Year Ending December 31, 2018

**11. Risk Management**

The Housing 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. These risks are covered by commercial insurance purchased from independent third parties. The Housing Authority maintains insurance against most normal hazards. The Housing Authority

maintains the majority of its building, structures, and business property insurance coverage through Alaska National Insurance Company. THRHA also maintains a number of other insurance policies, including, automobile coverage, workers compensation insurance, professional liability, and other insurance. These policies are with varying insurance companies, including THRHA's broker Davies Barry and Alaska National. There have been no significant changes in insurance coverage in the last year.

**12. Notes Payable**

At December 31, 2018 notes payable consisted of the following:

	<u>Total</u>	<u>Current</u>
Haa Yakaawu note due to Community Development Financial Institutions Fund, quarterly Payments of \$12,527.42 beginning 1/4/99. First payment due 3/31/99 and each quarter thereafter for 20 years. Non-interest bearing.	\$ 12,527	12,527
Haa Yakaawu loan due to Alaska Housing Finance Corp. – Loan to Sponsors Program. Principal collected from mortgages is paid to AHFC on a quarterly basis. Non-interest bearing.	264,263	23,191
1TD note to Alaska Housing Finance Corp. in the original amount of \$2,270,000. Monthly payments of \$14,535.06 including principal and interest at 6.625%. Note is secured by a deed of trust on the Fireweed Apartment complex.	1,600,171	70,525
2TD note to Alaska Housing Finance Corp. in the original amount of \$3,000,000. No payments until February 2033. Non-interest bearing (imputed interest of 6.625%) less unamortized discount of \$2,794,831. Secured by a deed of trust on the Fireweed Apartment complex.	525,130	0

# Tlingit-Haida Regional Housing Authority

## Notes to the Financial Statements

### Year Ending December 31, 2018

Note to Alaska Housing Finance Corp. for \$1,043,000. Monthly payments of \$6,939 at 7% per annum for 30 years (JAR).	759,694	28,980
Note to WFB for \$1,605,000, quarterly payment of \$40,142, 7 years with balloon, 0% interest	1,204,260	160,568
Note to Alaska Housing Finance Corp. for \$326,400. Interest accrues at 1.5% per annum with payment of principal and interest payable based on cash flows from the partnership (JAR).	284,590	0
Note to Alaska Housing Finance Corp. for \$2,130,000. Monthly payments of \$15,663 at 8% per annum for 30 years (JAR2).	1,743,948	46,016
Note to Alaska Housing Finance Corp. for \$1,000,000. Interest accrues at 1.5% per annum with payment of principal and interest payable based on cash flows from the partnership (JAR2).	995,383	0
Note to Alaska Housing Finance Corp. for \$761,950. Interest accrues at 1.5% per annum. Payments are due from 75% of cash flow after Consideration of all expenses as approved by AHFC (KAR).	634,335	0
Note to Alaska Housing Finance Corp. for \$775,650. Monthly payments of \$5,423 at 7.5% per annum for 30 years (KAR).	675,634	13,840

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<b>Total Notes Payable</b>	<b>\$ 8,699,935</b>	<b>\$ 355,647</b>
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Debt service requirements to maturity:

<u>Years Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 355,647	\$ 343,970	\$ 699,617
2020	362,467	331,614	694,081
2021	375,749	318,331	694,080
2022	390,026	304,054	694,080
2023	405,371	288,709	694,080
2024-2028	1,899,048	1,169,937	3,068,985
2029-2033	2,638,079	575,557	3,213,636
2034-2038	1,621,481	89,912	1,711,393
2039-2043	652,067	-240	651,827

**Tlingit-Haida Regional Housing Authority**  
**Notes to the Financial Statements**  
*Year Ending December 31, 2018*

The following summarizes changes in long-term debt for THRHA:

	<u>Notes Payable</u>
Balance 12/31/17	\$ 9,070,418
Additions	32,628
Reductions	403,111
Balance 12/31/18	8,699,935
 Due within 1 yr.	 355,647

- 13. Subsequent Events**      In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued and concluded that nothing has occurred that would require recognition in the financial statements.
- 14. Prior-Period Adjustments**      These financial statements include the effect of implementing the requirements of GASB 75.



# **Required Supplementary Information**



**Tlingit-Haida Regional Housing Authority**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**

<i>Year ended December 31,</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Authority's proportion of the net pension liability	0.12%	0.12%	0.13%	0.14%	0.15%	*	*	*	*	*
Authority's proportionate share of the net pension liability	\$ 5,154,480	\$ 5,545,644	\$ 6,884,142	\$ 3,560,753	\$ 4,044,280	*	*	*	*	*
State of Alaska proportionate share of the net pension liability	<u>577,763</u>	<u>735,008</u>	<u>365,780</u>	<u>3,244,713</u>	<u>3,973,509</u>	*	*	*	*	*
Total net pension liability	<u>\$ 5,732,243</u>	<u>\$ 6,280,652</u>	<u>\$ 7,249,922</u>	<u>\$ 6,805,466</u>	<u>\$ 8,017,789</u>	*	*	*	*	*
Authority's covered-employee payroll	2,893,240	3,034,065	3,192,823	3,113,509	3,152,271	*	*	*	*	*
Authority's proportionate share of the net pension liabilities as a percentage of covered-employee payroll	178.16%	182.78%	215.61%	114.36%	128.30%	*	*	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	10.08%	11.70%	5.05%	47.68%	49.56%	*	*	*	*	*

\* Information for these years is not available.

