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August 11, 2016

Board of Commissioners  
Warsaw Housing Authority  
109 West Catherine Street  
Milford, IN 46542

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, for the period October 1, 2014 to September 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 Warsaw Housing Authority as of September 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

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

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**TWELVE MONTHS ENDED SEPTEMBER 30, 2015**

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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## Independent Auditor's Report

Board of Commissioners  
Warsaw Housing Authority  
Milford, Indiana

I have audited the accompanying financial statements of the Warsaw Housing Authority, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Warsaw 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 Warsaw 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 Warsaw 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 Warsaw Housing Authority, as of September 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 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Warsaw 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 30 to 34 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 March 18, 2016 on my consideration of the Warsaw 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.



Certified Public Accountant

Decatur, Illinois  
March 18, 2016

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2015**

This section of the Warsaw Housing Authority, Indiana (Authority) annual financial report presents our management's discussion and analysis of the Authority's financial performance during the fiscal year ended on September 30, 2015. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. Please read and consider the information presented in conjunction with the financial statements as a whole.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

**FINANCIAL HIGHLIGHTS**

- The term "net position" refers to the difference between assets and liabilities. The Authority's total net position as of September 30, 2015 was \$47,015. The net position decreased by \$57,099, a decrease of 54.8% from the prior year.
- Revenues for the Authority were \$1,369,664 for the year ended September 30, 2015. This was an increase of \$225,315 or 19.7% over the prior year.
- Expenses for the Authority were \$1,348,464 for the year ended September 30, 2015. This was an increase of \$130,813 or 10.7% over the prior year.
- HUD operating grants for the Authority was \$718,718 for the year ended September 30, 2015, an increase of \$127,774 or 21.6% over the prior year. Other government grants for the Authority were \$615,377 for the year ended September 30, 2015, an increase of \$96,116 or 18.5% over the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes this *Management Discussion and Analysis* report, the *Basic Financial Statements* and the *Notes to the Financial Statements*. This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Information*. The Authority's financial statements are presented as fund level financial statements because the Authority only has proprietary funds.

**Required Financial Statements**

The financial statements of the Housing Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations of the Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

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.

*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 and provide more detailed data.

*Supplemental Information*

This report also contains the Financial Data Schedule (FDS) as referenced in the section of *Supplemental Data*. HUD has established *Uniform Financial Reporting Standards* that require Housing Authority's to submit financial information electronically to HUD using the FDS format. This financial information was electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended September 30, 2015 and is required to be included in the audit reporting package.

**FINANCIAL ANALYSIS**

Net position may serve, over time, as a useful indicator of a government's financial position. As stated in the table on the following page, assets exceeded liabilities by \$47,015 at the close of the year ended September 30, 2015 down from \$104,114 in fiscal year 2014. The decrease in net position of \$57,099 was due to the reasons noted below.

- Current assets include cash, investments, receivables, and prepaid expenses. Of the \$110,542 decrease in this category, cash and investments decreased \$42,368, receivables decreased \$68,542, and prepaid & other expenses increased \$368.
- Capital assets decreased \$98 because current year depreciation expense exceeded current year capital asset additions. Change in capital assets is explained in section titled "Capital Assets" of this analysis.
- Current liabilities decreased \$49,999 or 73.8% mostly due to a \$49,051 decrease in unearned revenue from IHCDA.
- Noncurrent liabilities decreased \$3,542 or 3.8% mostly due to a \$3,237 decrease in trust and deposit liabilities.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2015**

**FINANCIAL ANALYSIS (CONTINUED)**

The unrestricted net position was \$39,957 as of September 30, 2015. This amount may be used to meet the Authority's ongoing obligations. The Authority has sufficient funds to meet requirements for cash outlays for three months, excluding housing assistance payments. The restricted net position was \$0 as of September 30, 2015. This amount may only be used for Section 8 Voucher housing assistance payments. At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position. The same situation held true for the prior fiscal year.

