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September 20, 2016

Board of Commissioners  
Peru Housing Authority  
701 E. Main Street  
Peru, IN 45970

We have reviewed the audit report prepared by Pamela J. Simpson, CPA, Independent Public Accountant, for the period January 1, 2015 to December 31, 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 Peru Housing Authority, as of December 31, 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

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

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**TWELVE MONTHS ENDED DECEMBER 31, 2015**

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

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## Independent Auditor's Report

Board of Directors  
Peru Housing Authority  
Peru, Indiana

I have audited the accompanying financial statements of the Peru Housing Authority, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Peru 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 Peru 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 Peru 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 Peru Housing Authority, as of December 31, 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 Peru 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 *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Further, the financial data schedules shown on pages 31 to 35 and the Certification of Actual Modernization Costs on page 23 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 May 20, 2016 on my consideration of the Peru 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  
May 20, 2016

**HOUSING AUTHORITY OF THE CITY OF PERU**  
**Peru, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDING DECEMBER 31, 2015**

The management of the Housing Authority of the City of Peru (PHA) offers this narrative overview and analysis of its audited financial statements for fiscal year ended December 31, 2015. The goal is for the reader to better understand the Authority's financial activities and its overall financial position and to show whether current year revenues covered current year expenses and the extent to which the Authority has invested its capital assets. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begins on page 7.

**FINANCIAL HIGHLIGHTS:**

- The assets of the PHA exceed its liabilities as of December 31, 2015 by \$3,141,313 (Net Position).
- The PHA's net investment in capital Assets as of December 31, 2015 was \$2,560,060.
- The PHA's total revenue and contributions for the fiscal year end December 31, 2015 was \$2,098,337.
- The PHA's total expenses for the fiscal year end December 31, 2015 were \$2,109,372.
- Therefore; the PHA's total combined expense exceeded its total combined revenue and contributions by \$11,035.

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

The following financial statements are included in this report:

- *Statement of Net Position* - reports the Authority current financial resources: its cash and other current assets, its current and non-current liabilities and comparing those two elements, the resulting net position of the PHA. A comparison between this year and the preceding year is also provided.
- *Statement of Revenue and Expenses and Changes in Net Position* - reports the PHA's various revenue and expenses and provides a comparison between this year and the preceding year.
- *Statement of Cash Flows* – reports cash inflows and outflows for the PHA's fiscal year.

**HOUSING AUTHORITY OF THE CITY OF PERU**  
**Peru, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDING DECEMBER 31, 2015**

**ANALYSIS OF FINANCIAL STATEMENTS:**

**STATEMENT OF NET POSITION**

	<u>2015</u>	<u>2014</u>	<u>INCREASE (DECREASE)</u>
Cash and investments	\$ 643,390	\$ 607,843	35,547
Other current assets	14,369	21,310	(6,941)
Capital assets (net)	<u>2,560,060</u>	<u>2,624,830</u>	<u>(64,770)</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,217,819</u></b>	<b><u>\$ 3,253,983</u></b>	<b><u>\$ (36,164)</u></b>
 Deferred Outflows of Resources	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>
<b>TOTAL</b>	<b><u>\$ 3,217,819</u></b>	<b><u>\$ 3,253,983</u></b>	<b><u>\$ (36,164)</u></b>
 Current liabilities	 \$ 61,405	 \$ 78,293	 \$ (16,888)
Non-Current liabilities	15,101	23,342	(8,241)
<b>TOTAL LIABILITIES</b>	<b><u>\$ 76,506</u></b>	<b><u>\$ 101,635</u></b>	<b><u>\$ (25,129)</u></b>
 Deferred Inflows of Resources	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>
 Net Investment in capital assets	 \$ 2,560,060	 \$ 2,624,830	 \$ (64,770)
Restricted	2,627	6,055	(3,428)
Unrestricted	<u>578,626</u>	<u>521,463</u>	<u>57,163</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 3,141,313</u></b>	<b><u>\$ 3,152,648</u></b>	<b><u>\$ (11,035)</u></b>
<b>TOTAL</b>	<b><u>\$ 3,217,819</u></b>	<b><u>\$ 3,253,983</u></b>	<b><u>\$ (36,164)</u></b>

The increase in cash and investments is due to an increase in government operating grants.

