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July 15, 2016

Board of Directors  
Columbus Housing Authority  
799 McClure Road  
Columbus, IN 47201

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period July 1, 2014 to June 30, 2015. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Auditor's Report, the financial statements included in the report present fairly the financial condition of the Columbus Housing Authority, as of June 30, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

The audit report is filed with this letter in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

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**REPORT ON EXAMINATION OF  
FINANCIAL STATEMENTS AND  
SUPPLEMENTAL DATA**

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**TWELVE MONTHS ENDED JUNE 30, 2015**

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

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## Independent Auditor's Report

Board of Commissioners  
Columbus Housing Authority  
Columbus, Indiana

I have audited the accompanying financial statements of the Columbus Housing Authority, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Columbus 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**

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 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 Columbus Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Columbus Housing Authority's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.

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

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Columbus Housing Authority, as of June 30, 2015 and the changes in its net position and its cash flows for the year end in accordance with accounting principles generally accepted in the United States of America.

## **Report on Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures on the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

## **Report on Supplemental Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbus Housing Authority's financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. Further, the financial data schedules shown on pages 32 to 36 and Certification of Actual Modernization Costs on page 24 are presented for purposes of additional analysis as required by *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, and are 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the above described supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Report Issued in Accordance with *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated December 17, 2015 on my consideration of the Columbus Housing Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, 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. This report is an integral part of a *Government Auditing Standards* and should be considered in assessing the results of my audit.



Decatur, Illinois  
December 17, 2015

Certified Public Accountant

**COLUMBUS HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION & ANALYSIS  
June 30, 2015**

As management of the Housing Authority of the City of Columbus ("Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 7.

**FINANCIAL HIGHLIGHTS**

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$6,941,241.
- The Authority's cash and investment balance at June 30, 2015 was \$1,282,545 representing a decrease of \$15,435 from June 30, 2014.
- Department of Housing & Urban Development grants amounting to \$3,298,715 were reported as revenues, a increase of \$246,928 from the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis –for State and Local Governments*, Statement No. 37, *Basic Financial Statements-and Managements Discussion and Analysis-For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures and Interpretation No. 6 Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

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

The *statement of net position* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., earned but unused vacation leave).

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

**COLUMBUS HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION & ANALYSIS  
June 30, 2015**

The basic financial statements can be found on pages 7 to 10 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 11 to 21 of this report.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$6,941,241 at the close of the most recent fiscal year.

By far, the largest portion of the Authority's net assets reflects its investment in capital assets (e.g., land, buildings, furniture, equipment and machinery); less any related debt used to acquire those assets that is still outstanding. The Authority used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Housing Authority of the City of Columbus – Net Assets  
June 30, 2015

<b>ASSETS</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
Current Assets	\$1,385,023	\$1,358,197	26,826
Capital Assets (Net)	\$5,874,156	\$6,048,325	(174,169)
Total Assets	\$7,259,179	\$7,406,522	(147,343)
Deferred Outflows of Resources	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$7,259,179</b>	<b>\$7,406,522</b>	<b>(147,343)</b>
<b>LIABILITIES</b>			
Current Liabilities	\$167,308	\$189,209	(21,901)
Long Term Liabilities	\$150,630	\$145,422	5,208
Total Liabilities	\$317,938	\$334,631	(16,693)
Deferred Inflows of Resources	\$0	\$0	\$0
<b>NET POSITION</b>			
Investment Cap Assets	\$5,874,156	\$6,048,325	(174,169)
Unrestricted	\$917,225	\$892,343	24,882
Restricted	\$149,860	\$131,223	18,637
Total Net Position	\$6,941,241	\$7,071,891	(130,650)
<b>TOTAL</b>	<b>\$7,259,179</b>	<b>\$7,406,522</b>	<b>(147,343)</b>

**COLUMBUS HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION & ANALYSIS  
June 30, 2015**

Housing Authority of the City of Columbus – Changes in Net Position  
For The Year Ended June 30, 2015

<b>OPERATING REVENUE</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
Dwelling Rental	\$312,988	\$274,991	37,997
Tenant Revenue - Other	\$36,545	\$ 32,257	4,288
Total Operating Revenue	\$349,533	\$307,248	42,285

<b>OPERATING EXPENSES</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
Administration	\$591,332	\$588,025	3,307
Tenant Services	\$40,520	\$39,347	1,173
Utilities	\$69,434	\$70,634	(1,200)
Ordinary Maintenance & Operations	\$271,530	\$293,030	(21,500)
General	\$156,082	\$141,060	15,022
Net Operating Expenses	\$1,128,898	\$1,132,096	(3,198)
Operating Income (Loss)	\$(779,365)	\$(824,848)	45,483

<b>NON-OPERATING INCOME (EXPENSES)</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
HUD Grants	\$3,298,715	\$3,051,787	246,928
Interest on Investments	\$232	\$300	(68)
Other Revenue	\$47,945	\$128,237	(80,292)
Other Expense	\$(2,691,133)	\$(2,636,658)	(54,475)
Net Non-Operating Income	\$655,759	\$543,666	101,815

<b>NET POSITION</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
Beginning of Year	\$7,071,891	\$7,353,073	(281,182)
Prior Period Adjustments	\$(7,044)	0	(7,044)
End of Year	\$6,941,241	\$7,071,891	(130,650)

**BUDGETS**

The Authority is required by contractual agreements to adopt annual, appropriated budgets for funds receiving federal expenditure awards. All budgets are prepared on a basis prescribed by HUD which is materially consistent with generally accepted accounting principles. All annual appropriations lapse at year-end.