<b>CONDENSED STATEMENTS OF NET ASSETS</b>				
	<b>2015</b>	<b>2014</b>	<b>Net Change</b>	<b>Percent Variances</b>
Cash and other current assets	146,597	257,139	(110,542)	-43.0%
Capital Assets (net)	7,058	7,156	(98)	-1.4%
<b>Total Assets</b>	<b>153,655</b>	<b>264,295</b>	<b>(110,640)</b>	<b>-41.9%</b>
Deferred Outflows of Resources	0	0	0	0.0%
<b>TOTAL</b>	<b>153,655</b>	<b>264,295</b>	<b>(110,640)</b>	<b>-41.9%</b>
Current Liabilities	17,718	67,717	(49,999)	-73.8%
Noncurrent Liabilities	88,922	92,464	(3,542)	-3.8%
<b>Total Liabilities</b>	<b>106,640</b>	<b>160,181</b>	<b>(53,541)</b>	<b>-33.4%</b>
Deferred Inflows of Resources	0	0	0	0.0%
Net Investment in Capital Assets	7,058	7,156	(98)	-1.4%
Restricted	0	1,341	(1,341)	-100.0%
Unrestricted	39,957	95,617	(55,660)	-58.2%
<b>Total Net Position</b>	<b>47,015</b>	<b>104,114</b>	<b>(57,099)</b>	<b>-54.8%</b>
<b>TOTAL</b>	<b>153,655</b>	<b>264,295</b>	<b>(110,640)</b>	<b>-41.9%</b>

While the Statement of Net Position shows the change in financial position of net position, the Statements of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes.

As can be seen in the table on the following page, total revenues increased \$225,315 due to the reasons noted below.

- HUD operating grants increased \$127,774 due to a \$123,678 increase in housing assistance received from HUD and a \$4,096 increase in administrative fees received from HUD.
- Other government grants represent funding from a local government agency for housing assistance were \$615,377 for FY 2015, up from \$519,261 in FY 2014. Primary reason was the addition of Marshall County Vouchers in FY 2014 resulting in revenue of \$323,848 in FY 2014 and \$432,703 in FY 2015.
- Other income increased \$2,450 or 8.5% from FY 2014.
- Investment income decreased \$153 from FY 2014.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2015**

**FINANCIAL ANALYSIS (CONTINUED)**

**CONDENSED STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

	<u>FY 2015</u>	<u>FY 2014</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues</b>				
Operating - non-operating - capital contributions:				
HUD PHA operating grants	718,718	590,944	127,774	21.6%
Other government grants	615,377	519,261	96,116	18.5%
Other revenue	31,325	28,875	2,450	8.5%
Investment income	50	203	(153)	-75.4%
Fraud recovery	4,194	5,066	(872)	-17.2%
Total Revenues	<u>1,369,664</u>	<u>1,144,349</u>	<u>225,315</u>	19.7%
<b>Expenses</b>				
Administration	160,215	169,338	(9,123)	-5.4%
Utilities	1,670	2,996	(1,326)	-44.3%
Ordinary maintenance & operation	952	830	122	14.7%
General expense	8,495	6,597	1,898	28.8%
Housing assistance payments	1,175,815	1,036,502	139,313	13.4%
Depreciation expense	1,317	1,388	(71)	-5.1%
Total Expenses	<u>1,348,464</u>	<u>1,217,651</u>	<u>130,813</u>	10.7%
Excess (deficiency) before special items	21,200	(73,302)	94,502	
Special items	<u>(78,299)</u>	<u>-</u>	<u>(78,299)</u>	
Changes in net position	(57,099)	(73,302)	16,203	
Net position, beginning of year	<u>104,114</u>	<u>177,416</u>	<u>(73,302)</u>	
Net position, end of year	<u>\$ 47,015</u>	<u>\$ 104,114</u>	<u>\$ (57,099)</u>	

Total expenses increased \$130,813 due to the reasons noted below.