The decrease in other current assets is due to a decrease in amount owed to the Public Housing program from HUD.

The decrease in capital assets is due to current year depreciation and capital fund additions.

The decrease in current liabilities is due to a decrease in unearned revenue.

The decrease in non-current liabilities is due to a decrease in FSS escrow.

The increase in unrestricted net position is due to the current year activity not including items related to net investment in capital assets or restricted net position.

**HOUSING AUTHORITY OF THE CITY OF PERU**  
**Peru, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDING DECEMBER 31, 2015**

**ANALYSIS OF STATEMENT OF ACTIVITIES**  
**PRIOR AND CURRENT FISCAL YEAR:**

	YEAR ENDING December 31,		INCREASE (DECREASE)
	<u>2015</u>	<u>2014</u>	
<b>REVENUE AND CONTRIBUTIONS</b>			
Tenant revenue	\$ 304,724	\$ 299,267	\$ 5,457
HUD operating and capital grants	1,036,575	1,017,523	19,052
Other government grants	732,183	263,314	468,869
Interest	2,239	2,167	72
Other revenue/ Gain (loss)	16,279	7,307	8,972
Fraud recovery	6,337	4,536	1,801
TOTAL REVENUE	<u>\$ 2,098,337</u>	<u>\$ 1,594,114</u>	<u>\$ 504,223</u>
<b>EXPENSES</b>			
Administrative expenses	\$ 271,768	\$ 296,264	\$ (24,496)
Tenant services	49,953	2,304	47,649
Utilities	56,106	52,124	3,982
Ordinary maintenance	119,784	137,052	(17,268)
General expenses	94,833	70,526	24,307
Housing assistance payments	1,319,936	905,628	414,308
Extraordinary maintenance	2,169	16,416	(14,247)
Depreciation	194,823	201,597	(6,774)
TOTAL EXPENSES	<u>\$ 2,109,372</u>	<u>\$ 1,681,911</u>	<u>\$ 427,461</u>
<b>EXCESS OF EXPENSES OVER REVENUE AND CONTRIBUTIONS</b>	<u>\$ (11,035)</u>	<u>\$ (87,797)</u>	

The increase in HUD operating and capital grants is due to the increase in Operating Subsidy received, and PIH Family Self-Sufficiency Program receipts.

The increase in other government grants is due to the addition of state and local vouchers.

The decrease in administrative expenses is due to a decrease in salaries and employee benefits. The increase in tenant services is due to salaries and benefits related to the PIH Family Self-Sufficiency Program.

The decrease in ordinary maintenance costs is related to a decrease in salaries and benefits.

The increase in general expenses is due to increased amounts in compensated absence expense.

The increase in housing assistance payments is due to increased leasing for the year because of the addition of state & local vouchers.

**HOUSING AUTHORITY OF THE CITY OF PERU**  
**Peru, Indiana**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FISCAL YEAR ENDING DECEMBER 31, 2015**

**SIGNIFICANT TRANSACTIONS**

None

**BUDGETARY HIGHLIGHTS**

Low-Rent Public Housing (Operations Only)

**CAPITAL ASSETS & LONG-TERM DEBT ACTIVITY DURING THE YEAR**

There were capital asset purchases made throughout the year. They are as follows:

- Low Rent Program: 1 – Hewlett Packard lap top and 2 interior doors.
- Voucher: Desktop computer and tower.
- Additional information regarding capital assets can be found in “Notes to the Financial Statements”

**FUTURE EVENTS (NEW BUSINESS)**

None Anticipated

**CONTACTING THE AUTHORITY’S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the PHA’s finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Shirley Foreman, Executive Director, Housing Authority of the City of Peru, 701 East Main Street, Peru, IN 46970.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
AS OF DECEMBER 31, 2015**

**ASSETS**

Cash - operating	\$ 239,599
Cash - restricted	52,074
Receivables (net)	4,849
Investments	351,717
Inventory	4,520
Prepaid expenses	5,000
Capital assets:	
Land, land improvements and construction in progress	\$ 700,621
Other capital assets, net of depreciation	<u>1,859,439</u>
Total Capital Assets	<u>\$ 2,560,060</u>
Total Assets	<u>\$ 3,217,819</u>