**COLUMBUS HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION & ANALYSIS  
June 30, 2015**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

<b>CAPITAL ASSETS</b>	<b>2015</b>	<b>2014</b>
Land	\$3,360,190	\$3,360,190
Buildings	\$6,478,706	\$6,430,253
Furniture, Equipment & Machinery		
Dwellings	\$0	\$113,272
Administrative	\$146,473	\$166,638
Leasehold Improvements	\$0	\$0
Construction in Progress	\$44,556	\$38,125
Less Accumulated Depreciation	\$(4,155,769)	(\$4,060,153)
Net Capital Assets	\$5,874,156	\$6,048,325

Additional information regarding capital assets can be found in "Notes to Financial Statements".

**FUTURE EVENTS (NEW BUSINESS)**

Additionally, the Authority plans on using capital funds to make miscellaneous renovations to our properties and buildings. These budgeted amounts total \$68,671.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Authority received \$329,636 in Public Housing operating subsidy for fiscal year end June 30, 2015. We have not been notified as to our subsidy eligibility for fiscal year end June 30, 2016 but estimate we will receive approximately \$293,376 in operating subsidy for fiscal year end June 30, 2016. The Authority budgeted \$120,000 in operations (1406 Operations) from the FFY 2015 capital funds and budgeted \$120,000 in operations (1406 Operations) from the FFY 2016 capital funds.

The Authority received \$3,189 more in operating subsidy from HA fiscal year 2015 than in 2014. In the Low Rent program the Authority closed out FYE June 30, 2015 with a \$66,850 gain which includes both Low Rent and CFP, exclusive of prior year adjustments and depreciation.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director, Columbus Housing Authority, 799 McClure Road, Columbus, Indiana 47201.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS  
AS OF JUNE 30, 2015**

**ASSETS**

Cash - operating	\$ 972,005
Cash - restricted	310,540
Receivables, net	64,131
Prepaid expenses	38,347
Capital assets:	
Land, land improvements and construction in progress	\$ 3,404,746
Other assets, net of depreciation	<u>2,469,410</u>
Net Capital Assets	<u>\$ 5,874,156</u>
Total Assets	<u>\$ 7,259,179</u>

**DEFERRED OUTFLOWS OF RESOURCES** \$ 0

**TOTAL** \$ 7,259,179

**LIABILITIES**

Accounts payable	\$ 50,933
Other liabilities	78,524
Unearned revenue	37,851
Noncurrent liabilities:	
Compensated absences	36,537
FSS escrow	<u>114,093</u>
Total Liabilities	<u>\$ 317,938</u>

**DEFERRED INFLOWS OF RESOURCES** \$ 0

**NET POSITION**

Net investment in capital assets	\$ 5,874,156
Restricted	148,860
Unrestricted	<u>917,225</u>
Total Net Position	<u>\$ 6,941,241</u>
<b>TOTAL</b>	<u>\$ 7,259,179</u>

The notes to financial statements are an integral part of this statement.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
TWELVE MONTHS ENDED JUNE 30, 2015**

Operating Income

Tenant rental revenue	\$ 312,988
Tenant revenue - other	<u>36,545</u>
 Total Rental Revenue	 <u>\$ 349,533</u>
 HUD operating grants	 3,220,271
Fraud recovery	3,218
Other revenue	74,176
Gain (loss) on sale of capital assets	<u>-29,449</u>
 Total Operating Income	 <u>\$ 3,617,749</u>

Operating Expenses

Administration	\$ 591,332
Tenant services	40,520
Utilities	69,434
Ordinary maintenance and operation	271,530
General expense	156,082
Extraordinary maintenance	40,205
Housing assistance payments	2,420,272
Depreciation	<u>230,656</u>
 Total Operating Expenses	 <u>\$ 3,820,031</u>
 Net Operating Income (Loss)	 <u>\$ -202,282</u>

Nonoperating Income (Expense)

Interest income	232
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Capital Contributions

Capital funds grants	<u>78,444</u>
 Changes in net position	 \$ -123,606
Net position, beginning of year	7,071,891
Prior period adjustments	<u>-7,044</u>
 Nets position, end of year	 <u>\$ 6,941,241</u>

The notes to financial statements are an integral part of this statement.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED JUNE 30, 2015**

Operating Activities

Operating grants	\$ 3,143,530
Tenant revenue	347,749
Other revenue	47,945
Housing assistance payments	-2,420,272
Payments to employees	-510,592
Payments to suppliers and contractors	<u>-645,984</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -37,624</u>

Investing Activities

Interest income	<u>\$ 232</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 232</u>

Capital and Related Financing Activities

Capital fund grants	\$ 78,444
(Additions) deletions to fixed assets	<u>-56,487</u>
Total Capital and Related Financing Activities	<u>\$ 21,957</u>

Net Change in Cash	\$ -15,435
Cash Balance at June 30, 2014	<u>1,297,980</u>
Cash Balance at June 30, 2015	<u><u>\$ 1,282,545</u></u>

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED JUNE 30, 2015**

Reconciliation of Operating Income (Loss) to Net Cash  
Provided (Used) by Operating Activities

Net operating income (loss)	\$ -202,282
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	230,656
Adjustments to net position	-7,044
(Increase) decrease in accounts receivable	-57,526
(Increase) decrease in prepaid expense	15,265
Increase (decrease) in accounts payable	-29,309
Increase (decrease) in other liabilities	4,461
Increase (decrease) in unearned revenues	10,267
Increase (decrease) in FSS escrow	<u>-2,112</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ -37,624</u>

The notes to financial statements are an integral part of this statement.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015**

Note 1 - Summary of Significant Accounting Policies

(a) Organization -

The Columbus Housing Authority was established by the City of Columbus pursuant to the laws of the State of Indiana, to transact business and to have powers as defined therein. The Housing Authority was established to provide low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other applicable Federal Agencies.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) had direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into a contract with the Authority for the purpose of assisting in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the program for the purpose of maintaining its low-rent character.

