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AN EQUAL OPPORTUNITY EMPLOYER

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May 21, 2013

Board of Directors
Bloomfield Housing Authority
100 W. Main, Box 801
Bloomfield, IN 47424

We have reviewed the audit report prepared by Jean Sickels, CPA, Independent Public Accountant, for the period January 1, 2010 to December 31, 2010. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountant's opinion, the financial statements included in the report present fairly the financial condition of the Bloomfield Housing Authority, as of December 31, 2010 and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountant's report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

BLOOMFIELD HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

Bloomfield, Indiana

December 31, 2010

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120
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BLOOMFIELD
HOUSING AUTHORITY

Bloomfield, Indiana
December 31, 2010

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Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Bloomfield Housing Authority
100 W Main, PO Box 801
Bloomfield, IN

I have audited the accompanying financial statements of the Bloomfield Housing Authority ("the Authority") as of and for the year ended December 31, 2010 as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bloomfield Housing Authority as of December 31, 2010, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 18, 2011 on my consideration of the Bloomfield Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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*, and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis on pages i through vii is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements of the Bloomfield Housing Authority. The accompanying Financial Data Schedule and the other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Certified Public Accountant

Fredericksburg, Indiana
August 18, 2011

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2010

Management's Discussion and Analysis

As management of the Housing Authority of the City of Bloomfield, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the City of Bloomfield.

Overview of the Financial Statements

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity. The following statements are included:

- Statement of Net Assets – reports the Authority's current financial resources (short term spendable resources) with capital assets and long-term debt obligations.
- Statement of Revenues, Expenses, and Changes in Fund Net Assets reports the Authority's operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows – reports the Authority's cash flows from operating, investing, capital and non-capital activities.
- Comparison of budget vs. actual – reports the Authority's actual operating revenues and expenses versus the budgeted amounts.

Our analysis of the Authority as a whole begins on the next page. The most important question asked about the Authorities finances is "Is the Authority as a whole better or worse off as a result of the year's activities?"

The attached analysis of entity wide net assets, revenues, and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting.

Accrual accounting is similar to the accounting used by most private sector companies. Accrual accounting recognizes revenues and expenses when earned regardless of when cash is received or paid.

Our analysis also presents the Authority's net assets and changes in them. One can think of the Authority's net assets as the difference between what the Authority own's (assets) to what the Authority owes (liabilities). The change in net assets analysis will assist the reader with measuring the health or financial position of the Authority.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2010
(Continued)

Over time, significant changes in the Authorities net assets are an indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any Authority the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, HUD mandated program administrative changes, and the physical condition of the Authorities capital assets.

To fully understand the financial statements of the Housing Authority, one must start with an understanding of what the Authority actual does. The following is a brief description of the programs and services that the Authority provides for the residents of Bloomfield:

Low Income Public Housing (LIPH)

The Housing Authority owns 92 units at 2 sites in Bloomfield. The Authority is responsible for the management, maintenance and utilities for all units and sites. On an annual basis, the Authority submits a request for funding known as the Calculation of Operating Fund Subsidy. The basic concept of the Calculation of Operating Subsidy is that the Authority has an Allowable Expense Level, Allowable Utilities Expense Level and Audit Costs and that HUD will fund the difference between the Allowable Expenses and the amount of rents that the Authority can charge the Authority's tenants.

Section 8 Housing Choice Vouchers (Section 8 Vouchers)

HUD has contracted with the Housing Authority support for 50 Housing Choice Vouchers. The Authority pays Housing Assistance Payments to Landlords for Low Income tenants. The Housing Assistance Payment matches the difference between the total rent that the Landlord can charge, at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay. For each unit that the Authority administers, HUD pays the Authority an administrative fee. The Housing Authority is not responsible for the upkeep and maintenance of the units and properties associated with this program.

Capital Fund/Competitive Capital Fund Grant (CFP/CFRG)

These grant programs are awarded by HUD on an annual basis. The purpose of these grants is to improvement the Authority's sites and the management of the Authority. The Authority requisitions funds from HUD as the Authority expends funds. The Authority is permitted four years to full expend an annual award.

Future Events (New Business)

There are no future events planned by the Authority during the fiscal year ending December 31, 2010 that will significantly affect the Authority's Net Assets either positively or negatively.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2010
(Continued)

Condensed Comparative Financial Statements

Analysis of Entity Wide Net Assets (Statement of Net Assets)

Total Assets for FYE 2010 was \$1,923,475 and at FYE 2009 the amount was \$2,065,962. This represents a net decrease of \$142,487.

Current Assets increased by \$6,058. Cash increased because the Authority drew down funds from Capital Fund Program not expended yet.

Other Current Assets decreased by \$67,491. The Authority decreased the amount of payable due to the Capital fund program.

Capital Assets decreased by \$148,545. The change in Capital Assets will be presented in the section of this analysis entitled Analysis of Capital Assets.

Current Liabilities increased by \$7,773. The major cause of this was an increase in the current portion of compensated absences and payment in lieu of taxes.

The table on the below illustrates our analysis:

	Net Assets			% of
	March 31,			
	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>Change</u>
Current Assets	\$240,364	\$234,306	\$6,058	2.0%
Capital Assets, Net	1,683,111	1,831,656	(148,545)	(8.1)%
Total Assets	<u>\$1,923,475</u>	<u>\$2,065,962</u>	<u>\$(142,487)</u>	<u>(6.9)%</u>
Current Liabilities	\$65,139	\$70,612	\$(5,473)	(8.1)%
Total Liabilities	<u>65,139</u>	<u>70,612</u>	<u>(5,473)</u>	<u>(8.1)%</u>
Net Assets:				
Unrestricted Net Assets	107,502	105,078	2,424	2.0%
Restricted Net Assets	67,723	58,616	9,107	16.0%
Net Invested in Capital Assets	1,683,111	1,831,656	(148,545)	(8.1)%
Total Net Assets	<u>\$1,923,475</u>	<u>\$2,065,962</u>	<u>\$(142,487)</u>	<u>9.90%</u>

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2010
(Continued)

Analysis of Entity Wide Revenues (Statement of Activities)

The Authority administers the following programs and the revenues generated from these programs during Fiscal Year Ending 2010 were as follows:

<u>Program</u>	<u>Revenues Generated</u>
Low Income Public Housing	\$413,637
Section 8 Vouchers	\$152,281
Capital Fund/Competitive Capital Fund Grant Program	\$150,078

Total revenues for Fiscal Year Ending December 31, 2010 were \$715,996 as compared to the total revenues for Fiscal Year Ending December 31, 2009 of \$681,599. Comparatively, Fiscal Year Ending 2010 revenues increased from Fiscal Year Ending 2009 revenues by \$34,397.