**DEFERRED OUTFLOWS OF RESOURCES**

\$ 0

**TOTAL**

\$ 3,217,819

**LIABILITIES**

Accounts payable	\$ 34,306
Other liabilities	27,059
Unearned revenue	40
Noncurrent liabilities:	
FSS escrow	<u>15,101</u>
Total Liabilities	<u>\$ 76,506</u>

**DEFERRED INFLOWS OF RESOURCES**

\$ 0

**NET POSITION**

Net investment in capital assets	\$ 2,560,060
Restricted	2,627
Unrestricted	<u>578,626</u>
Total Net Position	<u>\$ 3,141,313</u>
<b>TOTAL</b>	<u><u>\$ 3,217,819</u></u>

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

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
TWELVE MONTHS ENDED DECEMBER 31, 2015**

Operating Income

Tenant rental revenue	\$ 290,706
Tenant revenue - other	<u>14,018</u>
 Total Rental Income	 \$ 304,724
 HUD grants - operating	 909,314
Other government grants	732,183
Fraud recovery	6,337
Other revenue	<u>16,279</u>
 Total Operating Income	 <u>\$ 1,968,837</u>

Operating Expenses

Administration	\$ 271,768
Tenant services	49,953
Utilities	56,106
Ordinary maintenance and operation	119,784
General expense	94,833
Extraordinary maintenance	2,169
Housing assistance payments	1,319,936
Depreciation	<u>194,823</u>
 Total Operating Expenses	 <u>\$ 2,109,372</u>
 Net Operating Income (Loss)	 \$ -140,535

Nonoperating Income (Expense)

Interest income	<u>\$ 2,339</u>
 Total Nonoperating Income (Expense)	 <u>\$ 2,339</u>

Capital Contributions

	<u>\$ 127,261</u>
 Changes in net position	 \$ -11,035
Net position, beginning of year	<u>3,152,348</u>
 Net position, end of year	 <u>\$ 3,141,313</u>

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

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED DECEMBER 31, 2015**

Operating Activities

Operating grants	\$ 1,630,153
Tenant revenue	307,132
Other revenue	22,616
Housing assistance payments	-1,319,936
Payments to employees	-256,091
Payments to suppliers and contractors	<u>-347,774</u>

Net Cash Provided (Used) by Operating Activities \$ 36,100

Investing Activities

Investments (purchased) redeemed	\$ 83,357
Interest income	<u>2,239</u>

Net Cash Provided (Used) by Investing Activities \$ 85,596

Capital and Related Financing Activities

Capital fund grants	\$ 127,261
(Additions) deletions to fixed assets	<u>-130,053</u>

Net Cash Provided (Used) by Financing Activities \$ -2,792

Net Change in Cash \$ 118,904

Cash Balance at December 31, 2014 172,769

Cash Balance at December 31, 2015 \$ 291,673

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
TWELVE MONTHS ENDED DECEMBER 31, 2015**

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

Net operating income (loss)	\$ -140,535
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Depreciation	194,823
(Increase) decrease in accounts receivable	7,593
(Increase) decrease in prepaid expenses	292
(Increase) decrease in inventories	-944
Increase (decrease) in account payable	2,168
Increase (decrease) in other liabilities	857
Increase (decrease) in unearned revenues	-19,913
Increase (decrease) in FSS escrow	<u>-8,241</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 36,100</u>

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

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2015**

Note 1 - Summary of Significant Accounting Policies

(a) Organization and Reporting Entity -

The Peru Housing Authority was established by the City of Peru 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 Peru 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 Peru 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.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 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 Fund
- \* Section 8 Housing Choice Vouchers
- \* State and Local
- \* 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 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 one (1) month 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.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 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 December 31, 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) Inventories and Materials -

Inventories and materials are stated at cost which approximates market determined on a first-in, first-out basis.

(i) Investments -

Investments are stated at cost which approximates market.