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

The Authority is governed by a Board of Commissioners appointed by the office of the Mayor, and has governance responsibilities over all activities related to all housing activities within the City. The Board of Commissioners has decision making authority and the power to designate management. The members do not serve at the discretion of the Mayor, i.e. they can only be removed for cause. The Authority's Board elects its own chairperson.

Consequently, in accordance with evaluating the criteria set forth in Section 2100 and 2600 of the Governmental Accounting Standards Board Codification, management has concluded that the Columbus Housing Authority is a separate reporting entity. All funds and programs of the Housing Authority are included in these statements. The Housing Authority has no component units.

(b) Method of Accounting -

The financial statements of the Housing Authority have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities. The Housing Authority applies all relevant Governmental Accounts Standards Board (GASB) pronouncements.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(c) Financial Statement Presentation

Although a formal policy has not been adopted, in financial statement preparation, the Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues are tenant rents and HUD grants. Operating expenses include administration, maintenance, insurance, depreciation, utilities, housing assistance payments and other general expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

(d) Funds -

Each of the programs of the Housing Authority are organized on a basis of fund accounting, using a separate set of self balancing accounts as prescribed by HUD. The programs of the Housing Authority are:

- \* Public and Indian Housing
- \* Public Housing Capital Funds
- \* Disaster Voucher Program
- \* Section 8 Housing Choice Vouchers
- \* Supportive Housing for Persons with Disabilities
- \* State and Local
- \* Business Activities
- \* PIH Family Self- Sufficiency Program

These programs are all accounted for within the 'Proprietary' (enterprise) fund as described below:

*Proprietary Fund Types:*

Proprietary funds use the economic resources measurement focus and utilize the accrual basis of accounting. All assets and liabilities associated with a proprietary fund's activities are included on the fund statement. Proprietary fund equity is segregated into Net Investment in Capital Assets, Restricted and Unrestricted.

(e) Cash and Cash Equivalents -

For purposes of the statement of cash flows, the practice of the Housing Authority is to consider all highly liquid investments to be cash equivalents. The term "highly liquid" refers to investments with a maturity of six months (6) or less when purchased to be cash equivalents.

(f) Interprogram Receivables and Payables

During the course of operations, numerous transactions occur within individual programs that may result in amounts owed between these programs. These receivables and payables are classified as "due from other programs" or "due to other programs" on the combining statement of net position and have been eliminated in the basic financial statements.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(g) Accounts Receivable -

The tenants accounts receivable discloses the gross amount due from the tenants at June 30, 2015, and does not take into consideration prepaid amounts. The Housing Authority provides for an allowance for doubtful accounts, based on the estimated collections of current accounts receivables. The Housing Authority periodically writes off uncollectible accounts receivable to the allowance account based on a review of the current status of existing receivables and the determination that the receivable will not be collected.

(h) Capital Assets -

For the purpose of determining, distinguishing and recording materials and non-expendable equipment and personal property purchased or acquired in connection with development, management, and maintenance of public housing developments owned or operated, the Housing Authority follows the following capitalization policy:

If the initial cost of a piece of equipment and/or other personal property is five thousand dollars (\$5,000) or more and the anticipated life or useful life of said equipment or property is more than one (1) year, the same shall be capitalized and recorded as non-expendable equipment and charges as a capital expenditure.

Land, structures and equipment contains the following:

- 1) The total development costs incurred for each project at the end of the initial operating period,
- 2) nonexpendable equipment, and
- 3) property betterments and additions.

These are recorded at cost. Depreciation of property and equipment is provided using the straight line method for financial reporting purposes at rates based on the following estimates:

Buildings	15-40	years
Equipment	5 - 10	years
Leasehold improvements	10-15	years

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(i) Net Position -

GASB Statement 63 requires the classification of net position into three components as defined below:

- 1) Net investment in capital assets - capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt and deferred inflows of resources related to the acquisition, construction or improvement of those assets.
- 2) Restricted - restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- 3) Unrestricted - amounts not required to be reported in the other components of net position.

(j) Income Tax -

The Authority, organized under Indiana state law as a political subdivision subsidized by the Federal government, is exempt from Federal and State income taxes.

(k) Annual Contributions/Subsidies and Other Grants -

Annual contributions and subsidies received from the Department of HUD are recorded as grant revenues.

Other grants (such as CFP grants) are recognized when program expenditures are incurred. Such revenue is subject to review by the Department of Housing and Urban Development and may result in disallowance in subsequent periods.

- (l) The Housing Authority adopts a budget annually. The budget is submitted to the Board of Commissioners for approval. Subsequent budget revisions may also be required to be submitted to the Board for approval.
- (m) The preparation of financial statements in conformity with generally accepted accounting principles require the Housing Authority to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (n) Leasing activities (as lessor) - the Authority is the lessor of dwelling units mainly to low income and/or elderly and disabled residents. The rents under the lease are determined generally by the resident's income as adjusted by eligible deductions regulated by HUD, although the resident may elect for a flat rent option. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

- (o) Rental income is recognized as rents become due.
- (p) At any time during the year and at year end, there are construction projects in process. These projects include modernizing rental units. The projects are funded by HUD and funds are requested periodically as costs are incurred.

Note 2 - Cash and Investments

Statutes authorize the Housing Authority to invest in certificates of deposit, money market funds, United States government securities and repurchase agreements fully collateralized by United States government securities.

All cash and investments are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) or other equivalent insurance company of the depository financial institutions. The deposits exceeding the insured or registered limits are public funds covered by the State of Indiana Public Deposit Fund.