*See the accompanying independent auditor's report and notes to the Required Supplementary Information*

**Tlingit-Haida Regional Housing Authority**  
**Schedule of Required Contributions**

<i>Year ended December 31,</i>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Contractually required contribution	\$ 376,009	\$ 350,619	\$ 315,999	\$ 298,631	\$ 292,816	*	*	*	*	*
Contributions in relation to the contractually required contribution	376,009	350,619	315,999	298,631	292,816	*	*	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Authority's covered-employee payroll	2,893,240	3,034,065	3,192,823	3,113,509	3,152,271	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	13.00%	11.56%	9.90%	9.59%	9.29%	*	*	*	*	*

\* Information for these years is not available.

*See the accompanying independent auditor's report and notes to the Required Supplementary Information*

**Tlingit-Haida Regional Housing Authority**  
Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios

<i>Year ended December 31,</i>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Retiree Medical</b>										
Authority's proportion of the net OPEB liability	0.17%	0.15%	*	*	*	*	*	*	*	*
Authority's proportionate share of the net OPEB liability	\$ 21,053	\$ 8,058	*	*	*	*	*	*	*	*
State of Alaska proportionate share of the net OPEB liability	-	-	*	*	*	*	*	*	*	*
Total net OPEB liability	<u>\$ 21,053</u>	<u>\$ 8,058</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Authority's covered-employee payroll	2,893,240	3,034,065	*	*	*	*	*	*	*	*
Authority's proportionate share of the net OPEB liabilities as a percentage of covered-employee payroll	0.73%	0.27%	*	*	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	88.71%	93.98%	*	*	*	*	*	*	*	*

\* Information for these years is not available.

**Tlingit-Haida Regional Housing Authority**  
Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios

<i>Year ended December 31,</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Occupational Death and Disability</b>										
Authority's proportion of the net OPEB liability	0.17%	0.15%	*	*	*	*	*	*	*	*
Authority's proportionate share of the net OPEB liability	\$ (32,134)	\$ (21,924)	*	*	*	*	*	*	*	*
State of Alaska proportionate share of the net OPEB liability	-	-	*	*	*	*	*	*	*	*
Total net OPEB liability	<u>\$ (32,134)</u>	<u>\$ (21,924)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Authority's covered-employee payroll	2,893,240	3,034,065	*	*	*	*	*	*	*	*
Authority's proportionate share of the net OPEB liabilities as a percentage of covered-employee payroll	-1.11%	-0.72%	*	*	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	270.62%	212.97%	*	*	*	*	*	*	*	*

\* Information for these years is not available.

**Tlingit-Haida Regional Housing Authority**  
Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios

<i>Year ended December 31,</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Alaska Retiree Healthcare Trust</b>										
Authority's proportion of the net OPEB liability	0.12%	0.12%	*	*	*	*	*	*	*	*
Authority's proportionate share of the net OPEB liability	\$ 1,064,765	\$ 906,264	*	*	*	*	*	*	*	*
State of Alaska proportionate share of the net OPEB liability	<u>119,615</u>	<u>120,237</u>	*	*	*	*	*	*	*	*
Total net OPEB liability	<u>\$ 1,184,380</u>	<u>\$ 1,026,501</u>	*	*	*	*	*	*	*	*
Authority's covered-employee payroll	2,893,240	3,034,065	*	*	*	*	*	*	*	*
Authority's proportionate share of the net OPEB liabilities as a percentage of covered-employee payroll	36.80%	29.87%	*	*	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	10.10%	11.71%	*	*	*	*	*	*	*	*

\* Information for these years is not available.

**Tlingit-Haida Regional Housing Authority**  
**Schedule of Required OPEB Contributions**

<i>Year ended December 31,</i>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Alaska Retiree Healthcare Trust</b>										
Contractually required contribution	\$ 114,633	\$ 165,000	*	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	114,633	165,000	*	*	*	*	*	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Authority's covered-employee payroll	2,893,240	3,034,065	*	*	*	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	3.96%	5.44%	*	*	*	*	*	*	*	*
<b>Occupational Death and Disability</b>										
Contractually required contribution	\$ 2,996	\$ 2,733	*	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	2,996	2,733	*	*	*	*	*	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Authority's covered-employee payroll	2,893,240	3,034,065	*	*	*	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.10%	0.09%	*	*	*	*	*	*	*	*
<b>Retiree Medical</b>										
Contractually required contribution	\$ 19,287	\$ 18,975	*	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	19,287	18,975	*	*	*	*	*	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Authority's covered-employee payroll	2,893,240	3,034,065	*	*	*	*	*	*	*	*
Contributions as a percentage of covered-employee payroll	0.67%	0.63%	*	*	*	*	*	*	*	*

\* Information for these years is not available.

*See the accompanying independent auditor's report and notes to the Required Supplementary Information*

# Tlingit-Haida Regional Housing Authority

## Notes to the Required Supplementary Information Year Ending December 31, 2018

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### **Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**

Information in this table is presented based on the plan measurement date of June 30, 2018. The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017.

### **Schedule of Required Contributions - Pension**

This table reports the Housing Authority's pension contributions to PERS during fiscal year 2018. These contributions are reported as a deferred outflow on the December 31, 2018 basic financial statements.

### **Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios**

Information in this table is presented based on the plan measurement date of June 30, 2018. The total OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017.

### **Schedule of Required Contributions - OPEB**

This table reports the Housing Authority's OPEB contributions to PERS during fiscal year 2018. These contributions are reported as a deferred outflow on the December 31, 2018 basic financial statements.

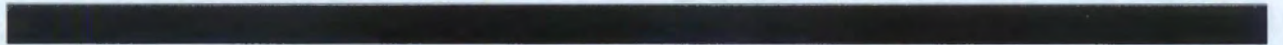
Both pension and OPEB tables are intended to present 10 years of information. Additional years' information will be added to the schedules as they become available.

The plan is not reporting any changes in benefit terms from the prior measurement period.

The plan is not reporting any changes in assumptions from the prior measurement period.