(j) 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 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	40	years
Equipment	5-10	years
Transportation equipment	5	years
Leasehold improvements	15	years

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2015  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

(k) 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.

(l) 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.

(m) 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.

- (n) 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 for approval.
- (o) 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.
- (p) 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.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2015  
(CONTINUED)**

Note 1 - Summary of Significant Accounting Policies

- (q) Rental income is recognized as rents become due.
- (r) 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 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.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 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'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 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	\$ 604,614	\$ 610,641
Section 8 Housing Choice Vouchers	19,630	21,753
State and Local	<u>19,146</u>	<u>27,449</u>
Total	<u>\$ 643,390</u>	<u>\$ 659,843</u>

Note 3 - Compensated Leaves

Vacation Leave

All vacation is awarded as of January 1 of each year for employees with at least six months of service. Those with less than six months will be awarded one-half of the vacation of a one-year employee. All vacation time shall be used as of December 31 of each year and shall not be allowed to accumulate.

Sick Leave

Sick leave shall be awarded at the rate of six days per year on January 1 of each year. Sick leave is accumulative without limit, however, upon separation sick leave shall be forfeited.

No liability for accrued compensated absences has been recorded based on these policies.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2015  
(CONTINUED)**

Note 4 - Simplified Employee Pension (SEP)

The Housing Authority provides each employee a Simplified Employee Pension (SEP). A SEP is a written arrangement (a plan) that allows an employer to make deductible contributions for the benefit of participating employees. The contributions are made to individual retirement arrangements (IRAs) set up for participants in the Plan administered by Well Fargo Bank.

An eligible employee is an individual who meets the following requirements:

- \* Has attained age 21
- \* Has worked for the employer one year of the last five preceding years
- \* Has received at least \$ 313 in compensation in the year

The Housing Authority Board can decide from year to year if a SEP contribution and the amount that will be made to the SEP Plan. If the employer has selected the Percentage Contribution Formula in the SEP Adoption Agreement, then employer contributions for each plan year shall be allocated to each participant in the same proportion as such participant's compensation, indexed for cost of living increases in accordance with Section 408 (k) (8) of the Code) for the Plan year bears to the total compensation of all participants for such Plan year. Total contributions made at 10% totaled \$20,438. The total related payroll expense was \$256,865 for December 31, 2015.

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:

Accounts receivable - tenants	\$	576
Allowance for doubtful accounts - tenants		-450
Fraud recovery		6,528
Allowance for doubtful accounts - fraud		<u>-1,805</u>
Total	\$	<u>4,849</u>

Note 7 - Investments

At December 31, 2015 investments consist of the following:

	<u>Rate</u>	<u>Cost</u>	<u>Fair Value</u>
Certificates of deposit	0.10-0.60%	<u>\$ 351,717</u>	<u>\$ 351,717</u>

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2015  
(CONTINUED)**

Note 8 - Prepaid Expenses

This classification includes the following accounts:

Prepaid insurance	\$ 680
Prepaid expenses	<u>4,320</u>
Total	<u>\$ 5,000</u>

Note 9 - Capital Assets

Balance as of December 31, 2015	\$ 2,560,060
Balance as of December 31, 2014	<u>2,624,830</u>
Net Increase (Decrease)	<u>\$ -64,770</u>

Reconciliation

Betterments and additions	\$ 127,261
Replacement of equipment	2,792
Current year depreciation expense	<u>-194,823</u> *
Net Increase (Decrease)	<u>\$ -64,770</u>

Analysis

	<u>01/01/2015 Balance</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>12/31/2015 Balance</u>
Land	\$ 609,137	\$ 0	\$ 0	\$ 609,137
Buildings	4,923,863	94,647	0	5,018,510
Equipment and furniture	369,663	2,792	0	372,455
Construction in progress	<u>58,870</u>	<u>78,384</u>	<u>45,770</u>	<u>91,484</u>
Total	\$ 5,961,533	\$ 175,823	\$ 45,770	\$ 6,091,586
Accumulated depreciation	<u>-3,336,703</u>	<u>0</u>	<u>194,823</u> *	<u>-3,531,526</u>
Total	<u>\$ 2,624,830</u>	<u>\$ 175,823</u>	<u>\$ 240,593</u>	<u>\$ 2,560,060</u>