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>% of Change</u>
Total Tenant Revenue	\$248,985	\$229,066	\$19,919	9%
HUD Operating Grants	444,407	512,009	(67,602)	(13)%
Investment Income	656	945	(289)	(31)%
Other Income	21,948	22,531	(583)	(3)%
Total Revenue	<u>\$715,996</u>	<u>\$764,551</u>	<u>(\$48,555)</u>	<u>(6)%</u>

Analysis of Entity Wide Expenditures

Total Expenditures for Fiscal Year Ending December 31, 2010 were \$853,010 as compared to \$882,261 of total expenditures for Fiscal Year Ending December 31, 2009. Comparatively, Fiscal Year Ending 2010 expenditures decreased from Fiscal Year Ending 2009 expenditures by \$29,251. Changes by major expense category will be presented below.

Administrative expenditures increased by \$6,738 or 3%. The major cause for this increase is the Authority portion of health insurance increased.

Tenant Services expenditures increased by \$3,182 or 114%.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2010
(Continued)

Utilities decreased by \$9,442 or 8%. Electric costs increased by \$4,131 and gas decreased by \$12,295, water and sewer decreased by \$1,278.

Maintenance expenditures decreased by \$30,932 or 20%. The major cause for this decrease is the Authority used capital funds for contracted maintenance.

Extraordinary Maintenance decreased by \$0. The Authority used capital fund money for major projects.

Housing Assistance Payments decreased by \$6,187 or 4%. Leased units for the Voucher Program decreased by 58 units from fiscal year 2009.

The table on the below illustrates our analysis:

Administrative	\$197,656	\$190,918	\$6,738	3%
Tenant Services	3,694	512	3,182	114%
Utilities	104,412	113,854	(9,442)	8%
Maintenance	117,685	148,617	(30,932)	20%
General Expenses	43,936	37,786	6,150	(5)%
Housing Assistance Payments	125,722	131,909	(6,187)	4%
Depreciation	259,905	258,665	1,240	1%
Total Expenses	\$853,010	\$882,261	(\$29,253)	3%

Budgetary Analysis

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public housing is adopted on the basis of accounting prescribed by the Housing and Urban Development, which differs in some respects from generally accepted accounting principles. Program budgets for the Section 8 Programs are approved by the U.S. Department of Housing and Urban Development.

The Authority prepares a budget for each fiscal year of Capital Fund Grant Program that is approved. The Authority is permitted four years to expended these funds. Income is only recognized as funds are expended. For the purposes of this analysis, the amount budgeted is equal to the actual expense.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2010
(Continued)

Housing Authority Budgetary Highlights

Results of Operations

Management prepared a budget that anticipated a gain of \$61,387. Actual results of operation reflected a loss of \$137,014.

Tenant Rental Revenues was over budget by \$10,901 or 5%. Units leased for the Public Housing Program increased by 5%. This is lower than what was projected in the Operating Budget.

HUD Operating Grants were over budget by \$22,212.

Other Income was over budget by \$7,221 or 30%.

Administrative Expenses were over budget by \$10,719 or 6%.

Utilities were over budget by \$12,552 or 11%. The cost of electricity was more than budgeted.

Housing Assistance Payments were under by \$13,054 versus what the HA received for these for these payments from HUD. The Authority anticipated an increase in leasing over last year but leasing decreased from last year.

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>	<u>% of Difference</u>
HUD Operating Grants	\$346,209	\$333,049	\$13,160	9%
HUD Capital Grants	111,358	111,358	0	(13)%
Investment Income	1,059	656	403	(31)%
Other Income	9,336	21,948	(12,612)	(3)%
Rental Income	242,251	248,985	(6,734)	
Total Revenue	<u>710,213</u>	<u>715,996</u>	<u>(5,783)</u>	<u>(6)%</u>
Administrative	188,970	197,656	(8,686)	3%
Tenant Services	4,000	3,964	306	114%
Utilities	108,800	104,412	4,388	8%
Maintenance	97,733	117,685	(19,952)	20%
General Expenses	37,854	43,936	(6,082)	(14)%
Housing Assistance Payments	125,722	125,722	0	4%
Depreciation	259,905	259,905	0	1%
Total Expenses	<u>822,984</u>	<u>853,010</u>	<u>(30,026)</u>	<u>3%</u>
Net Income/(Loss)	<u>(\$112,771)</u>	<u>(\$137,014)</u>	<u>(\$24,243)</u>	<u>(18)%</u>

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDING DECEMBER 31, 2010
(Continued)

ANALYSIS OF CAPITAL ASSET ACTIVITY

Buildings & Leasehold Improvements increased \$158,896 or 9.5%.

Furniture, Equipment & Machinery – Dwelling increased by a net amount \$44,404 or 45.2%.

Furniture, Equipment & Machinery – Administration increased by a net amount \$9,179 or 5.4%.

Accumulated Depreciation increased by \$259,905 or 8.3%. This is the amount of current year depreciation expense.