*Custodial Credit Risk*

- a. Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned to or that the Authority will not be able to recover collateral securities in the possession of an outside party.
- b. Investments - Custodial credit risk is the risk that in the event of the failure of the depository, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party.

*Credit Risk Investments, Concentration of Credit Risk and Interest Rate Risks - Investments*

*Credit Risk* is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Housing Authority has no investment policy that limits its investment choices other than the limitation of state law and/or the Department of Urban Development regulations.

*Concentrations of Credit Risk* is the risk of loss attributed to the amount of the investment in a single issuer. The Authority does not have a formal investment policy covering the concentration of credit risk.

*Investment Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The Housing Authority has no formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 2 - Cash and Investments (Continued)

The cash deposits held at financial institutions can be categorized according to three levels of risk. These three levels of risk are as follows:

Category 1 - Deposits which are insured or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority's name.

Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Housing Authority's name.

Category 3 - Deposits which are not collateralized or insured.

Based on the three levels of risk, all of the Housing Authority's funds are classified as Category 1.

<u>Program</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Public and Indian Housing	\$ 488,294	\$ 501,041
Disaster Voucher Program	5,922	5,922
Section 8 Housing Choice Vouchers	406,142	411,086
Supportive Housing for Persons with Disabilities	10,629	10,629
State and Local	122,877	122,877
Business Activities	237,368	237,368
PIH Family Self-Sufficiency Program	<u>11,313</u>	<u>11,313</u>
Total	<u>\$ 1,282,545</u>	<u>\$ 1,300,236</u>

Note 3 - Compensated Absences

Each full-time employee is eligible for forty-eight (48) hours sick time during the calendar year, and equivalent of 6 days. Temporary and part-time employees are not eligible for sick leave benefits. During the first year of employment, new employees accrue one-half (1/2) day per month. During the first three (3) month probationary period, days are accrued but may not be taken. Unused sick leave benefits may accumulate from year to year to be used in the event of a longer term illness. However, employees are not paid for unused sick leave benefits.

Annual vacation leave is available to regular full-time employees to use at their discretion and to supplement other paid leave. Vacation leave requires advances supervisory approval. All vacation hours for the coming year are added to the employee's vacation bank on January 1.

The Columbus Housing Authority urges all employees to take their vacation leave each year as earned for the purpose of rest and relaxation; however, if business circumstances prohibit employees from using their vacation time, carryover will be permitted up to a maximum of two weeks or eighty (80) hours with approval by the Executive Director. Vacation pay will be computed based on an employee's regular wage or salary for a comparable work period. Terminating employees who comply with the advance notice requirements when resigning will be paid for vacation leave they have earned but not used.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 4 - Retirement Savings Plan

The Housing Authority provides pension benefits for all of its full-time employees through a 401K with AXA Equitable. The plan requires the Housing Authority and the employee to contribute 9% and 1% of covered wages, respectively, however, employees may contribute more. Housing Authority contributions forfeited by employees who leave employment prior to vesting are used to reduce current costs and contribution requirements. In the current year, the total contributions were \$62,036 related to \$511,746 of covered salaries and wages. The plan may only be amended by Board action.

Note 5 - Post-Employment Benefits

The Housing Authority does not provide post employment retirement benefits. As a result there are no disclosures included in these statements as required by GASB 45.

Note 6 - Accounts Receivable

Accounts receivable consists of the following accounts:

HUD other projects	\$ 60,485
Tenants accounts receivable	3,795
Allowance for doubtful accounts - tenants	-679
Fraud recovery	3,277
Allowance for doubtful accounts - fraud	<u>-2,747</u>
Subtotal	\$ 64,131
Interfund	<u>69,102</u>
Total	<u>\$ 133,233</u>

Note 7 - Prepaid Expenses

This classification includes the following accounts:

Prepaid insurance	<u>\$ 38,347</u>
-------------------	------------------

Note 8 - Capital Assets

Balance as of June 30, 2015	\$ 5,874,156
Balance as of June 30, 2014	<u>6,048,325</u>
Net Increase (Decrease)	<u>\$ -174,169</u>

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 8 - Capital Assets (Continued)

Reconciliation

Betterments and additions	\$ 78,444
Disposal of nonexpendable equipment	-21,957
Current year depreciation expense	<u>-230,656</u> *
Net Increase (Decrease)	<u>\$ -174,169</u>

<u>Analysis</u>	<u>07/01/2014 Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>06/30/2015 Balance</u>
Land	\$ 3,360,190	\$ 0	\$ 0	\$ 3,360,190
Buildings	6,430,253	72,013	23,560	6,478,706
Equipment and furniture	279,910	0	133,437	146,473
Construction in progress	<u>38,125</u>	<u>7,481</u>	<u>1,050</u>	<u>44,556</u>
Total Assets	\$ 10,108,478	\$ 79,494	\$ 158,047	\$ 10,029,925
Accumulated depreciation	<u>-4,060,153</u>	<u>135,040</u>	<u>230,656</u> *	<u>-4,155,769</u>
Net Capital Assets	<u>\$ 6,048,325</u>	<u>\$ 214,534</u>	<u>\$ 388,703</u>	<u>\$ 5,874,156</u>

\*Current year depreciation expense recognized.