# Supplemental Material



**Tlingit-Haida Regional Housing Authority**  
Combining Statement of Net Position

Year ended December 31,									
								2018	
	Tlingit-Haida Regional Hsg. Auth.	Yakutat Affordable Rentals, LLC	Juneau Affordable Rentals, LLC	Combined Tlingit-Haida Regional H.A.	Haa-Yakaawu Financial Corporation	Juneau Affordable Rentals 2, LLC	Ketchikan Affordable Rentals, LLC	Eliminations	Total
<b>Assets</b>									
<b>Current Assets</b>									
Cash & cash equivalents	\$ 618,670	\$ 41,264	\$ 167,295	\$ 827,229	\$ 2,714,436	\$ 107,305	\$ 102,454	-	\$ 3,751,424
Investments	1,310,626	-	-	\$ 1,310,626	-	-	-	-	\$ 1,310,626
Accounts receivable:									
Tenants, net	89,689	2,490	2,374	94,553	-	15,776	3,408	-	113,737
Grants	5,851,176	-	-	5,851,176	-	-	-	(5,391,882)	459,294
Intercompany	(2,371,230)	(306,699)	-	(2,677,929)	2,677,929	-	-	-	0
Partnerships	-	-	-	-	-	-	-	-	0
Other	112,933	275,488	8,068	396,489	144,090	7,769	3,003	(545,057)	6,294
Mortgages receivable-current portion	-	-	-	-	180,541	-	-	-	180,541
Inventory	45,075	-	-	45,075	-	-	-	-	45,075
Prepaid expenses	79,519	-	-	79,519	2,476	-	-	-	81,995
<b>Total current assets</b>	<b>5,736,458</b>	<b>12,543</b>	<b>177,737</b>	<b>5,926,738</b>	<b>5,719,472</b>	<b>130,850</b>	<b>108,865</b>	<b>(5,936,939)</b>	<b>5,948,986</b>
<b>Noncurrent assets</b>									
Restricted cash & cash equivalents	7,534,662	8,967	135,081	7,678,710	1,399,297	216,271	115,669	-	9,409,947
Mortgages receivable, net	-	-	-	-	2,589,628	-	-	-	2,589,628
Notes receivable	14,750,638	-	-	14,750,638	-	-	-	(14,750,638)	0
Deposits & other assets	86,077	-	-	86,077	-	-	-	-	86,077
Investment in component units	107,500	-	-	107,500	-	-	-	(107,500)	0
Property & equipment, net	39,491,719	2,033,689	4,140,888	45,666,296	16,407	5,859,209	5,708,153	-	57,250,065
Mutual help housing units-restricted	6,306,574	-	-	6,306,574	-	-	-	-	6,306,574
<b>Total noncurrent assets</b>	<b>68,277,170</b>	<b>2,042,656</b>	<b>4,275,969</b>	<b>74,595,795</b>	<b>4,005,332</b>	<b>6,075,480</b>	<b>5,823,822</b>	<b>(14,858,138)</b>	<b>75,642,291</b>
<b>Total assets</b>	<b>74,013,628</b>	<b>2,055,199</b>	<b>4,453,706</b>	<b>80,522,533</b>	<b>9,724,804</b>	<b>6,206,330</b>	<b>5,932,687</b>	<b>(20,795,077)</b>	<b>81,591,277</b>
Deferred outflows of resources	1,457,113	-	-	1,457,113	-	-	-	-	1,457,113
<b>Total assets &amp; deferred outflows of resources</b>	<b>\$ 75,470,741</b>	<b>\$ 2,055,199</b>	<b>\$ 4,453,706</b>	<b>\$ 81,979,646</b>	<b>\$ 9,724,804</b>	<b>\$ 6,206,330</b>	<b>\$ 5,932,687</b>	<b>\$(20,795,077)</b>	<b>\$ 83,048,390</b>

See accompanying independent auditor's report and notes to the financial statements.