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>% of Change</u>
Land	\$147,934	\$147,934	\$0	0%
Buildings	1,544,777	1,429,977	114,800	8%
Furniture & Equipment - Dwell	142,567	98,163	44,404	45.2%
Furniture & Equipment - Admin	179,836	170,657	9,179	5.4%
Leasehold Improvements	3,046,539	3,002,443	44,096	1.5%
Construction in Progress	1,322	102,441	(101,119)	-98.7%
Total Capital Assets	5,062,975	4,951,615	111,360	2.2%
Accumulated Depreciation	(3,379,864)	(3,119,959)	(259,905)	8.3%
Net Capital Assets	<u>\$1,683,111</u>	<u>\$1,831,656</u>	<u>(\$148,545)</u>	<u>-8.1%</u>

FINANCIAL STATEMENTS

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

BALANCE SHEET
DECEMBER 31, 2010

ASSETS

Current Assets

Cash	\$	128,692
Restricted cash and cash equivalents		86,048
Accounts receivable, net		2,016
Prepaid expenses		21,231
Inventory		2,377
Current Assets		<u>240,364</u>

Capital Assets

Land and other nondepreciable assets		149,256
Depreciable capital assets, net		1,533,855
Total Capital Assets		<u>1,683,111</u>

TOTAL ASSETS **\$ 1,923,475**

LIABILITIES AND EQUITY

Current liabilities

Accounts payable	\$	31,132
Accrued liabilities		19,839
Deferred revenue		14,168
Current liabilities		<u>65,139</u>

Total Liabilities **65,139**

NET ASSETS

Unrestricted assets		107,502
Restricted assets		67,723
Invested in capital assets		1,683,111
Total Net Assets	\$	<u><u>1,858,336</u></u>

The accompanying notes are an integral part of these financial statements.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF INCOME, EXPENSES, AND CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

OPERATING REVENUES

Rental income	\$ 248,985
Other income	21,948

TOTAL OPERATING REVENUE	270,933
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OPERATING EXPENSES

Administrative	197,656
Tenant services	3,694
Utilities	104,412
Ordinary maintenance and operation	117,685
General expense	43,936
Housing assistance payments	125,722
Depreciation expense	259,905

TOTAL OPERATING EXPENSES	853,010
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OPERATING INCOME (LOSS)	(582,077)
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NONOPERATING REVENUES (EXPENSES)

Federal operating grants	333,049
Interest income	656

TOTAL NONOPERATING REVENUES (EXPENSES)	333,705
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CAPITAL CONTRIBUTIONS	111,358
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CHANGE IN NET ASSETS	(137,014)
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TOTAL NET ASSETS - BEGINNING OF YEAR	1,995,350
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TOTAL NET ASSETS - END OF YEAR	\$ 1,858,336
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The accompanying notes are an integral part of these financial statements.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants and other deposits	\$	279,686
Payments to vendors		(315,186)
Payments to landlords		(125,722)
Payments to employees		(158,510)
Net Cash Used by Operating Activities		<u>(319,732)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal operating grants received		333,049
Net Cash Flows Provided		<u>333,049</u>
by Noncapital Financing Activities		<u>333,049</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital grants received		111,358
Acquisition and construction of capital assets		(111,360)
Net Cash Flows Provided (Used)		<u>(2)</u>
by Capital and Related Financing Activities		<u>(2)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income		656
Net Cash Provided by Investing Activities		<u>656</u>

Net Increase (Decrease) in Cash and Cash Equivalents		13,971
Cash - Beginning of year		<u>200,769</u>
Cash - End of year	\$	<u><u>214,740</u></u>
Reconciliation of Cash		
Unrestricted	\$	128,692
Restricted		86,048
Total Cash and Cash Equivalents	\$	<u><u>214,740</u></u>

Continued

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010
(CONTINUED)

RECONCILIATION OF OPERATING (LOSS) TO
NET CASH USED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(582,077)
Adjustments to reconcile net operating income to net cash Provided by operating activities:		
Depreciation		259,905
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		(8,753)
Prepaid expenses		362
Inventory		478
Increase (Decrease) in:		
Accounts payable		(3,374)
Accrued liabilities		(53)
Deferred revenue		(2,046)
Net Cash Flows Provided by Operating Activities	\$	<u>(335,558)</u>

The accompanying notes are an integral part of these financial statements

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE A - Summary of Significant Accounting Policies and Organization:

The financial statements of the BLOOMFIELD HOUSING AUTHORITY ("the Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity - The entity is a public corporation, legally separate, fiscally independent, and governed by the Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of the Bloomfield Housing Authority. There are no component units to be included herewith, but this report does include all programs which are controlled by the entity's governing body.

The financial statements of the Bloomfield Housing Authority include the following:

At December 31, 2010, the Housing Authority has 138 units under management.

<u>Project</u>	<u>Units</u>
Low Income Public Housing	88
Vouchers	<u>50</u>
TOTAL	<u>138</u>

The Authority is also operating Capital Fund Grant Programs.

Basis of Presentation and Accounting - In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP) as applicable to special purpose governments engaged only in business type activities.

The Authority's financial statements are accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Authority applies all applicable GASB pronouncements as well as FASB Statements and Interpretations, APB Opinions, and ARB's issued on or before, November 30, 1989, unless those pronouncements conflict with or contradicts GASB pronouncements.

This special purpose government engaged in activities similar to business activities uses an enterprise fund to account for those operations that are financed and operated in a manner similar to private business, or where the Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following net asset categories:

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Invested in Capital Assets, Net of Related Debt - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The Authority has no debt.

Restricted - Net assets whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service. The requirements imposed by HUD represent a legally enforceable requirement upon this Voucher program.

Unrestricted - Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

Budgets - Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis.

Budget compared to actual presentation is not presented because the Authority does not annually adopt a legally authorized budget. The Authority's budget is adopted by the Authority's board and approved by HUD. This budget does not represent a legally binding appropriated budget that has been signed into law or a non-appropriated budget authorized by constitution. The Authority's budget represents budgetary execution and management by its board and HUD; therefore, budgetary data and presentation is not required.