- Administration decreased \$9,123 or 5.4% primarily due to a decrease in administrative salaries and benefits of \$12,079 or 9.4%, which was partially offset by an increase in travel expense of \$1,353 or 18.6%.
- Ordinary maintenance & operation increased \$122 from FY 2014.
- General expense increased \$1,898 or 28.8% mainly due to an increase in expense for compensated absences of \$1,672 or 33.3%.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
September 30, 2015**

**FINANCIAL ANALYSIS (CONTINUED)**

- Housing assistance payments increased \$139,313 or 13.4% mostly due to addition of housing assistance for Marshall County Vouchers during FY 2014. The Authority provided housing assistance to voucher holders in Marshall County in the amount of \$373,009 in FY 2015, up from \$280,545 in FY 2014. For the Housing Choice Voucher Program the average housing assistance payment per assisted tenant increased \$27.59 or 9.2% from FY 2014.
- The Authority had a \$71 or 5.1% decrease in depreciation, which is the write-off of capital assets over their estimated useful life.
- The Authority had a special item of \$(78,299) in FY 2015 for debt forgiveness on balance owed from Housing Opportunities of Warsaw.

The Authority is authorized to assist 175 households with the Housing Choice Voucher Rental Assistance Program. The Section 8 lease up rate for fiscal year ending September 30, 2015 was 94.0%, down slightly from 94.3% in FY 2014.

**CAPITAL ASSETS**

The Warsaw Housing Authority, Indiana's investment in capital assets net of related debt, as of September 30, 2015 amounts to \$7,058 (net of accumulated depreciation). The investment in capital assets includes equipment.

*Capital Assets* – The total decrease in the Authority's capital assets for the current fiscal year was 1.4% in terms of net book value. Actual expenditures to purchase capital assets from revenues were \$1,219 for the year. Depreciation charges for the year totaled \$1,317. Additional information on the Authority's capital assets can be found in the notes to the financial statements of this report.

	Beginning	Additions	Depreciation	Ending
Capital assets	\$7,156	\$1,219	\$(1,317)	\$7,058

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

The Authority is eligible to receive \$645,144 for housing assistance payments for the next fiscal year in the Housing Choice Voucher Program. The Authority also has \$65,203 in HUD-Held Program Reserves to be used for housing assistance payments. Based on the average housing assistance payment per unit of \$325.97 for FY 2015, the Authority will have sufficient funding and reserves to lease 100.0% of its authorized vouchers in FY 2016. Administrative fees for the Housing Choice Voucher program will be based on actual utilization in FY 2016 and adjusted for pro-ration which is currently at 80%.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Pamela Kennedy, Executive Director, Warsaw Housing Authority, P.O. Box 387, Milford, Indiana 46542.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

**ASSETS**

Cash - operating		\$ 123,380
Accounts receivable (net)		18,538
Investments		3,016
Prepaid expenses		1,663
Capital assets:		
Land, land improvements and construction in progress	\$	0
Other assets, net of depreciation		<u>7,058</u>
Total Capital Assets		<u>\$ 7,058</u>
Total Assets		<u>\$ 153,655</u>

**DEFERRED OUTFLOWS OF RESOURCES**

\$ 0

**TOTAL**

\$ 153,655

**LIABILITIES**

Accounts payable		\$ 928
Other liabilities		9,290
Unearned revenue		7,500
Noncurrent liabilities:		
Trust and deposit liabilities		<u>88,922</u>
Total Liabilities		<u>\$ 106,640</u>

**DEFERRED INFLOWS OF RESOURCES**

\$ 0

**NET POSITION**

Invested in capital assets		\$ 7,058
Unrestricted		<u>39,957</u>
Total Net Position		<u>\$ 47,015</u>
<b>TOTAL</b>		<u><u>\$ 153,655</u></u>