Note 9 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	\$ 3,746
Accounts payable - HUD	5,922
Tenants security deposits	<u>41,265</u>
Subtotal	\$ 50,933
Interfund	<u>69,102</u>
Total	<u>\$ 102,035</u>

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 10 - Other Liabilities

Other liabilities consists of the following:

Current Portion:

Wages/payroll taxes payable	\$ 10,597
Compensated absences	39,625
Payment in lieu of taxes	25,242
Utilities payable	<u>3,060</u>
 Total Current Portion	 \$ 78,524

Noncurrent Portion:

Compensated absences	<u>36,537</u>
 Total	 <u>\$ 115,061</u>

Note 11 - Summary of Long Term Liabilities

A summary of long term liabilities as of June 30, 2015:

	07/01/2014			06/30/2015
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
FSS escrow	\$ 116,205	\$ 0	\$ 2,112	\$ 114,093
Compensated absences	<u>29,217</u>	<u>7,320</u>	<u>0</u>	<u>36,537</u>
 Total	 <u>\$ 145,422</u>	 <u>\$ 7,320</u>	 <u>\$ 2,112</u>	 <u>\$ 150,630</u>

Note 12 - Unearned Revenue

This classification consists of the following accounts:

Prepaid rents	\$ 5,322
Deferred subsidy	11,313
Other deferred revenue	<u>21,216</u>
 Total	 <u>\$ 37,851</u>

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 13 - Administrative Fee

The PHA receives an "Administrative Fee" as part of the annual contribution from HUD to cover the costs (including overhead) of administering the HAP Program. The administrative fee is determined by HUD on an annual basis.

Note 14 - Allocation of Costs

The PHA allocated expenses not attributable to a specific program to all programs under management. The basis for this allocation was the number of units in each program. Management considers this to be an equitable method of allocation.

Note 15 - Contingencies

Federal Grants

In the normal course of operations, the Housing Authority receives grant funds from the Department of Housing and Urban Development. The programs are subject to audit by agents of HUD, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Note 16 - Prior Period Adjustments

Prior period adjustments posted directly to net position are detailed below:

To write off capital assets below the capitalization threshold	\$ 7,492
To correct amount due to HUD per year end settlement	<u>-14,536</u>
	<u><u>\$ -7,044</u></u>

Note 17 - Contracts/Commitments

As of June 30, 2015, the Housing Authority had entered into the following pending construction projects in progress:

	<u>Funds Approved</u>	<u>Funds Expended To Date</u>
CFP 501-14	\$ 191,180	\$ 124,481
CFP 501-15	<u>188,671</u>	<u>0</u>
Total	<u><u>\$ 379,851</u></u>	<u><u>\$ 127,481</u></u>

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED JUNE 30, 2015  
(CONTINUED)**

Note 18 - Risk Management

The Housing Authority carries commercial insurance coverage to cover exposure and the risk of losses related to torts, thefts, damages, destruction of assets, errors and omissions, injuries, natural disasters and defalcation.

Settled claims have not exceeded insurance coverage or the risk pool coverage in the current of past three years and there has been no significant reduction in insurance coverage during the fiscal year.

Note 19 - Economic Dependency

The Housing Authority received most of its revenue (89%) from the United State Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

Note 20 - Restricted Net Position

Restricted net position is restricted for the following:

HAP	\$ 29,413
Modernization and development	<u>120,447</u>
Total	<u>\$ 149,860</u>

When both restricted and unrestricted reserves are available for use, the Housing Authority's policy is to use restricted resources to fund restricted costs and then unrestricted resources as they are needed.

## **SUPPLEMENTAL DATA**

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2015**

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Grant Period</u>	<u>Program Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of HUD</u>						
Direct Programs:						
Public and Indian Housing	14.850a	C-2065	FYE 06/30/15	\$ 329,636	\$ 329,636	\$ 329,636
Section 8 Housing Choice Vouchers*	14.871	C-058VO	FYE 06/30/15	\$ 2,354,320	\$ 2,354,320	\$ 2,344,955
Public Housing Capital Funds	14.872	C-2065	FYE 06/30/15	\$ 383,193	\$ 198,444	\$ 198,444
Supportive Housing for Persons with Disabilities	14.181	C-2065	FYE 06/30/15	\$ 394,553	\$ 394,553	\$ 394,553
PIH Family Self-Sufficiency Program	14.896	----	FYE 06/30/15	\$ 44,106	\$ 21,762	\$ 21,762
Total Housing Assistance				<u>\$ 3,505,808</u>	<u>\$ 3,298,715</u>	<u>\$ 3,289,350</u>

\*Denotes major program.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS (SEFA)  
TWELVE MONTHS ENDED JUNE 30, 2015**

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Columbus Housing Authority (Authority) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the Authority's consolidated financial statements.

The schedule summarizes the federal funds expended by the Authority under the programs of the federal government during the year ended June 30, 2015. The awards are classified as major and non-major program categories in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States Local Governments and Non-Profit Organizations*. The schedule of expenditures of federal awards displays the Authority's expenditures charged to federal programs for the year ended June 30, 2015, and should be read in conjunction with the Authority's consolidated financial statements.

Note 2 – Sources of Funding

The schedule includes all grants and contracts entered into directly between the Authority and agencies and departments of the federal government, as well as federal funds passed-through to the Authority by primary recipients. The Authority provided no part of its direct grant federal dollars to sub-recipients.

The Authority did not receive any non-cash assistance from federal funds, had no federal insurance, nor have any loan or loan guarantees outstanding as of June 30, 2015.

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
PHASE IN36P058501-13**

1. The Actual Modernization Costs of Phase IN36P058501-13 are as follows:

Funds approved	\$ 192,013
Funds expended	<u>192,013</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced	
Grants	\$ 192,013
Funds expended	<u>192,013</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

2. The distribution of costs by project, as shown on the final Statement of Modernization Cost, dated July 2, 2015, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.