Cash and Cash Equivalents - Deposits consist of checking accounts, Money Market accounts and Certificates of deposit and are stated at fair value. Deposits are fully collateralized or vested in securities of the United States Government and are identified specifically in the name of the Authority.

For the purposes of the Statement of Cash Flows, the Authority considers all highly liquid cash deposits and cash equivalents with a maturity of three months or less when purchased and non negotiable Certificates of Deposit to be cash equivalents. There were no noncash investing, capital, and financing activities during the year.

Tenant Receivables - Receivables for rentals and service charges are reported at net of an allowance for doubtful accounts. The Authority board takes monthly action as required to write off specific uncollectible accounts receivable balances.

Prepaid - Prepays represent payments made to vendors for services that will benefit beyond December 31, 2010.

Inventories - Inventories are valued at cost, which approximates market value, using the first-in/first/out (FIFO) method. The consumption method is applied and expense is charged when inventory items are used for the units.

Capital assets - Capital assets purchased are recorded on the Statement of Net Assets at the time of purchase. Such assets are recorded at cost. The capitalization policy of the Authority requires assets to be capitalized when their cost is \$500 or more. Donated assets are recorded at fair market value at the date of donation. Because developments and major capital repairs or improvements are financed through cash advances from HUD, there are no capitalized interest costs in current programs.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)

NOTE A - Summary of Significant Accounting Policies: (Continued)

Depreciation of capital assets is computed by the straight-line method based upon the estimated useful lives of the assets as follows:

<u>Class</u>	<u>Life</u>
Buildings and improvements	15-40 years
Maintenance and Office equipment	3-7 years

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

Operating Revenues and Expenses - Operating revenues and expenses generally result from providing and producing goods and/or services in connection with providing low income housing programs. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

Restricted Assets - When both restricted (if any) and unrestricted resources are available for use, it is the Authorities policy to use unrestricted resources first, then restricted resources as they are needed.

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 liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leasing Activities (as Lessor) - The Authority is the lessor of dwelling units primarily to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental income". Rental income per resident generally remains consistent from year to year, but is affected by general economic conditions which impact personal income, such as local job availability.

NOTE B - Deposits, Cash and Cash Equivalents:

1. HUD Deposit Restrictions

HUD requires Authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)

NOTE B - Deposits, Cash and Cash Equivalents: (Continued)

Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

2. Risk Disclosures

A. **Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at the time of purchase. At December 31, 2010, the Authority's deposits were not limited and all of which are either available on demand or have maturities of less than two years.

B. **Credit Risk:** This is a risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

C. **Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

At December 31, 2010, the carrying amount of the Authority's deposits was \$214,740. The deposits are either covered by federal depository insurance, by collateral held by the Authority's agent in the Authority's name or by the Federal Reserve Banks acting as third party agents or by a collateralization agreement. Restricted cash consists of tenant security deposits and Section 8 HAP reserves.

Deposits consist of the following:

Checking accounts	\$ 194,740
Certificates of deposit	<u>20,000</u>
Total	<u>\$ 214,740</u>

NOTE C - Accounts Receivable:

Accounts receivable at December 31, 2010, consist of the following:

Tenants	\$ 653
HUD	<u>1,363</u>
Total	<u>\$ 2,016</u>

NOTE D - Prepaid Expenses:

Prepaid expenses at December 31, 2010, consist of the following:

Prepaid insurance	<u>\$ 21,231</u>
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BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)

NOTE E - Inventory

Inventory at December 31, 2010, consist of the following:

Inventory	<u>\$ 2,377</u>
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NOTE F - Capital Assets:

A summary in changes in capital assets is as follows:

	Beginning Balance <u>12/31/09</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>12/31/10</u>
Capital assets, not being depreciated:				
Land	\$ 147,934	\$ 0	\$ 0	\$ 147,934
Construction in Progress	<u>102,441</u>	<u>111,358</u>	<u>(212,477)</u>	<u>1,322</u>
Total Capital Assets, not being depreciated	<u>250,375</u>	<u>111,358</u>	<u>(212,477)</u>	<u>149,256</u>
Capital Assets, being depreciated:				
Buildings and Improvements	4,432,420	158,896	0	4,591,316
Furniture, equipment & Machinery	<u>268,820</u>	<u>53,583</u>	<u>0</u>	<u>322,403</u>
Total Capital Assets, being depreciated	<u>4,701,240</u>	<u>212,479</u>	<u>0</u>	<u>4,913,719</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(2,947,820)	(238,687)	0	(3,186,507)
Furniture, equipment & Machinery	<u>(172,139)</u>	<u>(21,218)</u>	<u>0</u>	<u>(193,357)</u>
Total Accumulated Depreciation	<u>(3,119,959)</u>	<u>(259,905)</u>	<u>0</u>	<u>(3,379,864)</u>
Total Capital Assets, being depreciated, net	<u>1,581,281</u>	<u>(47,426)</u>	<u>0</u>	<u>1,533,855</u>
Capital Assets, Net	<u>\$ 1,831,656</u>	<u>\$ 63,932</u>	<u>\$ (212,477)</u>	<u>\$ 1,683,111</u>

Major construction renovation through the Capital Fund Grant Program costs of \$91,860 are yet to be expended under the current programs. HUD has approved funding for the above amount.

Depreciation expense of \$259,905 was incurred during the year.