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Operating Income

HUD grants - operating	\$ 718,718
Other government grants	615,377
Fraud recovery	4,194
Other revenue	<u>31,325</u>
 Total Operating Income	 <u>\$ 1,369,614</u>

Operating Expenses

Administration	\$ 160,215
Utilities	1,670
Maintenance	952
General expense	8,495
Housing assistance payments	1,175,815
Depreciation expense	<u>1,317</u>
 Total Operating Expenses	 <u>\$ 1,348,464</u>

Net Operating Income (Loss) \$ 21,150

Nonoperating Income (Expense)

Special items	-78,299
Interest income	<u>50</u>
 Changes in net position	 \$ -57,099
Net position, beginning of year	<u>104,114</u>
 Net position, end of year	 <u><u>\$ 47,015</u></u>

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Operating Activities

Operating grants	\$ 1,325,010
Other revenue	35,519
Housing assistance payments	-1,175,815
Payments to employees	-113,619
Payments to suppliers and contractors	<u>-33,995</u>

Net Cash Provided (Used) by Operating Activities \$ 37,100

Investing Activities

Investments (purchased) redeemed	\$ -12
Interest income	<u>50</u>

Net Cash Provided (Used) by Investing Activities \$ 38

Capital and Related Financing Activities

(Additions) deletions to fixed assets	\$ -1,219
Special items	<u>-78,299</u>

Net Cash Provided (Used) by Financing Activities \$ -79,518

Net Change in Cash \$ -42,380

Cash Balance at September 30, 2014 165,760

Cash Balance at September 30, 2015 \$ 123,380

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

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

Net operating income (loss)	\$ 21,150
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	1,317
(Increase) decrease in accounts receivable	68,542
(Increase) decrease in prepaid expenses	-368
Increase (decrease) in accounts payable	237
Increase (decrease) in other liabilities	-1,490
Increase (decrease) in unearned revenues	-49,051
Increase (decrease) in trust & deposit liabilities	<u>-3,237</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 37,100</u>

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

The Warsaw Housing Authority was established by the City of Warsaw 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 Warsaw Housing Authority and concluded that the city does not maintain an oversight responsibility for the Authority's operations. An independent Board of Commissioners, appointed by the mayor, 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 Warsaw 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 Accounting Standards Board (GASB) pronouncements.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED SEPTEMBER 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:

- \* Section 8 Housing Choice Vouchers
- \* Business Activities

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 policy 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 (6) months 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 assets and have been eliminated in the basic financial statements.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Note 1 - Summary of Significant Accounting Policies

(g) Investments -

Investments are stated at cost which approximates market.

(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 has no formal policy:

If the initial cost of a piece of equipment and/or other personal property is five hundred dollars (\$500) 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 charged as a capital expenditure.

Land, buildings and equipment contains the following:

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

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	years
Equipment	3 - 5	years
Furniture and fixtures	7	years

(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.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Note 1 - Summary of Significant Accounting Policies

(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 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 Department of Housing and Urban Development for approval. Subsequent budget revisions may also be required to be submitted to HUD 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.

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.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Note 2 - Cash and Investments (Continued)

*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.

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>
Voucher	\$ 5,640	\$ 6,092
Business Activities	<u>120,756</u>	<u>126,663</u>
Total	<u>\$ 126,396</u>	<u>\$ 132,755</u>

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Note 3 - Compensated Absences

Full time, salaried employees are granted vacation benefits at a rate of 1 day for each full month of employment up to a maximum of 10 working days per year. Sick leave accrues to employees up to 5 days per year.

The estimated portion of the liability for vested sick leave benefits attributable to the Housing Authority is recorded as an expenditure and liability in each of the respective programs, because vacation allowances must be taken during the employment year it was earned.