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

Board of Commissioners  
Columbus Housing Authority  
Columbus, Indiana

I have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Columbus Housing Authority, which comprise the statement of net position as of June 30, 2015, and the related statements of changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Columbus Housing Authority's basic financial statements and have issued my report thereon dated December 17, 2015.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Columbus Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Columbus Housing Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Columbus 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Columbus Housing Authority's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Columbus Housing Authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Columbus Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Columbus Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Decatur, Illinois  
December 17, 2015

Certified Public Accountant



**Independent Auditor's Report on Compliance For Each Major Federal Program;  
Report on Internal Control Over Compliance Required by OMB Circular A-133**

Board of Commissioners  
Columbus Housing Authority  
Columbus, Indiana

**Report on Compliance for Each Major Program**

I have audited the Columbus Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, that could have a direct and material effect on each of the Columbus Housing Authority's major federal programs for the year ended June 30, 2015. The Columbus 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**

My responsibility is to express an opinion on compliance for each of the Columbus Housing Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133)*. Those standards and *OMB Circular A-133* require that I 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 material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the Columbus Housing Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major program. However, my audit does not provide a legal determination of the Columbus Housing Authority's compliance.

**Opinion on Each Major Program**

In my opinion, the Columbus Housing Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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

Management of the Columbus 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 my audit of compliance, I considered the Columbus 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 my opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Columbus Housing Authority's internal control over compliance.

*A deficiency in internal control over compliance* 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, noncompliance with a type of compliance requirements 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 will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses or significant deficiencies*. I did not identify any deficiencies in internal control over compliance that I consider to be *material weaknesses*, as defined above. 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 my testing of internal control over compliance and the results of my testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountant

Decatur, Illinois  
December 17, 2015

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended June 30, 2014 contained no findings.

COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY  
FOR THE YEAR ENDED JUNE 30, 2015

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report: Unqualified

\* Material weakness(es) identified? \_\_\_\_\_ yes  X  no

\* Significant deficiency (ies) identified? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

*Federal Awards*

Internal control over major programs:

\* Material weakness(es) identified? \_\_\_\_\_ yes  X  no

\* Significant deficiency (ies) identified? \_\_\_\_\_ yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs: \$  300,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**COLUMBUS HOUSING AUTHORITY  
COLUMBUS, INDIANA**

**FINDINGS, RECOMMENDATIONS AND REPLIES**

**Section II - Financial Statement Audit Findings**

There were no financial statement audit findings discussed with Deborah Holt, Executive Director or Don Wood, Director of Finance and other members of management during the course of the audit or at an exit conference held December 17, 2015.

**Section III - Federal Award Audit Findings**

There were no federal award audit findings discussed with Deborah Holt, Executive Director or Don Wood, Director of Finance and other members of management during the course of the audit or at an exit conference held December 17, 2015.

Columbus Housing Authority (IN058)  
COLUMBUS, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 6/30/2015

	Project Total	14.DVP Disaster Voucher Program	14.871 Housing Choice Vouchers	14.181 Supportive Housing for Persons with Disabilities	2 State/Local	1 Business Activities	14.898 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$298,171	\$5,922	\$285,725	\$10,629	\$122,877	\$237,368	\$11,313	\$972,005		\$972,005
112 Cash - Restricted - Modernization and Development	\$120,447							\$120,447		\$120,447
113 Cash - Other Restricted	\$23,099		\$120,417					\$143,506		\$143,506
114 Cash - Tenant Security Deposits	\$41,265							\$41,265		\$41,265
115 Cash - Restricted for Payment of Current Liabilities	\$5,322							\$5,322		\$5,322
100 Total Cash	\$489,294	\$5,922	\$406,142	\$10,629	\$122,877	\$237,368	\$11,313	\$1,282,545	\$0	\$1,282,545
121 Accounts Receivable - PHA Projects										
122 Accounts Receivable - HUD Other Projects			\$10,278	\$50,207				\$60,485		\$60,485
124 Accounts Receivable - Other Government										
125 Accounts Receivable - Miscellaneous	\$3,795							\$3,795		\$3,795
126 Accounts Receivable - Tenants	\$-679							\$-679		\$-679
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans & Mortgages Receivable - Current										
128 Fraud Recovery			\$3,277					\$3,277		\$3,277
128.1 Allowance for Doubtful Accounts - Fraud			\$-2,747					\$-2,747		\$-2,747
129 Accrued Interest Receivable										
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,116	\$0	\$10,808	\$50,207	\$0	\$0	\$0	\$64,131	\$0	\$64,131
131 Investments - Unrestricted										
132 Investments - Restricted										
135 Investments - Restricted for Payment of Current Liability										
142 Prepaid Expenses and Other Assets	\$35,481		\$2,866					\$38,347		\$38,347
143 Inventories										
143.1 Allowance for Obsolete Inventories										
144 Inter Program Due From	\$4,359		\$64,743					\$69,102	\$-69,102	\$0
145 Assets Held for Sale										
150 Total Current Assets	\$531,250	\$5,922	\$484,559	\$60,836	\$122,877	\$237,368	\$11,313	\$1,454,125	\$-69,102	\$1,385,023
161 Land	\$3,360,190							\$3,360,190		\$3,360,190
162 Buildings	\$6,392,335		\$86,371					\$6,478,706		\$6,478,706
163 Furniture, Equipment & Machinery - Dwellings										
164 Furniture, Equipment & Machinery - Administration	\$96,230		\$50,243					\$146,473		\$146,473
165 Leasehold Improvements										
166 Accumulated Depreciation	\$-4,071,848		\$-63,921					\$-4,135,769		\$-4,135,769
167 Construction in Progress	\$44,556							\$44,556		\$44,556
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,821,463	\$0	\$52,693	\$0	\$0	\$0	\$0	\$5,874,156	\$0	\$5,874,156
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	\$5,821,463	\$0	\$52,693	\$0	\$0	\$0	\$0	\$5,874,156	\$0	\$5,874,156
200 Deferred Outflow of Resources										
290 Total Assets and Deferred Outflow of Resources	\$6,352,713	\$5,922	\$537,252	\$60,836	\$122,877	\$237,368	\$11,313	\$7,328,281	\$-69,102	\$7,259,179