NOTE G - Accounts payable:

Accounts payable at December 31, 2010, consist of the following:

Vendors' accounts payable	\$ 12,782
Other current liabilities	<u>25</u>
Total	<u>\$ 12,807</u>

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)

NOTE H - Accrued Liabilities:

Accrued liabilities at December 31, 2010, consist of the following:

Accrued compensated absences and payroll	<u>\$ 19,839</u>
--	------------------

NOTE I - Deferred Revenue:

Deferred revenue at December 31, 2010, consists of the following:

Prepaid rent	\$ 1,751
Voucher advances	<u>12,417</u>
Total	<u>\$ 14,168</u>

NOTE J - Federal Operating Grants:

HUD contributed operating subsidies approved in the operating budgets under the Annual Contributions Contracts. These subsidy contribution for the operating year ended December 31, 2010 were as follows:

Low Rent Public Housing	\$ 142,537
Housing Choice Vouchers	151,792
Capital Fund Programs	<u>38,720</u>
Total	<u>\$ 333,049</u>

NOTE K - Federal Capital Grants:

The Authority receives federal capital grants from HUD for capital fund program improvements. Capital grants recognized for the fiscal year ended December 31, 2010 were \$111,358.

NOTE L - Commitments and Contingencies:

Litigation - At December 31, 2010, the Authority was not involved in any threatened litigation.

Examinations - The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no examinations during the year ended December 31, 2010.

Grant Disallowances - Amounts received or receivable from HUD are subject to audit and adjustment by HUD. Any disallowed claims, including amounts already collected, would constitute a liability of the Authority. The amounts, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

Construction Projects: There are certain major construction projects in progress at December 31, 2010. These include modernizing rental units at the project sites. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred. These costs will be paid by grants committed to the Authority by HUD.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

(Continued)

NOTE M - Risk Management:

The Authority is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance coverage for these risks to the extent deemed prudent by Authority management. Settled claims have not exceeded this commercial coverage in any of the past 3 years.

The Authority participates in a public entity risk pool (Indiana Housing Authority Risk Retention Pool) for general liability, and Directors and Officers liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

NOTE N - Economic Dependency:

The Authority receives approximately 62% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operations could be adversely affected.

NOTE O - Conduit Type Debt:

Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on the part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Authority.

HUD no longer provides the Authority with debt service information since the Authority has no obligation for the debt.

NOTE P - Defined Contribution Plan:

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depends solely on the amount contributed to the participant's account, the returns earned on investments of those contributions. And forfeitures of other participant's' benefits that may be allocated to such participant's account.

The Authority provides pension benefits for all its full-time employees through a defined contribution plan with MetLife. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of full-time employment. The Authority contributes an amount equal to 13.0% of the employee base salary each month. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested immediately. The Authority's total pension contribution in fiscal year 2010 was \$20,800. Total annual payroll expense was \$160,000.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010
(Continued)

NOTE P - Defined Contribution Plan: (Continued)

Valuation of Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

NOTE Q - Interprogram Receivable/Payables:

Individual fund receivable/payable balances at December 31, 2010 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Low Rent	\$ 4,602	\$ 0
Vouchers	0	4,602
	\$ 4,602	\$ 4,602

NOTE R - Interprogram transfers:

A summary of interfund transfers during December 31, 2010 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Low Rent	\$ 213,430	\$ 0
Capital Fund	0	213,430
	\$ 213,430	\$ 213,430

SUPPLEMENTAL FINANCIAL INFORMATION

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

COMBINING BALANCE SHEET
DECEMBER 31, 2010

	Annual Contributions Contracts		
	C-603	C-032	C-603
	Low Income Public Housing	Section 8 Voucher Program	Capital Fund Programs
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash	\$ 85,168	\$ 43,524	\$ 0
Restricted cash and cash equivalents	18,325	67,723	0
Accounts receivable, net	1,154	862	0
Interprogram due from	4,602	0	0
Prepaid expenses	20,680	551	0
Inventory	2,377	0	0
Current Assets	132,306	112,660	0
<u>Capital Assets</u>			
Land and other nondepreciable assets	149,256	0	0
Depreciable capital assets, net	1,533,855	0	0
Total Capital Assets	1,683,111	0	0
TOTAL ASSETS	\$ 1,815,417	\$ 112,660	\$ 0
<u>LIABILITIES AND EQUITY</u>			
<u>Current liabilities</u>			
Accounts payable	\$ 31,007	\$ 125	\$ 0
Accrued liabilities	17,840	1,999	0
Interprogram due to	0	4,602	0
Deferred revenue	1,751	12,417	0
Current liabilities	50,598	19,143	0
Total Liabilities	50,598	19,143	0
<u>Equity</u>			
Unrestricted assets	81,708	25,794	0
Restricted assets	0	67,723	0
Invested in capital assets	1,683,111	0	0
Total Equity	\$ 1,764,819	\$ 93,517	\$ 0

Interfund	
<u>Elimination</u>	<u>Total</u>

\$	0	\$	128,692
	0		86,048
	0		2,016
	(4,602)		0
	0		21,231
	0		2,377
	<u>(4,602)</u>		<u>240,364</u>

	0		149,256
	0		1,533,855
	0		<u>1,683,111</u>

\$	<u>(4,602)</u>	\$	<u>1,923,475</u>
----	----------------	----	------------------

\$	0	\$	31,132
	0		19,839
	(4,602)		0
	0		14,168
	<u>(4,602)</u>		<u>65,139</u>

	<u>(4,602)</u>		<u>65,139</u>
--	----------------	--	---------------

	0		107,502
	0		67,723
	0		1,683,111
\$	<u>0</u>	\$	<u>1,858,336</u>

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

COMBINING STATEMENT OF INCOME, EXPENSES AND CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	Annual Contributions Contracts		
	C-603	C-032	C-603
	Low Income Public Housing	Section 8 Voucher Program	Capital Fund Programs
<u>OPERATING REVENUES</u>			
Rental income	\$ 248,985	\$ 0	\$ 0
Other income	21,768	180	0
TOTAL OPERATING REVENUE	270,753	180	0
<u>OPERATING EXPENSES</u>			
Administrative	168,191	29,465	0
Tenant services	3,694	0	0
Utilities	104,412	0	0
Ordinary maintenance and operation	115,715	0	1,970
General expense	41,544	2,392	0
Housing assistance payments	0	125,722	0
Depreciation expense	259,905	0	0
TOTAL OPERATING EXPENSES	693,461	157,579	1,970
OPERATING INCOME (LOSS)	(422,708)	(157,399)	(1,970)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Federal operating grants	142,537	151,792	38,720
Interest income	347	309	0
TOTAL NONOPERATING REVENUES (EXPENSES)	142,884	152,101	38,720
CAPITAL CONTRIBUTIONS	0	0	111,358
CHANGE IN NET ASSETS	(279,824)	(5,298)	148,108
TOTAL NET ASSETS - BEGINNING OF YEAR	1,831,213	98,815	65,322
Equity transfers	213,430	0	(213,430)
TOTAL NET ASSETS - BEGINNING OF YEAR as restated	2,044,643	98,815	(148,108)
TOTAL NET ASSETS - END OF YEAR	\$ 1,764,819	\$ 93,517	\$ 0