\*Current year depreciation expense recognized.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2015  
(CONTINUED)**

Note 10 - Accounts Payable

This classification includes the following accounts:

Tenants security deposits	<u>\$ 34,306</u>
---------------------------	------------------

Note 11 - Other Liabilities

Accrued liabilities consists of the following:

Current Portion:

Wages/payroll taxes payable	\$ 3,595
Payment in lieu of taxes	<u>23,464</u>
Total	<u>\$ 27,059</u>

Note 12 - Unearned Revenue

This classification consists of the following:

Tenants prepaid rent	<u>\$ 40</u>
----------------------	--------------

Note 13 - Summary of Long Term Liabilities

A summary of long term liabilities as of December 31, 2015:

	<u>01/01/2015</u> <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/2015</u> <u>Balance</u>
FSS escrow	<u>\$ 23,342</u>	<u>\$ 0</u>	<u>\$ 8,241</u>	<u>\$ 15,101</u>

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 on a quarterly/annual basis.

Note 15 - 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.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**NOTES TO FINANCIAL STATEMENTS  
TWELVE MONTHS ENDED DECEMBER 31, 2015  
(CONTINUED)**

Note 16 - 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 17 - Contracts/Commitments

As of December 31, 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	\$ 108,258	\$ 91,984
CFP 501-15	<u>109,486</u>	<u>0</u>
Total	<u>\$ 217,744</u>	<u>\$ 91,984</u>

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 or 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 (49%) from the United States 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	<u>\$ 2,627</u>
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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**

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**SCHEDULE OF EXPENDABLE FEDERAL AWARDS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 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>Expenditures to Sub-recipients</u>
<u>U.S. Department of HUD</u>							
Direct Programs:							
Public and Indian Housing	14.850	C-2076	FYE 12/31/15	\$ 97,033	\$ 97,033	\$ 97,033	\$ 0
Public Housing Capital Funds	14.872	C-2076	FYE 12/31/15	\$ 208,805	\$ 132,761	\$ 132,761	\$ 0
PIH Family Self-Sufficiency Program	14.896	C-2076	FYE 12/31/15	\$ 45,562	\$ 45,562	\$ 45,562	\$ 0
Section 8 Housing Choice Vouchers*	14.871	C-2076V	FYE 12/31/15	\$ 761,219	\$ 761,219	\$ 761,219	\$ 0
<u>Flow Through</u>							
IHCDA*	14.871	HCV- 015-16	FYE 12/31/15	\$ 732,183	\$ 732,183	\$ 732,183	\$ 0
Subtotal Federal CFDA	14.871			\$ 1,493,402	\$ 1,493,402	\$ 1,493,402	\$ 0
Total Assistance				\$ 1,844,802	\$ 1,768,758	\$ 1,768,758	\$ 0

\*Denotes major program.

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS (SEFA)  
TWELVE MONTHS ENDED DECEMBER 31, 2015**

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Peru Housing Authority (Authority) and is presented on the accrual basis of accounting.

The schedule summarizes the federal funds expended by the Authority under the programs of the federal government during the year ended December 31, 2015. The schedule of expenditures of federal awards displays the Authority's expenditures charged to federal programs for the year ended December 31, 2015, the cost principals in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Peru Housing Authority has not implemented the 10 percent indirect cost rate allowed under Uniform Guidance.

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 did not receive any non-cash assistance from federal funds, had no federal insurance, nor have any loan or loan guarantees outstanding as of December 31, 2015.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**PHA's STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
PHASE IN036P091501-13**

1. The Actual Modernization Costs of Phase IN36P091501-13 are as follows:

Funds approved	\$ 100,547
Funds expended	<u>100,547</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds advanced	
Grants	\$ 100,547
Funds expended	<u>100,547</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 15, 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  
Peru Housing Authority  
Peru, 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 Peru Housing Authority, which comprise the statement of net position as of December 31, 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 Peru Housing Authority's basic financial statements and have issued my report thereon dated May 20, 2016.