**Tlingit-Haida Regional Housing Authority**  
**Combining Statement of Net Position**

Year ended December 31,	2018								
	Tlingit-Haida Regional Hsg. Auth.	Yakutat Affordable Rentals, LLC	Juneau Affordable Rentals, LLC	Combined Tlingit-Haida Regional H.A.	Haa-Yakaawu Financial Corporation	Juneau Affordable Rentals 2, LLC	Ketchikan Affordable Rentals, LLC	Eliminations	Total
<b>Liabilities and net position</b>									
<b>Current liabilities</b>									
Accounts payable & accrued expense	\$ 2,064,744	\$ 24,831	\$ 8,722	\$ 2,098,297	\$ 11,411	\$ 22,949	\$ 30,431	\$ (545,057)	\$ 1,618,031
Tenant security deposits	128,542	8,500	20,000	\$ 157,042	35,008	32,000	17,000	-	\$ 241,050
Prepaid payments	36,210	1,220	-	\$ 37,430	-	-	-	-	\$ 37,430
Other current liabilities	259,988	-	-	\$ 259,988	1,946	-	2,181	-	\$ 264,115
Refundable grant advances	10,085,421	-	-	\$ 10,085,421	-	-	-	(5,391,882)	\$ 4,693,539
Loans payable-current portion	231,093	-	28,980	\$ 260,073	35,718	46,016	13,840	-	\$ 355,647
<b>Total current liabilities</b>	<b>12,805,998</b>	<b>34,551</b>	<b>57,702</b>	<b>12,898,251</b>	<b>84,083</b>	<b>100,965</b>	<b>63,452</b>	<b>(5,936,939)</b>	<b>7,209,812</b>
<b>Noncurrent liabilities</b>									
Loans payable and accrued interest of \$99,659	3,098,468	3,590,885	4,235,114	10,924,467	241,072	6,549,634	5,479,412	(14,750,638)	8,443,947
Less: unamortized discount at 5%	(205,169)	-	-	(205,169)	-	-	-	-	(205,169)
Net pension/OPEB liability	6,208,164	-	-	6,208,164	-	-	-	-	6,208,164
Homebuyer reserves	162,925	-	-	162,925	-	-	-	-	162,925
<b>Total noncurrent liabilities</b>	<b>9,264,388</b>	<b>3,590,885</b>	<b>4,235,114</b>	<b>17,090,387</b>	<b>241,072</b>	<b>6,549,634</b>	<b>5,479,412</b>	<b>(14,750,638)</b>	<b>14,609,867</b>
<b>Total liabilities</b>	<b>22,070,386</b>	<b>3,625,436</b>	<b>4,292,816</b>	<b>29,988,638</b>	<b>325,155</b>	<b>6,650,599</b>	<b>5,542,864</b>	<b>(20,687,577)</b>	<b>21,819,679</b>
Deferred inflows of resources	621,442	-	-	621,442	-	-	-	-	621,442
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>22,691,828</b>	<b>3,625,436</b>	<b>4,292,816</b>	<b>30,610,080</b>	<b>325,155</b>	<b>6,650,599</b>	<b>5,542,864</b>	<b>(20,687,577)</b>	<b>22,441,121</b>
<b>Net position</b>									
Reserved for NMH housing units	6,306,574	-	-	6,306,574	-	-	-	-	6,306,574
Net investment in capital assets	36,367,327	(1,557,196)	(123,206)	34,686,925	16,407	-	-	-	34,703,332
Nonexpendable restricted net position	-	-	-	-	-	(161,946)	-	-	(161,946)
Unrestricted	10,105,012	(13,041)	284,096	10,376,067	9,383,242	(282,323)	389,823	(107,500)	19,759,309
<b>Total net position</b>	<b>\$ 52,778,913</b>	<b>\$ (1,570,237)</b>	<b>\$ 160,890</b>	<b>\$ 51,369,566</b>	<b>\$ 9,399,649</b>	<b>\$ (444,269)</b>	<b>\$ 389,823</b>	<b>(107,500)</b>	<b>\$ 60,607,269</b>

See accompanying independent auditor's report and notes to the financial statements.

**Tlingit-Haida Regional Housing Authority**  
**Combining Statement of Revenues, Expenses & Changes in Net Position**

Year ended December 31,

2018

	Tlingit-Haida Regional Hsg. Auth.	Yakutat Affordable Rentals, LLC	Juneau Affordable Rentals, LLC	Combined Tlingit-Haida Regional H.A.	Haa-Yakaawu Financial Corporation	Juneau Affordable Rentals 2, LLC	Ketchikan Affordable Rentals, LLC	Eliminations	Total
<b>Operating revenues</b>									
Federal grants	\$ 11,514,886	\$ -	\$ -	\$ 11,514,886	\$ -	\$ -	\$ -	\$ -	\$ 11,514,886
State of Alaska grants	976,304	-	-	\$ 976,304	-	-	-	-	\$ 976,304
Other grants	13,033	-	-	\$ 13,033	-	-	-	-	\$ 13,033
Dwelling rents & administration fees	2,506,782	113,227	312,472	\$ 2,932,481	-	507,074	231,587	-	\$ 3,671,142
Sales & origination fees	-	-	-	\$ -	263,997	-	-	-	\$ 263,997
Mortgage interest revenue	-	-	-	\$ -	149,831	-	-	-	\$ 149,831
Transfers/Nahasda subsidies	254,207	275,376	44,395	\$ 573,978	-	48,075	33,823	(655,876)	\$ -
PERS on behalf	132,433	-	-	\$ 132,433	-	-	-	-	\$ 132,433
Other revenue	(376,183)	3,872	7,492	\$ (364,819)	58,620	6,310	422	503,942	\$ 204,475
<b>Total operating revenues</b>	<b>15,021,462</b>	<b>392,475</b>	<b>364,359</b>	<b>15,778,296</b>	<b>472,448</b>	<b>561,459</b>	<b>265,832</b>	<b>(151,934)</b>	<b>16,926,101</b>
<b>Operating expenses</b>									
Salaries & benefits	5,320,616	56,963	30,715	5,408,294	119,575	73,055	6,853	-	5,607,777
General and administrative	1,070,870	6,918	36,198	1,113,986	90,905	43,460	24,355	(99,738)	1,172,968
Tenant services & subsidies	1,914,928	18,260	55,321	1,988,509	(4,153)	96,448	18,026	(655,876)	1,442,954
Utilities	1,334,367	97,553	47,738	1,479,658	-	101,921	6,419	-	1,587,998
Maintenance	284,902	72,182	85,175	442,259	29,197	66,908	40,923	-	579,287
Insurance	302,621	8,100	7,722	318,443	3,678	12,038	12,278	-	346,437
Legal and accounting	151,809	1,413	24,466	177,688	-	11,538	11,314	-	200,540
Travel and training	524,621	11,859	-	536,480	249	2,438	300	-	539,467
Bad debts	44,305	4,640	14,532	63,477	18	12,559	(1,380)	-	74,674
Rehabilitation/modernization	844,292	15,523	-	859,815	-	-	-	-	859,815
Other operating expenses	1,929,210	-	-	1,929,210	-	3,485	203	-	1,932,898
Depreciation	2,187,239	87,626	111,370	2,386,235	3,188	289,764	325,581	-	3,004,768
<b>Total operating expenses</b>	<b>15,909,780</b>	<b>381,037</b>	<b>413,237</b>	<b>16,704,054</b>	<b>242,657</b>	<b>713,614</b>	<b>444,872</b>	<b>(755,614)</b>	<b>17,349,583</b>
<b>Operating income (loss)</b>	<b>(888,318)</b>	<b>11,438</b>	<b>(48,878)</b>	<b>(925,758)</b>	<b>229,791</b>	<b>(152,155)</b>	<b>(179,040)</b>	<b>603,680</b>	<b>(423,482)</b>

See accompanying independent auditor's report and notes to the financial statements.