The accompanying notes are an integral part of these financial statements.

Total

\$ 248,985
21,948

270,933

197,656

3,694

104,412

117,685

43,936

125,722

259,905

853,010

(582,077)

333,049

656

333,705

111,358

(137,014)

1,995,350

0

1,995,350

\$ 1,858,336

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND GRANT COSTS - COMPLETED
DECEMBER 31, 2010

Annual Contributions Contract IN032

501-09

1. The Capital Fund Grant Costs are as follows:

Funds Approved	\$	132,163
Funds Expended		<u>132,163</u>
Excess / (Deficiency) of Funds Approved	\$	<u><u>0</u></u>
Funds Advanced	\$	132,163
Funds Expended		<u>132,163</u>
Excess / (Deficiency) of Funds Advanced	\$	<u><u>0</u></u>

2. Costs additions totaling \$ 20,407 were made during the current audit period and, accordingly, were audited by Jean Sickels, CPA.

3. The total amount of the Capital Fund Grant Costs at December 31, 2010 as shown above are in agreement with the Actual Development Cost Certificate submitted to HUD and approved by HUD.

4. All Capital Fund grant work in connection with the Project has been completed.

5. All liabilities have been paid and there are no undischarged liens against the Project on file in any public office where the same should be filed in order to be valid and the time in which such liens could be filed has expired.

6. There were no budget overruns.

Bloomfield Housing Authority (IN032)

BLOOMFIELD, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2010

	Project Total	14,871 Housing Choice Vouchers	14,885 Formula Capital Fund Stimulus Grant	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$85,168	\$43,524		\$128,692		\$128,692
112 Cash - Restricted - Modernization and Development						
113 Cash - Other Restricted		\$67,723		\$67,723		\$67,723
114 Cash - Tenant Security Deposits	\$18,325			\$18,325		\$18,325
115 Cash - Restricted for Payment of Current Liabilities						
100 Total Cash	\$103,493	\$111,247	\$0	\$214,740	\$0	\$214,740
121 Accounts Receivable - PHA Projects						
122 Accounts Receivable - HUD Other Projects	\$501	\$862		\$1,363		\$1,363
124 Accounts Receivable - Other Government						
125 Accounts Receivable - Miscellaneous						
126 Accounts Receivable - Tenants	\$653			\$653		\$653
126.1 Allowance for Doubtful Accounts - Tenants	\$0			\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current						
128 Fraud Recovery						
128.1 Allowance for Doubtful Accounts - Fraud						
129 Accrued Interest Receivable						
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,154	\$862	\$0	\$2,016	\$0	\$2,016
131 Investments - Unrestricted						
132 Investments - Restricted						
135 Investments - Restricted for Payment of Current Liability						
142 Prepaid Expenses and Other Assets	\$20,680	\$551		\$21,231		\$21,231
143 Inventories	\$2,377			\$2,377		\$2,377
143.1 Allowance for Obsolete Inventories	\$0			\$0		\$0
144 Inter Program Due From	\$4,602			\$4,602	-\$4,602	\$0
145 Assets Held for Sale						
150 Total Current Assets	\$132,306	\$112,660	\$0	\$244,966	-\$4,602	\$240,364
161 Land	\$147,934			\$147,934		\$147,934
162 Buildings	\$1,544,777			\$1,544,777		\$1,544,777
163 Furniture, Equipment & Machinery - Dwellings	\$142,567			\$142,567		\$142,567
164 Furniture, Equipment & Machinery - Administration	\$179,836			\$179,836		\$179,836
165 Leasehold Improvements	\$3,046,539			\$3,046,539		\$3,046,539
166 Accumulated Depreciation	-\$3,379,864			-\$3,379,864		-\$3,379,864
167 Construction In Progress	\$1,322			\$1,322		\$1,322
168 Infrastructure						
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,683,111	\$0	\$0	\$1,683,111	\$0	\$1,683,111
171 Notes, Loans and Mortgages Receivable - Non-Current						
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173 Grants Receivable - Non Current						
174 Other Assets						
176 Investments in Joint Ventures						
180 Total Non-Current Assets	\$1,683,111	\$0	\$0	\$1,683,111	\$0	\$1,683,111
190 Total Assets	\$1,815,417	\$112,660	\$0	\$1,928,077	-\$4,602	\$1,923,475