**Internal Control Over Financial Reporting**

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



Decatur, Illinois  
May 20, 2016

Certified Public Accountant



## **Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Commissioners  
Peru Housing Authority  
Peru, Indiana

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

I have audited the Peru Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of the Peru Housing Authority's major federal programs for the year ended December 31, 2015. The Peru 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

My responsibility is to express an opinion on compliance for each of the Peru 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and *the Uniform Guidance* require that 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 Peru 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 Peru Housing Authority's compliance.

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

In my opinion, the Peru Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

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

Management of the Peru 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 Peru 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 *Uniform Guidance*, 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 Peru 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 of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountant

Decatur, Illinois  
May 20, 2016

**PERU HOUSING AUTHORITY  
PERU, INDIANA  
STATUS OF PRIOR AUDIT FINDINGS**

The prior audit report for the period ended December 31, 2014 contained no findings.

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - SUMMARY  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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

*Financial Statements*

Type of auditor's report:	Unmodified		
* Material weakness(es) identified?	_____	yes	_____ <u>X</u> _____ no
* Significant deficiency (ies) identified?	_____	yes	_____ <u>X</u> _____ none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <u>X</u> _____ no

*Federal Awards*

Internal control over major programs:			
* Material weakness(es) identified?	_____	yes	_____ <u>X</u> _____ no
* Significant deficiency (ies) identified?	_____	yes	_____ <u>X</u> _____ 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 2CFR 200.516(a)?

\_\_\_\_\_ yes \_\_\_\_\_ X \_\_\_\_\_ no

**Identification of major programs:**

CFDA Number(s)

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ X \_\_\_\_\_ yes \_\_\_\_\_ no

**PERU HOUSING AUTHORITY  
PERU, INDIANA**

**CURRENT FINDINGS AND RECOMMENDATIONS**

**Section II - Financial Statement Findings**

There were no financial statement audit findings discussed with Shirley Foreman, Executive Director, during the course of the audit or at an exit conference held May 20, 2016.

**Section III - Federal Award Findings**

There were no federal award audit findings discussed with Shirley Foreman, Executive Director, during the course of the audit or at an exit conference held May 20, 2016.

Housing Authority of the City of Peru (IN091)  
PERU, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	Project Total	14,871 Housing Choice Vouchers	2 State/Local	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$218,551	\$1,902	\$19,146		\$239,599		\$239,599
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted		\$17,728			\$17,728		\$17,728
114 Cash - Tenant Security Deposits	\$34,306				\$34,306		\$34,306
115 Cash - Restricted for Payment of Current Liabilities	\$40				\$40		\$40
100 Total Cash	\$252,897	\$19,630	\$19,146	\$0	\$291,673		\$291,673
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous							
126 Accounts Receivable - Tenants	\$576				\$576		\$576
126.1 Allowance for Doubtful Accounts - Tenants	-\$450				-\$450		-\$450
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery		\$6,528			\$6,528		\$6,528
128.1 Allowance for Doubtful Accounts - Fraud		-\$1,805			-\$1,805		-\$1,805
129 Accrued Interest Receivable							
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$126	\$4,723	\$0	\$0	\$4,849		\$4,849
131 Investments - Unrestricted	\$351,717				\$351,717		\$351,717
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$2,102	\$2,898			\$5,000		\$5,000
143 Inventories	\$3,785	\$735			\$4,520		\$4,520
143.1 Allowance for Obsolete Inventories	\$0	\$0			\$0		\$0
144 Inter Program Due From							
145 Assets Held for Sale							
150 Total Current Assets	\$610,627	\$27,986	\$19,146	\$0	\$657,759		\$657,759
161 Land	\$609,137				\$609,137		\$609,137
162 Buildings	\$5,018,510				\$5,018,510		\$5,018,510
163 Furniture, Equipment & Machinery - Dwellings	\$147,732				\$147,732		\$147,732
164 Furniture, Equipment & Machinery - Administration	\$183,914	\$40,809			\$224,723		\$224,723
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$3,493,291	-\$38,235			-\$3,531,526		-\$3,531,526
167 Construction in Progress	\$91,484				\$91,484		\$91,484
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,557,486	\$2,574	\$0	\$0	\$2,560,060		\$2,560,060
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	\$2,557,486	\$2,574	\$0	\$0	\$2,560,060		\$2,560,060
200 Deferred Outflow of Resources							
290 Total Assets and Deferred Outflow of Resources	\$3,168,113	\$30,560	\$19,146	\$0	\$3,217,819		\$3,217,819