**Tlingit-Haida Regional Housing Authority**  
**Combining Statement of Revenues, Expenses & Changes in Net Position**

Year ended December 31,

2018

	Tlingit-Haida Regional Hsg. Auth.	Yakutat Affordable Rentals, LLC	Juneau Affordable Rentals, LLC	Combined Tlingit-Haida Regional H.A.	Haa-Yakaawu Financial Corporation	Juneau Affordable Rentals 2, LLC	Ketchikan Affordable Rentals, LLC	Eliminations	Total
<b>Nonoperating revenue (expenses)</b>									
Interest income	470,385	3	33	470,421	4	164	32	(434,239)	36,382
Interest expense	(194,359)	(122,699)	(259,013)	(576,071)		(268,830)	(61,085)	434,239	(471,747)
Gain (loss) on sale of property	(132,854)	-	-	(132,854)	-	-	-	-	(132,854)
Proceeds from sale of NMH units	124,965	-	-	124,965	-	-	-	-	124,965
Cost of units conveyed	(1,621,094)	-	-	(1,621,094)	-	-	-	-	(1,621,094)
Forgiveness of indebtedness	-	-	-	-	(17,855)	-	-	-	(17,855)
Prior year adjustments	(713,662)	-	-	(713,662)	-	-	-	-	(713,662)
Other non-operating	-	-	-	-	-	-	-	-	-
<b>Total non-operating revenue (expenses)</b>	<b>(2,066,619)</b>	<b>(122,696)</b>	<b>(258,980)</b>	<b>(2,448,295)</b>	<b>(17,851)</b>	<b>(268,666)</b>	<b>(61,053)</b>	<b>-</b>	<b>(2,795,865)</b>
<b>Change in net position</b>	<b>(2,954,937)</b>	<b>(111,258)</b>	<b>(307,858)</b>	<b>(3,374,053)</b>	<b>211,940</b>	<b>(420,821)</b>	<b>(240,093)</b>	<b>603,680</b>	<b>(3,219,347)</b>
Net position, beginning of year	55,733,850	(1,458,978)	168,748	54,443,620	9,187,709	(23,448)	629,916	(548,931)	63,688,866
Change from equity method for JAR 1	-	-	-	-	-	-	-	137,750	137,750
Capital contributions during year	-	-	300,000	300,000	-	-	-	(300,000)	-
<b>Net position, end of year</b>	<b>\$ 52,778,913</b>	<b>\$ (1,570,236)</b>	<b>\$ 160,890</b>	<b>\$ 51,369,567</b>	<b>\$ 9,399,649</b>	<b>\$ (444,269)</b>	<b>\$ 389,823</b>	<b>\$ (107,501)</b>	<b>\$ 60,607,269</b>

**Tlingit-Haida Regional Housing Authority**  
**Combining Statement of Cash Flows**

<i>Year ended December 31,</i>									<b>2018</b>
	Tlingit-Haida Regional Hsg. Auth.	Yakutat Affordable Rentals, LLC	Juneau Affordable Rentals, LLC	Combined Tlingit-Haida Regional H.A.	Haa-Yakaawu Financial Corporation	Juneau Affordable Rentals 2, LLC	Ketchikan Affordable Rentals, LLC	Eliminations	Total
<b>Cash flows from operating activities</b>									
Cash received from tenants/other	\$ 2,526,979	\$ (148,664)	\$ 317,650	\$ 2,695,965	\$ 613,340	\$ 493,703	\$ 230,154		\$ 4,033,162
Cash received from grants	11,274,331	275,376	54,702	\$ 11,604,409	-	48,075	37,174	(415,327)	11,274,331
Cash paid to employees	(5,945,674)	(56,961)	(30,715)	\$ (6,033,350)	(119,573)	(73,055)	(6,853)	-	(6,232,832)
Cash paid to supplier & vendors	(7,300,493)	(234,534)	(274,063)	\$ (7,809,090)	(210,926)	(212,266)	(104,794)	415,327	(7,921,749)
<b>Net cash provided (used in) operating activities</b>	<b>555,143</b>	<b>(164,783)</b>	<b>67,574</b>	<b>457,934</b>	<b>282,840</b>	<b>256,457</b>	<b>155,681</b>	<b>-</b>	<b>1,152,913</b>
<b>Cash flows from noncapital financing activities</b>									
Payment of interest	-	-		\$ -	-	-	-	-	-
Additions to restricted cash	1,054,858	(3)	(13,234)	\$ 1,041,621	(9,518)	(28,354)	38	-	1,003,787
Issuance (repayment) of loans	-	-		\$ -	16,508	-	-	-	16,508
<b>Net cash provided (used in) noncapital financing activities</b>	<b>1,054,858</b>	<b>(3)</b>	<b>(13,234)</b>	<b>1,041,621</b>	<b>6,991</b>	<b>(28,354)</b>	<b>38</b>	<b>-</b>	<b>1,020,296</b>
<b>Cash flows from investing activities</b>									
Interest received	36,146	3	33	\$ 36,182	4	164	32		36,382
Purchases of investments	169,628	-	-	\$ 169,628	-	-	-	-	169,628
Proceeds from partnership investment	-	-		\$ -	-	-	-	-	-
Sales of investments	-	-		\$ -	-	-	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>205,774</b>	<b>3</b>	<b>33</b>	<b>205,810</b>	<b>4</b>	<b>164</b>	<b>32</b>	<b>-</b>	<b>206,010</b>
<b>Cash flows from capital &amp; related financing activities</b>									
Additions to property & equipment	(1,479,643)	(94,664)	-	\$ (1,574,307)	-	-	-	-	(1,574,307)
Proceeds from issuance of debt	-	-	77,268	\$ 77,268	-	-	-	-	77,268
Additions to notes receivable	3	-	-	\$ 3	-	-	-	-	3
Proceeds from investment by partners	-	-	-	\$ -	-	-	-	-	-
Principal repayments	(140,630)	290,719	(28,980)	\$ 121,109	-	(46,016)	(66,338)	-	8,755
Interest paid	(194,359)	-	(54,289)	\$ (248,648)	-	(141,534)	(62,637)	-	(452,819)
Additions in homebuyers equity accounts	40,668	-	-	\$ 40,668	-	-	-	-	40,668
Proceeds from sales of units	-	-	-	\$ -	-	-	-	-	-
<b>Net cash provided by (used in) capital &amp; related financing activities</b>	<b>(1,773,961)</b>	<b>196,055</b>	<b>(6,001)</b>	<b>(1,583,907)</b>	<b>-</b>	<b>(187,550)</b>	<b>(128,975)</b>	<b>-</b>	<b>(1,900,432)</b>
<b>Increase (decrease) in cash &amp; cash equivalents</b>	<b>41,814</b>	<b>31,272</b>	<b>48,372</b>	<b>121,458</b>	<b>289,835</b>	<b>40,717</b>	<b>26,776</b>	<b>-</b>	<b>478,786</b>
Cash & cash equivalents, beginning of year	576,856	9,992	118,923	\$ 705,771	2,424,600	66,589	75,678	-	\$ 3,272,638