Note 4 - 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 5 - Accounts Receivable

Accounts receivable consists of the following accounts:

HUD other projects	\$ 11,372
Accounts receivable - other government	1,288
Accounts receivable - miscellaneous	895
Fraud recovery	42,007
Allowance for doubtful - fraud	<u>-37,024</u>
Subtotal	\$ 18,538
Interfund	<u>18,833</u>
Total	<u>\$ 37,371</u>

Note 6 - Investments

At September 30, 2015 investments consist of the following:

	<u>Rate</u>	
Certificate of deposit	0.70%	<u>\$ 3,016</u>

Note 7 - Prepaid Expenses

This classification includes the following accounts:

Prepaid insurance	\$ 448
Prepaid computer support	817
Other	<u>398</u>
Total	<u>\$ 1,663</u>

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Note 8 - Capital Assets

Balance as of September 30, 2015	\$ 7,058
Balance as of September 30, 2014	<u>7,156</u>
Net Increase (Decrease)	<u>\$ -98</u>

Reconciliation

Replacement of nonexpendable equipment	\$ 1,219
Current year depreciation expense	<u>-1,317</u> *
Net Increase (Decrease)	<u>\$ -98</u>

<u>Analysis</u>	<u>10/01/2014 Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>09/30/2015 Balance</u>
Building improvements	\$ 5,665	\$ 0	\$ 0	\$ 5,665
Equipment and furniture	<u>25,987</u>	<u>1,219</u>	<u>0</u>	<u>27,206</u>
Subtotal	\$ 31,652	\$ 1,219	\$ 0	\$ 32,871
Accumulated depreciation	<u>-24,496</u>	<u>0</u>	<u>1,317</u> *	<u>-25,813</u>
Total	<u>\$ 7,156</u>	<u>\$ 1,219</u>	<u>\$ 1,317</u>	<u>\$ 7,058</u>

\* Current depreciation expense recognized.

Note 9 - Accounts Payable

This classification includes the following accounts:

Vendors and contractors	<u>\$ 928</u>
Subtotal	\$ 928
Interfund	<u>18,833</u>
Total	<u>\$ 19,761</u>

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

Note 10 - Other Liabilities

Other liabilities consists of the following:

Current Portion:

Wage/payroll taxes payable	\$ 6,218
Earned compensated absences	3,050
Utilities payable	<u>22</u>
Total	<u>\$ 9,290</u>

Note 11 - Trust and Deposit Liabilities

This classification consists of the following:

HOYO revolving loans	<u>\$ 88,922</u>
----------------------	------------------

Note 12 - Summary of Long Term Liabilities

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

	10/01/2014 <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	09/30/2015 <u>Balance</u>
Earned compensated absences	\$ 305	\$ 0	\$ 305	\$ 0
HOYO revolving loans	<u>92,159</u>	<u>0</u>	<u>3,237</u>	<u>88,922</u>
Total	<u>\$ 92,464</u>	<u>\$ 0</u>	<u>\$ 3,542</u>	<u>\$ 88,922</u>

Note 13 - Unearned Revenue

This classification consists of the following:

City administration fees	<u>\$ 7,500</u>
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Note 14 - 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 fee is calculated by HUD and is budgeted on a calendar year basis.

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

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 - 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 risk pool coverage in the current or past three years and there has been no significant reduction in insurance coverage during the fiscal year.

Note 17 - Economic Dependency

The Housing Authority received most of its revenue (53%) from the United States Department of Housing and Urban Development. This funding is subject to federal government appropriations and potential funding reductions.

Note 18 - Restricted Net Position

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**

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
TWELVE MONTHS ENDED SEPTEMBER 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:						
Section 8 Housing Choice Vouchers *	14.871	IN060	FYE 09/30/15	\$ <u>718,718</u>	\$ <u>718,718</u>	\$ <u>718,718</u>

\*Denotes major program.

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

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Warsaw 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 September 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 September 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.