Housing Authority of the City of Peru (IN091)

PERU, IN

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	Project Total	14,871 Housing Choice Vouchers	2 State/Local	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
311 Bank Overdraft							
312 Accounts Payable <= 90 Days							
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable	\$2,322	\$1,273			\$3,595		\$3,595
322 Accrued Compensated Absences - Current Portion							
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs							
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government	\$23,464				\$23,464		\$23,464
341 Tenant Security Deposits	\$34,306				\$34,306		\$34,306
342 Unearned Revenue	\$40				\$40		\$40
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							
347 Inter Program - Due To							
348 Loan Liability - Current							
310 Total Current Liabilities	\$60,132	\$1,273	\$0	\$0	\$61,405		\$61,405
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		\$15,101			\$15,101		\$15,101
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	\$15,101	\$0	\$0	\$15,101		\$15,101
300 Total Liabilities	\$60,132	\$16,374	\$0	\$0	\$76,506		\$76,506
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	\$2,557,486	\$2,574		\$0	\$2,560,060		\$2,560,060
511.4 Restricted Net Position	\$0	\$2,627		\$0	\$2,627		\$2,627
512.4 Unrestricted Net Position	\$550,495	\$8,985	\$19,146	\$0	\$578,626		\$578,626
513 Total Equity - Net Assets / Position	\$3,107,981	\$14,186	\$19,146	\$0	\$3,141,313		\$3,141,313
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,168,113	\$30,560	\$19,146	\$0	\$3,217,819		\$3,217,819

Housing Authority of the City of Peru (IN091)

PERU, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	Project Total	14,871 Housing Choice Vouchers	2 State/Local	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$290,706				\$290,706		\$290,706
70400 Tenant Revenue - Other	\$14,018				\$14,018		\$14,018
70500 Total Tenant Revenue	\$304,724	\$0	\$0	\$0	\$304,724	\$0	\$304,724
70600 HUD PHA Operating Grants	\$102,533	\$761,219		\$45,562	\$909,314		\$909,314
70610 Capital Grants	\$127,261				\$127,261		\$127,261
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			\$732,183		\$732,183		\$732,183
71100 Investment Income - Unrestricted	\$2,196	\$8	\$35		\$2,239		\$2,239
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery		\$6,337			\$6,337		\$6,337
71500 Other Revenue	\$4,680	\$11,599			\$16,279		\$16,279
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted							
70000 Total Revenue	\$541,394	\$779,163	\$732,218	\$45,562	\$2,098,337	\$0	\$2,098,337
91100 Administrative Salaries	\$63,597	\$33,355	\$46,826		\$143,778		\$143,778
91200 Auditing Fees	\$1,640	\$2,447	\$693		\$4,780		\$4,780
91300 Management Fee							
91310 Book-keeping Fee							
91400 Advertising and Marketing	\$518				\$518		\$518
91500 Employee Benefit contributions - Administrative	\$32,894	\$41,727	\$11,224		\$85,845		\$85,845
91600 Office Expenses	\$10,108	\$3,636	\$8,258		\$22,002		\$22,002
91700 Legal Expense	\$118				\$118		\$118
91800 Travel	\$308				\$308		\$308
91810 Allocated Overhead							
91900 Other	\$8,539	\$5,560	\$320		\$14,419		\$14,419
91000 Total Operating - Administrative	\$117,722	\$86,725	\$67,321	\$0	\$271,768	\$0	\$271,768
92000 Asset Management Fee							
92100 Tenant Services - Salaries	\$1,320			\$28,046	\$29,366		\$29,366
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services	\$101			\$17,516	\$17,617		\$17,617
92400 Tenant Services - Other	\$2,970				\$2,970		\$2,970
92500 Total Tenant Services	\$4,391	\$0	\$0	\$45,562	\$49,953	\$0	\$49,953

Housing Authority of the City of Peru (IN091)