See accompanying independent auditor's report and notes to the financial statements.

**Tlingit-Haida Regional Housing Authority**  
**Combining Statement of Cash Flows**

<i>Year ended December 31,</i>	<b>2018</b>								
	Tlingit-Haida Regional Hsg. Auth.	Yakutat Affordable Rentals, LLC	Juneau Affordable Rentals, LLC	Combined Tlingit-Haida Regional H.A.	Haa-Yakaawu Financial Corporation	Juneau Affordable Rentals 2, LLC	Ketchikan Affordable Rentals, LLC	Eliminations	Total
<b>Cash &amp; cash equivalents, end of year</b>	\$ 618,670	\$ 41,264	\$ 167,295	\$ 827,229	\$ 2,714,435	\$ 107,306	\$ 102,454	\$ -	\$ 3,751,424
<b>Reconciliation of operating income to net cash provided by operating activities</b>									
Operating income	(888,318)	11,438	(48,878)	\$ (925,758)	229,791	(152,155)	(179,040)	603,680	\$ (423,482)
<b>Adjustments to reconcile operating income to net cash provided by (used in) operating activities:</b>									
Depreciation expense	2,187,239	87,626	111,370	\$ 2,386,235	3,188	289,764	325,581	-	3,004,768
PERS pension expense adjustment	(335,932)	-	-	\$ (335,932)	-	-	-	-	(335,932)
Bad debts	44,305	4,640	-	\$ 48,945	18	12,559	-	-	61,522
<b>(Increase) decrease in assets</b>									
Increase in tenant receivables	22,443	(2,530)	6,453	\$ 26,366	-	(14,215)	3,799	-	15,950
Increase in grants receivable	(707,325)	-	-	\$ (707,325)	-	-	-	-	(707,325)
Increase in other receivables	58,309	(262,197)	891	\$ (202,997)	(88,103)	(2,452)	(3,003)	-	(296,555)
Increase in interfund receivables	-	-	-	\$ -	12,208	113,984	-	-	126,192
Increase in other assets	(247,748)	2,340	7,722	\$ (237,686)	(2,476)	12,038	12,278	-	(215,846)
Increase in mortgages & loans receiv.	(64)	-	-	\$ (64)	136,874	-	-	-	136,810
<b>Increase (decrease) in liabilities</b>									
Accounts payable & accrued expenses	843,271	(5,002)	(10,634)	\$ 827,635	(12,679)	2,398	(3,254)	(603,680)	210,421
Prepaid rents	(2,084)	(2,316)	(1,350)	\$ (5,750)	-	(5,216)	(429)	-	(11,395)
Security deposits	1,675	1,220	2,000	\$ 4,895	-	(250)	(250)	-	4,395
Refundable advances/other	(420,628)	(2)	-	\$ (420,630)	4,019	2	(1)	1	(416,609)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 555,143</b>	<b>\$ (164,783)</b>	<b>\$ 67,574</b>	<b>\$ 457,934</b>	<b>\$ 282,840</b>	<b>\$ 256,457</b>	<b>\$ 155,681</b>	<b>\$ 1</b>	<b>\$ 1,152,913</b>

See accompanying independent auditor's report and notes to the financial statements.