**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  
Warsaw Housing Authority  
Milford, 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 Warsaw Housing Authority, which comprise the statement of net position as of September 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 Warsaw Housing Authority's basic financial statements and have issued my report thereon dated March 18, 2016.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Warsaw 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 Warsaw Housing Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Warsaw 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 Warsaw 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 Warsaw 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 Warsaw 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 Warsaw Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant

Decatur, Illinois  
March 18, 2016



**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  
Warsaw Housing Authority  
Milford, Indiana

**Report on Compliance for Each Major Program**

I have audited the Warsaw 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 Warsaw Housing Authority's major federal programs for the year ended September 30, 2015. The Warsaw 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 Warsaw 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 Warsaw 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 Warsaw Housing Authority's compliance.

**Opinion on Each Major Program**

In my opinion, the Warsaw 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 September 30, 2015.

## **Other Matters**

The results of my auditing procedures disclosed no material instances of noncompliance which are to be reported in accordance with *OMB Circular A-133*.

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

Management of the Warsaw 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 Warsaw 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 Warsaw 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  
March 18, 2016

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**STATUS OF PRIOR AUDIT FINDINGS**

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

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

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

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

*Financial Statements*

Type of auditor's report: Unmodified

\* 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: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with  
Section 510(a) of OMB 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

**WARSAW HOUSING AUTHORITY  
WARSAW, INDIANA**

**CURRENT FINDINGS AND RECOMMENDATIONS**

**Section II - Financial Statement Findings**

There were no financial statement audit findings discussed with Pamela Kennedy, Executive Director, during the course of the audit and at an exit conference held March 18, 2016.

**Section III - Federal Award Findings and Questioned Costs**

There were no federal award audit findings discussed with Pamela Kennedy, Executive Director, during the course of the audit and at an exit conference held March 18, 2016.

Housing Authority of the City of Warsaw (IN060)  
Milford, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2015

	14,871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$5,640	\$117,740	\$123,380		\$123,380
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$5,640	\$117,740	\$123,380	\$0	\$123,380
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$11,372		\$11,372		\$11,372
124 Accounts Receivable - Other Government		\$1,288	\$1,288		\$1,288
125 Accounts Receivable - Miscellaneous		\$895	\$895		\$895
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts - Tenants					
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery	\$42,007		\$42,007		\$42,007
128.1 Allowance for Doubtful Accounts - Fraud	-\$37,024		-\$37,024		-\$37,024
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$16,355	\$2,183	\$18,538	\$0	\$18,538
131 Investments - Unrestricted		\$3,016	\$3,016		\$3,016
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$665	\$998	\$1,663		\$1,663
143 Inventories					
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From		\$18,833	\$18,833	-\$18,833	\$0
145 Assets Held for Sale					
150 Total Current Assets	\$22,660	\$142,770	\$165,430	-\$18,833	\$146,597
161 Land					
162 Buildings		\$5,665	\$5,665		\$5,665
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration	\$19,550	\$7,656	\$27,206		\$27,206
165 Leasehold Improvements					
166 Accumulated Depreciation	-\$19,429	-\$6,384	-\$25,813		-\$25,813
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$121	\$6,937	\$7,058	\$0	\$7,058
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	\$121	\$6,937	\$7,058	\$0	\$7,058
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$22,781	\$149,707	\$172,488	-\$18,833	\$153,655

Housing Authority of the City of Warsaw (IN060)  
Milford, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2015

	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
311 Bank Overdraft					
312 Accounts Payable <= 90 Days		\$928	\$928		\$928
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$2,339	\$3,879	\$6,218		\$6,218
322 Accrued Compensated Absences - Current Portion	\$1,464	\$1,586	\$3,050		\$3,050
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue		\$7,500	\$7,500		\$7,500
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		\$22	\$22		\$22
347 Inter Program - Due To	\$18,833		\$18,833	-\$18,833	\$0
348 Loan Liability - Current					
310 Total Current Liabilities	\$22,636	\$13,915	\$36,551	-\$18,833	\$17,718
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		\$88,922	\$88,922		\$88,922
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	\$88,922	\$88,922	\$0	\$88,922
300 Total Liabilities	\$22,636	\$102,837	\$125,473	-\$18,833	\$106,640
400 Deferred Inflow of Resources					
508.4 Net Investment in Capital Assets	\$121	\$6,937	\$7,058		\$7,058
511.4 Restricted Net Position					
512.4 Unrestricted Net Position	\$24	\$39,933	\$39,957		\$39,957
513 Total Equity - Net Assets / Position	\$145	\$46,870	\$47,015	\$0	\$47,015
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$22,781	\$149,707	\$172,488	-\$18,833	\$153,655