Columbus Housing Authority (IN058)  
COLUMBUS, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 6/30/2015

	Project Total	14.DVP Disaster Voucher Program	14.871 Housing Choice Vouchers	14.181 Supportive Housing for Persons with Disabilities	2 State/Local	1 Business Activities	14.896 PHH Family Self-Sufficiency Program	Subtotal	ELIM	Total
311 Bank Overdraft										
312 Accounts Payable <= 90 Days	\$3,287		\$459					\$3,746		\$3,746
313 Accounts Payable >90 Days Past Due										
321 Accrued Wages/Payroll Taxes Payable	\$5,015		\$5,582					\$10,597		\$10,597
322 Accrued Compensated Absences - Current Portion	\$22,029		\$17,596					\$39,625		\$39,625
324 Accrued Contingency Liability										
325 Accrued Interest Payable										
331 Accounts Payable - HUD PHA Programs		\$5,922						\$5,922		\$5,922
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government	\$25,242							\$25,242		\$25,242
341 Tenant Security Deposits	\$41,265							\$41,265		\$41,265
342 Unearned Revenue	\$26,538			\$0			\$11,313	\$37,851		\$37,851
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue										
344 Current Portion of Long-term Debt - Operating Borrowings										
345 Other Current Liabilities										
346 Accrued Liabilities - Other	\$2,937		\$123					\$3,060		\$3,060
347 Inter Program - Due To			\$4,359	\$64,743				\$69,102	-\$69,102	\$0
348 Loan Liability - Current										
310. Total Current Liabilities	\$126,313	\$5,922	\$28,119	\$64,743	\$0	\$0	\$11,313	\$236,410	-\$69,102	\$167,308
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	\$23,089		\$91,004					\$114,093		\$114,093
354 Accrued Compensated Absences - Non Current	\$22,080		\$14,457					\$36,537		\$36,537
355 Loan Liability - Non Current										
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities										
350 Total Non-Current Liabilities	\$45,169	\$0	\$105,461	\$0	\$0	\$0	\$0	\$150,630	\$0	\$150,630
300 Total Liabilities	\$171,482	\$5,922	\$133,580	\$64,743	\$0	\$0	\$11,313	\$387,040	-\$69,102	\$317,938
400 Deferred Inflow of Resources										
508.4 Net Investment in Capital Assets	\$5,821,463		\$52,693					\$5,874,156		\$5,874,156
511.4 Restricted Net Position	\$120,447		\$29,413					\$149,860		\$149,860
512.4 Unrestricted Net Position	\$299,321	\$0	\$321,566	-\$3,907	\$122,877	\$237,368	\$0	\$917,225		\$917,225
513 Total Equity - Net Assets / Position	\$6,181,231	\$0	\$603,672	-\$3,907	\$122,877	\$237,368	\$0	\$6,941,241	\$0	\$6,941,241
600 Total Liabilities Deferred Inflows of Resources and Equity - Net	\$6,352,713	\$5,922	\$537,252	\$60,836	\$122,877	\$237,368	\$11,313	\$7,328,281	-\$69,102	\$7,259,179

Columbus Housing Authority (IN058)  
COLUMBUS, IN

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2015

Submission Type: Audited/A-133

	Project Total	14. DVP Disaster Voucher Program	14.871 Housing Choice Vouchers	14.181 Supportive Housing for Persons with Disabilities	2 State/Local	1 Business Activities	14.896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$312,988							\$312,988		\$312,988
70400 Tenant Revenue - Other	\$36,545							\$36,545		\$36,545
70500 Total Tenant Revenue	\$349,533	\$0	\$0	\$0	\$0	\$0	\$0	\$349,533	\$0	\$349,533
70600 HUD PHA Operating Grants	\$449,636		\$2,354,320	\$394,553			\$21,762	\$3,220,271		\$3,220,271
70610 Capital Grants	\$78,444							\$78,444		\$78,444
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	\$136		\$44		\$12	\$23		\$215		\$215
71200 Mortgage Interest Income										
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery	\$3,218							\$3,218		\$3,218
71500 Other Revenue	\$35,711		\$7,983		\$6,229	\$22,253		\$74,176		\$74,176
71600 Gain or Loss on Sale of Capital Assets	-\$27,434		-\$2,015					-\$29,449		-\$29,449
72000 Investment Income - Restricted	\$17							\$17		\$17
70000 Total Revenue	\$685,043	\$0	\$2,363,550	\$394,553	\$6,241	\$22,276	\$21,762	\$3,696,425	\$0	\$3,696,425
91100 Administrative Salaries	\$203,567		\$128,994	\$21,359				\$353,920		\$353,920
91200 Auditing Fees	\$2,357		\$6,283					\$8,640		\$8,640
91300 Management Fee										
91310 Book-Keeping Fee										
91400 Advertising and Marketing	\$371		\$26					\$397		\$397
91500 Employee Benefit Contributions - Administrative	\$66,739		\$58,191	\$9,504				\$136,434		\$136,434
91600 Office Expenses	\$19,811		\$18,999	\$8,429				\$47,239		\$47,239
91700 Legal Expense	\$320		\$800					\$1,120		\$1,120
91800 Travel										
91810 Allocated Overhead										
91900 Other	\$16,918		\$17,752		\$3,370	\$5,542		\$43,582		\$43,582
91000 Total Operating - Administrative	\$312,083	\$0	\$231,045	\$39,292	\$3,370	\$5,542	\$0	\$591,332	\$0	\$591,332
92000 Asset Management Fee										
92100 Tenant Services - Salaries			\$16,003				\$18,570	\$34,573		\$34,573
92200 Relocation Costs										
92300 Employee Benefit Contributions - Tenant Services			\$2,755				\$3,192	\$5,947		\$5,947
92400 Tenant Services - Other										
92500 Total Tenant Services	\$0	\$0	\$18,758	\$0	\$0	\$0	\$21,762	\$40,520	\$0	\$40,520