**Other Reports & Information  
Responsive to the Federal  
Single Audit Act**





## Tlingit-Haida Regional Housing Authority Schedule of Expenditures of Federal Awards

Year ended December 31,

	2018						
Federal Grantor Program Title	Federal CFDA Number	Grant Number	Grant Award Amount	Cumulative Expenditures 12/31/17	Current Year Expenditures	Cumulative Expenditures 12/31/18	Grant Balance 12/31/18
<b>U.S. Department of Housing &amp; Urban Development</b>							
<i>Direct Programs:</i>							
# Indian Housing Block Grants	14.867	55IH0216230	15,066,294	2,899,343	9,188,571	12,087,914	2,978,380
Veteran Affairs Supportive Housing	14.871	15HV0216230	497,076	12,118	154,938	167,056	330,020
Healthy Homes	14.913	92-0044273	1,000,000	0	14,901	14,901	985,099
<b>Total direct HUD</b>			<b>16,563,370</b>	<b>2,911,461</b>	<b>9,358,410</b>	<b>12,269,871</b>	<b>4,293,499</b>
<i>Pass thru Programs:</i>							
ROSS (CCTHITA passthru)	14.870	AK004A013	246,000	230,842	15,158	246,000	0
ICDBG KIW (passthru)	14.862	B17SR020836	600,000	2,981	49,508	52,489	547,511
ICDBG KAE (passthru)	14.862	B17SR020746	600,000	2,072	55,576	57,648	542,352
ICDBG Wrg (passthru)	14.862	B17SR021772	600,000	2,611	29,650	32,261	567,739
ICDBG Petersburg (passthru)	14.862	B16SR021244	600,000	209,499	270,695	480,194	119,806
ICDBG Saxman (passthru)	14.862	B16SR021406	600,000	411,796	60,142	471,938	128,062
ICDBG Angoon (passthru)	14.862	B15SR000092	600,000	370,004	148,339	518,343	81,657
ICDBG Kake (passthru)	14.862	B15SR020092	600,000	337,513	258,934	596,447	3,553
ICDBG Yakutat (passthru)	14.862	B15MR021778	300,000	204,679	90,146	294,825	5,175
Healthy Homes Kake (passthru)	14.913	92-0074844	1,000,000	0	15,628	15,628	984,372
<b>Total U.S. Dept. of HUD</b>			<b>22,309,370</b>	<b>4,683,458</b>	<b>10,352,186</b>	<b>15,035,644</b>	<b>7,273,726</b>
<b>U.S. Department of Health &amp; Human Services</b>							
<i>Direct Programs</i>							
LIHEAP grant 18	93.568	G-184VCAKLIEA	841,308	41,674	799,634	841,308	0
LIHEAP grant 19	93.568	G-194VCAKLIEA	844,344	0	293,016	293,016	551,328
LIHEAP grant 17	93.568	G-17-VCAKLIEA	784,256	760,326	23,930	784,256	0
<b>Total U.S. Dept. of HHS</b>			<b>2,469,908</b>	<b>802,000</b>	<b>1,116,580</b>	<b>1,918,580</b>	<b>551,328</b>
<b>U.S. Department of Agriculture</b>							
RUS Grant (HEC Super WX)	10.859	AK54A84THRHA	1,000,000	1,000,000	0	1,000,000	0
USDA RD HPG HNS	10.433	60-024-920044273	49,850	0	99	99	49,751
USDA RD Saxman Sr Apts	10.433	60-024-920044273	46,021	0	46,021	46,021	0
<b>Total U.S. Dept. of Agriculture</b>			<b>1,095,871</b>	<b>1,000,000</b>	<b>46,120</b>	<b>1,046,120</b>	<b>49,751</b>
<b>Total Federal Assistance</b>			<b>\$ 25,875,149</b>	<b>\$ 6,485,458</b>	<b>\$ 11,514,886</b>	<b>\$ 18,000,344</b>	<b>\$ 7,874,805</b>

# Denotes a major program for compliance audit purposes.  
This schedule was prepared on the accrual basis of accounting.

**Tlingit-Haida Regional Housing Authority**  
**Notes to the Schedule of Expenditures of Federal Awards**  
*Year Ending December 31, 2018*

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- 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Housing Authority under programs of the federal government for the year ended December 31, 2018.

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 the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net positions, or cash flows of the Housing Authority.
  
- 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 cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in normal course of business to amounts reported as expenditures in prior years.
  
- 3. Indirect Cost Rate**

The Housing Authority elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

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Board of Commissioners  
Tlingit-Haida Regional Housing Authority  
Juneau, Alaska

We have audited, 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 Tlingit-Haida Regional Housing Authority, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Tlingit-Haida Regional Housing Authority's basic financial statements and have issued our report thereon dated September 26, 2019.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Tlingit-Haida Regional Housing Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tlingit-Haida Regional Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tlingit-Haida Regional Housing Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, 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 Tlingit-Haida Regional Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

*Barlow, Camara & Rowland*

September 26, 2019



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

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Board of Commissioners  
Tlingit-Haida Regional Housing Authority  
Juneau, Alaska

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

We have audited the Tlingit-Haida Regional Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tlingit-Haida Regional Housing Authority's major federal programs for the year ended December 31, 2018. The Tlingit-Haida Regional Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Tlingit-Haida Regional Housing 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 Tlingit-Haida Regional Housing 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 Tlingit-Haida Regional Housing Authority's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Tlingit-Haida Regional Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

### **Report on Internal Control Over Compliance**

Management of the Tlingit-Haida Regional Housing 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, we considered the Tlingit-Haida Regional Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Tlingit-Haida Regional Housing 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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Barlow, Camara & Rowland***

September 26, 2019

**Tlingit-Haida Regional Housing Authority**  
**Summary Schedule of Prior Audit Findings**  
*Year Ended December 31, 2018*

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There were no prior audit findings.

# Tlingit-Haida Regional Housing Authority

## Schedule of Findings & Questioned Costs

Year Ended December 31, 2018

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### SECTION I—SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- |  |                              |   |
|--|------------------------------|---|
| Any material weakness(s) identified?   | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no            |
| Any significant deficiency(s) identified not considered to be material weaknesses? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> none reported |
| Any noncompliance material to financial statements noted?                          | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no            |

**Federal Awards**

Internal Control over major programs:

- |  |                              |   |
|--|------------------------------|---|
| Any material weakness(s) identified?   | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no            |
| Any significant deficiency(s) identified not considered to be material weaknesses? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> none reported |

Type of auditor's report issued on compliance for major programs: *Unmodified*

- |   |                              |  |
|---|------------------------------|--|
| Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section .200.516(a)? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |
|---|------------------------------|--|

Identification of major programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program(s) or Cluster</b>
14.867	Indian Housing Block Grants

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no
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### SECTION II - FINANCIAL STATEMENT FINDINGS