311 Bank Overdraft						
312 Accounts Payable <= 90 Days	\$12,857	\$125		\$12,782		\$12,782
313 Accounts Payable >90 Days Past Due						
321 Accrued Wage/Payroll Taxes Payable						
322 Accrued Compensated Absences - Current Portion	\$17,840	\$1,999		\$19,839		\$19,839
324 Accrued Contingency Liability						
325 Accrued Interest Payable						
331 Accounts Payable - HUD PHA Programs						
332 Account Payable - PHA Projects						
333 Accounts Payable - Other Government	\$0			\$0		\$0
341 Tenant Security Deposits	\$18,325			\$18,325		\$18,325
342 Deferred Revenues	\$1,751	\$12,417		\$14,168		\$14,168
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds						
344 Current Portion of Long-term Debt - Operating Borrowings						
345 Other Current Liabilities	\$25			\$25		\$25
346 Accrued Liabilities - Other						
347 Inter Program - Due To		\$4,602		\$4,602	-\$4,602	\$0
348 Loan Liability - Current						
310 Total Current Liabilities	\$50,598	\$19,143	\$0	\$69,741	-\$4,602	\$65,139
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue						
352 Long-term Debt, Net of Current - Operating Borrowings						
353 Non-current Liabilities - Other						
354 Accrued Compensated Absences - Non Current						
355 Loan Liability - Non Current						
356 FASB 5 Liabilities						
357 Accrued Pension and OPEB Liabilities						
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$50,598	\$19,143	\$0	\$69,741	-\$4,602	\$65,139
506.1 Invested In Capital Assets, Net of Related Debt	\$1,683,111			\$1,683,111		\$1,683,111
509.2 Fund Balance Reserved						
511.2 Unreserved, Designated Fund Balance						
511.1 Restricted Net Assets		\$67,723		\$67,723		\$67,723
512.1 Unrestricted Net Assets	\$81,708	\$25,794	\$0	\$107,502		\$107,502
512.2 Unreserved, Undesignated Fund Balance						
513 Total Equity/Net Assets	\$1,764,819	\$93,517	\$0	\$1,858,336	\$0	\$1,858,336
600 Total Liabilities and Equity/Net Assets	\$1,815,417	\$112,660	\$0	\$1,928,077	-\$4,602	\$1,923,475

Bloomfield Housing Authority (IN032)
BLOOMFIELD, IN
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 12/31/2010

	Project Total	14,871 Housing Choice Vouchers	14,885 Formula Capital Fund Stimulus Grant	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$229,606			\$229,606		\$229,606
70400 Tenant Revenue - Other	\$19,379			\$19,379		\$19,379
70500 Total Tenant Revenue	\$248,985	\$0	\$0	\$248,985	\$0	\$248,985
70600 HUD PHA Operating Grants	\$179,287	\$151,792	\$1,970	\$333,049		\$333,049
70610 Capital Grants	\$54,367		\$56,991	\$111,358		\$111,358
70710 Management Fee						
70720 Asset Management Fee						
70730 Book Keeping Fee						
70740 Front Line Service Fee						
70750 Other Fees						
70700 Total Fee Revenue				\$0	\$0	\$0
70800 Other Government Grants						
71100 Investment Income - Unrestricted	\$347	\$83		\$430		\$430
71200 Mortgage Interest Income						
71300 Proceeds from Disposition of Assets Held for Sale						
71310 Cost of Sale of Assets						
71400 Fraud Recovery						
71500 Other Revenue	\$21,768	\$180		\$21,948		\$21,948
71600 Gain or Loss on Sale of Capital Assets						
72000 Investment Income - Restricted		\$226		\$226		\$226
70000 Total Revenue	\$504,754	\$152,281	\$58,961	\$715,996	\$0	\$715,996
91100 Administrative Salaries	\$96,991	\$12,722		\$109,713		\$109,713
91200 Auditing Fees	\$3,408	\$2,272		\$5,680		\$5,680
91300 Management Fee						
91310 Book-keeping Fee						
91400 Advertising and Marketing						
91500 Employee Benefit contributions - Administrative	\$52,418	\$9,950		\$62,368		\$62,368
91600 Office Expenses	\$6,514			\$6,514		\$6,514
91700 Legal Expense						
91800 Travel		\$55		\$55		\$55
91810 Allocated Overhead						
91900 Other	\$8,860	\$4,466		\$13,326		\$13,326
91000 Total Operating - Administrative	\$168,191	\$29,465	\$0	\$197,656	\$0	\$197,656
92000 Asset Management Fee						
92100 Tenant Services - Salaries						
92200 Relocation Costs						
92300 Employee Benefit Contributions - Tenant Services						
92400 Tenant Services - Other	\$3,694			\$3,694		\$3,694
92500 Total Tenant Services	\$3,694	\$0	\$0	\$3,694	\$0	\$3,694
93100 Water	\$3,707			\$3,707		\$3,707
93200 Electricity	\$46,957			\$46,957		\$46,957
93300 Gas	\$24,188			\$24,188		\$24,188
93400 Fuel						
93500 Labor						
93600 Sewer	\$29,560			\$29,560		\$29,560
93700 Employee Benefit Contributions - Utilities						
93800 Other Utilities Expense						
93000 Total Utilities	\$104,412	\$0	\$0	\$104,412	\$0	\$104,412
94100 Ordinary Maintenance and Operations - Labor	\$48,797			\$48,797		\$48,797
94200 Ordinary Maintenance and Operations - Materials and Other	\$30,436			\$30,436		\$30,436
94300 Ordinary Maintenance and Operations Contracts	\$12,192		\$1,970	\$14,162		\$14,162
94500 Employee Benefit Contributions - Ordinary Maintenance	\$24,290			\$24,290		\$24,290
94000 Total Maintenance	\$115,715	\$0	\$1,970	\$117,685	\$0	\$117,685
95100 Protective Services - Labor						
95200 Protective Services - Other Contract Costs						
95300 Protective Services - Other						
95500 Employee Benefit Contributions - Protective Services						
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0