Housing Authority of the City of Warsaw (IN060)  
Milford, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2015

	14,871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$718,718		\$718,718		\$718,718
70610 Capital Grants					
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		\$615,377	\$615,377		\$615,377
71100 Investment Income - Unrestricted	\$11	\$39	\$50		\$50
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery	\$4,194		\$4,194		\$4,194
71500 Other Revenue		\$31,325	\$31,325		\$31,325
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$722,923	\$646,741	\$1,369,664	\$0	\$1,369,664
91100 Administrative Salaries	\$48,911	\$56,613	\$105,524		\$105,524
91200 Auditing Fees	\$1,729	\$2,203	\$3,932		\$3,932
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative	\$4,274	\$6,361	\$10,635		\$10,635
91600 Office Expenses	\$9,647	\$8,462	\$18,109		\$18,109
91700 Legal Expense					
91800 Travel	\$2,511	\$6,106	\$8,617		\$8,617
91810 Allocated Overhead					
91900 Other	\$6,799	\$6,599	\$13,398		\$13,398
91000 Total Operating - Administrative	\$73,871	\$86,344	\$160,215	\$0	\$160,215
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0

Housing Authority of the City of Warsaw (IN060)  
Milford, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2015

	14,871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
93100 Water					
93200 Electricity					
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense		\$1,670	\$1,670		\$1,670
93000 Total Utilities	\$0	\$1,670	\$1,670	\$0	\$1,670
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and Other					
94300 Ordinary Maintenance and Operations Contracts	\$419	\$533	\$952		\$952
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$419	\$533	\$952	\$0	\$952
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
96110 Property Insurance					
96120 Liability Insurance	\$617	\$1,186	\$1,803		\$1,803
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total insurance Premiums	\$617	\$1,186	\$1,803	\$0	\$1,803
96200 Other General Expenses					
96210 Compensated Absences	\$3,212	\$3,480	\$6,692		\$6,692
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$3,212	\$3,480	\$6,692	\$0	\$6,692
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
96900 Total Operating Expenses	\$78,119	\$93,213	\$171,332	\$0	\$171,332
97000 Excess of Operating Revenue over Operating Expenses	\$644,804	\$553,528	\$1,198,332	\$0	\$1,198,332

Housing Authority of the City of Warsaw (IN060)  
Milford, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2015

	14.871 Housing Choice Vouchers	1 Business Activities	Subtotal	ELIM	Total
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments	\$643,147	\$532,668	\$1,175,815		\$1,175,815
97350 HAP Portability-In					
97400 Depreciation Expense	\$259	\$1,058	\$1,317		\$1,317
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$721,525	\$626,939	\$1,348,464	\$0	\$1,348,464
10010 Operating Transfer In	\$2,100		\$2,100	-\$2,100	\$0
10020 Operating transfer Out		-\$2,100	-\$2,100	\$2,100	\$0
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)		-\$78,299	-\$78,299		-\$78,299
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)	\$2,100	-\$80,399	-\$78,299	\$0	-\$78,299
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$3,498	-\$60,597	-\$57,099	\$0	-\$57,099
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	-\$3,353	\$107,467	\$104,114		\$104,114
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors					
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	\$145		\$145		\$145
11180 Housing Assistance Payments Equity	\$0		\$0		\$0
11190 Unit Months Available	2100	2748	4848		4848
11210 Number of Unit Months Leased	1973	1792	3765		3765
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					