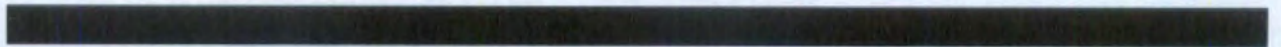
None

### SECTION III – FEDERAL AWARDS FINDINGS

None



**Other Reports & Information  
Responsive to the State of  
Alaska Single Audit Act**



## Tlingit-Haida Regional Housing Authority Schedule of State Financial Assistance

Year ended December 31,

State Grantor Program Title	Grant Number	Grant Award Amount	Cumulative Expenditures 12/31/17	Current Year Expenditures	Cumulative Expenditures 12/31/18	2018 Grant Balance 12/31/18
<b>Alaska Housing Finance Corp.</b>						
Supplemental Phase II Construction	SUP-17-THR-1	125,000	30	0	30	124,970
Supplemental Mold Projects	SUP-16-THR-2	222,940	209,291	13,649	222,940	0
Supplemental Craig Tract 18	SUP-15-THR-1	125,000	65,758	0	65,758	59,242
# Supplemental CAS	SUP-16-THR-2	385,165	124,698	192,069	316,767	68,398
# Lyman Weatherization	WAP-16-THR-1	631,300	386,818	104,654	491,472	139,828
Supplemental Energy Efficiency	SUP-18-THR-1	300,000	74	32,035	32,109	267,891
# AHFC Teacher Housing	Kasaan	372,500	0	131,667	131,667	240,833
Supplemental Kasaan/Yakutat	SUP-18-THR-2	96,309	0	0	0	96,309
<b>Total AHFC</b>		<b>2,258,214</b>	<b>786,669</b>	<b>474,074</b>	<b>1,260,743</b>	<b>997,471</b>
<b>Department of Labor &amp; Workforce Dev.</b>						
Step Training Grant		40,000	0	1,977	1,977	38,023
Step Training Grant	Step-18-333	75,374	64,805	10,569	75,374	0
<b>Total Dept. Labor &amp; Workforce Dev.</b>		<b>115,374</b>	<b>64,805</b>	<b>12,546</b>	<b>77,351</b>	<b>38,023</b>
<b>Department of Commerce, Community &amp; Econ. Development</b>						
# Designative Legislative Grant	13-DC-389	500,000	185,629	278,905	464,534	35,466
<b>Total AK DCCED</b>		<b>500,000</b>	<b>185,629</b>	<b>278,905</b>	<b>464,534</b>	<b>35,466</b>
<b>Alaska Energy Authority</b>						
# Angoon District Heating	7081113	240,592	29,813	210,779	240,592	0
<b>Total Alaska Energy Authority</b>		<b>240,592</b>	<b>29,813</b>	<b>210,779</b>	<b>240,592</b>	<b>0</b>
<b>Department of Administration Division of Retirement and Benefits</b>						
# PERS on-behalf	Unknown	132,433	0	132,433	132,433	0
<b>Total Department of Administration</b>		<b>132,433</b>	<b>0</b>	<b>132,433</b>	<b>132,433</b>	<b>0</b>
<b>Total State of Alaska Assistance</b>		<b>\$ 3,246,613</b>	<b>\$ 1,066,916</b>	<b>\$ 1,108,737</b>	<b>\$ 2,175,653</b>	<b>\$ 1,070,960</b>

# Denotes a major program for compliance audit purposes.  
This schedule was prepared on the accrual basis of accounting.



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### **REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE OF ALASKA AUDIT GUIDE AND COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS**

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#### **INDEPENDENT AUDITORS REPORT**

Board of Commissioners  
Tlingit-Haida Regional Housing Authority  
Juneau, Alaska

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

We have audited the Tlingit-Haida Regional Housing Authority's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Tlingit-Haida Regional Housing Authority's major state programs for the year ended December 31, 2018. The Tlingit-Haida Regional Housing Authority's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state financial assistance.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Tlingit-Haida Regional Housing Authority's major state 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 *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* 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 state program occurred. An audit includes examining, on a test basis, evidence about the Tlingit-Haida Regional Housing 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 state program. However, our audit does not provide a legal determination of the Tlingit-Haida Regional Housing Authority's compliance.

#### **Opinion on Each Major State Program**

In our opinion, the Tlingit-Haida Regional Housing 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 state programs for the year ended December 31, 2018.

#### **Report on Internal Control Over Compliance**

Management of the Tlingit-Haida Regional Housing 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, we considered the Tlingit-Haida Regional Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, 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 Tlingit-Haida Regional Housing 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 state 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 state 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 state 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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of State Financial Assistance required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits**

We have audited the financial statements of the Tlingit-Haida Regional Housing Authority as of and for the year ended December 31, 2018 and have issued our report thereon dated September 26, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The

accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*Barlow, Camara & Rowland*

September 26, 2019

**Tlingit-Haida Regional Housing Authority**  
**Summary Schedule of Prior State Single Audit Findings**  
*Year Ended December 31, 2018*

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There were no prior audit findings.

**Tlingit-Haida Regional Housing Authority**  
**Schedule of State Single Audit Findings & Questioned Costs**  
*Year Ended December 31, 2018*

---

**SECTION I—SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- |  |                              |   |
|--|------------------------------|---|
| Any material weakness(s) identified?   | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no            |
| Any significant deficiency(s) identified not considered to be material weaknesses? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> none reported |
| Any noncompliance material to financial statements noted?                          | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no            |

**State Financial Assistance**

Internal Control over major programs:

- |  |                              |   |
|--|------------------------------|---|
| Any material weakness(s) identified?   | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no            |
| Any significant deficiency(s) identified not considered to be material weaknesses? | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> none reported |

Type of auditor's report issued on compliance for major programs: *Unmodified*

Dollar threshold used to distinguish a state major program,: \$75,000

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – STATE AWARDS FINDINGS**

None