96110 Property Insurance	\$14,542			\$14,542		\$14,542
96120 Liability Insurance						
96130 Workmen's Compensation	\$3,864	\$633		\$4,297		\$4,297
96140 All Other Insurance	\$3,864			\$3,864		\$3,864
96100 Total Insurance Premiums	\$22,070	\$633	\$0	\$22,703	\$0	\$22,703
96200 Other General Expenses						
96210 Compensated Absences	\$10,192	\$1,759		\$11,951		\$11,951
96300 Payments in Lieu of Taxes	\$0			\$0		\$0
96400 Bad debt - Tenant Rents	\$9,282			\$9,282		\$9,282
96500 Bad debt - Mortgages						
96600 Bad debt - Other						
96800 Severance Expense						
96000 Total Other General Expenses	\$19,474	\$1,759	\$0	\$21,233	\$0	\$21,233
96710 Interest of Mortgage (or Bonds) Payable						
96720 Interest on Notes Payable (Short and Long Term)						
96730 Amortization of Bond Issue Costs						
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$433,556	\$31,857	\$1,970	\$467,383	\$0	\$467,383
97000 Excess of Operating Revenue over Operating Expenses	\$71,198	\$120,424	\$56,991	\$248,613	\$0	\$248,613
97100 Extraordinary Maintenance						
97200 Casualty Losses - Non-capitalized						
97300 Housing Assistance Payments		\$125,722		\$125,722		\$125,722
97350 HAP Portability-In						
97400 Depreciation Expense	\$259,905			\$259,905		\$259,905
97500 Fraud Losses						
97600 Capital Outlays - Governmental Funds						
97700 Debt Principal Payment - Governmental Funds						
97800 Dwelling Units Rent Expense						
90000 Total Expenses	\$693,461	\$157,579	\$1,970	\$853,010	\$0	\$853,010
10010 Operating Transfer In	\$10,203			\$10,203	-\$10,000	\$203
10020 Operating transfer Out	-\$10,203			-\$10,203	\$10,000	-\$203
10030 Operating Transfers from/to Primary Government						
10040 Operating Transfers from/to Component Unit						
10050 Proceeds from Notes, Loans and Bonds						
10060 Proceeds from Property Sales						
10070 Extraordinary Items, Net Gain/Loss						
10080 Special Items (Net Gain/Loss)						
10091 Inter Project Excess Cash Transfer In						
10092 Inter Project Excess Cash Transfer Out						
10093 Transfers between Program and Project - In						
10094 Transfers between Project and Program - Out						
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$188,707	-\$5,298	\$56,991	-\$137,014	\$0	-\$137,014
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$1,831,213	\$98,815	\$65,322	\$1,995,350		\$1,995,350
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$122,313		-\$122,313	\$0		\$0
11050 Changes in Compensated Absence Balance						
11060 Changes in Contingent Liability Balance						
11070 Changes in Unrecognized Pension Transition Liability						
11080 Changes in Special Term/Severance Benefits Liability						
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents						
11100 Changes in Allowance for Doubtful Accounts - Other						
11170 Administrative Fee Equity		\$25,794		\$25,794		\$25,794
11180 Housing Assistance Payments Equity		\$67,723		\$67,723		\$67,723
11190 Unit Months Available	1056	600		1656		1656
11210 Number of Unit Months Leased	917	392		1309		1309
11270 Excess Cash	\$23,630			\$23,630		\$23,630
11610 Land Purchases	\$0			\$0		\$0
11620 Building Purchases	\$57,775			\$57,775		\$57,775
11630 Furniture & Equipment - Dwelling Purchases	\$44,404			\$44,404		\$44,404
11640 Furniture & Equipment - Administrative Purchases	\$9,179			\$9,179		\$9,179
11650 Leasehold Improvements Purchases	\$0			\$0		\$0
11660 Infrastructure Purchases	\$0			\$0		\$0
13510 CFPF Debt Service Payments	\$0			\$0		\$0
13901 Replacement Housing Factor Funds	\$0			\$0		\$0

OTHER REPORTS

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

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

Board of Commissioners
Bloomfield Housing Authority
100 W Main, PO Box 801
Bloomfield, IN

I have audited the financial statements of the Bloomfield Housing Authority ("the Authority") as of and for the year ended December 31, 2010, and have issued my report thereon dated August 18, 2011, which included a disclaimer of opinion on Management's Discussion and Analysis. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Bloomfield Housing Authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bloomfield Housing Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Bloomfield Housing Authority's internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Commissioners, Management, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

Fredericksburg, Indiana
August 18, 2011

BLOOMFIELD HOUSING AUTHORITY
Bloomfield, Indiana

DECEMBER 31, 2010

SCHEDULE OF FINDINGS AND RESPONSES

PRIOR YEAR FINDINGS

There were no prior year findings.

CURRENT YEAR FINDINGS

There are no current year findings.

Jean Sickels

Certified Public Accountant

8518 S Kays Chapel Rd
Fredericksburg, IN 47120

Telephone No. (812) 472-3527

Facsimile No. (812) 472-3649

Mobile No. (404) 307-5903

August 18, 2011

Board of Commissioners
Bloomfield Housing Authority
100 W Main, PO Box 801
Bloomfield, IN

In planning and performing my audit of the financial statements of the Bloomfield Housing Authority as of and for the year ended December 31, 2010, I considered the Authority's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during my audit, I became aware of matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect my report dated August 18, 2011 on the financial statements of the Authority.

I will review the status of the comments during my next audit engagement. I have already discussed the comments and suggestions with Authority personnel, and will be pleased to discuss the comments in further detail at your convenience, to perform any additional study of the matter, or to assist you in implementing the recommendation. My comments are summarized as follows:

1. CONDITION: BUDGET

The Authority is slightly over budget.

RECOMMENDATION:

The Authority should monitor the budget more closely and file revisions when necessary.

2. CONDITION: JOURNAL VOUCHERS

The Authority does not have a system where they document, review and approve of Journal Vouchers.

RECOMMENDATION:

The Authority should implement internal controls to document preparation and approval of Journal Vouchers.

3. CONDITION: DEPRECIATION SCHEDULE

An error was made on the depreciation schedule and it does not tie to the REAC submission.

RECOMMENDATION:

The Authority should correct the depreciation schedule and insure that it agrees in the future.

I wish to thank the Executive Director and the staff of the Authority for their support and assistance during my audit.

This report is intended solely for the information and use of the Board of Commissioners, Management, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Jean Sickels
Certified Public Accountant