Columbus Housing Authority (IN058)  
COLUMBUS, IN

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2015

Submission Type: Audited/A-133

	Project Total	14 DVP Disaster Voucher Program	14,871 Housing Choice Vouchers	14,181 Supportive Housing for Persons with Disabilities	2 State/Local	1 Business Activities	14,896 PH Family Self-Sufficiency Program	Subtotal	ELIM	Total
93100 Water	\$9,528		\$252					\$9,780		\$9,780
93200 Electricity	\$54,879		\$2,123					\$57,002		\$57,002
93300 Gas	\$3,000		\$652					\$3,652		\$3,652
93400 Fuel										
93500 Labor										
93600 Sewer										
93700 Employee Benefit Contributions - Utilities										
93800 Other Utilities Expense										
93900 Total Utilities	\$66,407	\$0	\$3,027	\$0	\$0	\$0	\$0	\$69,434	\$0	\$69,434
94100 Ordinary Maintenance and Operations - Labor	\$83,163							\$83,163		\$83,163
94200 Ordinary Maintenance and Operations - Materials and Other	\$2,953		\$1,553					\$4,416		\$4,416
94300 Ordinary Maintenance and Operations - Contracts	\$90,959		\$506					\$91,465		\$91,465
94500 Employee Benefit Contributions - Ordinary Maintenance	\$42,486							\$42,486		\$42,486
94000 Total Maintenance	\$269,471	\$0	\$2,059	\$0	\$0	\$0	\$0	\$271,530	\$0	\$271,530
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	\$0	\$0	\$0	\$0
96110 Property Insurance	\$28,964							\$28,964		\$28,964
96120 Liability Insurance	\$21,233							\$21,233		\$21,233
96130 Workmen's Compensation	\$4,917		\$4,023					\$8,940		\$8,940
96140 All Other Insurance	\$8,242		\$4,761					\$13,023		\$13,023
96100 Total Insurance Premiums	\$63,356	\$0	\$6,804	\$0	\$0	\$0	\$0	\$72,160	\$0	\$72,160
96200 Other General Expenses										
96210 Compensated Absences	\$25,024		\$15,066					\$40,090		\$40,090
96300 Payments in Lieu of Taxes	\$25,242							\$25,242		\$25,242
96400 Bad debt - Tenant Rents	\$17,405		\$1,185					\$18,590		\$18,590
96500 Bad debt - Mortgages										
96600 Bad debt - Other										
96800 Severance Expense										
96000 Total Other General Expenses	\$67,671	\$0	\$16,251	\$0	\$0	\$0	\$0	\$83,922	\$0	\$83,922
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	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$779,988	\$0	\$279,944	\$39,292	\$3,370	\$5,542	\$21,762	\$1,128,898	\$0	\$1,128,898
97000 Excess of Operating Revenue over Operating Expenses	\$107,055	\$0	\$2,063,606	\$355,261	\$4,871	\$16,734	\$0	\$2,567,527	\$0	\$2,567,527

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Fiscal Year End: 06/30/2015

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	Project Total	14 DVP Disaster Voucher Program	14,871 Housing Choice Vouchers	14,181 Supportive Housing for Persons with Disabilities	2 State/Local	1 Business Activities	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$40,205							\$40,205		\$40,205
97200 Casualty Losses - Non-capitalized										
97300 Housing Assistance Payments			\$2,061,123	\$355,961				\$2,416,384		\$2,416,384
97350 HAP Portability-In			\$3,868					\$3,868		\$3,868
97400 Depreciation Expense	\$220,763		\$9,893					\$230,656		\$230,656
97500 Fraud Losses										
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense										
99000 Total Expenses	\$1,039,956	\$0	\$2,354,848	\$394,553	\$3,370	\$5,542	\$21,762	\$3,820,031	\$0	\$3,820,031
10010 Operating Transfer In	\$120,000									
10020 Operating transfer Out	-\$120,000									
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	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$153,913	\$0	\$8,702	\$0	\$4,871	\$16,734	\$0	-\$123,606	\$0	-\$123,606
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$6,327,652	\$0	\$394,970	\$10,629	\$118,006	\$220,634	\$0	\$7,071,891	\$0	\$7,071,891
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$7,492		\$0	-\$14,556				-\$7,044		-\$7,044
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			\$374,259					\$374,259		\$374,259
11180 Housing Assistance Payments Equity			\$29,413					\$29,413		\$29,413
11190 Unit Months Available	1884	0	6307	900	0	0	0	9091		9091
11210 Number of Unit Months Leased	1632	0	6305	900	0	0	0	9037		9037
11270 Excess Cash	\$161,005							\$161,005		\$161,005
11610 Land Purchases	\$0							\$0		\$0
11620 Building Purchases	\$78,444							\$78,444		\$78,444
11630 Furniture & Equipment - Dwelling Purchases	\$0							\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0							\$0		\$0
11650 Leasehold Improvements Purchases	\$0							\$0		\$0
11660 Infrastructure Purchases	\$0							\$0		\$0
13510 CFF-P Debt Service Payments	\$0							\$0		\$0
13901 Replacement Housing Factor Funds	\$0							\$0		\$0