PERU, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	Project Total	14,871 Housing Choice Vouchers	2 State/Local	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
93100 Water	\$5,747				\$5,747		\$5,747
93200 Electricity	\$25,582				\$25,582		\$25,582
93300 Gas	\$1,754				\$1,754		\$1,754
93400 Fuel							
93500 Labor							
93600 Sewer	\$19,873				\$19,873		\$19,873
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense	\$3,150				\$3,150		\$3,150
93000 Total Utilities	\$56,106	\$0	\$0	\$0	\$56,106	\$0	\$56,106
94100 Ordinary Maintenance and Operations - Labor	\$60,825	\$358	\$114		\$61,297		\$61,297
94200 Ordinary Maintenance and Operations - Materials and Other	\$14,016		\$3,400		\$17,416		\$17,416
94300 Ordinary Maintenance and Operations Contracts	\$12,345				\$12,345		\$12,345
94500 Employee Benefit Contributions - Ordinary Maintenance	\$28,640	\$86			\$28,726		\$28,726
94000 Total Maintenance	\$115,826	\$444	\$3,514	\$0	\$119,784	\$0	\$119,784
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
96110 Property Insurance	\$24,082				\$24,082		\$24,082
96120 Liability Insurance	\$5,195				\$5,195		\$5,195
96130 Workmen's Compensation	\$4,255	\$1,039			\$5,294		\$5,294
96140 All Other Insurance	\$2,750	\$4,035	\$4,790		\$11,575		\$11,575
96100 Total Insurance Premiums	\$36,282	\$5,074	\$4,790	\$0	\$46,146	\$0	\$46,146
96200 Other General Expenses	\$398	\$194			\$592		\$592
96210 Compensated Absences	\$12,710	\$9,714			\$22,424		\$22,424
96300 Payments in Lieu of Taxes	\$23,464				\$23,464		\$23,464
96400 Bad debt - Tenant Rents	\$707				\$707		\$707
96500 Bad debt - Mortgages							
96600 Bad debt - Other		\$1,500			\$1,500		\$1,500
96800 Severance Expense							
96000 Total Other General Expenses	\$37,279	\$11,408	\$0	\$0	\$48,687	\$0	\$48,687
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
96900 Total Operating Expenses	\$367,606	\$103,651	\$75,625	\$45,562	\$592,444	\$0	\$592,444
97000 Excess of Operating Revenue over Operating Expenses	\$173,788	\$675,512	\$656,593	\$0	\$1,505,893	\$0	\$1,505,893

Housing Authority of the City of Peru (IN091)  
PERU, IN

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	Project Total	14,871 Housing Choice Vouchers	2 State/Local	14,896 PIH Family Self-Sufficiency Program	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$2,169				\$2,169		\$2,169
97200 Casualty Losses - Non-capitalized							
97300 Housing Assistance Payments		\$693,309	\$626,627		\$1,319,936		\$1,319,936
97350 HAP Portability-In							
97400 Depreciation Expense	\$193,649	\$1,174			\$194,823		\$194,823
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$563,424	\$798,134	\$702,252	\$45,562	\$2,109,372	\$0	\$2,109,372
10010 Operating Transfer In	\$500				\$500	-\$500	\$0
10020 Operating transfer Out	-\$500				-\$500	\$500	\$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)							
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$22,030	-\$18,971	\$29,966	\$0	-\$11,035	\$0	-\$11,035
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$3,130,011	\$32,232	-\$9,895	\$0	\$3,152,348		\$3,152,348
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$925	-\$925		\$0		\$0
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity		\$11,559			\$11,559		\$11,559
11180 Housing Assistance Payments Equity		\$2,627			\$2,627		\$2,627
11190 Unit Months Available	1236	2195	2820	0	6251		6251
11210 Number of Unit Months Leased	1223	2193	2239	0	5655		5655
11270 Excess Cash	\$514,379				\$514,379		\$514,379
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$127,261				\$127,261		\$127,261
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$1,969				\$1,969		\$1,969
11650 Leasehold Improvements Purchases	\$0				\$0		\$0
11660 Infrastructure Purchases	\$0				\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0		\$0